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Rationalizing Choice: A Review Essay on Peter Leeson's *WTF?!: An Economic Tour of the Weird*†

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The methodology of economics has been applied with increasing frequency to nonmarket behavior and interactions. Peter Leeson's book WTF?!: An Economic Tour of the Weird *illustrates both the promise and the perils of this practice. When applied judiciously to environments in which the strategic obfuscation of true motives is widespread, the economic approach can yield valuable insights. But when applied without proper attention to prevailing norms and values, the attempt to rationalize behavior can fall flat and invite ridicule. Economists seeking to understand cultural practices would do well to import insights from other disciplines, and temper their eagerness to export narrow conceptions of rationality.* (*JEL* A12, B41, D01, D10, D23, Z13)

1. *Introduction*

The coveted Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel was awarded to Gary Becker in 1992 "for having extended the domain of microeconomic analysis to a wide range of human behavior and interaction, including nonmarket behavior." In his acceptance speech, Becker took great pains to emphasize that his analysis left room for a broad conception of human motivation:

> Along with others, I have tried to pry economists away from narrow assumptions about self-interest. Behavior is driven by a much richer set of values and preferences. The analysis assumes that individuals maximize welfare as they conceive it, whether they be selfish, altruistic, loyal, spiteful, or masochistic. Their behavior is forward-looking, and it is also assumed to be consistent over time. In particular, they try as best they can to anticipate the uncertain consequences of their actions (Becker 1993, pp. 385–86).

Armed with this approach, Becker tackled a range of questions that once lay outside the purview of economics, from racial discrimination to criminal offending. Applied

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judiciously, with careful consideration of the values and preferences involved, the method led to new and important insights.

Consider, for instance, Becker's analysis of racial discrimination. The starting point here was a postulate that some individuals were willing to sacrifice their material well-being in order to indulge their prejudices. This willingness to forego profit for psychic gain, argued Becker, suggested a natural test for discrimination. If a bank set a higher standard for accepting loan applications from black customers as compared with white, then the marginal black borrower should have a lower default rate than the marginal white borrower. That is, the rejection of applications from black borrowers to whom it would have been profitable to lend should reveal itself in the higher relative profits delivered by those black borrowers who are *not* rejected.

This has come to be called the outcome test for discrimination. In the context of police stops, it is commonly known as the *hit rate test*. When different thresholds of suspicion are applied to motorists or pedestrians by law enforcement officers contemplating searches, it is performance rather than profitability that is sacrificed, and this is where one can look for evidence of discrimination.

Ian Ayres has described this logic as follows:

> The ex post probability that a police search will uncover contraband or evidence of illegality is strong evidence of the average level of probable cause that police require before undertaking a search … Any finding that the police searches of individuals with a particular characteristic (such as minority status) induce a systematically lower probability of uncovering illegality suggests that police search criteria unjustifiably subjects that class of individuals to the disability of being searched" (Ayres 2002, pp. 133–34).

In practice, the implementation of the hit rate test is challenging because it requires a statistician to identify marginal individuals—those who barely met the threshold of suspicion for a search, or the threshold of creditworthiness for a loan. Nevertheless, the test is commonly used as a preliminary diagnostic tool, and in some cases the availability of large and detailed data sets allows for confident inferences about discrimination to be made.[1]

What the example of the hit rate test tells us is that in environments where it is reasonable to attribute deliberation, calculation, and farsightedness to individual actors, the economic approach to human behavior can be fruitful. But it is important to allow for a broad range of human motivations and to get our assumptions about these motivations right. There is little to be gained from an elaborate analytical exercise based on flawed assumptions about values and preferences. Assuming profit or performance maximization will not do when something else entirely, or nothing at all, is being maximized.

