THE MYTH OF THE RATIONAL VOTER

WHY DEMOCRACIES CHOOSE BAD POLICIES

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PRINCETON UNIVERSITY PRESS

PRINCETON AND OXFORD

Chapter 5

RATIONAL IRRATIONALITY

> For it seemed to me that I could find much more truth in the reasonings that each person makes concerning matters that are important to him, and whose outcome ought to cost him dearly later on if he judged badly, than in those reasonings engaged in by a man of letters in his study, which touch on speculations that produce no effect and are of no other consequence to him except perhaps that, the more they are removed from common sense, the more pride he will take in them.
> —*Rene Descartes, Discourse on Method*[1]

SUPPOSE you grant that voters are irrational. Can you stop there? Voters are people. If they are highly irrational on election day, one would expect them to be equally irrational the rest of the year. Do individuals magically transform into a lower form of life when they enter the voting booth, then revert to their normal state upon exit?

The thesis of global human rationality is internally consistent. So is the opposite thesis that humans are irrational through and through. Is there a coherent intermediate position? Without one, the practical relevance of voters' folly shrinks or vanishes. If people are rational on Monday and irrational on Tuesday, it is a good idea to shift decision-making to Monday. But if people are irrational twenty-four seven, you just have to live with the fact that *all* decisions will be worse. By the same reasoning, if people are rational as consumers but irrational as voters, it is a good idea to rely more on markets and less on politics. But if people are irrational across the board, we should expect less of *every* form of human organization. The relative merits of alternative systems stay roughly the same.[2]

Even if an intermediate position is coherent, is it consistent with what we already know? One could postulate voter irrationality as an ad hoc exception to the laws of human behavior. But ad hoc exceptions to well-established principles understandably provoke skepticism.[3] Is there any way to subsume established patterns and anomalies under a single rule?

This chapter meets these theoretical challenges. Though initially jarring, it is coherent to assert that people are rational in some areas but not others. Irrational beliefs probably play a role in all human activities, but politics makes the "short list" of areas where irrationality is exceptionally pronounced. Furthermore, basic economic theory—properly interpreted—helps define the boundaries of rationality. Political irrationality is not an ad hoc anomaly, but a predictable response to unusual incentives.

Preferences over Beliefs

> "I ca'n't believe that!" said Alice.
> "Ca'n't you?" the Queen said in a pitying tone.
> "Try again: draw a long breath, and shut your eyes."
> Alice laughed. "There's no use trying," she said.
> "One *ca'n't* believe impossible things."
> "I dare say you haven't had much practice," said the Queen. "When I was your age, I always did it for half-an-hour a day. Why, sometimes I've believed as many as six impossible things before breakfast."
> —*Lewis Carroll,* Through the Looking-Glass[4]

The desire for truth can clash with other motives. Material self-interest is the leading suspect. We distrust salesmen because they make more money if they shade the truth. In markets for ideas, similarly, people often accuse their opponents of being "bought," their judgment corrupted by a flow of income that would dry up if they changed their minds. Dasgupta and Stiglitz deride the free-market critique of antitrust policy as "well-funded" but "not well-founded."[5] Some accept funding from interested parties, then bluntly speak their minds anyway. The temptation, however, is to balance being right and being rich.

Social pressure for conformity is another force that conflicts with truth-seeking.[6] Espousing unpopular views often transforms you into an unpopular person. Few want to be pariahs, so they self-censor. If pariahs are less likely to be hired, conformity blends into conflict of interest. However, even bereft of financial consequences, who wants to be hated? The temptation is to balance being right and being liked.

But greed and conformism are not the only forces at war with truth. Human beings also have mixed *cognitive* motives.[7] One of our goals is to reach correct answers in order to take appropriate action, but that is not the *only* goal of our thought. On many topics, one position

is more comforting, flattering, or exciting, raising the danger that our judgment will be corrupted not by money or social approval, but by our own passions.

Even on a desert isle, some beliefs make us feel better about ourselves. Gustave Le Bon refers to "that portion of hope and illusion without which [men] cannot live."[8] Religion is the most obvious example.[9] Since it is often considered rude to call attention to the fact, let Gaetano Mosca make the point for me:

> The Christian must be enabled to think with complacency that everybody not of the Christian faith will be damned. The Brahman must be given grounds for rejoicing that he alone is descended from the head of Brahma and has the exalted honor of reading the sacred books. The Buddhist must be taught highly to prize the privilege he has of attaining Nirvana soonest. The Mohammedan must recall with satisfaction that he alone is a true believer, and that all others are infidel dogs in this life and tormented dogs in the next. The radical socialist must be convinced that all who do not think as he does are either selfish, money-spoiled bourgeois or ignorant and servile simpletons. These are all examples of arguments that provide for one's need of esteeming one's self and one's own religion or convictions and at the same time for the need of despising and hating others.[10]

Worldviews are more a mental security blanket than a serious effort to understand the world: "Illusions endure because illusion is a need for almost all men, a need they feel no less strongly than their material needs."[11] Modern empirical work suggests that Mosca was on to something: The religious consistently enjoy greater life satisfaction.[12] No wonder human beings shield their beliefs from criticism, and cling to them if counterevidence seeps through their defenses.

Most people find the existence of mixed cognitive motives so obvious that "proof" is superfluous. Jost and his coauthors casually remark in the *Psychological Bulletin* that "Nearly everyone is aware of the possibility that people are capable of believing what they want to believe, at least within certain limits."[13] But my fellow economists are unlikely to sign off so easily. If one economist tells another, "Your economics is just a religion," the allegedly religious economist normally takes the distinction between "emotional ideologue" and "dispassionate scholar" for granted, and paints himself as the latter. But when I assert the generic existence of preferences over beliefs, many economists challenge the whole category. How do I know preferences

over beliefs exist? Some eminent economists imply that this is *impossible* to know because preferences are unobservable.[14]

They are mistaken. I observe one person's preferences every day—mine. Within its sphere I trust my introspection more than I could ever trust the work of another economist.[15] Introspection tells me that I am getting hungry, and would be happy to pay a dollar for an ice cream bar. If anything qualifies as "raw data," this does. Indeed, it is harder to doubt than "raw data" that economists routinely accept—like self-reported earnings.

One thing my introspection tells me is that some beliefs are more emotionally appealing than their opposites. For example, I like to believe that I am right. It is worse to *admit* error, or lose money because of error, but error is disturbing all by itself. Having these feelings does not imply that I indulge them—no more than accepting money from a source with an agenda implies that my writings are insincere. But the temptation is there.

Introspection is a fine way to learn about your own preferences. But what about the preferences of others? Perhaps you are so abnormal that it is utterly misleading to extrapolate from yourself to the rest of humanity. The simplest way to check is to *listen* to what other people say about their preferences.

