



IAST

CONNECT #11

Winter 2017

INSTITUTE FOR ADVANCED STUDY IN TOULOUSE



**INSTITUTIONS:
THE END OF
DEMOCRACY**

Cross-pollination brings rich harvest

This past summer, I had the fortune of visiting IAST twice; for the Economics and Biology Workshop in June (photo below), and the IAST Scientific Council 5th Anniversary Conference two weeks later. It is telling that the two events have merged in my brain, so I have a hard time remembering whether I heard this or that cool story at the first meeting or the second. Let that be a sign of the uniformly high quality and inspirational nature of both events (rather than supporting the alternative hypothesis that my brain is decaying).

Where else would I be exposed to, say, a brilliant young postdoc explaining a wonderful way to explore why women are underrepresented in politics? **Lucas Novaes'** research on female politicians in Brazil is featured in this edition's 'In Depth' focus on institutions (see pages 10-19). He shows that once one has enough data on local elections, it can be narrowed down to cases where the winner and the loser differ by 10 votes or less – essentially a flip of a coin deciding who got the seat. A 2 x 2 table (male or female, winner or loser) was then used to categorize the probability that the person also ran for office in the next election. Result? Crystal clear: for men, it didn't really matter whether they'd won or lost the first time; for women, it really did.

I have since retold this story at numerous meetings: if only we had similar data on scientists so that we could better understand our own 'leaky pipeline'! Unfortunately (in this context), rejections for us scientists are not public, as they are for politicians. While we might never be able to compare the similarity of the effect in science and politics, the reactions of my biologist friends when told about such cool research in political science — ranging from being intrigued to worried — speaks volumes about the benefits of cross-pollination of ideas.

Thanks to IAST, this can happen with regularity. In these pages, you'll see evidence of the breadth and quality of its research: from **Alice Baniel's** fieldwork on sexual violence in baboons, to **Kofi Asante's** study of colonial state formation and **Vessela Daskalova's** empirical analysis of group decisions. Such quality attracts high-profile visitors from around the world, and this issue of IAST Connect also showcases talks by Stanford archaeologist **Ian Morris** and Yale economic historian **Naomi Lamoreaux**. In Toulouse, cross-pollination is already bearing fruit!



Hanna Kokko
(center, in green)
IAST Scientific Council Member and Professor of Evolutionary Ecology at University of Zurich

IAST CONNECT #11 CONTENTS

IN THIS ISSUE2
NEWS CORNER4
WELCOME6

IAST PRIZEWINNER

SEX, VIOLENCE AND EVOLUTION8
Alice Baniel

IN-DEPTH ON INSTITUTIONS

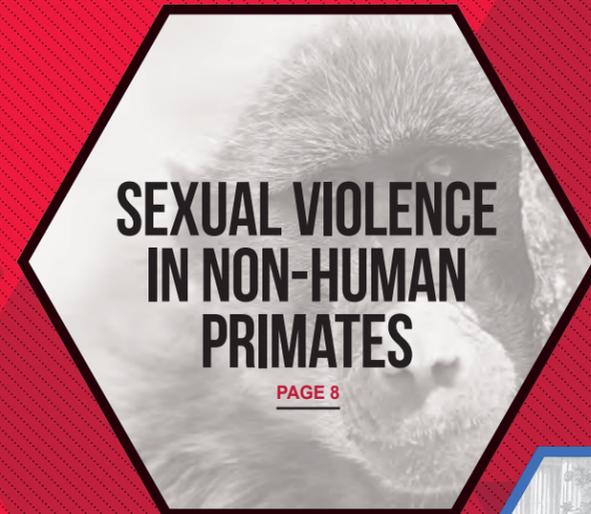
THE EXIT TRAP12
Lucas Novaes
THE END OF DEMOCRACY14
Ian Morris
THE US WAS NOT BORN MODERN16
Naomi Lamoreaux
WHO BUILT THE BRITISH EMPIRE?18
Kofi Asante

IAST TURNS FIVE20
Inspiration across boundaries

CUTTING EDGE22
When do we make unfair decisions?
Vessela Daskalova

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SEXUAL VIOLENCE
IN NON-HUMAN
PRIMATES

PAGE 8



WHY DO
WOMEN LEAVE
POLITICS?

PAGE 12



IS
DEMOCRACY
DOOMED?

PAGE 14



WAS THE US BORN
TO SUCCEED?

PAGE 16



WHO BUILT THE
BRITISH EMPIRE?

PAGE 18



WHEN DO
WE MAKE UNFAIR
DECISIONS?

PAGE 22

FLASHBACK TO RECENT EVENTS

IAST
in action

PUZZLING BELIEFS

12 MAY

ANTHROPOLOGY

Moshe Hoffman (Harvard) discussed the quirky aspects of our beliefs and preferences, motivated by learning and evolutionary processes.



SOFT ON CRIME

26 APRIL

LAW, ECONOMICS

Looking at voter responses to crime policies, Roberto Galbiati (CNRS senior researcher) spoke about the political costs of being soft on crime.



HEADHUNTING

20 OCTOBER

HISTORY

Ian Armit (University of Bradford) presented his research on severed human heads and their symbolic associations in Iron Age Europe.

COOPERATION, CONFLICT & COMPETITION

22 SEPTEMBER

BIOLOGY

Suzanne Alonzo (University of California, Santa Cruz) presented her findings on social interactions and a species of ocellated wrasse, in which three male reproductive types coexist.



SOCIAL THREATS & PARANOIA

13 OCTOBER

PSYCHOLOGY

Nichola Raihani (University College London) came to IAST to discuss the evolution of paranoia in society.

IAST
PRIZE

MULTIDISCIPLINARY RESEARCH TEAMS SHARE THE LIMELIGHT

To create bridges between disciplines, IAST awards annual prizes to the best multidisciplinary research projects.

This year the judges were again forced to choose between applications of extremely high quality. Ultimately, they decided to share the prize between the following two teams.

WINNERS 2017

ALICE BANIEL & LUKE GLOWACKI

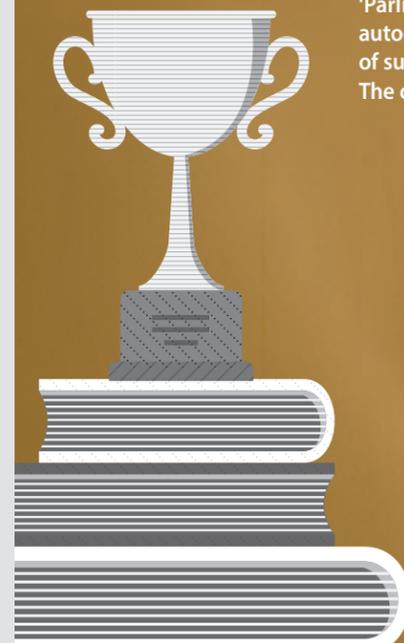
BIOLOGY/ANTHROPOLOGY

'Understanding male-female aggression in mammals and humans using a comparative approach'

