cortisol may see only risk. If hormones affect risk-taking, the authors ask whether financial markets might be more stable if there were more women traders to give endocrine diversity since there are grounds for thinking that women may be less ‘hormonally reactive’ when it comes to financial risk-taking. If hormones can exaggerate market moves, Coates et al.\(^{13}\) see the age and gender composition among traders and asset managers affecting the levels of instability in financial markets.

Hubris influenced politicians and businessmen in their support for the heady economics of the booming 1990s through to the first years of the 21st century. There are important lessons for the future in trying to prevent this happening again, and psychiatrists have a role in what must be a multidisciplinary approach to analysing the behavioural aspects of such individual decision makers. To help raise funds for such research, the Daedalus Trust has been established (daedalustrust@hotmail.co.uk).

**About the author**

Lord David Owen is a former Minister of Health, Foreign Secretary and EU peace negotiator in the former Yugoslavia. He trained as a neurologist at St Thomas’ Hospital before entering politics.

**References**

might still be a risk of flawed mental processes leading to flawed decisions. In particular, Owen has identified a condition, which he calls ‘hubris syndrome’, which reflects an exaggerated belief by an individual in the quality of his or her judgement. Russell believes this deserves careful consideration as a clue to a serious potential problem at the heart of government. This is especially so because politicians are particularly prone to this syndrome. It reflects tendencies which may have helped them to attain power in the first place – the symptoms of high self-confidence and self-regard are considered quite normal in their profession.

**Ill health and decision-making abilities**

Not being a psychiatrist myself, I am in no position to comment on whether hubris truly counts as a syndrome or to address questions of diagnosis or treatment. However, as a student of policy-making on war and peace, I can offer some observations on the potential impact of illness at the highest levels. It is not news that some key historical figures, including the British Prime Ministers Winston Churchill and Anthony Eden, have been seriously ill and sometimes in a poor mental state while responsible for very big decisions. Is there, however, invariably a close correlation between ill health and poor decision-making?

**The case of President Kennedy**

Russell cites John Kennedy as someone in whom there appears to be such a correlation. Kennedy's Addison's disease is well documented, for much of his presidency he suffered with back pain, and at times he was taking a dangerous cocktail of medicines. But it is hard to argue that his poor decisions on the Bay of Pigs conflict in April 1961 and his much better decisions during the Cuban Missile Crisis are related to the intensity of his illness. Applying the principle of Occam's razor, in effect that the simplest explanation is usually the correct one, it is possible to explain both decisions without recourse to Kennedy's health. In fact there is considerable continuity between the two cases in that in both, Kennedy was concerned about not appearing weak while trying to avoid escalation. First time round, in 1961, he inherited a policy that was well advanced and he did not interrogate properly the advice being given him by the Central Intelligence Agency and the military. Partly because of this, he was far more careful with the advice he was getting in 1962. Kennedy's improved performance is therefore best explained by the fact that he had been learning while in office, including becoming better at taking and evaluating advice. This is not to argue that his health was irrelevant. He was clearly both in pain and sometimes ill and sometimes in a poor mental state while responsible for very big decisions. Is there, however, invariably a close correlation between ill health and poor decision-making?

**The Shah of Iran**

The case of the Shah of Iran, which Owen discusses at length and Russell mentions briefly, raises a different issue. In 1978, with the country facing growing unrest, he was dying of cancer. He was anxious to keep his condition secret, although by the end of that year some began to suspect that he was deteriorating both physically and mentally. In retrospect it would seem that his condition affected him in two ways. First, he became anxious about his legacy and did not want to be associated with civil war. This led him to hold back when he might have taken a more robust response to the incessant demonstrations and strikes. Second, and related to this, as the crisis came to a head he vacillated, confusing both his loyal supporters and Washington and London. He dithered between opening up Iranian politics to the opposition and a ruthless clampdown, and so did neither. It is perfectly possible that if he had been in rude health he would have dealt with the challenge to his regime far more effectively, although it is not clear whether he had any good options by this stage. Moreover, the choices he faced were difficult and they were the result of years of poor decisions, including times when he was perfectly well. This case does confirm that when someone acquires the mantle of supreme leader their personalities become even more important. Being a supreme leader leads to isolation from the effects of decisions, and encourages advisors to be sycophants.

This certainly will encourage hubris. This is a form of arrogance recognised by the ancient Greeks, who made it a central theme of many of their tragedies. It is by definition a problem of the powerful that comes when they exaggerate their own capacity to manage affairs, in part because they have lost touch with reality. It is not hard to imagine why and how this can have dire consequences. Yet some of the symptoms described by Russell may be matters of opinion. How does one judge when self-confidence becomes ‘excessive’, or when actions which in one context might be bold in another appear as restless, reckless and impulsive, or the point at which moral rectitude should give way to practical prudence, or how much concern for image is disproportionate?

**Defining good decision-making**

What constitutes the benchmark for good decision-making? As behavioural economists have noted, it is unwise to assume rationality as the basis of any decision-making. Well-balanced individuals in positions of responsibility have to cope under time pressures and with imperfect information, often with conflicting objectives, depending on inefficient organisations and analytical assumptions that result in their own biases. So the baseline for the evaluation of the impact of human frailties is not perfect decision-making, in which objectives are clear, relevant information gathered and assessed, options weighed, decisions made and then properly communicated and implemented smoothly. In practice, even without the personal sources of non-rationality there are also bound to be bureaucratic and political reasons for confusion, incoherence and poor coordination.
Then we need to work out what sort of additional frailties we are addressing and how they are aggravated. Russell and Owen are concerned with forms of illness that slow down and distort mental functions. Yet even in those in otherwise robust health the pressures of crisis and conflict can take a toll. If the stakes are high, with lives at risk and national security imperilled, the process will be stressful. Fatigue can soon become a factor, when a crisis persists at a high tempo. And then even with the stakes not high and the tempo more relaxed personalities still make a difference. Some are abrasive and intimidating, deterring candid advice. Others get bored with detail. Yet others have trouble making up their minds and vacillate. For an official, a political leader who is arrogant but decisive might be preferable to one who is ultra-cautious. Hubris is not the only factor that might deserve a syndrome.

Certain personality traits, such as stubbornness and risk-taking, although quite dangerous in one setting can be inspirational in another (Churchill being an obvious example). Consider Margaret Thatcher, whose psychological make-up was the subject of much conjecture. She took an enormous gamble on the Falklands crisis in 1982. It happened to pay off but it might well have not done, in which case her recklessness (and short-lived premiership) would continue to be a subject of great debate. Her next major foreign policy gamble, to conclude that Mikhail Gorbachev as the incoming leader of the Soviet Union was a man she could do business with, was quite different in nature but also turned out to be a good call. She certainly displayed hubristic tendencies, especially at the end of her premiership when dealing with Germany and the European Union. At this point her cabinet colleagues effectively forced her out of office.

This suggests two points. First, we might agree that it is best if political leaders are not actually deranged and psychotic, but when dealing with traits that come only into the moderately alarming category it is by no means self-evident that they will produce poor outcomes. Sometimes egomaniacs can get things right and it is the sound mainstream consensus that has missed the point. Second, in democratic societies at least there are mechanisms, undoubtedly imperfect, that can check and balance extreme political behaviour and can also provide reinforcement when a leader is indisposed. The problem is thus going to be much greater in repressive autocracies, where paranoia is institutionalised and any hubristic tendencies are going to be encouraged. Compare, for example, the impact of Winston Churchill’s ‘black dog’ depression and the psychoses of his contemporaries, Hitler and Stalin.

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References
1 Owen D. In Sickness and in Power. Methuen, 2008.