2. *In Becker's Footsteps*

At first glance, Peter Leeson's book *WTF?!: An Economic Tour of the Weird* lies in a direct line of descent from Becker. Certainly the author would like to see it this way. He argues at the outset that "what seems like senseless behavior actually makes sense, and thus what seems like irrationality is actually rational … very unconventional practices reflect the canny pursuit of very conventional goals" (Leeson 2017, pp. xii–xiii).

Among the unconventional (and largely obsolete) practices that Leeson seeks to demystify are trial by ordeal, the selling of wives, superstitions and curses of various kinds, the prosecution of insects and rodents, and the settlement of property disputes by hand-to-hand combat between surrogates. His goal is to show how the behaviors

[1] See, for instance, Goel, Rao, and Shroff (2016) and Kleinberg et al. (2018).

entailed are consistent with his conception of rationality, understood as the maximization of some objective function subject to constraints.

The first stop on Leeson's "tour" is medieval Europe, where some individuals accused of crimes faced trial by ordeal. In one variant of the practice, the accused would be required to plunge a hand into a cauldron of boiling water. Those who showed no sign of injury after three days were deemed to have been protected, or quickly healed, by divine intervention and were accordingly declared innocent. The rest were judged to be guilty and faced additional (and often severe) punishment.

Leeson observes that this method was typically used as a last resort, when no other means of ascertaining guilt or innocence were available. He also notes that a majority of those undergoing trial by ordeal were found to be innocent—as many as three-fifths by one estimate. He interprets this as evidence of manipulation by priests, who had the power to calibrate the severity of the test, and could therefore ensure that few would be found guilty. But to what end?

The theory that he advances here is, if anything, more bizarre than the practice itself. The basic idea is this. Among the general population, people are uncertain about whether or not the outcomes of ordeals reflect the will of God or are simply random draws from a distribution chosen by the priest. Seeing the history of conviction rates, accused individuals reason as follows. If outcomes at trial reflect God's will, then the proportion convicted must correspond to the proportion actually guilty. In this case an innocent person has nothing to fear. If, however, outcomes reflect random draws from a distribution chosen by the priest, then both the guilty and the innocent face the same likelihood of being convicted.

Given any non-degenerate prior belief in the likelihood of divine intervention, those who were actually guilty believed themselves to be at greater risk of conviction at trial. As a consequence, they had stronger incentives to avoid the ordeal in the first place, for instance by confessing their guilt and accepting more moderate punishment. By taking account of these prior beliefs, and this difference in incentives, priests could calibrate the severity of the ordeal to ensure that only the truly innocent would submit to it.

This is precisely what Leeson assumes that they did. In particular, he claims that priests set the conviction rate at the lowest level consistent with sorting—any lower and even the guilty would take the gamble. Knowing that those who submitted to the trial were all innocent, they sought to minimize the number of individuals found guilty, subject to the constraint that the guilty be deterred from accepting trial by ordeal.[2]

Consider what one must believe about the values and preferences of clerics to accept this interpretation. Unlike the population at large, they attributed to themselves alone the power to determine the outcomes of ordeals. They knowingly condemned a fraction of innocent individuals, subjecting them to harsher punishments than were inflicted on the guilty. And they did so without fear of eternal damnation. The only evidence cited in support of this elaborate theory is the high rate of acquittal at trial. Of course, one can think of alternative explanations for this. Perhaps priests felt that—guided by the hand of God—they could personally distinguish guilty from innocent defendants, and varied the severity of individual ordeals to spare the latter while condemning the former. Or perhaps they simply followed a

[2] "Because of the way that ordeals sorted the accused, the clerics who administered them went in knowing that willing probands were innocent … as long as defendants reposed even the faintest faith in the possibility that ordeals were genuine judgments of God, there existed some proportion of probands whom priests could condemn that would accomplish this goal"(pp. 14–21).

ritual without giving it much thought, much as they would at a wedding or funeral, but were merciful in their exercise of discretion over trial severity. The principle of Occam's razor would guide us to such simpler explanations, but they would be too transparent and insufficiently entertaining for a book such as this.