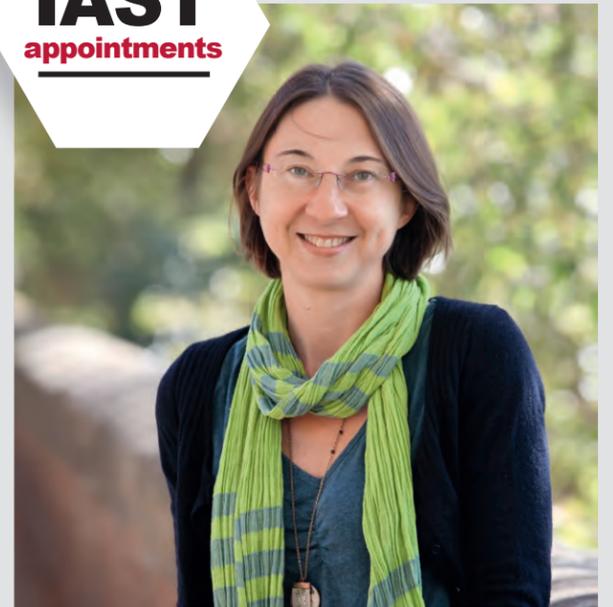
MOHAMED SALEH & CARLOS VELASCO

HISTORY/POLITICAL SCIENCE

'Parliamentary elites in autocracies and their lack of support for democracy: The case of Egypt'



IAST
appointments



SCIENTIFIC DIRECTOR

KARINE VAN DER STRAETEN

POLITICAL ECONOMY & EXPERIMENTAL ECONOMICS

Congratulations to **Karine Van Der Straeten** on her new role as IAST scientific director.



Michael Becher



Jorge Peña



Jonathan Stieglitz

ASSISTANT PROFESSORS

JORGE PEÑA, MICHAEL BECHER AND JONATHAN STIEGLITZ

Jorge Peña (evolutionary ecology) joins **Michael Becher** (political science) and **Jonathan Stieglitz** (anthropology) as IAST assistant professors.

Meet IAST's latest recruits

NEWCOMERS RESEARCH FELLOWS



IAST is honored to welcome another highly talented group of newcomers with an eclectic range of backgrounds. We expect great things.

CARLO HORZ
NEW YORK UNIVERSITY

POLITICAL SCIENCE

Carlo studies political belief formation and authoritarian politics. He is particularly interested in using game theory to elicit the conditions in which propaganda is effective.

GABRIEL MESEVAGE
OXFORD UNIVERSITY

HISTORY, ECONOMICS

Gabriel focuses his research on 19th-century financial history. One of his interests is the British 'Railway Mania' of the 1840s, and its impact on the financial press.

JESSICA BARKER
INSTITUTE FOR ADVANCED STUDY, AARHUS

BIOLOGY

Jessica is a behavioral ecologist and studies the evolution of cooperation in human and non-human animals. Her current work focuses on cooperation between groups. (arriving in April 2018)

SLIMANE DRIDI
UNIVERSITY OF PENNSYLVANIA

BIOLOGY

Slimane is an evolutionary biologist interested in social interactions, learning, evolution of plasticity and changing environments. He uses analytical and simulation modeling to answer questions at the intersection of evolutionary biology and behavioral sciences.

IRENE MENENDEZ
ZÜRICH UNIVERSITY

POLITICAL SCIENCE

Irene's research in the fields of international political economy, comparative politics and welfare states has a special focus on the political consequences of international trade and the political economy of public policies.

ELISSA PHILIP GENTRY
VANDERBILT UNIVERSITY

LAW

Elissa specializes in labor markets, human resources, risk and environmental regulation. More specifically, she is interested in health law and the risks of prescription medication.

KATHRYN SCHWARTZ
HARVARD UNIVERSITY

HISTORY

Kathryn studies modern Middle Eastern history, with a focus on the printing industry. She is currently revising her dissertation into a book entitled Print and the People of Cairo, 19th century.

HANNAH SIMPSON
NEW YORK UNIVERSITY

LAW, POLITICAL SCIENCE

Hannah studies the political economy of legal institutions, and in particular the economic determinants of access to justice. She has also worked as a public defender in New York City and as a human rights lawyer in Pakistan.

From left to right:
Carlo Horz, Gabriel Mesevage, Jessica Barker, Slimane Dridi, Irene Menendez, Elissa Philip Gentry, Kathryn Schwartz, Hannah Simpson

ARRIVING IN APRIL 2018



CAITLIN STERN
SANTA FE INSTITUTE

BIOLOGY

Caitlin's research in biology has a special focus on social behavior. She aims at acquiring a deeper understanding of the complexities of social evolution.

SIX PHDS ARE ALSO JOINING IAST THIS YEAR:

Nadège André
Law

Eva Raiber
Economics

Nasim Jamshidi
Archaeology

Antoine Jacquet
Economics

David Lagarde
Geography

Simon Fuchs
Economics

FIND OUT MORE

iast.fr/research-fellowships

Sex, violence and evolution

• ALICE BANIEL • WHY DO MALE BABOONS ATTACK FEMALES?

Sexual violence in long-term heterosexual relationships is prevalent across human populations. However, its evolutionary origins remain speculative, because little is known about comparable forms of sexual coercion in animals. IAST evolutionary biologist Alice Baniel has received extensive media coverage for her study of chacma baboons in Namibia, where she has produced new evidence that sexual intimidation may be widespread in primate societies.

Male chacma are about twice the size of females and aggressively fight one another to establish dominance. While sexual intimidation is known to occur in human and chimpanzee societies, no one has recorded a male baboon forcing a female to mate. Observing wild baboons in the Tsaobis grasslands, Alice was curious to find out if males might be coercing females in less obvious ways:

"I often noticed that male baboons were directing unprovoked attacks on females in oestrus [in heat]. They also maintained close proximity and formed a strong social bond with one particular cycling female, from the beginning of their cycle until the end."

AGGRESSIVE MALES

For the past four years, Alice and her co-researchers have been meticulously recording sexual and aggressive behavior in two large baboon troops. Their studies showed that males were more violent toward fertile

females than those that were pregnant or lactating. In fact, male aggression was a major source of injury for fertile females. Males who were more aggressive toward a certain female also had a better chance to mate with her when she was close to ovulation.

"Sexual intimidation may easily go unnoticed. Our results suggest this strategy may be widespread across social mammals"

Males didn't harass females into mating with them or punish them afterwards. Instead, males appeared to take the long view. They would attack and chase particular females repeatedly in the weeks preceding ovulation, apparently to increase their chances of monopolizing sexual access when the time was right.



SEXUAL FREEDOM

Such protracted intimidation is harder for researchers to spot than more immediate sexual harassment. *"Because sexual intimidation – where aggression and matings are not clustered in time – is discreet, it may easily go unnoticed,"* says Alice. *"Our results show that this sexual strategy may impact the long-term reproductive success and survival of the baboons, and may be widespread across social mammals – especially where males are larger than females."*

Despite their advantage as a limited resource, Alice's research suggests females may have less mating choice than previously thought: *"This study adds to growing evidence that males use coercive tactics to constrain female mating decisions in promiscuous primates, thereby questioning the extent of sexual freedom left for females in such societies and suggesting that sexual intimidation has a long evolutionary history in primates – a taxonomic group that of course includes humans."*

FROM MONKEYS TO MEN

Alice has teamed up with IAST anthropologist Luke Glowacki to investigate male-female aggression in mammals and humans using a comparative approach.