I was once at a dinner with Gary Becker where he scoffed at this idea. His position, roughly, was, "You can't believe what people *say*," though he still paid attention when the waiter named the house specialties. Yes, there is a sound core to Becker's position. People fail to reflect carefully. People deceive.[16] But contrary to Becker, these are not reasons to *ignore* their words. We should put less weight on testimony when people speak in haste, or have an incentive to lie. But listening remains more informative than plugging your ears. After all, human beings can detect lies as well as tell them. Experimental psychology documents that liars sometimes gives themselves away with demeanor or inconsistencies in their stories.[17]

Once we take the testimony of mankind seriously, evidence of preferences over beliefs abounds. People can't shut up about them. Consider the words of philosopher George Berkeley:

> I can easily overlook any present momentary sorrow when I reflect that it is in my power to be happy a thousand years hence. If it were not for this thought I had rather be an oyster than a man.[18]

Paul Samuelson himself revels in the Keynesian revelation, approvingly quoting Wordsworth to capture the joy of the *General Theory*:

> Bliss was it in that dawn to be alive,
> But to be young was very heaven![19]

Many autobiographies describe the pain of abandoning the ideas that once gave meaning to the author's life. As Whittaker Chambers puts it:

> So great an effort, quite apart from its physical and practical hazards, cannot occur without a profound upheaval of the spirit. No man lightly reverses the faith of an adult lifetime, held implacably to the point of criminality. He reverses it only with a violence greater than the faith he is repudiating.[20]

No wonder that—in his own words—Chambers broke with Communism "slowly, reluctantly, in agony."[21] For Arthur Koestler, deconversion was "emotional harakiri." He adds, "Those who have been caught by the great illusion of our time, and have lived through its moral and intellectual debauch, either give themselves up to a new addiction of the opposite type, or are condemned to pay with a lifelong hangover." Richard Wright laments, "I knew in my heart that I should never be able to feel with that simple sharpness about life, should never again express such passionate hope, should never again make so total a commitment of faith."[22]

The desire for "hope and illusion" plays a role even in mental illness.[23] According to his biographer, Nobel Prize winner and paranoid schizophrenic John Nash often preferred his fantasy world—where he was a "Messianic godlike figure"[24] —to harsh reality:

> For Nash, the recovery of everyday thought processes produced a sense of diminution and loss. . . . He refers to his remissions not as joyful returns to a healthy state, but as "interludes, as it were, of enforced rationality."[25]

Historians of thought also frequently document enthusiastic support for dubious dogmas. Listen to Böhm-Bawerk trace the psychological appeal of Marxian exploitation theory:

> It drew up the line of battle on a field where the heart, as well as the head is wont to speak. What people wish to believe, they believe very readily. . . . When the implications of a theory point toward raising the claims of the poor and lowering those of the rich, many a man who finds himself faced with that theory will be biased from the outset. And so he will in large measure *neglect to apply that critical acuity which he ordinarily would devote to an examination of scientific justification.* Naturally it goes without saying that the great masses will become devotees of such doctrines. Critical delib-

> eration is of course no concern of theirs, nor can it be; they simply follow the bent of their wishes. They believe in the exploitation theory because of its conformity to their preferences, and despite its fallaciousness. And they would still believe in it, if its scientific foundations were even less stable than they actually are.[26]

If neither way of verifying the existence of preferences over beliefs appeals to you, a final one remains. Reverse the direction of reasoning. Smoke usually means fire. The more bizarre a mistake is, the harder it is to attribute to lack of information. Suppose your friend thinks he is Napoleon. It is conceivable that he got an improbable coincidence of misleading signals sufficient to convince any of us. But it is awfully suspicious that he embraces the pleasant view that he is a world-historic figure, rather than, say, Napoleon's dishwasher. Similarly, suppose an adult sees trade as a zero-sum game. Since he experiences the opposite every day, it is hard to blame his mistake on "lack of information." More plausibly, like blaming your team's defeat on cheaters, seeing trade as disguised exploitation soothes those who dislike the market's outcome.

The Material Costs of Error

> The human being . . . very rarely fails to keep two great aspirations before his eyes, two sentiments that ennoble, uplift, and purify him. He seeks the truth, he loves justice; and sometimes he is able to sacrifice to those two ideals some part of the satisfaction he would otherwise give to his passions and his material interests.
>
> —*Gaetano Mosca,* The Ruling Class[27]

In extreme cases, mistaken beliefs are fatal. A baby-proofed house illustrates many errors that adults cannot afford to make. It is dangerous to think that poisonous substances are candy. It is dangerous to reject the theory of gravity at the top of the stairs. It is dangerous to hold that sticking forks in electrical sockets is harmless fun.

But false beliefs do not have to be deadly to be costly. If the price of oranges is 50 cents each, but you mistakenly believe it is a dollar, you buy too few oranges. If bottled water is, contrary to your impression, neither healthier nor better-tasting than tap water, you may throw hundreds of dollars down the drain. If your chance of getting an academic job is lower than you guess, you could waste your twenties in a dead-end Ph.D. program.

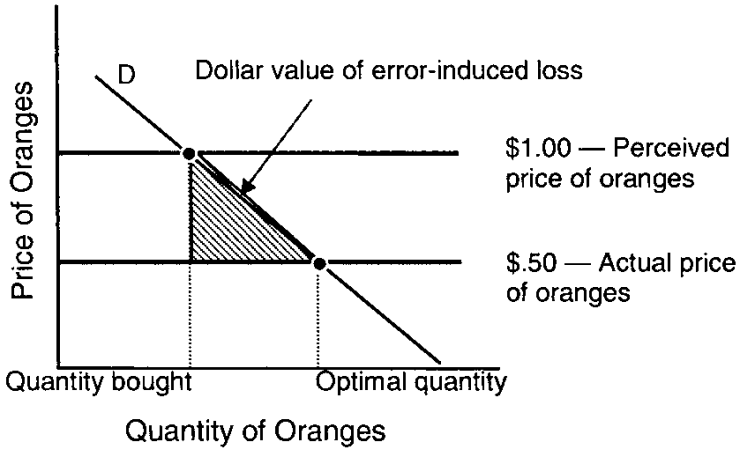

Figure 5.1 The Material Costs of Error

More fancifully, suppose you think the world ends tomorrow. You would probably decide you had more important tasks than going to work. Maybe you would loudly quit your job, then spend all the money in your bank account. If you awake the next morning to find that reports of the earth's demise were exaggerated, you will be happy to be alive but chagrined to realize that you are unemployed and broke.

It is amusing when the deluded triumph because of dumb luck: "I started with wrong directions, but I took a wrong turn, so I got to the right place on time." The story works because it cuts against our expectations. Ordinarily, false beliefs lead individuals to take actions that would be optimal *if the world were different*. For example, figure 5.1 contrasts the number of oranges a person buys with the number he *would* buy conditional on correctly perceiving the market price. The larger his misperception, the larger the triangle representing the dollar cost of the error.

The cost of error varies with the belief and the believer's situation. For some people, the belief that the American Civil War came before the American Revolution would be a costly mistake. A history student might fail his exam, a history professor ruin his professional reputation, a Civil War reenactor lose his friends' respect, a public figure face damaging ridicule.

Normally, however, a firewall stands between this mistake and "real life." Historical errors are rarely an obstacle to wealth, happiness, descendants, or any standard metric of success. The same goes for philosophy, religion, astronomy, geology, and other "impractical" subjects. The point is not that there is no objectively true answer in these fields. The Revolution *really did* precede the Civil War. But your optimal course of action if the Revolution came first is identical to your optimal course if the Revolution came second.

