



# TOBIN PROJECT UPDATE

## Tobin's *Economic Inequality* Initiative Bringing in New Scholars and Ideas

2015

Economic inequality in America has grown rapidly over the last several decades, but its effects on our society remain hotly contested despite a great deal of careful research. The Tobin Project's *Inequality & Decision Making* initiative seeks to help remedy this situation, using experimental methods to study how inequality shapes individual behavior and ultimately aiming to clarify how it impacts our democracy, economy, and society as a whole.

In 2015, building on several years of question generation and research by the Tobin Project and a working group of top economists and psychologists, the initiative has begun to expand, with scholars exploring more potential consequences of economic inequality than ever (see box below).

Now, with these projects underway, the initiative is preparing to grow its reach and impact still further: Tobin is currently

reviewing applications to present new, early-stage behavioral research on inequality at a conference in 2016. The initiative's progress so far has demonstrated the promise of the decision making-focused approach to studying inequality. The conference aims to engage a larger, multi-disciplinary community of scholars to advance this research agenda, and, eventually, to deepen our understanding of inequality's impact on our society.

### Projects in the *Inequality & Decision Making* Initiative

*How does inequality affect risk taking, moral reasoning, and related behaviors?*

Nancy Adler and Wendy Berry Mendes (both *Psychology, UC San Francisco*) are conducting lab experiments designed to address this question and to delve into the psychological and physiological mechanisms behind any effects they may discover. After a successful pilot study, they are now running a full version of the experiment.

*What are the effects of the especially high levels of inequality found at the top of the income distribution?*

Marianne Bertrand (*University of Chicago Booth School of Business*) is leading a group studying whether, in places where physicians' incomes remain stable but their incomes relative to some of their neighbors may have fallen significantly, there are detectable changes in their professional decision making

that might be caused by visible changes in inequality.

*Why hasn't rising inequality increased public demand for redistribution?*

Raymond Fisman (*Economics, Boston University*), Ilyana Kuziemko (*Economics, Princeton University*), and David Moss (*Harvard Business School*) are investigating how lotteries might impact perceptions of economic mobility and redistributive preferences.

### INSIDE

- A new Prospectus Development Workshop supporting early-stage graduate student research
- *Sustainable Security* publication news and research highlights
- Scholars from the network advancing the Tobin mission at their home institutions

## Letter from the Directors

*The Tobin Project began as an experiment inspired by James Tobin's insight that "the most important decisions a scholar makes are what problems to work on." Could we bring together leading scholars from across the social sciences to conduct the pioneering research needed to answer the most important questions facing our society?*

The experiment is working. Through the Tobin Project's research initiatives, scholars are seeking to answer questions drawn from real-world problems and contributing to understanding critical issues across American public life. Assisted by policy-makers and Tobin's dedicated staff, they have accelerated the development of knowledge with potentially large rewards for civic discourse and public policy.

Some are exploring the boundaries of our understanding about how inequality shapes individual behavior, and from there, the fabric of our society (see page 1). Others are working to address the critical questions that must be answered by scholars and policymakers in order for the United States to craft a sustainable national security strategy (see pages 4–5).

But the Tobin Project's work does not stop there. Beyond its core research initiatives, Tobin is pursuing new approaches to catalyze problem-centered inquiry. The new Prospectus Development Workshop aims to help promising young researchers find the right questions to drive their scholarship for years to come (see page 3). David Moss's class on "The History of American Democracy," developed with assistance from the Tobin Project, has been offered not only to students at Harvard College and Harvard Business School, but, through a pilot program launched by Moss at HBS, is now also reaching a growing number of high school students across the country. Using a case-based approach, the class teaches students about American history and government,



↑ Alex Berlin, Director of Operations and Strategy, and John Cisternino, Director of Research, at the Tobin Project offices in Cambridge.

while engaging them in problem-oriented thinking (see page 3).

Just as important as Tobin's research and other initiatives, engagement in the Tobin Project has led scholars to change how they approach their work. Some have even launched initiatives at their home institutions that are fostering new communities of collaborative inquiry focused on critical problems in the world (see page 6).

We are thrilled with this progress. And we are eager to build on it: to create more opportunities for this kind of work and to encourage others to join in it. In doing so, we aim to increase the contributions that problem-centered research can make.

