



HAPPY DAYS AND HAPPY END ELKE U. WEBER

Born in Germany in 1957, I emigrated to Canada in 1976. After an undergraduate degree in Psychology from York University in Toronto and a Ph.D. in Behavior- and Decision-Analysis from Harvard, I continued my *Lehr- und Wanderjahre* with faculty positions at the University of Illinois at Urbana-Champaign, the University of Chicago, and the Ohio State University. During this time I also held the guest chair in Organizational Behavior and Leadership at the Otto Beisheim Graduate School of Corporate Management in Koblenz for a semester and spent a year at the Center for Advanced Studies in the Behavioral Sciences at Stanford. Since 1999, I have been Professor of Management and Psychology at Columbia University, where I founded and co-direct the Center for the Decision Sciences. My work is at the intersection of psychology and economics and attempts to model the effects of individual, social, cultural, and situational variables on decision-making and risk taking. Applications range from investment decisions to medical diagnosis and human adaptation to environmental (and especially climate) variability and change. – Address: Columbia University, Graduate School of Business, 3022 Broadway, New York, NY 10027. E-mail: euw2@columbia.edu

Task At Hand

How to structure a report about

- five months of intellectual exploration, analysis, and synthesis in a stimulating working group and a city of superb cultural resources, without the interruptions of administrative and instructional responsibilities?

- five months that offered the chance to reconnect to the language and literature of my childhood and adolescence and to the history and cultural heritage of my East Prussian ancestry?
- five months that allowed me to bring to fruition a long list of older projects and to creatively embark on new ones?

Upon lengthy reflection, I have come to realize that it is entirely impossible to condense the sparkling and happily bulging richness of these Wiko months into a finite-page summary. But try one must, and in this spirit I offer some fragments of observation that may arrange and rearrange themselves to provide an account of my time here.

The Happiness of Being Part of a Meaningful “Us”

To find oneself in the company of intelligent and argumentative scholars with the leisure and peace of mind to engage in intellectual give and take is a rare and precious event. Add to this some colorful personalities, genuine mutual liking and respect, and the opportunity for spontaneous encounters and exchange, and you have an intellectual and social environment that comes dangerously close to attracting the envy of the gods.

Community in the small. Credit belongs to Alex Kacelnik for assembling a remarkable group of scientists and individuals for our working group on risk. Both I and my husband, Eric Johnson, greatly enjoyed the give and take. The possibility to intersect with Ernst Fehr’s social norms group provided a strong incentive to come this year (rather than next). The smaller, but equally meaningful ways in which we interacted with members of Ansgar Büschges’ locomotion group rounded out the picture. Keir Peason’s lecture on the *Neural Correlates of Decision Making*, for example, which he assembled for the other groups’ instruction and benefit, was one of the many highlights of the time here.

Community in the large. The larger Wiko community needs no additional praise, at least not in the abstract. However, no account of this year would be complete without some mention of the choir, which created community across disciplinary, gender, and other party lines. Singing together was as pleasurable as it was unexpected. Credit is owed to John Breuille for persevering with this idea when it did not generate immediate enthusiasm, and to Volker Dürr, our conductor extraordinaire, for getting us together in his apartment in the Villa Walther in mid-May. John McNamara’s colloquium on bird song must have inspired us. Between May and July, our choir took flight, and Volker (with the skill,

determination, tact, and patience to herd cats) turned a dozen or so individuals who clearly *liked* to sing into a pretty good imitation of a group singing together, (almost) in harmony.

What I Learned about Risk

It is, again, difficult to provide a linear summary of the multiple ways in which various working group interactions informed my work here and might influence future work. However, three broad classes of probably enduring insights come to mind.

Lesson 1. Strictly speaking, I had this insight before coming to Wiko, but it initially developed in interactions with behavioral ecologists and probably had something to do with my invitation to the group. I also wrote a couple of papers on it while here. The insight is that people *really* are very different from other kinds of animals. Their unique ability for symbolic representation that enables them to communicate information (including information about the value and distribution of risky or uncertain outcomes) seems to be associated with the processing of risky choice situations that results in systematic differences between their choices and the choice patterns of other animals. Yet, when people make risky decisions under conditions and in ways that are similar to those of other animals, i.e., by acquiring information about the magnitude of possible outcomes and their relative likelihoods by (repeated) personal experience, their behavior and choices show the same regularities as those of lower animals. I recently coined the terms “description-based” and “experience-based” decision making to describe those two classes of decision situations and have documented and modeled the systematic differences in risky choice behavior in the two types of situation. Differences in choice behavior are particularly strong when events that occur with small probabilities are involved.

Human choice is sometimes informed by the numeric description of choice outcomes (e.g., information about the likelihood of side-effects of medication provided in package inserts or about the distribution of past returns of a mutual fund provided in a prospectus); at other times it is based on past personal experience (e.g., how often one has successfully cleared an intersection when entering it after the traffic light turned yellow). To the extent that preferences are known to differ when made under these two types of information conditions, even if the objective outcome distribution is identical, choice models will need to incorporate this distinction and pay attention to the source of outcome information. Both normative and descriptive models of human choice have been developed to account solely for description-based decision making under risk and uncertainty. Modifications of

traditional reinforcement-learning-models do a good job in accounting for experienced-based decision making.