To make the point a little differently, consider contemporary polygraph tests. Leeson considers these to be a modern equivalent of trial by ordeal, in that they have no genuine diagnostic value. Let us stipulate that this is indeed the case and that the administrators of such tests are aware of this fact. However, defendants believe that there is some chance of such tests being effective in identifying falsehood. In this case, other things equal, innocent defendants will be more inclined to submit to such tests, and test administrators could well respond by making them easy to pass, so as to generate fewer false positives. But the idea that they calibrate the tests to screen out guilty defendants is supported by neither logic nor evidence. A model in which they do so might be useful as an illustration of some tools in microeconomic theory, but cannot really be considered a scientific exercise.

This is not to say that all of Leeson's thought experiments are equally fanciful. If one were to apply rational choice theory willy-nilly to all manner of cultural practices, there are surely some cases in which the explanation will be insightful and revealing. And indeed that is the case here, with respect to the trials of rodents and insects. Here Leeson is concerned with the following phenomenon:

> For 250 years, French, Italian, and Swiss ecclesiastical courts tried insects and rodents for property crimes as legal persons under the same laws and according to the same procedures they used to try actual persons … courts appointed accused insects and rodents defense attorneys to represent them and went to great lengths to ensure that their representation was adequate (p. 126).

In Leeson's interpretation, these procedures allowed the courts some control over the length of trials. This was useful because "by protracting the vermin's trial, an ecclesiastical court could improve the chances that the pests would depart under its imprecations or their threat." By working such apparent miracles, the credibility of the courts as conduits to God would be enhanced.

This increase in power and prestige could then be put to use for more lucrative purposes, most important among which was to induce the payment of tithes. As Leeson notes, the court's sanctions against rodents and insects were "the same supernatural ones that clerics used against tithe evaders: anathema, excommunication, and damnation" (p. 139). By demonstrating their power to banish pests, they also demonstrated the capacity to bring divine punishment down on those who were less than fully compliant with their financial obligations to the church.

For this theory, Leeson offers some interesting empirical evidence. He shows that the insect trials were concentrated in regions where the authority of the Catholic Church was under challenge by the pre-Protestant Vaudois movement, whose adherents preached a more personal and less tightly intermediated relationship with God. The payment of tithes was not obligatory in their interpretation of scripture, which threatened the revenues of the church. In Leeson's reading of the evidence, which is quite persuasive, the insect trials were a response to this threat.

3. *Efficiency*

One of the more puzzling claims in the book concerns the connection between individual rationality and social efficiency, which Leeson describes as follows:

> If people are rational and rational people don't do senseless things, it's not a step much further to conclude that the weird social practices people engage in are often good for their

> societies; they make them better off. Practices that make people worse off aren't likely to survive (p. xiii).[3]

On the contrary, there is a yawning gap between individual rationality and social efficiency that can't be bridged quite so easily. Calculating and farsighted people can serve their own interests well while making their societies considerably worse off, and the difficulty of constructing incentive schemes that align individual goals with broader social objectives lies at the heart of the theory of mechanism design.

Leeson's own example of insect trials can be used to make this point. These trials squandered resources without yielding any improvement in agricultural productivity. They may have served to sustain the payment of tithes, but these were transfers from citizens to the church, and thus neutral at best from the perspective of social efficiency. One can argue that they served the interests of the clerics who administered the trials,but it is hard to see any sense in which they made society as a whole better off.

The claim that "practices that make people worse off aren't likely to survive" implicitly references an evolutionary process involving competition among distinct practices based on their effects on human welfare. Models of such processes do exist, in evolutionary biology as well as the social sciences, although the scope of their application is far from universal.