This progress has come only because of your participation—the scholars, policymakers, supporters, and staff who believe in the power of looking to real-world problems to guide research and in the power of scholarship to help make a better world. With your ongoing engagement, the Tobin Project's impact can continue to grow and help scholars make ever-greater contributions to society.

We are grateful to have the opportunity to work with you to carry this mission forward. For all your efforts in service of this important project—past, ongoing, and yet to come—we thank you.

*Alex Berlin and John Cisternino*

## David Moss's *History of American Democracy* Course Spreading to High Schools

This September, 21 high school teachers from across the country attended a Harvard Business School workshop led by David Moss that introduced them to an innovative, case-based approach to teaching American history and government. The cases were drawn from Moss's popular Harvard course, "The History of American Democracy," which he developed at Harvard Business School and in consultation with the Tobin Project. The course presents important challenges in American democratic life, ranging from the debate over a new constitution in the late 1780s to the struggle against Jim Crow and race-based voting restrictions in the 1950s and 1960s, and asks students to analyze these moments in their historical context, paying particular attention to choices facing key decision makers.

*By all accounts, the participating teachers have engaged deeply with both the subject matter and the distinctive case-method pedagogy and have thought carefully about how to adapt Moss's teaching plans for their own students across a range of cases.*

This case-based approach to the history of American democracy is an exciting element of Tobin's *Institutions of Democracy* initiative, which aims to orient scholarship toward a deeper understanding of the broad range of factors shaping our democracy. While the initiative has largely focused on catalyzing research, the course's fresh take on historical pedagogy is another promising path toward the broader goal. It has been remarkably successful so far, proving highly popular with Harvard undergraduates and MBA students alike.

Building on this success, Moss and a team at HBS have started to bring the course to high schools. The extent to which the cases can excite and engage high school students will not be entirely clear until the pilot project is complete at the end of the academic year, but early reports from teachers and their enthusiastic response to the workshop have been encouraging. By all accounts, the participating teachers have engaged deeply with both the subject matter and the distinctive case-method pedagogy and have thought carefully about how to adapt Moss's teaching plans for their own students across a range of cases. More challenges lie ahead, but Moss feels the experiment is well worth it: the course offers a new opportunity to enliven history and civics education and get younger students thinking critically about what makes democracy work.

## Dissertation Questions Connect to Problems in the World at Prospectus Development Workshop

In May, the Tobin Project held a pilot Prospectus Development Workshop for promising graduate students across the social sciences. Seven graduate students embarking on innovative research joined Tobin staff and alumni of Tobin's Graduate Student Forum for a weekend of discussion and critique of the participants' dissertation prospectuses.

The dissertation is a seminal moment in a scholar's career, and their choice of research question often guides their work for many years to come. By helping participants refine their ideas at this critical early stage, the program aims to help students set their course toward a career of conducting social science research that strives to deepen our understanding of important real-world problems.

The participants brought research projects that addressed a wide range of issues, from unemployment and job-seeking during recessions to China's use of non-military coercion. They received in-depth, interdisciplinary feedback, which participants said can be hard to come by. In many cases, participants told Tobin staff members that the advice they received at the workshop would strengthen their work, especially by encouraging them to ask "bolder question[s]" with greater potential for impact. The participants also said they found it exciting to be part of a group with such a clear commitment to strengthening each other's research, with one discussant calling the forum "a rare experience of intellectual exhilaration."

## *Sustainable Security* to Be Published by Oxford University Press

How can the United States craft a sustainable national security strategy in a world characterized by shifting threats, sharp resource constraints, and a changing balance of power? For the last three years, members of Tobin’s *National Security* initiative have worked to address this question. This work has already led to several widely read articles in academic

journals, and Tobin is excited to announce that an edited volume of the research will be published by Oxford University Press.

*Sustainable Security: Rethinking American National Security Strategy* brings together sixteen leading scholars from across political science, history, and political economy to highlight a range of American security

considerations that deserve a larger role in both scholarship and strategic decision-making. The Tobin Project will make the research from the initiative freely available online until the book’s publication, and we encourage scholars and policymakers to take advantage of this resource for research, teaching, and better understanding America’s place in the world.

