



The Logic Of Weirdness

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Peter Leeson in a new book explores the rational basis for bizarre cultural practices.

How could plunging a person's arms into a cauldron of boiling water be a relatively accurate indicator of guilt or innocence in medieval Europe? In his new book, *WTF?!: An Economic Tour of the Weird*, Peter Leeson, Duncan Black Professor of Economics and Law at George Mason University, explains just how this could, and did, work.

In a similar vein to Stephen Dubner and Steven Levitt's *Freakonomics*, *WTF?!* applies economic analysis to explain strange cultural practices from around the world, past and present. More specifically, the analysis is based on rational choice economics, which posits that individuals will respond rationally to incentives, given their beliefs and the constraints they face. Leeson applies this to the real world to demonstrate that many bizarre practices are actually relatively rational workarounds in the face of imperfect legal institutions. In doing so, *WTF?!* provides an important counter to behavioural economics (pioneered by psychologists Daniel Kahnemann and Amos Tversky, amongst others) which assumes that human behaviour can be understood, predicted



and directed (in a process dubbed 'nudging') through models built on the analysis of empirical data. WTF? also demonstrates the ability of groups of people to organically establish institutions which are roughly mutually beneficial.

So, what about the practice described in the opening to this review? Predominantly occurring in medieval Europe between the 11th and 13th centuries, such ordeals were used to decide difficult criminal cases. They consisted of a priest either plunging a suspect's arms into a boiling cauldron of water or making them carry a hot iron nine paces. In either case, if the arms of the suspect came out of the ordeal unburnt, it was proclaimed God had found them not guilty. If their arms were burnt, God considered them guilty. There were also cold ordeals, where suspects were dropped into a freezing body of water. If they sunk, they were innocent. If they floated, guilty.

Ordeals were a last resort only employed when guilt or innocence couldn't be ascertained through traditional avenues such as witness statements or confessions. They were also only used for serious crimes such as homicide, arson or robbery.

On the surface, this practice appears not only brutal, but an inaccurate guide to guilt or innocence. Surely boiling water would burn the arms of suspects 100 per cent of the time, whether they were guilty or not. However, there is a logic to ordeals that modern law enforcement agencies still rely upon. Medieval Europe was a place of almost universal and complete Christian faith. If priests claimed that God was acting through ordeals then it is safe to assume that the vast majority of suspects shared this belief. In light of this, it is likely that guilty suspects would confess to their crimes to avoid having to go through a painful ordeal. On the other hand, if a suspect knew they were innocent, their faith in God would dictate that they would be happy to take part in the ordeal, knowing they would be spared.

Furthermore, Leeson presents evidence that, in light of this logic, priests would actually reduce the temperature of the apparently boiling water, so that it didn't burn the arms of the suspects. This is similar to polygraph lie detector tests in modern law enforcement. Lie detectors are so inaccurate that their results aren't permissible in court. However, most people don't know this, so if a suspect is willing to undertake a lie detector test, police know that they are probably innocent.

The ordeal system is clearly an imperfect system for establishing guilt, but in a time of primitive evidence-gathering practices, it is certainly a more rational process than appears at first glance. Another good example is wife sales in Industrial Revolution England, a lamentable example of which opens Thomas Hardy's *Mayor of Casterbridge*. In England from the early 18th century to the late 19th century husbands under customary law were able to sell their wives to the highest bidder at the same public fairs and markets used to sell livestock!

While returns weren't permissible, some sellers offered buyers a trial period where the wife could be returned for 50 per cent of the sale price if the purchaser wasn't satisfied. Indeed, a few wife buyers flipped their purchases for profit.

Whilst this is rightly viewed as an inhumane practice in today's world, Leeson argues that wife sales actually gave women more choice than provided for under statute law at the time. In a

society where restrictive divorce laws made it incredibly difficult for women to leave bad marriages, Leeson argues wife sales gave women in this situation at least some limited options, as wives couldn't be sold without their consent. Indeed, as Leeson points out, it appears on most occasions, the purchaser was in fact already the wife's lover, and all three parties were satisfied with the arrangement.

Whilst the idea of selling another human being clearly offends our notion of personal liberty, in the context of oppressive divorce laws and given all participants took part voluntarily, Leeson considers it a rough workaround to a restrictive legal institution that left all parties better off.

Apart from being an interesting and entertaining read, Leeson's book makes a few serious contributions to our understanding of economics and other cultures, as well as the general field of public policy analysis which is so heavily dominated by the assumptions of behavioural economics.

Firstly, one of Leeson's main goals is to demonstrate that 'even seemingly senseless social practices can be, and often are, socially productive'. Far from being irrational and/or superstitious, these practices from other cultures and from the past are both rational and driven by economic incentives. The key to understanding them is to be able to comprehend the beliefs and constraints faced by those on the ground.

Secondly, as Brown University professor David Skarbek writes in his review of *WTF?!* in the November 2017 edition of *Public Choice*, Leeson's book can be seen as a response to the rise of behavioural economics. Behavioural economics is currently fashionable and some of its major proponents, such as Daniel Kahneman, Robert Shiller, and Robert Thaler, have been awarded with Nobel Prizes.

Behavioural economics seeks to understand what influences individuals' economic decision making. It identifies psychological, cognitive, social and emotional drivers of economic behaviour. The problem with the increasing influence of behavioural economics, as Skarbek notes, is the seemingly infinite and conflicting number of so-called biases that might influence individual economic decision making ('optimism bias', 'pessimism bias', 'projection bias', 'hindsight bias', etc etc). The nature of this complexity renders it impossible to predict behaviour outside of the laboratory, in the real world where economic transactions actually occur. Plus it does not acknowledge the individuals' ability to acknowledge and consequently counteract their own biases.

A good example of the problem with behavioural economics' current primacy is the emergence of handwringing over biases in the labour market, especially gender and racial bias. Proponents bizarrely seem to suggest that whilst management survives and apparently flourishes in our highly technical, complex and specialised knowledge economy, it is incapable of hiring someone with a different gender or race to their own due to their inherent bias. Whilst such concerns undoubtedly stem from identity politics, the academic hardware used to support these claims are often studies in behavioural economics.

Thirdly, *WTF?!* is a small part of a much broader and older battle in economics on the necessity or otherwise of data and qualitative methods to answer economic problems. On that question, Leeson clearly rejects the insistence on quantitative data, as he uses historical knowledge of actors' beliefs and constraints to unpick curious social practices.

Fourthly, people will devise workarounds to problems in the absence of a well-functioning state legal system. All the seemingly strange practices explained in the book are a response to this absence. The assumption of lawlessness and the strong riding roughshod over the weak in the absence of a functioning government is flawed in light of this.

That said, the fifth contribution of the book is that clearly a well-functioning state legal system is a good thing to have. Whilst the practices featured in the book provide a measure of justice within the constraints faced by the participants, they would not, and have not, survived in the presence of a well-functioning state legal system.

My one minor gripe about *WTF?!* is Leeson's incessant attempts at humour, which generally fall flat. As a comedian he makes a good economist. That aside, this book is an engaging advertisement for rational choice theory and well worth a read for anyone seeking to understand seemingly bizarre cultural and social practices.