One channel through which pro-social values, preferences, and cultural practices might have been favored in human evolution is through intergroup conflict. Darwin himself famously recognized this possibility:

> A tribe including many members who, from possessing in a high degree the spirit of patriotism, fidelity, obedience, courage, and sympathy, were always ready to aid one another, and to sacrifice themselves for the common good, would be victorious over most other tribes; and this would be natural selection. At all times throughout the world tribes have supplanted other tribes; and as morality is one important element in their success, the standard of morality and the number of well-endowed men will thus everywhere tend to rise and increase (Darwin 1871, p. 166).

Arrayed against this effect are the forces of selection *within* groups, which could well favor amoral (or even immoral) behavior that is detrimental to social welfare in the aggregate. Models of multi-level selection simultaneously account for each of these mechanisms and have identified conditions under which pro-social behavior can survive in the long run, not just in humans but also in certain other species.[4]

In one version of this argument, evolutionary pressures have resulted in a taste for *altruistic punishment* in humans. This involves the willingness to make material sacrifices in order to harm those who are perceived to have violated commonly held social norms. Once this capacity has become entrenched, even those who are self-interested have strong incentives to follow norms, if only to escape punishment. This can sustain pro-social behavior even in the absence of competition between groups, since punishment will be rare when norms are widely observed.[5]

In her classic work *Governing the Commons*, Elinor Ostrom identified the importance of altruistic punishment in sustaining rules and norms regulating the use of natural resources held as common property (Ostrom 1990).[6] Common property

[3] Here Leeson is following in the footsteps of Harris (1974), who also argued that cultural practices emerged and survived because they were functional at the level of the group.

[4] See, especially, Maynard Smith (1964), Wilson (1975), Sober and Wilson (1999), and Bowles and Gintis (2011).

[5] See Axelrod (1986), Sethi and Somanathan (1996), Fehr and Gächter (2002), and Boyd et al.(2003).

[6] See also Ostrom (2009), her acceptance speech on receiving the *Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel.*

differs from open access in that it involves a well-defined set of users with the capacity to exclude outsiders and monitor insiders. Ostrom observed that many common property resources—such as inshore fisheries, grazing lands, and forest areas—were governed by formal and informal rules that restricted levels of extraction, thus keeping the "tragedy of the commons" at bay.

The work of Ostrom and her followers does indeed demonstrate that practices making communities better off can survive even in the face of difficult social dilemmas. But the very same altruistic punishment that sustains benign practices can also sustain norms that are oppressive and antisocial, that benefit one segment of a population at the expense of another, that sustain hierarchy at the cost of generalized prosperity. Robert Axelrod, for instance, has argued that lynching in the American South was sustained by *metanorms* involving the punishment of those who raised objections to the practice.[7]

The problem is that group boundaries can be parochial rather than inclusive. In small and relatively homogeneous communities, identification with the group can result in pro-social behavior that promotes social efficiency. In larger and more diverse communities composed of multiple identity groups, strong identification with one's own people can result in behavior that is violent or repressive. In both cases individuals may be acting in ways that are calculating and farsighted, given their values and preferences. But there can be no general presumption that practices making people worse off on the whole "aren't likely to survive."

[7] "This is one way to enforce a norm: punish those who do not support it. In other words, be vengeful, not only against the violators of the norm, but also against anyone who refuses to punish the defectors. This amounts to establishing a norm that one must punish those who do not punish a defection. This is what I will call a metanorm" (Axelrod 1986, p. 1101).

As noted above, the practice of insect trials served the interests of an ecclesiastical elite at the expense of the general population, who were induced to transfer more of their resources to the church. But there are other practices discussed in the book that can plausibly be argued to have left all participants better off relative to the other options available at the time.

Leeson observes that in eighteenth and nineteenth century England, there were several recorded transactions involving the sale by married men of their wives: "In the eyes of participants and transaction observers, the sale terminated one marriage and began another" (p. 39). He argues that these transactions were beneficial to all parties involved, on the grounds that wives "had veto power over their sales" (p. 42). Since divorce was essentially impossible for working class women at the time, and wives could decline any given prospective purchaser, Leeson argues that the availability of the option left all transacting parties better off than the status quo.