As joint winners of the IAST multidisciplinary project competition, their research aims to understand how sexual violence is shaped by different payoffs for males. *"Male-female violence in humans is very variable within and between populations,"* Alice explains. *"We would like to test how this might be explained by socio-sexual factors such as residential patterns, polygyny versus monogamy, or the sex ratio within a society. Integrating methods from behavioral biology and anthropology, we will test a series of evolutionary hypotheses about male-female aggression in both humans and mammals."* ■

SIZE MATTERS

Alice hopes further research will improve our understanding of the evolutionary importance of sexual violence: *"If prevalent in mammals, sexual intimidation may limit the evolution of female mate choice as well as influencing the evolution of social and mating systems, life histories and morphologies. For example, large sex differences in size or armaments are frequent in mammals. While such differences are thought to be driven mainly by male-male competition, sexual coercion might have also played a role."*

Alice now wants to explore variation in male baboons' levels of sexual aggression. *"My feeling was that some males were more aggressive with females than others, and that some females were 'happier' than others with their mate-guarding male,"* she says. *"I would like to understand if several strategies could coexist among males, such as being chosen by females versus intimidating them."* As part of her prizewinning new research project (see panel), Alice also plans to address similar questions in humans. ■

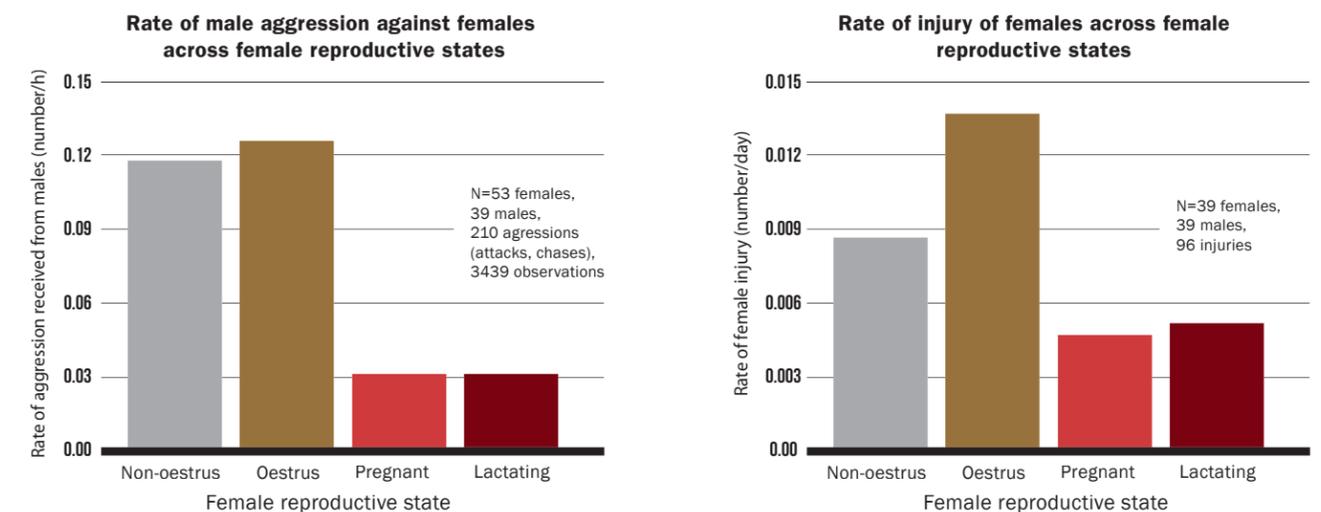


Brute force: Male chacma baboons are on average twice the size of females

FIND OUT MORE

To read Alice's research on the mating strategies of primates or the complex navigational methods used by ants, visit www.iast.fr

INTIMIDATION AS A SEXUAL STRATEGY



Fertile females suffer more male aggression and receive more injuries than pregnant and lactating females

The states we're in

Democracy and its institutions are under fire, beset by the disruptive forces of globalization, populism and technological change. How do such institutions evolve? Are they built to last? How can we improve them? Finding the answers to such questions is a central challenge at IAST. In this edition, we offer four contrasting approaches.

P12-13..... THE EXIT TRAP

Lucas Novaes – Do female politicians bounce back?

P14-15..... THE END OF DEMOCRACY

Ian Morris – What happened to the Greek ideal?

P16-17..... THE US WAS NOT BORN MODERN

Naomi Lamoreaux – How states forged a nation

P18-19..... WHO BUILT THE BRITISH EMPIRE?

Kofi Asante – Merchant princes on the Gold Coast



The exit TRAP

• LUCAS NOVAES •
DO FEMALE POLITICIANS BOUNCE BACK?

Why aren't there more women in politics? There is plenty of evidence about the obstacles encountered by potential candidates, but less is known about the difficulties women face inside the political arena. Studying all municipal elections in Brazil since 2004, IAST researcher Lucas Novaes finds that female politicians are much more likely to drop out after an initial defeat. Preliminary results also suggest that women who win elections are less likely to get married.

A successful political career – which Benjamin Disraeli compared to climbing a greasy pole – often requires bouncing back from defeat. “If you lose an election, you’re receiving a signal that maybe you’re not cut out for it. Maybe it’s time for Hillary Clinton to retire,” says Lucas. “But losing is also part of the political game for promising candidates.”

Two thirds of Brazilian incumbents have previously lost a vote. But Lucas notes that these defeats were mitigated by gains in experience and political capital: “Candidates carry their networking with voters, donors and elites to the next race. Political setbacks signal where the messaging is muted, whose support is key and where one should focus effort and resources.”

WOMEN'S STRUGGLE

Despite progress in many advanced economies, the political climb remains far more slippery for women, who constitute only 22% of representatives in national chambers. “There are a lot of distortions in popular representation around the world,” says Lucas, “but the most glaring and consistent is the lack of women in public office. It is well documented that structural, attitudinal, and institutional factors make women less likely to even aspire to run for office. Women participate less and have fewer female role models in politics, face institutional rules that block their entrance, and suffer discrimination from party elites.”

Potential female candidates often have less resources and are shunned from participating in elections by party leaders. “Although voters’ prejudice against women has been largely ruled out as a reason for the gender gap,” says Lucas, “voters still respond differently to men and women politicians, and there is evidence that parties prefer choosing men over women, even when having women is the best electoral strategy.” Most studies on the gender gap focus on these distortions that push women away from ever entering politics, or on the disadvantages women face when running in elections against men. But until now, the trajectories of women after entering politics have not received much attention.

