

# INSTITUTIONS, ORGANIZATIONS & GROWTH

Takes an integrated approach to basic questions — such as what makes some countries rich and others poor, some societies violent and others peaceful, some states strong and others weak — by examining the crucial roles of different types of institutions.

A number of book projects and publications generated by program members increased the overall visibility of the program this year. Many of the projects show how interactions between members have shaped ideas and public discourse around broad themes including social evolution, globalization and psychological explanations for political behaviours.

Three program meetings were held this year, in Toronto, Whistler and Zurich, which involved substantial interactions between program fellows and invited guests, including local hosts in Zurich at the UBS International Center of Economics in Society at the University of Zurich. Meeting discussions covered a range of topics, including economic performance and cultural change, robots and jobs, effects of top income inequality and factions in non-democracies.

## RESEARCH HIGHLIGHTS

In a collaborative project, Program Associate Director **Francesco Trebbi** and Senior Fellow **Patrick Francois** (both University of British Columbia) addressed factional arrangements and dynamics within the modern Chinese Communist Party. The model of internal organization within single-party regimes suggested by the authors provides novel insights into the role of factions in these regimes. By focusing on elite organizations in a nondemocracy, this work contributes to the literature on the political economy of economic development.

- **Francois P, Trebbi F, Xiao K.** 2017. Factions in nondemocracies: theory and evidence from the Chinese Communist Party. NBER Working Paper.

Fellow **M. Marit Rehavi** (University of British Columbia) and colleagues addressed how physicians' relationships with patients shape their decision-making practices and courses of treatment. The authors found that obstetricians were 25 per cent more likely to perform C-sections on their own patients (for whom a history of interactions existed prior to delivery) than on patients with whom they had no prior interaction or relationship. This work demonstrates that physician-patient relationships can have a large impact on clinical decisions.

- Johnson E, **Marit Rehavi M**, et al. 2016. A doctor will see you now: physician-patient relationships and clinical decisions. NBER Working Paper.

Senior Fellow **Guido Tabellini** (Bocconi University) and colleagues studied political polarization induced by the violent events of World War II, particularly how the Italian civil war and the Nazi occupation shaped the post-war political system. This work shows the lasting impact (until the early 1990s) on political extremism and polarization in the fledgling Italian democracy.

- Fontana N, Nannicini T, **Tabellini, G.** 2017. Historical roots of political extremism: the effects of Nazi occupation of Italy. IZA Discussion Papers, No. 10551.

## Other Notable Publications and Outputs

- Bó ED, Persson T, et al. 2017. Who becomes a politician? Q J Econ. Available online.



Senior Fellow Daron Acemoglu delivered the David Dodge CIFAR Lecture.

# AT A GLANCE

**FOUNDED:** 2004

**MOST RECENT RENEWAL:** 2014

**PROGRAM DIRECTOR:** Torsten Persson, Stockholm University

**FELLOWS, ADVISORS AND CIFAR AZRIELI GLOBAL SCHOLARS:** 30

**INSTITUTIONS REPRESENTED:** 16, in 6 countries

**FIELDS AND SUBFIELDS REPRESENTED:** economics; political science; economic and political history; social psychology; anthropology

**MEETINGS:** 3; in Toronto and Whistler, Canada, and Zurich, Switzerland

**RELEVANT KNOWLEDGE USERS:** policy makers (federal and provincial governments); international institutions such as the International Monetary Fund, World Bank and International Labour Office; international development organizations

**SUPPORTERS:** BMO Financial Group | Maxine Granovsky and Ira Gluskin | Jon and Laura Hantho | (1 Anonymous Donor)

**TO LEARN MORE:** [www.cifar.ca/research/institutions-organizations-growth/](http://www.cifar.ca/research/institutions-organizations-growth/)

- Aghion P, Jackson M. Inducing leaders to take risky decisions: dismissal, tenure, and term limits. *Am Econ J Microeconomics*. 8(3): 1-38.
- Trefler D, Sutton J. 2016. Deductions from the export basket: capabilities, wealth and trade. *J Polit Econ*. 124(3).

## IDEAS EXCHANGE

Program Fellow **Patrick Francois** (University of British Columbia) presented alongside CIFAR Social Interaction, Identity & Well-being Fellow **Lara Aknin** (Simon Fraser University) at a Change Makers workshops themed around the psychology of giving. The workshop engaged leaders from the non-profit sector specialized in individual and group philanthropy, as well as companies with corporate social responsibility mandates, to explore new insights on the social and economic impacts of charitable giving.

Senior Fellow **Daron Acemoglu** (Massachusetts Institute of Technology) presented the second annual David Dodge CIFAR Lecture to over 100 people from government,

industry and academia. His talk, Robotics, AI and the Future of Work, discussed the consequences to society as robots and artificial intelligence take over more and more work.

## PUBLIC AND DONOR EVENTS

In September 2016, **Joseph Henrich** (University of British Columbia) presented the second annual CIFAR Massey Talk, organized in partnership with Massey College. Henrich discussed ideas from his new book *The Secret of Our Success*, arguing that it is cultural learning rather than individual intelligence that has set humans apart as a species.

## GLOBAL ACADEMY

The program welcomed its first two CIFAR Azrieli Global Scholars in 2016/2017: **Natalie Bau** (University of Toronto) and **Raul Sanchez de la Sierra** (University of California, Berkeley). Both presented their latest research at the October 2016 program meeting.

**CIFAR Azrieli Global Scholar Natalie Bau discussed the economics of culture at CIFAR's winter dinner, introducing the Future of Research.**