## Research from *Sustainable Security*

### Preserving National Strength in a Period of Fiscal Restraint

AN OVERVIEW OF CINDY WILLIAMS’S CHAPTER

Sequestration, economic crisis, growing debt, and the ends of the wars in Iraq and Afghanistan have already brought the U.S. defense budget to its lowest level in recent years, Cindy Williams (*Security Studies, MIT*) writes in *Sustainable Security*, and it is likely to continue shrinking. Further, she adds, if we fail to control growing personnel costs like healthcare, a large and capable military will be even harder to maintain in the future. To help prepare for such a scenario, Williams lays out three different plans for how to reduce the size of the armed forces—targeting a non-war budget of \$470 billion (in 2013 dollars), 20% lower than its 2010 peak—while keeping them as effective as possible.

#### *Three Options for a Smaller U.S. Military*

Proportional Cuts	Rebalanced Force	Reversible Cuts
<ul style="list-style-type: none"> <li>Keeps the balance between services and active/reserve the same as today</li> <li>Maintains the largest active-duty Army of the three plans</li> <li>Smaller Navy not as well-suited to pivot to Asia-Pacific region</li> <li>May be more politically feasible</li> </ul>	<ul style="list-style-type: none"> <li>Cuts Army more, Navy less than “Proportional Cuts” approach</li> <li>Oriented more toward Asia-Pacific pivot, less toward land combat and counterinsurgency</li> <li>Eliminates ICBMs, keeps nuclear missile submarines and strategic bombers</li> </ul>	<ul style="list-style-type: none"> <li>Emphasizes maritime capabilities, but retains larger Army and Marine reserves than “Rebalanced Force” in case of large land combat operations</li> <li>Uses innovative Army “leadership cadres” to retain mid-grade officers and NCOs in peacetime</li> </ul>

READ THE CHAPTER ONLINE

[tobinproject.org/books-papers/sustainable-security](http://tobinproject.org/books-papers/sustainable-security)

## At Home Abroad: Public Attitudes Towards America's Overseas Commitments

### AN OVERVIEW OF BEN VALENTINO'S CHAPTER

During the *Sustainable Security* initiative, Ben Valentino (*Government, Dartmouth College*) discovered that there was remarkably little up-to-date data on American public opinion regarding the nation's military alliances and other international commitments. He set out to fill this gap by conducting a new public opinion survey with questions from a broad group of national security scholars. Valentino's chapter in the forthcoming volume uses this and other data to help answer the question: How do Americans evaluate the nation's highly active role in the world, and what is the reasoning behind their positions?

Valentino finds that many Americans are concerned about the cost of major overseas commitments: more than 60% of respondents agreed that "The United States can no longer afford to maintain its commitments to defend all of its current allies around the world" (see Figure 1). However, they also remain strongly supportive of each of their country's major commitments and alliances. For example, a majority of respondents agreed that "The United States should maintain the NATO alliance because we share common values and political systems with other NATO countries" (see Figure 2).

Overall, Valentino concludes that despite intensifying worries about finite resources, Americans currently support the "internationalist consensus." However, in part because he finds that Americans have limited knowledge of foreign affairs, he concludes that their support for the "international consensus" may be fragile and could weaken significantly in response to a determined leader who opposed the consensus or a major shock to the system.

Figure 1: "The United States can no longer afford to maintain its commitments to defend all of its current allies around the world."