“There are a lot of distortions in popular representation, but the most glaring and consistent is the lack of women”

FAILED QUOTAS

Efforts to narrow the gender gap with quotas have had little success in Brazil. Starting in 2012, at least 30% of open lists for proportional elections had to be female candidates. However, in 2016 less than 14% of councilors, which are elected in an open-list PR system, were women. In the Federal Congress, only 9% of legislators were female. The list requirement did not generate any spillover



effect to offices that do not require quotas. Among mayors, a more influential politician and a natural progression for successful councilors, just 11% were women. Last year, only one of the 26 state capitals had a female mayor.

The lack of substantive change after the quota implementation indicates that increasing supply and demand for women to participate in politics may not be enough, says Lucas. “The same reasons preventing women from entering the candidates’ pool may still affect them after they join the political arena. Several countries have established quotas to bridge the gender gap, but having more female candidates may do nothing to counter cemented structural factors that keep women out.”

PERSEVERANCE GAP

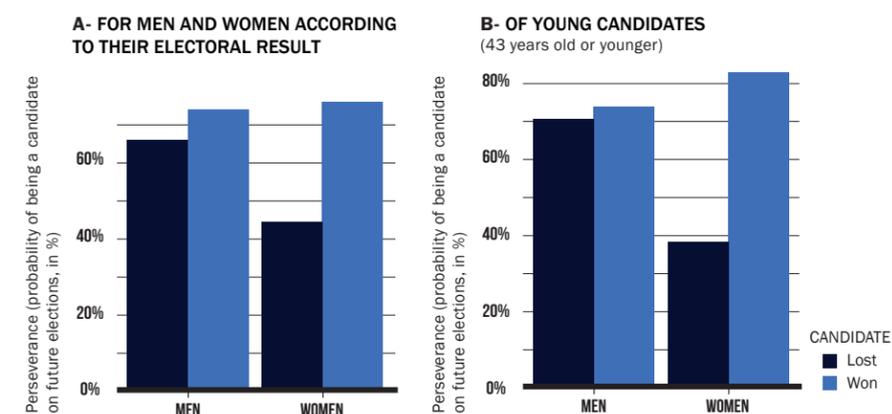
In a working paper entitled ‘The Exit Trap’, Lucas tests for a perseverance gap. His research analyzes if, when most demand factors that prevent women from entering

politics are absent, female politicians exit politics more often than men. Brazilian municipal elections provide a suitable testing field, as it is a fully democratic country, with quotas and an electoral system that makes nominations of competitive female candidates unlikely to be blocked by party elites. Mandatory disclosure of campaign contributions also allows direct examination of candidates’ resources.

“Having more female candidates may do nothing to counter structural factors that keep women out”

An important feature of Lucas’s analysis is the inclusion of elections where at least one man and one woman won, and one man and one woman lost the election, and where candidates have won or lost the election by 10 votes or less. This design ensures that candidates face the same competitors, voter preferences, political environment and elite dispositions at the time of the election. Candidates from both genders also face the same potential future competitors and voters. And, since elections are decided by a

THE EFFECTS OF INCUMBENCY ON PERSEVERANCE:



“If you lose an election, you’re receiving a signal that maybe you’re not cut out for it. Maybe it’s time for Hillary Clinton to retire,” says IAST’s Lucas Novaes. “But losing is also part of the political game for promising candidates”

very narrow margin, incumbency is assigned to candidates as if by a coin toss, which makes winners and losers of the same gender comparable.

Lucas’s results show that winning female candidates and all men have similar perseverance rates, but losing women are much less likely to run for elections again: “Looking at the losing women, we see a huge gap, only around 47% decide to run again. My research design and additional tests show that education, experience, resources and discrimination from elites cannot explain the deficit. Winning an election determines women’s perseverance, while for men it doesn’t really matter. This gap

is even greater among young candidates, so in Brazil it doesn’t look like this problem is going away soon.”

OPPORTUNITY COSTS

What can account for this perseverance gap? Analyzing the marital status of candidates after elections, Lucas finds that women who win elections get married less often. “I had to do a lot of social-media ‘stalking’ to get these preliminary results. Something is going on in the household: women face a trade-off in terms of family achievement if they want to be successful in their political careers; for men, there’s no effect. Without the compensation of being elected, the opportunity costs of remaining active in politics might be too high for some women.”

Lucas is planning to expand his research, looking more carefully at the influence of domestic life on female politicians: “The evidence so far suggests that the structural factors that keep potential female candidates out of politics are still at play even after women have entered.”

FIND OUT MORE

To read Lucas’s work on political representation and clientelism in the developing world, visit www.lucasmnovaes.com

The end of democracy

• IAN MORRIS •

WHAT HAPPENED TO THE GREEK IDEAL?

What can history tell us about the future of democracy? Ian Morris is a Stanford archaeologist and author of 14 books, including *Why the West Rules – For Now*. Speaking to IAST researchers in June, he argued that both modern and ancient democracies are attempts to solve historically specific problems of governance. As new problems emerge in the 21st century, he expects our democracies will be replaced by new political systems.



Demosthenes (384-322BC)

Why do we struggle to understand how democracy works?

Most social scientists live in democratic countries and there's a certain culture-bound triumphalism: "This is the end of history. Democracy got it right." But this raises the question, "Why were people too stupid to figure it out before?" A popular theory is that wicked elites prevent everybody from grasping this self-evident truth. That is also a convenient explanation for the roll-back in democracy in countries like Russia, Egypt and Turkey. There has also been a short-term

focus on the last few centuries. We've got lots of examples but a single historical phenomenon of the rise, but not the disappearance, of modern democracy.

What does a long-term approach reveal?

There have been three major episodes of democracy in world history. The first is associated with the vast bulk of human history, when everyone was a hunter-gatherer, from perhaps 300,000 to 10,000 years ago. The second involved Greek city states,

about 2,500 years ago. The third, of course, is the last 250 years. Comparing these three cases suggests that democracy is an attempt to solve historically specific problems of government. This is a system that works well when dispersed political participation is the most effective solution.

"Democracy is a historical process, and like everything else in history it will go away at some point"

What makes you think prehistoric societies were democratic?

Archaeological excavations suggest a lot of basic similarities between societies before 10,000 BC and the hunter-gatherer groups studied by 20th-century ethnographers. Living off wild plants and animals has major consequences: groups tend to be very small and highly mobile, responding to patterns of animal migration and ripening plants, and it's difficult to create and maintain long-term hierarchies.

These are not idyllic societies; you regularly have people pushing themselves to the front. But hunter-gatherers always develop tools to prevent would-be chiefs taking over: jokes, ostracism, abandonment, even murder. Decisions tend to get made in endless small-group discussions.

The reason for the end of prehistoric democracy was the spread of farming, producing massive increases in population density. Monopolizable resources become central

and a kind of social caging develops – it's not easy to escape threatening groups. Farming societies were usually very hierarchical, exemplified by the triumph of god-like rulers.

How does classical democracy compare with the modern version?

Ancient Greek democracy was for men only and it coexisted happily with large-scale chattel slavery. Having said that, the Greeks had a very broad male citizen franchise; the institutions they set up to ensure that all men participate are quite extraordinary. The intellectual basis for this was the rejection of the idea of a god-like ruler.