To take another example: Think about your average day. What would you *do* differently if you believed that the earth began in 4004 B.C., as Bishop Ussher infamously maintained?[28] You would still get out of bed, drive to work, eat lunch, go home, have dinner, watch TV, and go to sleep. Ussher's mistake is cheap.

Virtually the only way that mistakes on these questions injure you is via their *social* consequences. A lone man on a desert island could maintain practically any historical view with perfect safety. When another person washes up, however, there is a small chance that odd historical views will reduce his respect for his fellow islander, impeding cooperation. Notice, however, that the danger is deviance, not error. If everyone else has sensible historical views, and you do not, your status may fall. But the same holds if everyone else has bizarre historical views and they catch you scoffing.[29]

Mistakes on more practical questions also often fail to ricochet back with dire consequences. Some errors are costly for the person who commits them only under special circumstances that *hardly ever arise*. The belief that you can outrun a cheetah would prove fatal at the wrong place and the wrong time. But given the chance of cheetah encounters, it is usually a safe mistake. More interestingly, errors with *drastic* real-world repercussions can be cheap for the individual who makes them. How? When most or all of the cost of the mistake falls upon strangers. One person messes up, but other people live with the aftermath.

To use economic jargon, the *private cost* of an action can be negligible, though its *social cost* is high.[30] Air pollution is the textbook example. When you drive, you make the air you breathe worse. But the effect is barely perceptible. Your willingness to pay to eliminate your own emissions might be a tenth of a cent. That is the private cost of your pollution. But suppose that you had the same impact on the air of 999,999 strangers. Each disvalues your emissions by a tenth of a cent too. The social cost of your activity—the harm to *everyone* including yourself—is $1,000, a million times the private cost.

Notice that in the pollution story, you are not—selfishly speaking—making a mistake. But the distinction between social and private costs also applies to erroneous beliefs. A mad scientist, convinced he is too brilliant to fail, might unleash a virus on the world. If he is immune—and if no one catches him—the private cost of his inflated ego is zero, even though millions pay with their lives.

Stories with a lone polluter or a mad scientist are an unthreatening way to illustrate the distinction between private and social costs. In the real world, the roles of hero and villain are seldom so discrete. Practically everyone is a victim and a perpetrator; most of the people

who breathe my auto emissions are drivers themselves. Returning to the pollution example, suppose that all of the million people drive and pollute, bringing the total social cost of pollution to a *billion* dollars.[31] Commonsense morality brands anyone who complains as a hypocrite, but the pollution level is still inefficiently high.

Gulfs between the private and social costs of error permeate group decision-making. Take a hiring committee. Its members deliberate between candidates A and B. The committee as a group has absolute power over the decision, and all members are worse off if the committee makes the inferior choice. Nevertheless, the most that any member can do is slightly tilt the scales, implying a gap between the private and social costs of mistaken beliefs about A and B.[32] When I tilt the scales the wrong way, I hurt everyone on the committee, not myself alone.

Rational Irrationality

> Thus the typical citizen drops down to a lower level of mental performance as soon as he enters the political field. He argues and analyzes in a way which he would readily recognize as infantile within the sphere of his real interests. He becomes a primitive again.
>
> —*Joseph Schumpeter,* Capitalism, Socialism, and Democracy[33]

Two forces lie at the heart of economic models of choice: preferences and prices. A consumer's preferences determine the shape of his demand curve for oranges; the market price he faces determines where along that demand curve he resides. What makes this insight deep is its generality. Economists use it to analyze everything from having babies to robbing banks.

Irrationality is a glaring exception. Recognizing irrationality is typically equated with rejecting economics.[34] A "logic of the irrational" sounds self-contradictory. This chapter's central message is that this reaction is premature. Economics can handle irrationality the same way it handles everything: Preferences and prices. As I have already pointed out:

- People have preferences over beliefs: A nationalist enjoys the belief that foreign-made products are overpriced junk; a surgeon takes pride in the belief that he operates well while drunk.

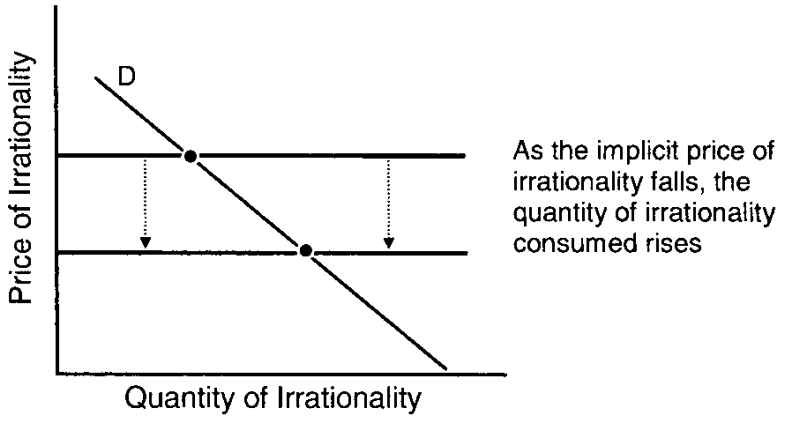

Figure 5.2 The Demand for Irrationality

- False beliefs range in material cost from free to enormous: Acting on his beliefs would lead the nationalist to overpay for inferior domestic goods, and the surgeon to destroy his career.

Snapping these two building blocks together leads to a simple model of irrational conviction. If agents care about both material wealth and irrational beliefs, then as the price of casting reason aside rises, agents consume less irrationality.[35] I might like to hold comforting beliefs across the board, but it costs too much. Living in a Pollyanna dreamworld would stop me from coping with, my problems, like that dead tree in my backyard that looks like it is going to fall on my house.

I refer to this approach as *rational irrationality* to emphasize both its kinship with and divergence from, rational ignorance.[36] Both treat cognitive inadequacy as a choice, responsive to incentives. The difference is that rational ignorance assumes that people tire of the search for truth, while rational irrationality says that people actively avoid the truth.[37]

Rational irrationality implies that people have "demand for irrationality" curves (fig. 5.2). As usual, quantity is on the x-axis and price on the y-axis, but with an interpretive twist. The "quantity" is a degree of irrationality—the magnitude of the agent's *departure* from the unbiased, rational belief. To consume zero irrationality is to be fully rational. The "price of irrationality" is the amount of wealth an agent implicitly sacrifices by consuming another unit of irrationality.[38]

Economic theory says little about the shape of demand curves.[39] As the price of irrationality falls, quantity demanded rises. But demand for irrationality (fig. 5.3) could be relatively flat—like D_1—with a small increase in price leading to a large reduction in quantity, or relatively

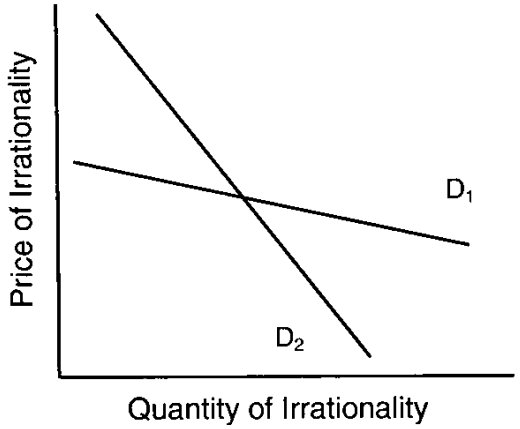

Figure 5.3 Varying Price-Sensitivity of Demand for Irrationality

steep—like D_2—requiring large price increases to curtail consumption. Demand could in fact be a vertical line overlapping the y-axis, indicating an agent who has no desire to be irrational at any price. I call this a *neoclassical* demand-for-irrationality curve because it is the assumption that most economists adopt by default (fig. 5.4).