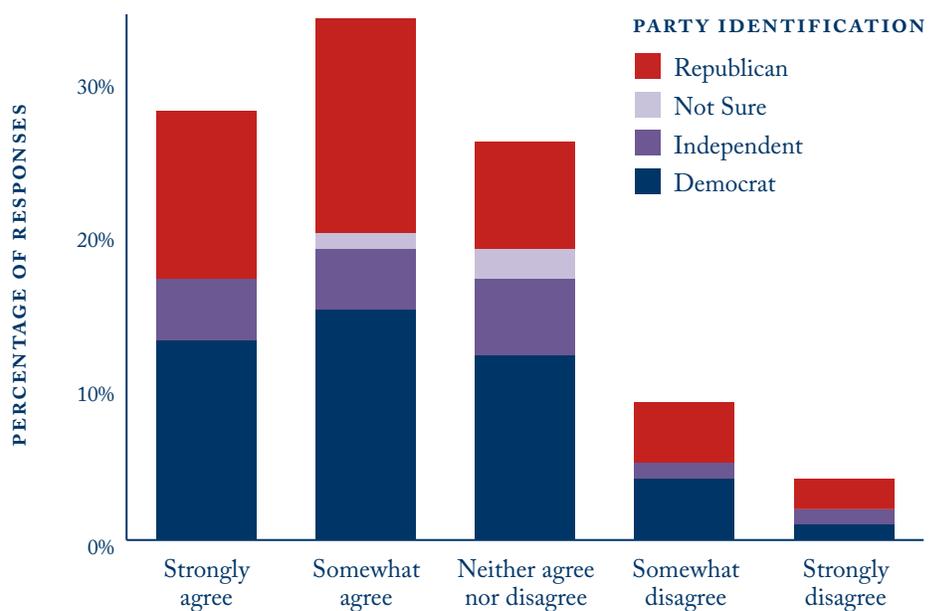
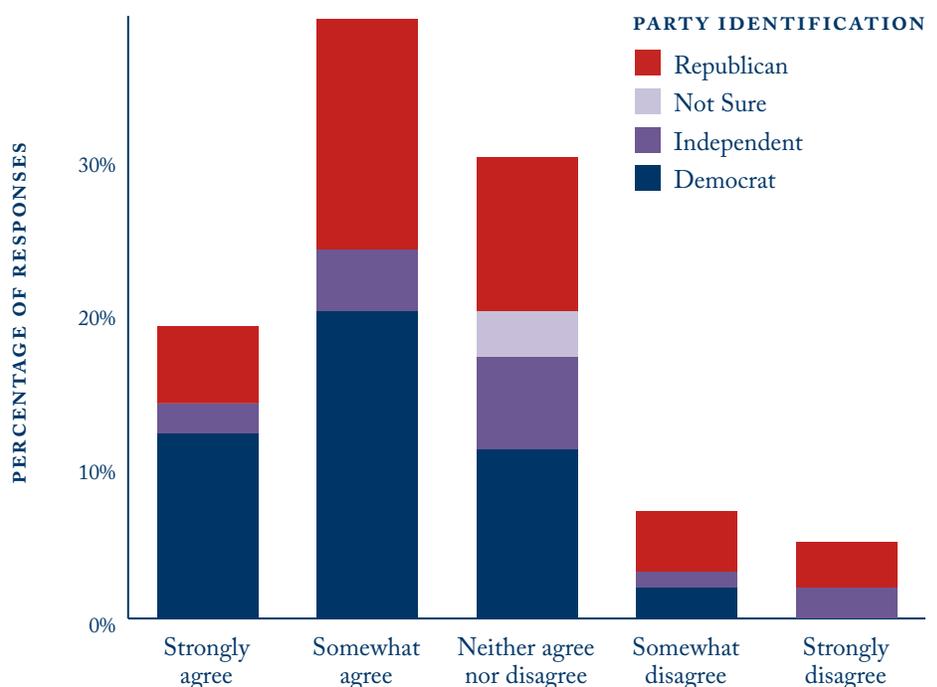


Figure 2: "The United States should maintain the NATO alliance because we share common values and political systems with other NATO countries."



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## Government & Markets Scholars Take the Tobin Mission beyond the Research Initiatives

Scholars' participation in the Tobin Project goes far beyond their work on the research initiatives. Members of the community have found many potent methods for advancing problem-centered social science, with several notable contributions coming from Tobin's *Government & Markets* network.

One such contribution is the Rethinking Regulation program at Duke University's Kenan Institute for Ethics. Started by Ed Balleisen in 2009 (see interview on facing page), in part with a small amount of seed funding from Tobin, Rethinking Regulation brings together an interdisciplinary regional network of scholars for collaborative research projects that investigate the effectiveness and public-interestedness of regulation. Their largest accomplishment so far, according to Balleisen, is the forthcoming edited volume *Policy Shock*, which studies regulatory responses to major crises.

While Balleisen recently stepped down from the leadership of Rethinking Regulation to serve as Duke's Vice Provost for Interdisciplinary Studies, he leaves it in

the capable hands of Lori Benneer (*Environmental Economics and Policy, Duke University*) and Jonathan Weiner (*Duke Law School*). Further, he is confident that the community has reached a self-sustaining critical mass—last year, for instance, a group of graduate students organized their own reading group within the organization, and they are planning a set of new collaborative research projects.