Between 700 and 500BC, cities shift more and more decisions into the hands of more and more men. In the 4th century BC, the impetus reversed. By the time the Romans show up around 200BC, they think of Greece as the land of god-like kings. *Demokratia* has been reduced to the level of local government.

What explains the rise and fall of ancient Greek democracy?

The population of the Aegean basin grows roughly tenfold between 800 and 300BC;

there's an extraordinary twentyfold expansion in the economy. They respond by importing massive amounts of food. Like the Hanseatic League and other maritime commercial networks, Greek city states seem to be places where republicanism works better than a highly centralized top-down monarchy. Dispersing political power goes along with a dispersal of economic and military power.

But Greek democracy could not scale up; the Athenians tried and failed, and were replaced by people who could. Leaders like Alexander were so great that it begins to seem plausible that they do know what the gods want. The astonishing thing is how quickly the Greeks go from absolute rejection of that idea to saying, "Yes, of course Alexander's successors are godlike rulers, they should be making the decisions."

How did we get to where we are now?

Modern democracy is a response to the maritime economies that developed around the north Atlantic. No one makes northwest Europeans and North Americans move toward republicanism in the 17th and 18th centuries, or toward democracy in the 19th and 20th centuries, but the more they move down that path, the better they fare.

After the Industrial Revolution, the benefits to aggregating the wishes of ordinary people become increasingly obvious, until eventually even sexual, racial and religious barriers come crashing down.

Is modern democracy as doomed as its predecessors?

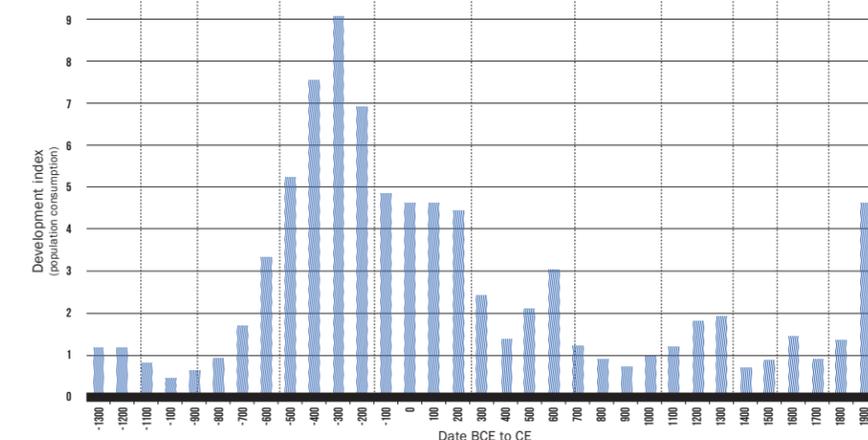
Yes. I'm confident about that. Jeremy Bentham dismissed talk of rights as "nonsense upon stilts"; talk of democracy as a human right is nonsense on even bigger stilts. Democracy is not some teleological process of the unfolding of innate human potential. It's a historical process, and like everything else in history it will go away at some point. Nothing lasts forever.

What will replace our democracies?

We don't know. I suspect that, like in ancient Greece, scaling up is an issue our democracies will face in the 21st century. We haven't had much success at scaling up above the level of the nation state. Instead, we've seen the emergence of the Davos Man class: a financial, technological, meritocratic elite. These are the Alexander the Greats of the modern age, floating above the rest of us, solving the world's problems.

Technology itself is going to impact democracy in the 21st century. We already have algorithms that know better than we do what we want. How soon are we going to have computers that know better what policies we want? How soon after that are we going to have computers that know better what policies we should want? At that point, I suspect democracy will be as anachronistic as it seemed in ancient Greece around 200BC.

DEVELOPMENT INDEX, CORE GREECE, 1300 B.C.E. – 1900 C.E.



This graph shows changes in economic development in Greece (measured as population in millions times consumption) from the Late Bronze Age through the early 20th century. "The Rise and Fall of Classical Greece" by Josiah Ober, 2015.

FIND OUT MORE

For details of Ian's other books & research, visit www.classics.stanford.edu

Ian is currently writing *Fog in the Channel: Britain, Europe and the Wider World, 600BC-AD 2103*, looking at the impact of long-term patterns on Britain's international relations in the coming century.

The US was NOT BORN MODERN

• NAOMI LAMOREAUX •
HOW STATES FORGED A NATION

In 1790, nobody knew what a modern democracy looked like. So, asks economic historian Naomi Lamoreaux (Yale), how did the US create the institutions that underpinned its future political stability and economic success? Reporting on joint work with John Joseph Wallis (University of Maryland), she argues that the answers were stumbled upon several decades later. At IAST's 'Institutional Change' workshop in June, she explained how many of US democracy's early problems were solved by state governments, when elites saw the benefits of loosening their economic stranglehold.



The standard account of US success emphasizes the American Revolution and the achievement of limited national government with constitutional checks and balances. There are two problems with this story, says Naomi: "First, lots of countries have tried to copy those institutions, but it hasn't worked. Second, almost everything that mattered for political and economic development began at the state level in the 19th century. It was the states that started extending the franchise of democracy, moving towards universal white manhood suffrage, building the country's transportation system, supplying the banking system, creating and regulating multi-owner firms."

SYSTEMATIC CORRUPTION

In the late 18th century, republican thinkers in North America had strong ideas about the danger of political tyranny. When they railed about corruption, however, they were not targeting "venal" corruption – that is, the use of public office for private gain. They feared what Wallis has labeled "systematic" corruption, that is, corruption that occurred when a political faction used government to confer economic privileges on its supporters with the aim of perpetuating its dominance.

Such fears represented a clear understanding of how politics and economics usually interact. Drawing on Wallis's book *Violence and Social Orders* (2009), Naomi argues that most societies in human history represent fragile, "limited access" equilibria. These "natural states" were dominated by elite coalitions held together by their control over economic returns, and menaced by the risk of civil war.

.....
"Most societies in human history represent fragile equilibria, dominated by elite coalitions held together by control over economic returns"

FREE BANKING

The initial steps toward "open access" in the US were highly contingent responses to the use of banks for the purposes of political control. Opposition to such corruption led to the demise of federal banking, but in a few key states the high stakes of electoral success, and the increasing competitiveness of elections, pushed legislators to take banking off the political table.

In Massachusetts, the 1812 election resulted in a crucial compromise. The Republicans had threatened to kill the Federalists' banks, but now they supported rechartering them so long as they paid the same 0.5 per cent tax on capital as the Republicans' banks. Soaring tax revenues cemented the new arrangement. By the eve of the Civil War, Massachusetts had nearly twice as much bank capital per capita as New York.

The resulting abundance of credit and low cost of capital helped to make Massachusetts one of the nation's industrial leaders, pointing the way for change elsewhere.

TAXLESS FINANCE

Americans were generally reluctant to tax themselves to pay for expensive infrastructure projects, so the states exploited various means of "taxless finance". They granted

charters of incorporation to private groups, offering lucrative privileges to reward coalitions and attract private capital. States also used their own credit to borrow, issuing bonds to be paid off with future revenue.

