

N°2  
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INSTITUTE for  
ADVANCED  
STUDY in  
TOULOUSE

# IAST connect

## FEATURES

**Simone Sepe**

New advances  
in law & economics

**Jörgen Weibull**

Evolution and  
the theory of games

## IAST A TO Z

Our alphabet begins  
with anthropology...

## EVENTS

It's conference season!

## NEWS

Recruitments, visitors,  
and a distinguished  
lecture series



# Director's message



Dear readers,

18 months have now passed since the IAST was created, thanks to funding from the French government. The IAST is a pioneering concept in the French and European social science landscapes: inspired by the IAS of Princeton, the IAST has the ambitious long-term aim of becoming a research institution of worldwide reputation in the field of social sciences, exploring emerging concepts and encouraging the cross-fertilization of ideas.

Through the pages of this second edition of our IAST connect magazine, I hope you will get a sense of the dynamic, interactive activities we have managed to create this year thanks to all those involved in our growing project: program directors, conference organizers, visiting scholars, postdoctoral fellows, steering committee and many more – you are the first links in a chain that we imagine long and strong, and my thanks go out to you all for your energy and efforts!

Enjoy reading the magazine and we shall be back in the fall with more news on our events, programs and scholars.

PAUL SEABRIGHT - IAST DIRECTOR

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to be continued in the Autumn 2013 edition...

## A

### IS FOR ANTHROPOLOGY

The IAST will benefit from numerous interactions in the coming months within this fascinating field of study, thanks to the visits of Coren Apicella and Hillard Kaplan. Also, the first in the new series of Distinguished Lectures in Social Sciences will be given on September 19 by anthropologist Rob Boyd.

> See pages 10-11

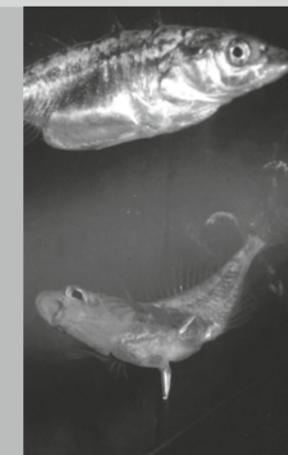


## B

### IS FOR BIOLOGY

with the arrival of the much-awaited Toulouse Economics and Biology workshop on May 23-24, providing a platform for exciting connections between economists and biologists, such as our world-renowned visitor Manfred Milinski.

> See pages 8-9 and 10-11



## C

### IS FOR CONFERENCES

it's the season! Check out a full overview of the many events the IAST is hosting in May and June.

> See pages 8-9



## D

### IS FOR DIGITAL MEDIA

thanks to the research of IAST visiting scholar Jacob Groshek.

> See pages 10-11

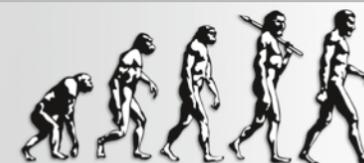


## E

### IS FOR EVOLUTIONARY ECONOMICS

the specialty of Jörgen Weibull, our featured portrait. E is also for Everything Else that you can discover in this magazine, and that we didn't have space to mention here – come back for more in the Autumn 2013 edition!

> See pages 6-7





**Simone Sepe**

# NEW ADVANCES IN LAW & ECONOMICS

**Simone joined the IAST as visiting professor in 2012.**

**After studying law in Italy and then carrying out a PhD at Yale law school with a focus on law and economics, Simone became Associate professor of law and finance at the University of Arizona.**

**His areas of expertise include business organizations, corporate finance and governance, contract theory, and the theory of institutions.**

**Simone talks to us about his role and aims as director of the IAST law program.**

## How did you connect to the IAST?

**Simone Sepe:** After my PhD at Yale I needed to improve my knowledge of economics, and my advisors unanimously suggested that I come to Toulouse. So I studied at TSE in 2009 with Jean-Charles Rochet and later Jacques Crémer, discovering a very interesting intellectual environment. I then became a Professor in the USA and heard about the launch of the IAST project. TSE is renowned for its research in the fields of contract theory and information, which are at the heart of law & economics. The IAST and I hence got married, and so far it is a very happy marriage...