In support of this claim, Leeson presents evidence that wife buyers were typically "men of greater means and social status" than incumbent husbands, and quotes a contemporaneous observer puzzling over the fact that "the women sold seem to have rejoiced in the change more than they lamented the degradation" (p. 42). Of course, the practice served as a substitute for divorce only for the husband, so the gains were probably unequally distributed. Nevertheless, given the very limited rights held by married women at the time, he argues that "the practice of publicly auctioning wives to the highest bidder was an aid to many unhappily married women, an exceptionally clever answer to a regulatory roadblock" (p. 64).

4. *Justice*

In his extraordinarily influential paper on social cost, Ronald Coase examined the

limitations of judicial decisions by considering the case of *Sturges v. Bridgman*.[8] Bridgman was a confectioner who produced his wares using machinery that generated noise and vibration. This machinery was located on his own property, and caused no harm to others until his neighbor, a practicing physician named Sturges, built a consulting room adjacent to the confectioner's kitchen. Finding himself unable to examine his patients effectively, Sturges sought and received an injunction from the courts, thus preventing Bridgman from continuing to operate.

Coase took issue less with the decision itself than with the reasoning underlying it. The judge had argued that the doctor's services were of greater social value than those of the confectioner, and should therefore be given priority. Coase responded that the courts had simply established a property right, and did not have the power to determine how that right would subsequently be used. For instance, if the market value of the confectioner's output were greater than that of the doctor, the former could continue to produce by compensating the latter for any losses incurred. Similarly, a negotiated settlement could have allowed the doctor to use his consulting room even if the property right had been awarded by the courts to the confectioner. The judge had decided how the gains from production would be distributed between the two parties but was naïve in thinking that he could determine which goods and services would actually end up being produced.

A key step in this argument, of course, is that a negotiated settlement could be reached at negligible cost. If this were not the case, then judicial decisions would affect not just the distribution of gains but also the allocation of resources. And in this more realistic case, argued Coase, judges ought to consider the efficiency effects of their actions, even if this were to benefit the party whose actions were causing harm to others. For example, if sparks from a railway were to set nearby crops on fire, but the affected farmers could take relatively inexpensive actions to mitigate or prevent the damage, then an injunction against the railway would be far more costly in the aggregate than simply allowing it to operate freely.[9]

This is a useful perspective from which to examine another of Leeson's examples—the settlement of property disputes based on hand-to-hand combat between surrogates:

> For over a century, England's judicial system decided land disputes by ordering disputants' legal representatives, fittingly dubbed "champions," to bludgeon one another before an arena of spectating citizens. The victorious champion won the property right for his principal. The vanquished lost his cause and, if he were unlucky, his life (p. 158).

As Leeson recognizes, this is effectively an all-pay auction for the principals involved in the property dispute. For the combatants themselves, it is a fee-for-service contract.

Under the assumption that the fiercest champions would also be the most expensive to hire, Leeson argues that the individual who valued the property most would end up hiring the stronger surrogate, and thus secure the property with greater likelihood. As in the case of wife sales, he considers this to be a good thing for society as a whole:

> Judicial combat used incentives to solve a social problem: how to allocate contested property to the person who valued it most when judges couldn't know who it truly belonged to and

[8] See Coase (1960) and the discussion of this case in *The Economy* by the CORE Team (2017).

[9] Most textbook treatments of this paper focus on the zero transactions costs case, as embodied in the so-called Coase theorem. However Coase himself considered that benchmark to be "quite unimaginable" and was far more interested in the case of prohibitive transactions costs, in which efficiency considerations can conflict with intuitive notions of justice (Lee 2013).

> sticky land rights prevented trade from doing the job for them. In solving this problem, trial by battle made society more economically productive, its members better off (p. 180).