Annelise Riles (*Law and Anthropology, Cornell University*) and Tom Baker (*University of Pennsylvania Law School*) have also created new venues for scholars to focus their research on important problems. In the wake of Tobin's 2009 *Government & Markets* conference, they convened a group of researchers for a series of conferences on "Behavioral and Institutional Regulation" meant to bridge the gap between cutting-edge work by behavioral economists, psychologists, and ethnographers. Since then, Baker has applied his deep knowledge of insurance law to the implementation of the Affordable Care Act and Riles has undertaken additional



↑ Tom Baker speaks at a conference on consumer choice in healthcare.

projects at Cornell, including her book *Collateral Knowledge: Legal Reasoning in the Global Financial Markets* (2011). In 2012, she founded Meridian 180, a non-partisan community which brings together academics, policymakers, and practitioners from both sides of the Pacific for dialogues on current legal and policy issues. More recently, in 2015, Meridian 180 and Cornell's Global Finance Initiative launched a fellowship on "The Changing Politics of Central Banking," in part with support from Tobin. The graduate fellows will survey the existing knowledge on the political and social contexts of today's powerful central banks, and will present their work to a wider audience at a conference later this year.

These are only a few of the research groups and projects shaped by scholars across the Tobin network that reflect their commitment to James Tobin's belief that "knowledge advances when striking real-world events and issues pose puzzles we have to try to understand and resolve." The Tobin Project exists to help scholars cultivate and grow the space in academia for such research, and it is exciting to see leading scholars building new communities around this goal.

← Annelise Riles solicits comments from the audience during a Clarke East Asian Law and Culture Program colloquium at Cornell.



## Professor Ed Balleisen on Catalyzing Collaborative Interdisciplinary Research

*Professor Balleisen (History, Duke University) has been a part of the Tobin Project since 2006, chairing the Economic Regulation Working Group through two major conferences and co-editing *Government & Markets: Toward a New Theory of Regulation*. He founded the *Rethinking Regulation* working group at Duke in 2009, and is now Duke University's Vice Provost for Interdisciplinary Studies. We spoke to him about these experiences this fall.*

**Q:** *How has working with the Tobin Project influenced your career?*

**A:** What was the impact of Tobin on my outlook as a scholar, researcher, and teacher? I think it was pretty profound.

Helping build the Regulation Working Group was an education for me on several fronts: it meant reading and thinking and learning about perspectives on regulatory governance that I had not systematically thought through before, from economics, sociology, political science, and cultural anthropology. It also meant coming to grips with the challenges associated with organizing academics.

Now, I have produced numerous publications on regulatory governance that I would not have otherwise written. In addition, my vantage point on all kinds of issues and questions is much more sophisticated. The book manuscript that I have now completed on the history of American anti-fraud regulation is a lot better for the path that Tobin opened up for me. And I have gained invaluable experience in organizing interdisciplinary scholarship that has implications for knowledge in the service of society.

**Q:** *How did you get started with organizing interdisciplinary scholarship at Duke?*

**A:** It occurred to me at Tobin's 2009 regulation conference that to build out



↑ Ed Balleisen, Associate Professor of History and Vice Provost for Interdisciplinary Affairs at Duke University.

*“The impact of Tobin on my outlook as a scholar, researcher, and teacher... was pretty profound.”*

this model that Tobin had been developing, people had to start replicating it. I became convinced that the model had great value, and I realized that I enjoyed the challenge of pulling people together for a common purpose across disciplinary lines.

**Q:** *Tell us about your new position at Duke.*

**A:** This position gives me the opportunity to facilitate more endeavors [like Tobin and Rethinking Regulation] by many people right across the university—not just in the social sciences, but in the humanities, the sciences, the applied sciences, and the professional schools. So it's a chance to help creative people at Duke achieve similar kinds of aspirations and goals, to learn about other ways of organizing these types of endeavors, to deepen the commitment to and impact of such undertakings, and maybe even to improve how they work.

## Leadership Announcement

We are pleased to announce that the Tobin Project has a new Director of Operations and Strategy, Alex Berlin. Alex joined Tobin this spring from the U.S. Department of Justice, where he served as a Trial Attorney and Assistant U.S. Attorney. As of the end of 2015, Alex has already helped guide Tobin through several months of change and transition, and we are excited for him to help lead the organization as it enters its next phase.

## Mission Statement

The Tobin Project is a catalyst for transformative research in the social sciences. The mission of the Tobin Project is to mobilize, motivate, and support a community of scholars across the social sciences and allied fields seeking to deepen our understanding of significant challenges facing the nation over the long term. Toward this end, the Tobin Project aims to identify and pursue questions that, if addressed with rigorous scholarly research, could have the greatest potential to benefit society and to unlock doors within the academy to new and vital lines of inquiry.

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