## What is law and economics?

**SS:** The concept of law and economics was developed in the USA in 60s-70s as an alternative to the traditionally dogmatic, doctrinal analysis of law, where the law is considered as a self-referential system and the major task is simply to interpret the law. From the 70s, the law and economics movement advocated another view wherein law design is just a question of implementation – we first have to understand what we want to do and identify our goals in society. The best analytical tool for understanding these problems is economic modeling. Once we understand the problems, we then play with the rules via law applications, a kind of applied mechanism design.



*WE AIM TO CREATE SEASONAL TASKFORCES: TWO SESSIONS OF LAW AND ECONOMICS SCHOLARS MEETING IN TOULOUSE AND WORKING ON SPECIFIC PROJECTS, IN DECEMBER AND MAY-JUNE.*

## What are the major challenges faced by this field?

**SS:** The main problem is that law and economics scholars today have rather poor knowledge of economics, working from basic economics to address very complex problems. The major task is hence to reconsider law and economics in the light of economic theory advances made over the past 30 years. A law economist won't have as much theoretical knowledge as a pure economist, but will have the advantage of knowing the law and hence knowing institutions.

## What are the main aims of the IAST law program?

**SS:** The IAST generally aims to develop over time a more integrated program in social sciences, using economic analytical methods to approach other fields. One inspiration for the law program here is a similar project launched at Berkeley several years ago called Jurisprudence and Social Policy; this is a good model at least at the



theoretical level, and I see the IAST law program as slightly more analytical than Berkeley but with the same philosophy. In our case, we hope also to work closely with political scientists, and I am currently in discussions with the IAST political science program director regarding possible areas of collaboration.

## Any upcoming highlights for the program?

**SS:** We aim to create seasonal taskforces: two sessions of law and economics scholars meeting in Toulouse and working on specific projects, in December and May-June. Coming up very soon is our first conference in law and economics, with an outstanding panel of scholars, the best from Yale, Stanford, Cornell, Columbia, and of course TSE and the IAST! The conference, on June 20-21, is entitled "New Advances in Law and Economics", and will include a main session on Corporate Governance and Financial Regulation and another session on The Law and Economics of Decision-Making.



## FIND OUT MORE

**SIMONE SEPE:**  
[www.iast.fr/member/simone-m-sepe](http://www.iast.fr/member/simone-m-sepe)

**IAST LAW PROGRAM:**  
[www.iast.fr/disciplines/law](http://www.iast.fr/disciplines/law)

**CONFERENCE JUNE 20-21:**  
[www.iast.fr/event/new-advances-law-and-economics](http://www.iast.fr/event/new-advances-law-and-economics)



**Jörgen Weibull**

# EVOLUTION AND THE THEORY OF GAMES

Jörgen is the A.O. Wallenberg professor of economics at the Stockholm School of Economics, and an IAST visiting professor since 2012.

Jörgen's passion for research has led him from childhood dreams of theoretical physics to economic theory, political economics and game theory. While a student at the KTH Royal Institute of Technology in Stockholm he became more and more interested in mathematics, and also in social, environmental, economic and political issues. He ended up doing a PhD in applied mathematics with the intention of using his training for research in economics or biology. Shortly after his PhD, he was hired as researcher at the Institute for International Economic Studies (IIES) at Stockholm University, a great research environment in economics from which Jorgen learnt a lot, leading him to become an expert in evolutionary game theory.

Jörgen tells us more about how his IAST research weaves together mathematics, economics and biology with fascinating results.

## How did you get involved in the IAST?

**Jörgen Weibull:** I was approached by Patrick Bolton, then IAST director, and it did not take me long to decide to accept his offer to join the IAST on a part-time basis, alongside my professorship in economics at the Stockholm School of Economics. The IAST seemed to provide a great setting for interdisciplinary research, and my research project with Ingela Alger on the evolutionary foundations of human motivation and behavior appeared to fit well. I have certainly not regretted my decision to join!