This does not account for the rather significant welfare losses incurred by the combatants themselves, who risked life and limb for no productive purpose other than to identify the highest bidder. An actual auction involving direct payments to the court would, of course, have been more efficient. But even setting aside these costs, there is an important question here about whether or not property should be assigned to those who would put it to the most productive use.

This is the question that underlies contemporary debates about *eminent domain*, which is the power of a state to take possession of private property for public use, or for transfer to a third party for development. Incumbent owners are compensated when this power is invoked, but not necessarily on terms that they find acceptable. In the United States, the power to take property for public use in exchange for "just compensation" is enshrined in the takings clause of the fifth amendment to the constitution.

The exercise of eminent domain excites passionate responses, especially when a private party stands to gain. In the 2005 case of *Kelo v. City of New London*, a closely divided Supreme Court decided that the takings clause permitted a city to transfer private land from one owner to another, in the interests of increasing employment and raising tax revenues. In response, several states amended their laws to prevent such actions, and an attempt was made by a property rights advocate to seize land owned by Justice David Souter, who had voted with the majority, for the development of a hotel and museum.[10]

[10] See Broder (2006) on the "swift and heated" reaction to the court's decision and Morrison (2015) on the attempt to seize Souter's land.

Opposition to the *Kelo* decision came from across the ideological spectrum, from libertarians to advocates for the poor. And while the liberal wing of the court voted with the majority, Sandra Day O'Connor argued in her dissent that "the fallout from this decision will not be random … beneficiaries are likely to be those citizens with disproportionate influence and power in the political process, including large corporations and development firms."

If judicial combat "made society more productive, its members better off," as Leeson claims, then cannot the same be said for the *Kelo* decision? Yet the reaction to the ruling suggests that most members of society did not consider themselves to have been made better off. To begin with, gains from the reassignment of property rights are always unequally distributed, and even when the net gains are positive, there may be more losers than winners. Furthermore, individual welfare depends only indirectly and partially on the general level of prosperity. People also care about inequality and procedural justice, and these considerations cannot simply be set aside if one is making claims about human welfare.

5. *Passions*

While Becker was open to considering a broad range of values and preferences in his analysis, he was uncompromising in his insistence on rational calculation as a defining feature of economic reasoning. Leeson follows him down this road. Associated with each of the vignettes is a model of optimizing behavior, many of which are collected in the appendix to the book. The process of rationalization then amounts to identifying and describing the structure of equilibrium choices.

But even the canny pursuit of one's own material self-interest was not always

considered to be a rational act devoid of moral valence. In his remarkable book *The Passions and the Interests*, Albert Hirschman tells the story of how "commercial, banking, and similar money-making pursuits become honorable at some point in the modern age after having stood condemned or despised as greed, love of lucre, and avarice for centuries past" (Hirschman 1997, p. 9).[11]

Hirschman's account begins with a sense that "arose in the Renaissance and became firm conviction during the seventeenth century that moralizing philosophy and religious precept could no longer be trusted with restraining the destructive passions of men" (pp. 14–15). As an alternative to the more obvious prescription of coercion and repression, the idea emerged that one could "utilize one set of comparatively innocuous passions to countervail another more dangerous and destructive set" (p. 20). Specifically, passions "hitherto known variously as greed, avarice, or love of lucre, could be usefully employed to oppose and bridle such other passions as ambition, lust for power, or sexual lust" (p. 41).