One interesting prediction of rational irrationality is that *fluctuating* incentives make people bounce between contradictory viewpoints.[40] As a consumer, for instance, the protectionist usually casts bad economic theory aside. Suddenly, products' price and quality become more important, and national origin is lucky to have any influence. Similarly, most people reject the view that pushing up wages increases unemployment. When I teach intro econ, linking unemployment and excessive wages frequently elicits not only students' disbelief, but anger: How could I be so *callous*? But irrationality about labor demand is selective. What happens when my outraged students reach the "Salary Requirements" line on job applications? They could ask for a million dollars a year, but they don't. When their future rides on it, students honor the economic truism that labor demand slopes down.

The cynical explanation is that my students understood labor demand curvesall along. But why would you get angry at a professor for saying what you believe yourself? They are more likely in denial. When they fill out the application, though, their standby rationality kicks in, telling them: "This is no time to get angry." It does not take an A student to reflect: "I do not want to lowball it, but I am an entry-level worker, and the only way I am going to land a job is by asking for an entry-level salary. The more I ask for, the less likely they are to hire me."

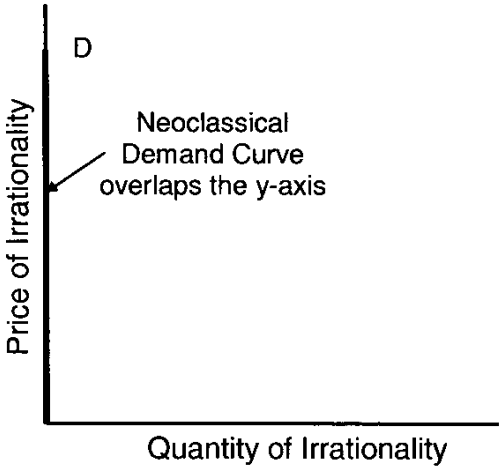

Figure 5.4 Neoclassical Demand for Irrationality

Psychological Plausibility

> The bulk of available evidence suggests that people in all societies tend to be relatively rational when it comes to the beliefs and practices that directly involve their subsistence. . . . The more remote these beliefs and practices are from subsistence activities, the more likely they are to involve nonrational characteristics.
> —*Robert Edgerton,* Sick Societies[41]

Arguably the main reason why economists have not long since adopted an approach like mine is that it seems psychologically implausible.[42] Rational irrationality appears to map an odd route to delusion:

Step 1: Figure out the truth to the best of your ability.
Step 2: Weigh the psychological benefits of rejecting the truth against its material costs.
Step 3: If the psychological benefits outweigh the material costs, purge the truth from your mind and embrace error.

The psychological plausibility of this stilted story is underrated. It coheres well with George Orwell's chilling account of "doublethink" in *1984*:

> *Doublethink* means the power of holding two contradictory beliefs in one's mind simultaneously, and accepting both of them. The Party intellectual knows in which direction his memories must be altered; he therefore knows he is playing tricks with reality; but by

> the exercise of *doublethink* he also satisfies himself that reality is not violated. The process has to be conscious, or it would not be carried out with sufficient precision, but it also has to be unconscious, or it would bring with it a feeling of falsity and hence of guilt. . . . Even in using the word *doublethink* it is necessary to exercise *doublethink*. For by using the word one admits that one is tampering with reality; by a fresh act of *doublethink* one erases this knowledge; and so on indefinitely, with the lie always one step ahead of the truth.[43]

But rational irrationality does not require Orwellian underpinnings. The psychological interpretation can be seriously toned down without changing the model. Above all, *the steps should be conceived as tacit*. To get in your car and drive away entails a long series of steps—take out your keys, unlock and open the door, sit down, put the key in the ignition, and so on. The thought processes behind these steps are rarely explicit. Yet we know the steps on some level, because when we observe a would-be driver who fails to take one—by, say, trying to open a locked door without using his key—it is easy to state which step he skipped.

Once we recognize that cognitive "steps" are usually tacit, we can enhance the introspective credibility of the steps themselves. The process of irrationality can be recast:

Step 1: Be rational on topics where you have no emotional attachment to a particular answer.
Step 2: On topics where you have an emotional attachment to a particular answer, keep a "lookout" for questions where false beliefs imply a substantial material cost for you.
Step 3: If you pay no substantial material costs of error, go with the flow; believe whatever makes you feel best.
Step 4: If there are substantial material costs of error, raise your level of intellectual self-discipline in order to become more objective.
Step 5: Balance the emotional trauma of heightened objectivity—the progressive shattering of your comforting illusions—against the material costs of error.

There is no need to posit that people start with a clear perception of the truth, then throw it away. The only requirement is that rationality remain on "standby," ready to engage when error is dangerous.

What does this mean in practice? To help convince readers of the psychological plausibility of rational irrationality, this section illustrates my thesis using case studies from a wide variety of fields. Obviously, a series of examples will not prove me correct. The point, rather,

is to get readers to look at different fact patterns, and see what the lens of rational irrationality brings into focus.

Nudity and the Jains. John Noss's comparative religion textbook, *Man's Religions*, summarizes an amusing doctrinal dispute between two branches of the Jain religion:

> Early in the history of the faith the Jains divided on the question of wearing clothes. The Shvetambaras or the "white-clad" were the liberals who took their stand on wearing at least one garment, whereas the stricter and more conservative Digambaras got their name from their insistence on going about, whenever religious duty demanded it, "clad in atmosphere." Mahavira [the last of the founding prophets of Jainism] did not wear clothes, they pointed out, so why, when there is a religious reason for not wearing clothes, should they? The Shvetambaras were in the north and yielded a bit both to the cold winds and to the social and cultural influences of the Ganges River plain. The Digambaras, not looked at askance by the Dravidian residents of their southland, have more easily maintained the earlier, sterner attitudes down the years.[44]

How could these suspiciously convenient doctrinal differences emerge? A plausible story: The default of members of both branches is to accept the teachings of their religion. But their beliefs about permissible clothing affect their bodily comfort—especially in colder climates. So northern Jains apply stricter intellectual scrutiny to their doctrines than southern Jains: "How do we really know that Mahavira wanted it this way?" The northerners are therefore less likely to accept their religion's more extreme teachings.

Mosca and Jihad. In the Jain example, stubborn belief leads to discomfort. Gaetano Mosca presents a case where stubborn belief leads to death.