## You work on evolutionary game theory – what is this?

**JW:** In comparison with classic game theory, evolutionary game theory takes more of a population perspective and focuses on the evolutionary forces behind behavior, cognition and motivation in strategic interactions. A key concept is that of an evolutionarily stable strategy, or an ESS. If adopted by a population of players in a given environment, such a strategy will be not only be a best reply to itself but is also a better reply to alternative best replies than these are to themselves. These two properties together imply robustness against “mutation” to other strategies, when these changes occur in small population shares. The ESS criterion is more demanding than Nash equilibrium and has been shown to have important implications for dynamic and stochastic stability in large populations. Evolutionary game theory has also produced results for general finite games in normal and extensive form, results that connect nicely with solution concepts in classic game theory.



*HOMO MORALIS IS A CREATURE THAT IS TORN BETWEEN TWO GOALS AND WHO STRIKES A COMPROMISE BETWEEN THESE. ONE GOAL IS SELFISHNESS, THE OTHER GOAL IS MORAL: TO DO THE “RIGHT THING”.*

## You recently discovered with Ingela Alger a new “Homo Moralis” species. What is this about?

**JW:** This “new species” sprang out of the mathematics. It emerged, to our initial surprise, from general and abstract stability conditions. Homo moralis is a creature that is torn between two goals and who strikes a compromise between these. One goal is selfishness; what behaviors are most beneficial to the actor himself or herself. The other goal is moral in the sense of Immanuel Kant's categorical imperative to do the “right thing”. In our model, this “new species” is selected by evolutionary forces while other “competing species”



are rejected. Moreover, our theoretical model allows us to determine the “degree of morality” that is evolutionarily stable. This degree depends on the social, cultural or biological setting. As a special case we obtain homo oeconomicus, or economic man, as a homo moralis with zero degree of morality. Our results suggest that perhaps pure selfishness, as a foundation for human motivation, should be replaced by a blend of selfishness and morality. Such a change would affect many predictions in economics.

## You are organizing an upcoming conference “The Toulouse Economics and Biology Workshop” – what is the aim of this event?

**JW:** The aim is to initiate a dialogue between economists and biologists, placing Toulouse on the world map for such interdisciplinary meetings. We have been fortunate enough to have 12 internationally outstanding economists and biologists accept our invitation each to give a talk and participate in discussions.

› More information on page 9!

## What are your plans for future IAST work?

**JW:** First and foremost, to continue the project with Ingela. We have already started to plan laboratory experiments, together with professor Arthur Schram in Amsterdam. Our aim is to see if homo moralis can be found not only in theory but also among human subjects in the lab. Ingela and I have also started joint theoretical work with Laurent Lehmann, a young and very talented evolutionary biologist in Lausanne, on models of stochastic population processes of relevance for social and cultural evolution.



**FIND OUT MORE**

**JÖRGEN WEIBULL:**  
<http://www.iast.fr/member/jorgen-w-weibull>



IT'S CONFERENCE SEASON! COMING UP IN MAY AND JUNE, A SERIES OF EXCITING AND VARIED INTERDISCIPLINARY EVENTS ORGANIZED BY THE IAST IN TOULOUSE WITH THE AIM OF BRINGING TOGETHER SCHOLARS FROM AROUND THE GLOBE FOR FACE TO FACE INTERDISCIPLINARY INTERACTIONS IN A WIDE RANGE OF SOCIAL SCIENCES.



## FORTHCOMING CONFERENCES

### **The Toulouse Economics and Biology Workshop**

› May 23–24, 2013  
Organized by Ingela Alger and Jörgen Weibull

### **Economics of Motivated Agents, Nonprofits and NGOs Workshop**

› June 11–12, 2013  
Organized by Emmanuelle Auriol

### **CIFAR – IAST Conference**

› June 13–15, 2013  
Organized by Roland Bénabou

### **New Advances in Law and Economics**

› June 20–21, 2013  
Organized by Simone Sepe and Jean Tirole

### **Trade and species dispersal – a dialogue between economists and ecologists**

› June 26, 2013  
Organized by Ingela Alger

### **Shifting Attitudes: Radical Upheaval and its Legacies**

› June 28, 2013  
Organized by Robert Barsky

## FOCUS ON...

### THE TOULOUSE ECONOMICS AND BIOLOGY WORKSHOP

› May 23–24, 2013

Just as physics provides a foundation for chemistry, and chemistry for medicine, biology is the natural foundation for any science that seeks to understand the behavior of living beings. Recent years have witnessed a surge in empirical and theoretical research that establishes connections between economics and biology. We are proud to present several of the key contributors to this research at the upcoming workshop.