Unfortunately, the choice of projects was shaped more by the exigencies of elite coalition-building than potential revenue. Not surprisingly, most of these ventures ran into trouble by the early 1840s, and the resulting crisis in state finance, coupled with growing discontent over corporate privileges, produced a political earthquake.

STATE REVOLUTION

When the crisis passed, most states sought to eliminate taxless finance. They banned the issue of bonds without taxes to service them, or without approval from voters in a referendum. Legislatures were also prevented from handing out privileges, such as tax breaks or tax exemptions, to favored private companies.

At the beginning of the 19th century, private bills made up the vast bulk of legislative business. States now took aim at special charters of incorporation. Pages and pages of special laws disappeared, replaced by a smaller number of bills that applied to entire categories of individuals or organizations. By the end of the century, almost all states had banned private bills.

The increase in economic dynamism fueled by these changes spilled across state lines, spurring the growth of a vibrant and integrated national economy. In altering basic norms about what governments should do, the changes had consequences for national political institutions too. By the last quarter of the century, the US had become an



GENERAL JACKSON SLAYING THE MANY HEADED MONSTER.
 An 1836 cartoon depicts the Bank of the United States as a monster killed by Andrew Jackson. But the failure of federal banking left the door open for innovation by states.

.....
"Transition to open access is hard. Donald Trump is exactly the kind of person who would try to return us to a limited-access social order"

open-access society — in which virtually anyone could form organizations. This galvanized economic and political competition, supporting the fluid relationship between economic interests and political coalitions that is the foundation for modern growth and stability.

RESISTING TRUMP

Despite concerns about the threat to hard-won institutions from the Trump presidency, Naomi has confidence in the resilience of the current social order: "Open-access societies work because the stakes of controlling the government are greatly reduced. Transition to open access is hard, but it's a new equilibrium and it's really quite stable. There are always circumstances in which you can break out of that equilibrium; but it's not inevitable, it can last for a very long time. Trump is exactly the

kind of person who would try to return us to a limited-access social order. But immediately you get this crucial ability to counter-organize, and he runs into difficulties at every turn."

This resilience could not have been anticipated by 19th-century Americans. Requiring governments to apply rules equally to all citizens made it much more difficult to build a political coalition out of economic interests; limiting legislative discretion changed the nature of political competition. The mutually reinforcing results created one of the world's first societies to enjoy steady economic growth and secure political and civil rights. ■

FIND OUT MORE

See Naomi's research at www.history.yale.edu

She is author of several books, including *The Great Merger Movement in American Business, 1895-1904* and *Insider Lending: Banks, Personal Connections, & Economic Development in Industrial New England*.

Who built the *British Empire?*

• KOFI ASANTE • MERCHANT PRINCES ON THE GOLD COAST

Foreign empires heavily influenced the development of African institutions, but what role was left for indigenous actors? In a wide-sweeping research project, IAST sociologist and historian Kofi Asante seeks to challenge the idea that Europeans arrived with a ready-made toolkit. Tracking the rise and fall of the Gold Coast's merchant princes, he argues that their strategies of resistance and cooperation influenced colonial policymakers and shaped the incipient state.

Most sub-Saharan African state formation occurred under colonialism. Nevertheless, Kofi believes that scholars using the 'colonial legacy' explanation overemphasize the autonomy of the imperial powers: "The notion of the 'imported state' assumes that colonial authorities had complete autonomy in the erection of the structures of the state. In reality, colonial policy was shaped in important ways by resistance as well as cooperation between factions of the colonizers and the colonized."

GRASSROOTS ACTORS

'State-building' theories of modern African history focus on the role of 'creative' and often charismatic political leaders such as Kwame Nkrumah, who led the Gold Coast to independence in 1957 and changed its name to Ghana. This approach lacks historical depth, Kofi argues, as it ignores the institution-building phase of the colonial period.

Marxist theories stress that the colonial state was shaped by Western bourgeois interests, leading to the assumption that the colonial

state is not only inherited, but also 'overdeveloped'. But Kofi believes that the colonizers did not have a clear sense of what the structures of colonialism ought to be. Institutions ultimately emerged out of fraught political processes in a dynamic colonial context. Both theories are guilty of obscuring the contributions of 'grassroots' actors.

"The 'imported state' notion assumes colonial authorities had complete autonomy. But colonial policy was shaped by resistance as well as collaboration"

These approaches also fail to take account of culture. "Colonialism introduced Africa to a distinctive form of 19th-century Western culture: modernity. The articulation of this Western cultural sphere with other cultures had unanticipated reactions," says Kofi. "How was colonialism understood by indigenous people? And how did this affect how colonial



policy was implemented? Why, for instance, did women, who were prominent public actors in pre-colonial French West Africa, see their role eclipsed by the establishment of formal colonialism?"

A CLASS APART

An elite merchant class arose from the first set of Christianized and Western-educated indigenes as Europeans slowly built a presence in the Gold Coast from the 15th century onward. For decades, these 'merchant princes' were the only intermediaries between traditional societies and Western missionaries, traders and colonial administrators along the coast.

After the abolition of the slave trade in 1808, European involvement on the West African coast was minimal. European officials on the coast were few in number, and many of the merchant princes occupied crucial posts in the administration. Relations with the few Europeans on the Coast were very cozy, and many merchants adopted European names.

"These merchants were driven by a multiplicity of motives, not only commercial ones," says Kofi. "A good many of them were nationalists. Some had royal blood. Others per-

"Coaxing Britain to establish a colonial administration, the merchant princes saw themselves as heirs of the emerging social system"

formed ecclesiastical duties. Their religion, education, worldview, tastes and demeanor set them apart. They saw themselves as heirs of the emerging social system they were trying to catalyze by coaxing Britain to establish a colonial administration."

FALL FROM GRACE

By the turn of the 20th century, however, the colonial state was more firmly established as European trade on the coast had expanded, partly due to industrialization in England and the use of quinine to treat malaria. European racism became more virulent, and Africans occupying top posts in the administration found themselves pushed to the margins of the system they had helped to create.

In addition, African merchants now faced a highly competitive trading space in which they were denied access to credit, price-fixing agreements, shipping rebates and other concessions enjoyed by Europeans.

FIND OUT MORE

Read Kofi's research on state formation in colonial Africa and Ghanaian communities in modern-day Chicago at www.iast.fr

In the face of these shifts, the merchants' attitudes towards the colonial administration changed from collusion and cooperation to conflict and resistance. "They adopted a variety of strategies," Kofi explains, "including petitions, newspaper campaigns and boycotts. They forged alliances with a bewildering array of actors: including traditional chiefs, local farmers, other regional traders and nationalists, European merchants, and the colonial administration. They also had close ties to lawyers, doctors and other professionals. In Europe, they had ties to capitalists, but also to communist and anti-imperialist organizations."