> Mohammed, for instance, promises paradise to all who fall in a holy war. Now if every believer were to guide his conduct by that assurance in the Koran, every time a Mohammedan army found itself faced by unbelievers it ought either to conquer or to fall to the last man. It cannot be denied that a certain number of individuals do live up to the letter of the Prophet's word, but as between defeat and death followed by eternal bliss, the majority of Mohammedans normally elect defeat.[45]

Economists' knee-jerk reading is that Mosca describes a Prisoners' Dilemma. Soldiers who run away improve their own chances of sur-

vival at the expense of their compatriots; though widespread desertion ensures defeat of the group, deserters act in their individual interest. But this misses the heart of Mosca's story. If a soldier believes that death in battle sends him to paradise, running away is imprudent, not cowardly. He is literally *better off dead*. As danger approaches, then, the Muslim warrior does not act *more* selfishly; he revises his beliefs about *how* to pursue his self-interest.

Rational irrationality makes sense of Mosca's example. Muslim soldiers' "default belief" is that their religion's teachings are true. As long as they are at peace or militarily have the upper hand, the belief that Allah brings the fallen to paradise gives psychological comfort with little risk. When they are losing, however, soldiers' "standby" rationality kicks in. The devil on their shoulders whispers: "What makes you think that paradise even exists?" Some would rather die than doubt. But, confronting the choice between fidelity and death, most quietly put on their thinking caps and abandon their fatal belief.

The reader may be tempted to throw the World Trade Center suicide attacks in his face, but Mosca does not forget heterogeneity. He presciently adds that "a certain number of individuals do live up to the letter of the Prophet's word." A handful of people climb Mount Everest in spite of risks that scare off the rest of the human race. A few Muslims sacrifice their lives for their faith, but a billion do not.[46]

Sati. On some interpretations of Hinduism, a widow must join her deceased husband on his funeral pyre, a practice known as *sati*. Fulfilling this duty supposedly has great rewards in the afterlife. On the surface, sati looks like a clear case of persistent irrationality despite deadly incentives. But the reality, explains anthropologist Robert Edgerton, is different. Few Hindu widows ever complied with their putative duty: "Even in Bengal where sati was most common, only a small minority of widows—less than 10 percent—chose sati although the prospect of widowhood was dismal at best."[47] Some of these were frankly murdered by their husband's relatives. When the widow refused the pyre, she was not allowed to resume a normal life. She could not remarry, and had to spend the rest of her years in fasting and prayer. Overall, one of the world's most shocking religious practices coheres well with rational irrationality:

> Despite the wretched conditions of widowhood, the promised rewards of sati, and the often relentless pressure exerted by the deceased husband's relatives on the widow to choose their supreme act of devotion, the great majority of widows preferred to live.[48]

Genetics, relativity, and Stalin. Marxist philosophers have dogmatic objections to modern biology and physics. Genetics is "a bourgeois fabrication designed to undermine the true materialist theory of biological development," and relativity theory and quantum mechanics are "idealist positions" that "contravene[d] the materialism espoused by Lenin in *Materialism and Empirio-Criticism*."[49] But Marxist regimes—and Stalin in particular—treated biology and physics asymmetrically.

In biology, Stalin and other prominent Marxist leaders elevated the views of the quack antigeneticist Trofim Lysenko to state-supported orthodoxy, leading to the dismissal of thousands of geneticists and plant biologists.[50] Lysenkoism hurt Soviet agriculture, and helped trigger the deadliest famine in human history during China's Great Leap Forward.[51]

In physics, on the other hand, leading scientists enjoyed more intellectual autonomy than any other segment of Soviet society. Internationally respected physicists ran the Soviet atomic project, not Marxist ideologues. When their rivals tried to copy Lysenko's tactics, Stalin balked. A conference intended to start a witch hunt in Soviet physics was abruptly canceled, a decision that had to originate with Stalin. Holloway recounts a telling conversation between Beria, the political leader of the Soviet atomic project, and Kurchatov, its scientific leader:

> Beria asked Kurchatov whether it was true that quantum mechanics and relativity theory were idealist, in the sense of antimaterialist. Kurchatov replied that if relativity theory and quantum mechanics were rejected, the bomb would have to be rejected too. Beria was worried by this reply, and may have asked Stalin to call off the conference.[52]

The "Lysenkoization" of Soviet physics never came.

The best explanation for the difference is that modern physics had a practical payoff that Stalin and other Communist leaders highly valued: nuclear weapons. "The Soviet Union wanted the bomb as soon as possible, and was prepared to pay virtually any price to obtain it."[53] Lysenkoist biology, in contrast, injured the low-priority agricultural sector. Stalin had already presided over decades of hunger, and knew that it posed little threat to the Soviet state.

Most of Stalin's biographers view him as power-hungry but fairly sincere.[54] His default was to embrace the secular religion of Marxism-Leninism, but he retained a good helping of "standby" rationality. When he sensed that strict adherence to Leninist dogma put his power at risk, he set ideology aside:

> Stalin was not so concerned about the condition of agriculture—he tolerated, after all, a desperate famine in the Ukraine in 1947—and so it may not have mattered very much to him whether Lysenko was a charlatan or not. The nuclear project was more important, however, than the lives of Soviet citizens, so it was crucial to be sure that the scientists in the nuclear project were not frauds.[55]

Indeed, not only did Stalin squelch philosophical attacks on modern physics; he also embraced other commonsensical "bourgeois" heresies to accelerate his atomic program. Soviet economic failures were routinely blamed not on inadequate resources, but on "Trotskyite wrecking" and other bizarre conspiracies. For the atomic project, though, Stalin recognized the realities of scarcity: "He told Kurchatov that 'it was not worth engaging in small-scale work, but necessary to conduct the work broadly, with Russian scope, that in that connection the broadest all-round help would be provided. Comrade Stalin said it was not necessary to seek cheaper paths.' "[56]

Similarly, in many other areas of the Soviet economy, Marxism fostered reluctance to motivate workers with material rewards for success. In the atomic project, however, Stalin dumped Marxist dogma in favor of bourgeois horse sense:

> Stalin said also that he was anxious to improve the scientists' living conditions, and to provide prizes for major achievements—"for example, for the solution of our problem," Kurchatov wrote. Stalin "said that our scientists were very modest and they sometimes did not notice that they live poorly . . . our state has suffered very much, yet it is surely possible to ensure that several thousand people can live very well, and several thousand people better than very well, with their own *dachas*, so that they can relax, and with their own cars."[57]

He kept his promises, tripling the science budget, giving scientists large pay raises in 1946, and dachas and cars to the leading nuclear scientists after the successful nuclear test in 1949.[58]

Maybe Stalin covertly scoffed at the inanities of Marxism, but a more plausible interpretation is that he was rationally irrational. Marxism-Leninism was important to his sense of identity, but his preference was not absolute. As the price of illusion went up, he chose to be less fanatical and more objective.

Want to bet? We encounter the price-sensitivity of irrationality whenever someone unexpectedly offers us a bet based on our professed beliefs.[59] Suppose you insist that poverty in the Third World is sure to get worse in the next decade. A challenger immediately retorts,

"Want to bet? If you're really 'sure,' you won't mind giving me ten-to-one odds." Why are you are unlikely to accept this wager? Perhaps you never believed your own words; your statements were poetry—or lies. But it is implausible to tar all reluctance to bet with insincerity. People often believe that their assertions are true until you make them "put up or shut up." A bet moderates their views—that is, *changes their minds*—whether or not they retract their words.[60]

How does this process work? Your default is to believe what makes you feel best. But an offer to bet triggers standby rationality. Two facts then come into focus. First, being wrong endangers your net worth. Second, your belief received little scrutiny before it was adopted. Now you have to ask yourself which is worse: Financial loss in a bet, or psychological loss of self-worth? A few prefer financial loss, but most covertly rethink their views. Almost no one "bets the farm" even if—pre-wager—he felt sure.