Lesson 2. I gained a better appreciation of the complexities involved in applying game theory to evolutionary biology and psychology. The existence of multiple equilibria for many situations that can be formalized as games, and the fact that each of these equilibria can frequently be observed (one at a time) in species that are closely related, point to the large role of chance and path dependence in determining a solution to a game. Add to this the fact that strategic encounters can often be interpreted in different ways (i.e., as different games) and the fact that we really have very little knowledge about the conditions that prevailed in the “environment of evolutionary adaptation”, and it becomes obvious that the interpretation of any complex behavior as constituting an “optimal” adaptation or a deviation from optimality is highly tenuous.

Lesson 3. Last but not least, I also developed a much better understanding of the importance and plausible mechanisms of group and cultural selection phenomena.

From “Atta Troll” to “Deutschland, ein Wintermärchen”

*Andre Zeiten, andre Vögel!
Andre Vögel, andre Lieder!
Sie gefielen mir vielleicht,
Wenn ich andre Ohren hätte!*

The final verse of Heinrich Heine’s poem “Atta Troll” provides a pretty good account of my attitude toward Germany when I left in 1976. It was thus with some trepidation that I accepted Wiko’s invitation to return for more than a family visit or a short teaching or research stint. There were, of course, many incentives: the obvious academic ones and the chance for Eric, my husband of three years, to experience first-hand the culture of my childhood and to improve his German.

An expert in human judgment could not have engineered the gradient of our happiness in Berlin more optimally, if the goal was to produce lasting positive memories. A rocky start provided the necessary contrast to make subsequent positive experiences appear even better: A cold and rainy March upon our arrival gave both of us a bad cold. Allergies to the local varieties of mold and ancient shag carpets did not help things, nor did the rediscovery of some German habits and idiosyncrasies that had driven me away 25 years ago.

Fortunately, the setbacks proved to be temporary: Antibiotics took care of the cough. The ordered bedrest during a time of limited cognitive capacity allowed me to revisit favorite authors of my childhood, from Karl May (whose books triggered many memories, but little adult appreciation) to Erich Kästner (whose books fared well on both fronts). The quirks of the natives, finally, seemed more charming with better health and better weather and have provided excellent fodder for my file of material to be used in a future novel.

To regain full fluency in my native language, I decided early on to read exclusively in German, for my academic work as much as feasible (e.g., Max Weber for the first time in the original), but mainly in my leisure reading. Erich Kästner gave way to other Berlin writers. Reading my way through Theodor Fontane and Kurt Tucholsky brought back memories of first encountering them in adolescence and added some historical complexity to our experience of Berlin and its surroundings. *Reisen durch die Mark Brandenburg* (in a portable Reclam edition) was a constant companion on excursions, enriching, for example, our hikes on the Pfaueninsel. Novels often triggered travel, including a pilgrimage to Rheinsberg and Neuruppin, and further explorations of Prussian history.

The classical music and opera offerings of Berlin and surroundings proved themselves just as superb as we had hoped and anticipated. Highlights that created lasting impressions include Wagner at the Staatsoper, Messiaen at the Deutsche Oper, Penderecki at the Semper-Oper in Dresden, and the farewell concert of Claudio Abbado conducting the Berlin Philharmonic. Closer to home, the discovery of the music of Helmut Lachenmann, presented generously and lucently by himself and close associates, informed and changed our listening.

One of the most unanticipated pleasures of my stay here derived from overhearing Berliners and other Germans on the street, in shops, or in restaurants. Educational and enjoyable in a very different way was the opportunity to listen to German academic discourse. While many of the Tuesday and Wednesday colloquia held my attention with their topics of discussion, they also offered additional little moments of delight in a rediscovered language when hearing well-turned sentences or long-forgotten phrases. This provides me with the opportunity to close this section with another Heine verse (from “Deutschland, ein Wintermärchen”) which captures my current, much more positive, and even nostalgic sentiments towards language and country:

*Und als ich die deutsche Sprache vernahm,
Da ward mir seltsam zu Mute;
Ich meinte nicht anders, als ob das Herz
Recht angenehm verblute.*

Reinen Tisch gemacht

Amidst all of these cultural and literary lessons and experiences, I somehow still managed to get a lot of work done. I arrived in March with a backlog of writing assignments, in various stages of non-completion. Almost five months later, seven papers have been finished and submitted or resubmitted for publication. One more book chapter and three major and one minor paper have been mapped out and are in progress. Details can be found in my curriculum vitae. Numbers, of course, never tell the whole story. The rediscovery of the pleasure of thinking and writing without time pressures and outside interruptions alone would have made my Wiko stay worthwhile.

The Two Cultures

I can't help imagining what a true "Berliner" would have to say about this frequently recurring topic in Wiko reports:

"Ach ja, un denn dies ganze Jerede von die zwee Kulturen. Na jut, anders sind se schon, aber beide haben se doch wat Nettet: De Wissenschaftler, immer so ernscht und genau, und ewich anne Arbeit. Und de Humanisten, vielleicht is dat nich alles immer so logisch, wat die da so machen, aber Mensch, wat können die reden. Man is ja immer ganz jerührt, wenn man die zuhört. Und dat sach ich Sie, mit die beiden zusammen hier: langweilich is et nie!"