This two-day event includes thirteen presentations and a poster session (Friday lunchtime).



## FIND OUT MORE

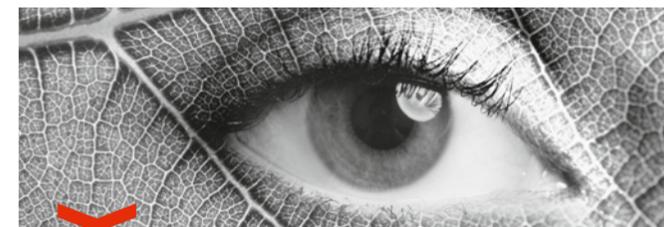
<http://www.iast.fr/event/toulouse-economics-and-biology-workshop>

### TRADE AND SPECIES DISPERSAL: A DIALOGUE BETWEEN ECONOMISTS AND ECOLOGISTS

› June 26, 2013

Biodiversity change is the greatest of all environmental problems confronting humankind. It affects food security, energy supplies, life support systems, human, animal and plant health. It also affects the stability and hence sustainability of ecosystem functioning. The dominant drivers of biodiversity change are land use, climate, and the dispersal of species through trade and travel. This event reports the results of research across the economic and ecological sciences on the consequences of trade-mediated species dispersal for the productivity and stability of managed ecosystems.

The event, from 16:30 to 18:00 on June 26, is a pre-congress session organized within the scope of the 20th annual conference of the European Association of Environmental and Resource Economists (EAERE), hosted by TSE in Toulouse on June 26–29, 2013. This special session involves three presentations and a round table.



## FIND OUT MORE

<http://www.iast.fr/event/trade-and-species-dispersal-dialogue-between-economists-and-ecologists>

**EAERE CONGRESS:** <http://www.eaere2013.org/>

### SHIFTING ATTITUDES: RADICAL UPHEAVAL AND ITS LEGACIES

› June 28, 2013

A multitude of factors have been considered as instigators or root causes of the 2008 global financial crisis, and there has been considerable hand-wringing about the obduracy and the growing indelibility of the crisis and its effects, and a plethora of research into its causes and effects. But even despite unprecedented injections of capital, important shifts in monetary policy, and on-going institutional bailouts, the global economy has yet to “recover”, in part because of profound and seemingly intractable shifts in investor and consumer attitudes. In the face of the many questions this raises, we are hosting a conference discussion that will focus on “changing attitudes”.

This will be the first of two meetings around this theme, the second being a major conference in the summer of 2014. This first one-day event will involve nine presentations from the fields of economics, history, political science, law, organizational dynamics and literature.



## FIND OUT MORE

<http://www.iast.fr/event/shifting-attitudes-radical-upheaval-and-its-legacies>



## JOINING US IN THE FALL TERM

The IAST has just completed its first job market process for the 2013-14 academic year. In total, we received over 600 applications for our different advertised positions, a very encouraging start to our second year of full activities.

We are delighted to announce the arrival in September 2013 of the following post-doctoral scholars:

Post-doctoral fellows beginning in September 2014:

› **PATRICK LE BIHAN**

NYU (political science)

› **JONATHAN KLINGLER**

Rochester (political science)

› **SEAN BOTTOMLEY**

Cambridge (economic history)

› **CÉSAR MANTILLA**

Universidad de los Andes (experimental economics)

› **SIMON JACKSON**

NYU and EUI (history)

› **HASSAN MALIK**

Harvard (history)

› **SREEMATI MITTER**

Harvard (history)

**MORE DETAILS ON THESE NEW SCHOLARS IN THE AUTUMN 2013 EDITION OF IAST CONNECT!**

## NEW LECTURE SERIES

We are delighted to announce a new series of Distinguished Lectures in Social Sciences, of which three will take place in each Fall Semester around a common theme. In 2013, the theme will be "Origins", and we are very fortunate to be welcoming the following speakers:

› **ROBERT BOYD**, anthropologist (UCLA and Arizona State University), speaking on "How Culture Shaped Human Evolution" on September 19.