Rational Irrationality and Politics

> Merchants eagerly grasp all philosophic generalizations presented to them without looking closely into them, and the same is true about politics, science, and the arts. But only after examination will they accept those concerning trade, and even then they do so with reserve.[61]
> —*Alexis de Tocqueville, Democracy in America*

Suppose a referendum determines whether we have policy A or policy B. A is $10,000 better for you. What is the material cost of believing the opposite and voting accordingly? The naive answer of $10,000 is wrong *unless* your vote is "decisive"; that is, if it reverses or *flips* the electoral outcome. This is possible only if the choices of all other voters exactly balance. Thus, in elections with millions of voters, the probability that your erroneous policy beliefs cause unwanted policies is approximately zero.[62] The infamous Florida recounts of 2000 do not undermine this analysis.[63] Losing by a few hundred votes is a far cry from losing by one vote.

Critics of polling say it hurts democracy. The leading complaint is that polls provide no incentive to seriously weigh policy consequences.[64] Unlike elections, polls do not change policy, right? Wrong. Politicians frequently take action based on polls, and your response might push them over the edge. Survey respondents have about as much—or as little—incentive to think seriously as voters do. Indeed,

elections *are* surveys. Responses to both are cheap talk bundled with a remote chance of swaying policy.

If you listen to your fellow citizens, you get the impression that they disagree. How many times have you heard, "Every vote matters"? But people are less credulous than they sound. The infamous poll tax—which restricted the vote to those willing to pay for it—provides a clean illustration. If individuals acted on the belief that one vote makes a big difference, they would be willing to pay a lot to participate. Few are. Historically, poll taxes significantly reduced turnout.[65] There is little reason to think that matters are different today. Imagine setting a poll tax to reduce presidential turnout from 50% to 5%. How high would it have to be? A couple hundred dollars? What makes the poll tax alarming is that most of us subconsciously know that most of us subconsciously know that one vote does not count.

Citizens often talk as if they personally have power over electoral outcomes. They deliberate about their options as if they were ordering dinner. But their actions tell a different tale: They expect to be served the same meal no matter what they "order."

What does this imply about the material price a voter pays for political irrationality? Let D be the difference between a voter's willingness to pay for policy A instead of policy B. Then the expected cost of voting the wrong way is not D, but the probability of decisiveness p times D. If $p = 0$, $pD = 0$ as well. Intuitively, if one vote cannot change policy outcomes, the price of irrationality is zero.

This *zero* makes rational irrationality a politically pregnant idea. The institutional structure of democracy makes political irrationality a free good for its ultimate decision-makers, the electorate.[66] So we should *expect* voters to be on their worst cognitive behavior; in the words of Le Bon, to "display in particular but slight aptitude for reasoning, the absence of the critical spirit, irritability, credulity, and simplicity."[67]

A diner at an all-you-can-eat buffet stuffs himself until he cannot bear another bite. In economic jargon, he consumes up to his "satiation point," where his demand curve and the x-axis intersect (fig. 5.5). Voter irrationality works the same way. Since delusional political beliefs are free, the voter consumes until he reaches his "satiation point," believing whatever makes him feel best. When a person puts on his voting hat, he does not have to give up practical efficacy in exchange for self-image, *because he has no practical efficacy to give up in the first place*.

Consider how the typical person forms beliefs about the deterrent effect of the death penalty. Ordinary intellectual self-discipline requires you to look at the evidence before you form a strong opinion. In practice, though, most people with definite views on the effective-

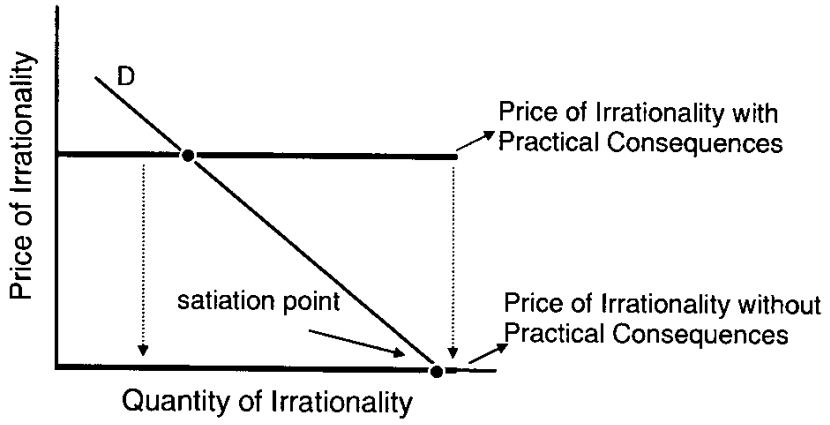

Figure 5.5 Voters' Demand for Irrationality

ness of the death penalty *never* feel the need to examine the extensive empirical literature. Instead, they start with strong emotions about the death penalty, and heatedly "infer" its effect.[68]

The death penalty is an unusually emotional issue, but its template fits most politically relevant beliefs. How many people can take sides in a military conflict and still have the detachment of George Orwell?

> I have little direct evidence about the atrocities in the Spanish civil war. I know that some were committed by the Republicans, and far more (they are still continuing) by the Fascists. But what impressed me then, and has impressed me ever since, is that atrocities are believed in or disbelieved in solely on grounds of political predilection. Everyone believes in the atrocities of the enemy and disbelieves in those of his own side, without ever bothering to examine the evidence.[69]

The same people who practice intellectual self-discipline when they figure out how to commute to work, repair a car, buy a house, or land a job "let themselves go" when they contemplate the effects of protectionism, gun control, or pharmaceutical regulation. Who ever made an enemy by contradicting someone's belief about what is wrong with her car? For practical questions, standard procedure is to acquire evidence before you form a strong opinion, match your confidence to the quality and quantity of your evidence, and remain open to criticism. For political questions, we routinely override these procedural safeguards.

The contrast between markets and politics is sharpest when voters have what I call *near-neoclassical* demand for irrationality.[70] Under normal market conditions, an agent with these preferences appears fully rational. He is willing and able to live without irrationality. Under normal political conditions, however, he pulls off the mask of objec-

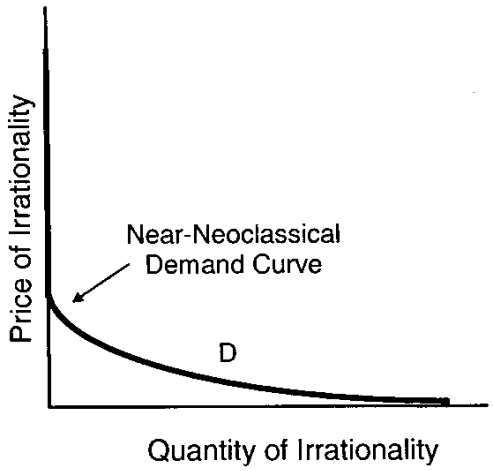

Figure 5.6 Near-Neoclassical Demand for Irrationality
Top: Distribution of Beliefs on Welfare-Maximizing Level of Protection
Bottom: Distribution of Most-Preferred Platforms on Protection

tivity. His reasonableness in one sphere fails to carry over to the other; or to be more precise, he *chooses* not to carry it over because the market has a "user fee" for irrationality, and democracy does not.