The spread of this idea was facilitated by gradually replacing the harsh language of avarice and greed with "such bland terms" as advantage and interest. The resulting formulation then "took the form of opposing the *interests* of men to their *passions* and of contrasting the favorable effects that follow when men are guided by their interests to the calamitous state of affairs that prevails when men give free rein to their passions … once money-making wore the label of 'interests' and reentered in this disguise the competition with the other passions, it was suddenly acclaimed and even given the task of holding back those passions that had long been thought to be much less reprehensible … The passions were wild and dangerous, whereas looking after one's material interests was innocent or, as one would say today, innocuous" (Hirschman 1997, pp. 32–58).[12]

Adam Smith would later "establish a powerful economic justification for the untrammeled pursuit of individual self-interest, whereas in the earlier literature … the stress was on the political effects of this pursuit" (p. 100). That is, Smith "chose to stress the economic benefits that this pursuit would bring rather than the political dangers and disasters that it would avert" (p. 69). And in this "limited and domesticated form the harnessing idea was able to survive and to prosper both as a major tenet of nineteenth-century liberalism and as a central construct of economic theory" (p. 19).

Hirschman reminds us not only that the calculated pursuit of one's own interest was once considered a vice, but also that it is just one point on a spectrum of human motivation. Truly rational individuals cannot neglect the existence of these various motivations in others. That is, there are certain economic environments in which rationality demands that one make allowances for departures from rationality on the part of those with whom we are dealing.

Consider, for instance, the following discussion in Thomas Schelling's *Strategy of Conflict*:

> How can one commit himself in advance to an act that he would in fact prefer not to carry out in the event, in order that his commitment may deter the other party? One can of course bluff … pretend a revenge motivation so strong

[11] All references are to the twentieth anniversary edition; the book was first published in 1977.

[12] The epigraph for the book is the following sentence from Montesquieu's *De l'Esprit des lois*: "Et il est heureux pour les hommes d'être dans une situation où, pendant que leurs passions leur inspirent la pensée d'être méchans, ils ont pourtant intérêt de ne pasl'être," which Hirschman translates as: "It is fortunate for men to be in a situation where, though their passions may prompt them to be wicked, they have never the less an interest in not being so" (Hirschman 1997, p. xxii).

> as to overcome the prospect of self-damage; but this option is probably most readily available to the truly vengeful (Schelling 1960, p. 36).

Similarly, in bargaining situations, "the sophisticated negotiator may find it difficult to seem as obstinate as a truly obstinate man," and an individual facing a threat may benefit from "*genuine* ignorance, obstinacy or simple disbelief, since it may be more convincing to the prospective threatener" (Schelling 1960, p. 22 and p. 38).

These passages contain the seeds of an influential literature on reputation in games, in which rational players allow for the possibility that they may be interacting with "behavioral types" who are committed to certain patterns of play, and find it profitable to mimic such types to disguise the fact that they are unable to make credible commitments.

Even a negligible probability that players are behavioral can have dramatic effects on the structure of equilibria and generate more intuitive and empirically plausible paths of play.[13]

The reputation literature typically considers the case of a negligible population share of behavioral types and shows that a small perturbation to the standard model has large consequences. But if departures from calculating, self-interested behavior are *profitable*, as Schelling suggests, then one would expect competitive forces to favor their survival and spread. As Hirschleifer has observed, "the loss of control that makes calculated behavior impossible can be more profitable than calculated optimization," with the implication that "we ought not to prejudge the question as to whether the observed limitations upon the human ability to pursue self-interested rationality are really no more than imperfections—might not these seeming disabilities actually be functional?" (Hirschleifer 2001, pp. 321–22).[14]

The lesson here is that both empirical and evolutionary considerations suggest that passions are important determinants of human action, and behavior that fails to account for this cannot properly be considered rational. For some economic environments, this complication can probably be disregarded. But Leeson is concerned with environments in which passions are naturally inflamed—judgments of guilt, conflicts over land, failures of marriages, and superstitions and curses among them. In this context, models of actors assumed to be entirely dispassionate in pursuing their objectives are likely to miss something essential.

6. *Conclusions*

This review essay would not be complete without some mention of Leeson's style, which—to say the least—is unorthodox. The book is a collection of vignettes narrated by a chatty tour guide to an audience of guests at a museum. The narration is interrupted from time to time by questions or objections from this audience. In attempting to develop his cast of characters, Leeson endows them with personalities that some will find entertaining and others will find annoying and distracting. And their interjections are largely straw-man arguments or setup questions, easily dispensed with by the expert narrator.