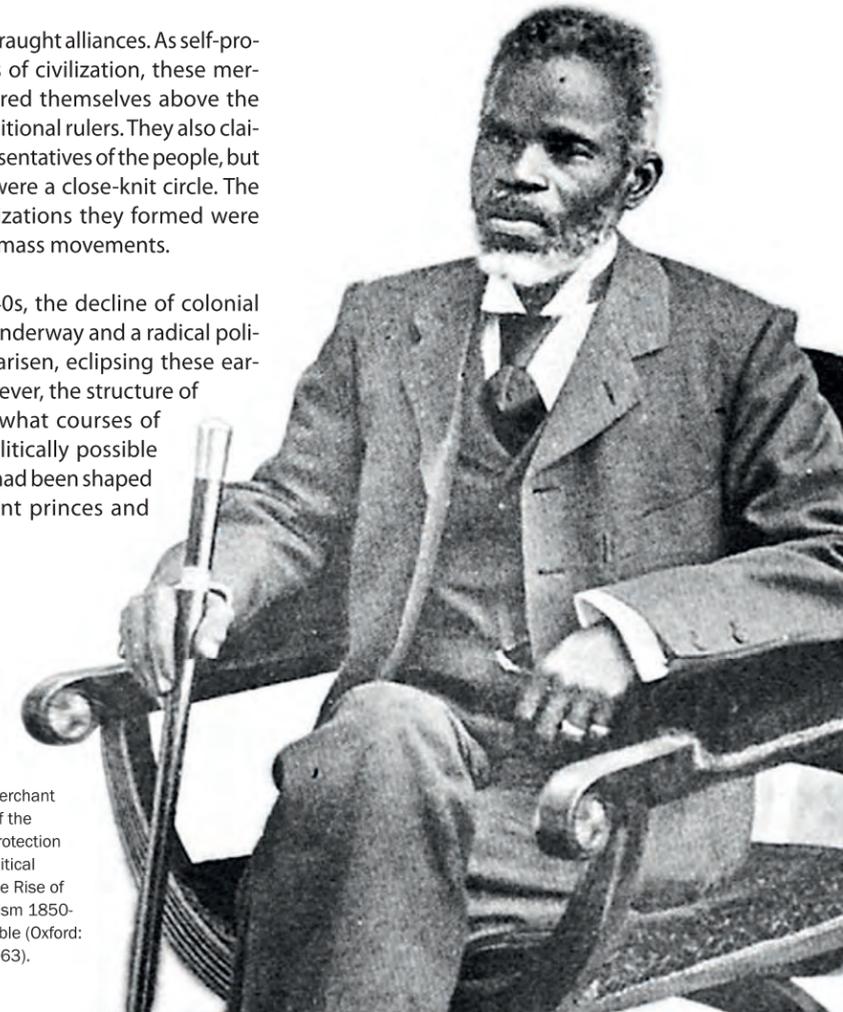
But these were fraught alliances. As self-proclaimed agents of civilization, these merchants considered themselves above the sway of the traditional rulers. They also claimed to be representatives of the people, but in reality they were a close-knit circle. The political organizations they formed were elite clubs, not mass movements.

By the late 1940s, the decline of colonial authority was underway and a radical political class had arisen, eclipsing these earlier actors. However, the structure of the state, and what courses of action were politically possible or permissible, had been shaped by the merchant princes and their allies.

Jacob Wilson Sey, merchant and first president of the Aborigines' Rights Protection Society, 1897. "A Political History of Ghana: The Rise of Gold Coast Nationalism 1850-1928" by David Kimble (Oxford: Clarendon Press, 1963).

FUTURE RESEARCH

Kofi is engaged in an ambitious project to examine the merchants' alliances. His work involves painstaking archival study in London and Ghana, piecing together information from petitions, newspapers, ledgers and account journals, letters, minutes of official committees, records of boycotts, demonstrations, interactions with chiefs, and delegations. Kofi's next project investigates the changing meanings and enactments of citizenship in Ghana. ■



CAUGHT IN THE PRESS

African merchants' suspicion about the use of public funds was a common theme in their newspapers. In the Gold Coast Times of May 30, 1884, they decried the administration's "reckless and unpardonable extravagance" and insinuated that Governor Rowe was treating an official as "his adopted son" to misappropriate funds: "There will certainly be a very rigorous protest against the reappointment of this Governor. He was not liked here and the longer we are without him the more will be our opportunities to make material progress." That year, Rowe was not reappointed.

Inspiration across boundaries

• IAST 5TH ANNIVERSARY •

IAST acts as a dynamic hub for an international network of visiting scholars who meet in Toulouse to work on a range of innovative themes. As a fast-growing and energetic start-up, IAST also hopes to inspire junior researchers to combine disciplinary rigor with cross-disciplinary insight. Here, some of IAST's bright young minds react to presentations at the 5th Anniversary Conference.



GLADYS BARRAGAN
PSYCHOLOGY

SERGEY GAVRILETS
BIOLOGY

'Collective action and the evolution of social norm internalization' by Sergey Gavrillets (University of Tennessee)

Sergey uses mathematical models to study the impact of social norms on human cooperation. This work is very interesting and useful for my own field (neuroscience) and my current work on developmental psychology. First, it has been shown that frontal areas of the brain are involved in decisions related to social norms. Second, I'm studying the function of patience and I have found that patient children are more altruistic. After reading Sergey's work, I was wondering whether this relationship could be driven by internalized social norms.



THOMAS ROMER
POLITICAL SCIENCE

'The Political Economy of Redistribution with Mistaken Beliefs' by Thomas Romer (Princeton)

Thomas shows how the mistaken beliefs of individuals about their position in an economy, or about how economies work, shape attitudes toward policy. As a historian studying the abolition of slavery in the British Caribbean colonies, I'm also interested in how morality and perceptions of the economy shape political debate. This talk was a reminder that empirical data, statistics and facts can have several different faces in given historical contexts. Perceptions of whether wealth stems from effort or luck especially have a long trajectory in capitalist societies. For example, debates in 19th-century Britain about the 'deserving' versus the 'idle poor' shaped early social welfare reforms.



LUKE GLOWACKI
ANTHROPOLOGY

ALAN SCHWARTZ
LAW

'Contract Law for a Business Economy' by Alan Schwartz (Yale)

Alan's paper is relevant to thinking about how societies solve contractual disputes when they lack courts. Even hunter-gatherer societies require formal and informal agreements. In a group of pastoralists I work with in Ethiopia, they exchange livestock for marriage opportunities. How many animals is marriage worth? When is the contract satisfied? What happens in disputes? The answers are complex, often depending on factors related to anticipated fecundity. Livestock is exchanged in a large public ceremony and everybody who has a claim participates and negotiates until satisfied. The contract terms are public knowledge and enforced by community-endorsed sanctions.



JEN SCHRADIE
SOCIOLOGY

DORA COSTA
ECONOMICS



MAXIME CAUCHOIX
BIOLOGY

DRAZEN PRELEC
NEUROECONOMICS

'Finding truth when most people are wrong' by Drazen Prelec (MIT)

I didn't know much about the 'wisdom of crowds' phenomenon. But as usual when I learn something interesting about humans at IAST conferences, I look at the animal kingdom. A recent paper shows that larger colonies of ants take faster and more accurate decisions to relocate when removed from their nest. And my collaborator Julie Morand-Ferron has shown that forming groups helps wild birds to pool competence and solve problems. I'd like to know more about the optimal group size for cognitive tasks, and whether diversity helps groups to reach more accurate answers.