› **TIM CLUTTON-BROCK**, zoologist (Cambridge), speaking on "The Origins of Society", on November 21.

› **WALTER SCHEIDEL**, classical historian (Stanford), speaking on "How Geography Shaped History", on December 19.

## VISITING US THIS SEMESTER



› **JACOB GROSHEK**

› Communication and media studies, University of Melbourne

› Visiting from May 2 to June 13

Jacob Groshek researches digital media. Typically, his areas of expertise concern online and mobile media technologies as their use may relate to political change at the macro and micro levels. His work also involves analyses of media content, media ethics, and public sentiment. At the IAST, Jacob will be developing more methods in mining and analyzing large samples of social media content.

**FIND OUT MORE**

<http://www.jgroshek.com>



› **COREN APICELLA**

› Anthropology and psychology, University of Pennsylvania

› Visiting from May 20 to June 18

Coren Apicella is assistant professor of psychology at the University of Pennsylvania, specializing in mate selection and attraction, behavioral endocrinology, sex differences, behavioral economics and the evolution of cooperation. Coren spends much of her time working in Tanzania where she studies one of the last hunter-gatherer populations in Africa.

**FIND OUT MORE**

<http://corenapicella.com>

WE ARE PROUD TO BE HOSTING A NUMBER OF HIGH-PROFILE VISITING SCHOLARS THIS SEMESTER ACROSS A BROAD RANGE OF FIELDS:



› **MANFRED MILINSKI**

› Evolutionary Biology, Max Planck Institute

› Visiting from May 21 to 26

Manfred Milinski is a scientist who has led an impressive international career in the field of evolutionary biology. Since 1999, he has been Director of the Max Planck Institute for Evolutionary Biology. His main research fields are cooperation, sexual selection and host-parasite co-evolution. Manfred's work has proven to be not only of great scientific interest for its sophisticated explanation of the mechanisms of interaction between biological organisms, but also of high relevance to important issues of general public interest. At the IAST, Manfred will be developing synergies with researchers in behavioral economics and environmental economics.

**FIND OUT MORE**

[http://www.evolbio.mpg.de/1580304/employee\\_page?employee\\_id=12050](http://www.evolbio.mpg.de/1580304/employee_page?employee_id=12050)



› **ANDREW DAUGHETY AND JENNIFER REINGANUM**

› Industrial Organization and Law and Economics, Vanderbilt University

› Visiting from June 2 to 30

Andrew Daughety is the Gertrude Conaway Vanderbilt Professor of Economics and Professor of Law. Jennifer Reinganum is the E. Bronson Ingram Professor of Economics and Professor of Law. Their recent joint research has focused on modeling imperfect competition among firms under conditions of private information about product quality, models of settlement bargaining, products liability and safety, privacy, the market for legal services, and litigation funding.

**FIND OUT MORE**

<http://www.vanderbilt.edu/econ/faculty/Daughety/Daughetyhome.html>  
<http://www.vanderbilt.edu/econ/faculty/Reinganum/Reinganumhome.html>



› **HILLARD KAPLAN**

› Evolutionary anthropology, University of New Mexico

› Visiting from June 16 to 24

Hillard's research examines the evolution of the human life course, drawing on fieldwork with a number of indigenous populations and focusing on food sharing, fertility decisions, parental investment, sex roles, subsistence behavior, intelligence, and life span. During his visit to the IAST, Hillard will be presenting a lecture on Tsimane aging and human life history evolution, and will also be working closely with Paul Seabright on the development of new multi-disciplinary research initiatives combining the strengths of economics, anthropology and biology in conducting research on questions related to health, aging and social behavior.

**FIND OUT MORE**

<http://www.unm.edu/~hkaplan/>



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