When Joseph Schumpeter compares rationality in politics and the market, he seems to have near-neoclassical demand for irrationality in mind.[71] Alongside his famous complaints about voters' illogic in *Capitalism, Socialism, and Democracy,* Schumpeter affirms that "Neither the intention to act as rationally as possible nor the steady pressure toward rationality can seriously be called into question at whatever level of industrial or commercial activity we choose to look."[72] He adds:

> And so it is with most of the decisions of daily life that lie within the little field which the individual citizen's mind encompasses with a full sense of its reality. Roughly, it consists of the things that directly concern himself, his family, his business dealings, his hobbies, his friends and enemies, his township or ward, his class, church, trade union or any other social group of which he is an active member—the things under his personal observation, the things which are familiar to him independently of what his newspaper tells him, which he can directly influence or manage and for which he develops the kind of responsibility that is induced by a direct relation to the favorable or unfavorable effects of a course of action.[73]

Bastiat similarly states that make-work bias has zero effect on private action:

> No one has ever seen, and no one will ever see, any person who works, whether he be farmer, manufacturer, merchant, artisan, sol-

> dier, writer, or scholar, who does not devote all the powers of his mind to working better, more quickly, and more economically—in short, *to doing more with less.*[74]

Whether or not Schumpeter and Bastiat are right, the near-neoclassical demand curve is analytically useful. It is a microscopic departure from standard economic assumptions, so economists would have to be awfully dogmatic to rule it out.[75]

Rational Irrationality and Experimental Evidence

Rational irrationality is a modest refinement of existing models of human behavior. Assuming that all people are fully rational all the time is bad economics. It makes more sense to assume that people tailor their degree of rationality to the costs of error.[76]

Researchers at the intersection of psychology and economics often take a more radical position: Not only are people irrational, but their irrationality stays the same or *increases* as its cost rises. The eminent Richard Thaler said so at the 2004 American Economic Association Meetings.[77] The abstract of a well-known survey article by Colin Camerer and Robin Hogarth on the experimental effects of financial incentives seems to back Thaler up:

> We review 74 experiments with no, low, or high performance-based financial incentives. The modal result is no effect on mean performance (though variance is usually reduced by higher payment) . . . We also note that *no* replicated study has made rationality violations disappear purely by raising incentives.[78]

On closer reading, however, Camerer and Hogarth reach a nuanced conclusion. First, they emphasize that experimental findings are heterogeneous. Incentives often improve performance on tasks of judgment and decision. People "spend" hypothetical money more freely than actual money; they are much more likely to *say* they will buy something than to actually do so.[79] Incentives also lead subjects away from "favorable self-presentation behavior toward more realistic choices."[80] Furthermore, a recent paper finds that people get less overconfident when they have to bet real money on their beliefs.[81]

Second, and more importantly, Camerer and Hogarth recognize experiments' limitations.

> Our view is that experiments measure only short-run effects, essentially holding capital fixed. The fact that incentives often do not induce different (or better) performance in the lab may understate the

effect of incentives in natural settings, particularly if agents faced with incentive changes have a chance to build up capital—take classes, seek advice, or practice.[82]

Think about any skilled worker. Would he have his specialized knowledge if there were no market demand for what he does? To answer no is to admit that incentives massively improve human judgment in the real world. It just takes time for incentives to work their magic. Camerer and Hogarth concur: "Useful cognitive capital probably builds up slowly, over days of mental fermentation or years of education rather than in the short-run of an experiment (1–3 hours) . . . [I]ncentives surely *do* play an important role in inducing long-run capital formation."[83] This claim is consistent with the growing literature on field experiments: Economic actors in their "natural habitat" look considerably more rational than they do in the lab.[84]

Camerer and Hogarth also admit that experiments slight the power of incentives by relying on volunteers, whose "intrinsic motivation"—desire to do well for its own sake—is unusually high.[85] Money cannot spur greater effort in those who are already trying their best. A related point that Camerer and Hogarth do not make is that most experiments avoid touchy subjects like religion and politics, where participants have "intrinsic motivation" to reach *incorrect* answers. Once there is a trade-off between psychological and material well-being, incentives have more room to operate.

A common summary of the experimental literature is that incentives improve performance on easy problems but hurt performance on hard problems.[86] As Einhorn and Hogarth argue:

> Performance . . . depends on both cognition and motivation. Thus, if incentive size can be thought of as analogous to the speed with which one travels in a given direction, cognition determines the direction. Therefore, if incentives are high but cognition is faulty, one gets to the wrong place faster.[87]

What Camerer and Hogarth highlight, however, is that the difficulty of a problem falls if you have more time and flexibility to solve it. Hard problems naturally decay into easier problems. Once they are easy enough, incentives work like they are "supposed to."

The moral is that we should take experimental evidence seriously, but not be intimidated when experimentalists announce that "there is little or no experimental evidence that stronger incentives make people more rational." As Camerer and Hogarth observe, few experiments on human beings last more than a few hours. It would be too expensive to continue for days or years. If rationality gradually responds to incentives, existing experiments will not detect it.

Fortunately, experiments are not our only information. Everyday experience is relevant. The typical person faces both practical questions—doing his job, buying groceries, or driving—and impractical ones—like politics and religion. It is hard to deny that both intellectual effort and accuracy are much higher for practical questions. How many people believe they can catch bullets in their teeth—or fly without mechanical assistance? Furthermore, when previously impractical questions suddenly become practical—perhaps due to a change in occupation—intellectual effort plainly rises, and accuracy eventually along with it. In a world without water, there would be no demand for ships, so few would know how to design and build them. To me, these are ubiquitous facts; I leave it to readers to judge whether they agree.

Even if we trust only experimental evidence, rational irrationality is a credible explanation for the public's biased beliefs about economics. Experimentalists admit that incentives help for relatively easy questions. Antimarket, antiforeign, make-work, and pessimistic bias all qualify. These are not subtle errors, but knee-jerk reactions. In nonpolitical contexts, people routinely overcome them. How many refrain from buying appliances because it "destroys jobs"? Experimentalists also emphasize that incentives help less when there is intrinsic motivation to get things right. In economics, there is intrinsic motivation to get things *wrong*. If you *think* the right answer, you feel insensitive and unpatriotic; if you *say* the right answer, you feel like a pariah. There is about as much intrinsic motivation to understand economics as there is to take out the garbage.

Rational Irrationality and Expressive Voting

My work owes a great deal to Geoffrey Brennan and Loren Lomasky's expressive voting model, best articulated in their *Democracy and Decision: The Pure Theory of Electoral Preference*.[88] Though complementary, our accounts differ in several key respects.

Since the work of Brennan and Lomasky has enjoyed less attention than it deserves, let me begin with a summary. Nearly all economists assume that people vote *instrumentally*; that is, they vote to get the policies they prefer. What else would they do?