For scholars who have spent a career examining in minute detail the cultural practices and historical episodes with which Leeson is concerned, his reductionist approach will

[13]This literature has its origins in Kreps et al. (1982), Kreps and Wilson (1982), and Milgrom and Roberts (1982); see McKelvey and Palfrey (1992) and Abreu and Gul (2000) for two influential later contributions.

[14]See Akerlof (1983) and Frank (1988) for related arguments. If departures from rationality are observable, then evolutionary models predict non-negligible population shares of behavioral types (Banerjee and Weibull 1994, Sethi 1996). If they are unobservable, even negligible costs of rational calculation can result in non-negligible population shares of behavioral types (Abreu and Sethi 2003).

be grating. And to those working on evolutionary models of multilevel selection, his premise that cultural practices will survive if they are functional at the level of society will seem untenable.

In his 1902 book *Just So Stories*, Rudyard Kipling explained how the camel got its hump and the leopard its spots, spinning fantastic tales for the entertainment and wonder of children. Stephen Jay Gould once referenced this work in a critical essay on sociobiology. After affirming that the theory of natural selection was deserving of its scientific status, he continued as follows:

> Yet in one area, unfortunately a very large part of evolutionary theory and practice, natural selection has operated like the fundamentalist's God—he who maketh all things. Rudyard Kipling asked how the leopard got its spots, the rhino its wrinkled skin. He called his answers "Just So stories." When evolutionists study individual adaptations, when they try to explain form and behaviour by reconstructing history and assessing current utility, they also tell just-so stories—and the agent is natural selection. Virtuosity in invention replaces testability as the criterion for acceptance. This is the procedure that … has given evolutionary biology a bad name among many experimental scientists in other disciplines. We should heed their disquiet, not dismiss it with a claim that they understand neither natural selection nor the special procedures of historical science …. I say this not to espouse mysticism or incomprehensibility, but merely to assert that the world of human behaviour is too complex and multifarious to be unlocked by any simple key. I say this to maintain that this richness—if anything—is both our hope and our essence (Gould 1978, pp. 530–33).

Replace evolutionary biology with economics and natural selection with rational choice, and this could apply to a certain type of theorizing in our own discipline.

Many economists have followed Becker's lead in applying the rational choice perspective to a broad range of nonmarket phenomena, but they have not always managed to get the values and preferences right. As Amartya Sen observed in a foreword to *The Passions and the Interests*, "The fact that a theory that seemed so compelling and natural to the early defenders of capitalism appears so remote—even odd—today gives us pause about behavioral assumptions that seem compelling and natural to contemporary theorists" (Sen 1997, p. xiii). These behavioral assumptions involve too narrow a conception of interest and the almost complete neglect of passion.

Yet, for all its limitations, there is something refreshingly egalitarian about the economic approach to human behavior. Becker notes that when he first began to study crime, "intellectual discussions … were dominated by the opinion that criminal behavior was caused by mental illness and social oppression." He was "not sympathetic to the assumption that criminals had radically different motivations from everyone else" and proceeded to build an account of offending in which incentives and constraints played a central role (Becker 1993, p. 390).[15]

Leeson has tried to do much the same for a range of cultural practices from bygone eras and distant lands that might inspire curiosity and contempt among educated elites today. The theories he advances range from the plausible to the far-fetched, but if one sets aside the details, they are united by the conviction that across time and space, across context and culture, people are fundamentally the same. And this in itself is a valuable contribution to public discourse.

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[15] See Loury (2002) on the value of the axiom of anti-essentialism, Muhammad (2011) on the history of essentialist writing on crime, and O'Flaherty and Sethi (2019) on the need for models to allow for the possibility that people sometimes act on essentialist beliefs.

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