'Health, Technology, and the Public Interest' by Dora Costa (UCLA)

In Dora's compelling presentation, she asks: 'Is health a public or a private good? And how does that change across time and across countries?' Right now in the US, healthcare is very much a private good. Inequality matters, and Dora examines when it matters most. For instance, her research suggests that public health interventions may be more helpful to the poor when infectious diseases affect both rich and poor, white and black. This long-term, demographic approach is critical to the study of stratification.

When do we make **un fair** decisions?

• **VESSELA DASKALOVA** •
DISCRIMINATION AND SOCIAL IDENTITY

How does social identity influence decisions? Does diversity in committees help reduce discrimination? IAST behavioral economist Vessela Daskalova aims to shed light on these and other pressing questions. Her research provides the first empirical evidence that people might discriminate differently in joint and individual decisions.

Trained as an economist in London and Cambridge, Vessela's curiosity about discrimination stretches her research across disciplinary boundaries. *"The role of social identity has been widely recognized and researched in various fields,"* she says, *"such as sociology, anthropology, social psychology, philosophy, history, and more recently in economics. Experimental findings from social psychology show that even when people are divided into two groups in the laboratory on the basis of something as unimportant as aesthetic preferences, and even when they expect no future interactions, they often discriminate between their own and other groups."*

She is interested in whether the decision-making context influences the likelihood or the nature of discrimination. Do individuals behave the same way when deciding alone and when having to coordinate with someone else? Does the identity of co-decision-makers matter?



THE EXPERIMENT

To study these questions, Vessela designed and conducted a controlled laboratory experiment. Participants were randomly divided into two groups, each of which underwent a group identity-building stage.

Decision-makers were given a small amount of money and had to decide whether to assign a project to a candidate. The outcome of the project was uncertain, if the project was successful, the decision makers received a significant financial return.

"To eradicate discrimination, we might need to eliminate not only expectations of negative treatment of the other group, but also the acceptance of favoritism of the own"

Each decision-maker made individual and joint decisions. In the latter, they had a financial incentive to coordinate with a co-decision-maker. The group identity of the candidate and of the co-decision maker was varied in a systematic way. Control sessions were also conducted in which participants were not involved in a group identity-building stage.

Discrimination was measured as differences in hiring rates of own-group versus other-group candidates. Whether discrimination is positive in favor of the own group or negative against the other group was established through a comparison with control sessions.

KEY FINDINGS

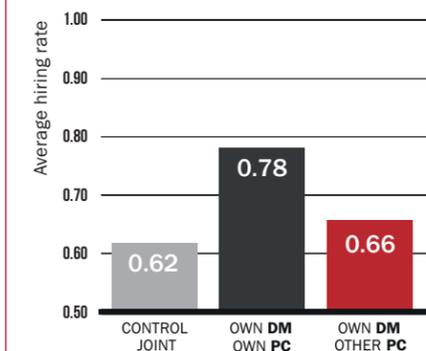
1. Individuals behaved differently when having to coordinate decisions with someone else. In joint decisions, there was strong favoritism of the own group, but there was no negative discrimination against the other group. This contrasts with individual decisions where discrimination, whenever it arose, took the form of negative treatment of the other group.
2. The identity of the co-decision-maker played an important role in joint decisions. While there was no discrimination when deciding with someone from another group, there was strong favoritism of own-group candidates in joint decisions with someone from the same group.

SELF-FULFILLING FAVORITISM

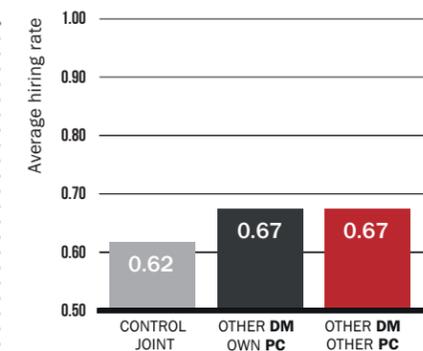
Vessela's results suggest that individual attitudes might not suffice to explain discrimination in joint decisions. She is investigating several potential explanations, including the importance of what economists refer to as higher order beliefs: *"In situations where they have to coordinate with others, decision-makers are forced to consider not only what they individually would like to do, but also what they think the co-decision-maker will do and what they think the co-decision-maker thinks they will do, and so on."*

Expectations of own group favoritism could be self-fulfilling. *"People may act according to what they believe is the expected action in society, since if both players follow such an action, they would be able to coordinate better. My results show positive discrimination in favor of the own group in joint decisions, even if the individual decision-makers do not positively discriminate when deciding alone."*

CO-DECISION MAKER IDENTITY AND DISCRIMINATION



When deciding with someone from their own group, individual decision-makers hire 12 percentage points more own-group candidates than other-group candidates, indicating substantial discrimination when the two decision-makers are of the same group.



There is no significant evidence that people discriminate between own and other group candidates when deciding with someone from the other group.

So discrimination could arise in joint decisions, even when those involved have no individual tastes or stereotypes against particular groups. *"To eradicate discrimination,"* Vessela argues, *"we might need to eradicate not only expectations of negative treatment of the other group, but also the acceptance of positive treatment of the own group."*

TWO SIDES OF A COIN

Accusations of discrimination are often countered with the argument that the other is being treated according to their "objective" characteristics. This may be true in some situations. For example, Vessela finds no negative discrimination in joint decisions. *"However, positive and negative discrimination may be two sides of the same coin,"* she warns, *"and favoritism may be no less harmful in terms of long-run efficiency and fairness. Furthermore, arguments have been made that while negative discrimination is expected to disappear in the long run, positive discrimination is expected to persist."*

By investigating discrimination in collective decisions in a controlled setting, Vessela's study is an important addition to existing research. Previous non-experimental literature shows that diversity might be beneficial in some contexts but not in others.

A tentative interpretation of her findings is that, by countering mutual expectations of own-group favoritism, diversity in committees might help reduce discrimination.

FURTHER RESEARCH

By developing new theory and conducting further experiments, Vessela hopes to learn more about which institutional set-ups are conducive to discrimination and which can help to prevent it. She believes that the study discussed here is just a first step towards a better understanding of this complex but important question and is keen to investigate different decision-making rules, such as unanimity and majority voting, and to conduct experiments using social identities such as gender, race and religion. ■

FIND OUT MORE

To see more of her research on microeconomic/game theory and behavioral/experimental economics, visit www.vesseladaskalova.com

Vessela's paper 'Discrimination, Social Identity, and Coordination' has recently been accepted for publication in *Games and Economic Behavior*.

SAVE THE DATE

December 14 - 16, 2017

The Origins of Music in Non-State Societies
 Royaumont Abbey, France

January 11-12, 2018

11th Conference on Digital Economy
 Toulouse

March 26-27, 2018

5th IAST Political Economy & Political Science Conference
 Toulouse

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