Brennan and Lomasky point to the *expressive* function of voting. Fans at a football game cheer not to help the home team win, but to express their loyalty. Similarly, citizens might vote not to help policies win, but to express their patriotism, their compassion, or their devotion to the environment. This is not hair-splitting. One implication is

that inefficient policies like tariffs or the minimum wage might win because expressing support for them makes people feel good about themselves.

The same holds to some degree for consumer products. Even if generic perfume smelled as good as Calvin Klein, some shoppers would pay extra for the glamorous image of the name brand. In politics, though, Brennan and Lomasky point out that voters' low probability of decisiveness drastically distorts the trade-off. If your vote does not change the outcome, you can safely vote for "feel good" policies even if you know they will be disastrous in practice.

Case in point: When economists analyze discrimination, they emphasize the financial burden of being a bigot.[89] In politics, the social cost of prejudice remains, but the private cost vanishes due to voters' low probability of decisiveness:

> The bigot who refuses to serve blacks in his shop foregoes the profit he might have made from their custom; the anti-Semite who will not work with Jews is constrained in his choice of jobs and may well have to knock back one she would otherwise have accepted. To express such antipathy at the ballot box involves neither threat of retaliation nor any significant personal cost.[90]

Brennan and Lomasky do *not* merely draw the moderate conclusion that political decisions, like market decisions, depend on expressive as well as instrumental concerns. Their conclusion is instead the radical one that—unlike market decisions—political decisions depend *primarily* on expressive concerns:

> Private interests in the electoral context will be *heavily muted* and the purely expressive or symbolic *greatly magnified*. This is simply a matter of relative prices. We should, moreover, emphasize that the relative price change at stake is of an order of magnitude that is enormous in comparison with those with which economists normally deal.[91]

The parallels with rational irrationality are clear. Both views focus on the *psychological* benefits voters enjoy, not their microscopic effect on policy. Both argue that voters' low probability of decisiveness bifurcates economic and political behavior; as Brennan and Lomasky put it, "Considerations dormant in market behavior become significant in the polling booth."[92] Both explain how ineffective and counterproductive policies can be politically popular.

The key difference is the mechanism. In expressive voting theory, voters *know* that feel-good policies are ineffective. Expressive voters do not embrace dubious or absurd beliefs about the world. They sim-

ply care more about how policies *sound* than how they *work*. The expressive protectionist thinks: "Sure, protectionism makes Americans poorer. But who cares, as long as I can wave the flag and chant 'U.S.A.! U.S.A.!'" In contrast, rationally irrational voters believe that feel-good policies work. The rationally irrational protectionist genuinely holds that protectionism makes Americans richer. If he must deny comparative advantage, so be it.

To repeat, expressive voting and rational irrationality are not mutually exclusive. A person might simultaneously think, "Protectionism leads to prosperity" and, "I do not care if protectionism leads to prosperity." But in most cases, the rational irrationality account is more credible. False descriptive views usually accompany support for feel good policies. Few protectionists see their policies as economically harmful.[93] If they realistically assessed the effect of this "feel-good" policy, supporting the policy would no longer make its friends feel good.

The best way to illustrate the contrast between the two approaches is with one of Brennan and Lomasky's own examples. Suppose an electorate chooses between a cataclysmic war with honor, or peace and prosperity with dishonor. The majority pragmatically prefers the latter: "Just as individuals, in situations of interpersonal strain, will often swallow their pride, shrug their shoulders, and stroll off rather than commit to an all-out fight (particularly one that might imply someone's death), so the interests of most voters would be better served by drawing back from the belligerent course."[94] But by the logic of expressive voting, a war referendum could easily prevail. "Individual voters may, each of them, be *entirely rational* in voting for war—even where no one of them would, if decisive, take that course."[95]

Brennan and Lomasky's story is logically possible. But unless we relax the rationality assumption, it comes off as odd. How many vocal hawks would admit to themselves that war leads to devastation and appeasement to prosperity? They would more likely insist, against all evidence, "The boys will be out of the trenches by Christmas"—and add that no matter how bad war looks, appeasement is the true threat to our well-being. And most of the people who took this position would sincerely believe it! Consider this famous scene from *Gone with the Wind*:[96]

MR. O'HARA: The situation is very simple. The Yankees can't fight and we can.

CHORUS: You're right!

MAN: There won't even be a battle, that's what I think! They'll just turn and run every time.

MAN: One Southerner can lick twenty Yankees.
MAN: We'll finish them in one battle. Gentlemen can always fight better than rabble.

Rhett Butler enrages the crowd by taking the contrary position:

RHETT BUTLER: I think it's hard winning a war with words, gentlemen.
CHARLES: What do you mean, sir?
RHETT: I mean, Mr. Hamilton, there's not a cannon factory in the whole South.
MAN: What difference does that make, sir, to a gentleman?
RHETT: I'm afraid it's going to make a great deal of difference to a great many gentlemen, sir.
CHARLES: Are you hinting, Mr. Butler, that the Yankees can lick us?
RHETT: No, I'm not hinting. I'm saying very plainly that the Yankees are better equipped than we. They've got factories, shipyards, coal mines . . . and a fleet to bottle up our harbors and starve us to death. All we've got is cotton, and slaves and . . . arrogance.
MAN: That's treacherous!
CHARLES: I refuse to listen to any renegade talk!
RHETT: I'm sorry if the truth offends you.

The Southerners are not *pretending* to overestimate their military strength. They really do overestimate it. If they had as accurate an assessment of their side's military prospects as Rhett Butler, their war fervor would be hard to sustain. The lesson: Support for counterproductive policies and mistaken beliefs about how the world works normally come as a package. Rational irrationality emphasizes this link; expressive voting theory—despite its strengths—neglects it.

Conclusion

Rational irrationality does not imply that political views are *invariably* senseless. You will not gorge on all-you-can-eat pizza if you hate Italian food. But rational irrationality does put political beliefs under suspicion—and yes, that includes mine.

Democracy asks voters to make choices, but gives each only an infinitesimal influence. From the standpoint of the lone voter, what happens is independent of her choice. Practically every economist admits this. But after their admission, most economists minimize the broader implications.[97]

I take the opposite approach: Voters' lack of decisiveness changes everything. Voting is not a slight variation on shopping. Shoppers

have incentives to be rational. Voters do not. The naive view of democracy, which paints it as a public forum for solving social problems, ignores more than a few frictions. It overlooks the big story inches beneath the surface. When voters talk about solving social problems, they primary aim is to boost their self-worth by casting off the workaday shackles of objectivity.

Many escape my conclusion by redefining the word *rational*. If silly beliefs make you feel better, maybe the stickler for objectivity is the real fool. But this is why the term *rational irrationality* is apt: Beliefs that are irrational from the standpoint of truth-seeking are rational from the standpoint of individual utility maximization. More importantly—whatever *words* you prefer—a world where voters are happily foolish is unlike one where they are calmly logical. We shall soon see how.

Political behavior seems weird because the incentives that voters face are weird. Economists have often been criticized for evading the differences between political and market behavior.[98] But this is a failure of *economists* rather than a failure of *economics*. Economists should never have expected political behavior to parallel market behavior in the first place. Irrationality in politics is not a puzzle. It is precisely what an economic theory of irrationality predicts.