

## Democracies Choose Bad Policies

“Democracy gives citizens most of what they want, most of what they want is nonsense,” writes Bryan Caplan in his book *The Myth of the Rational Voter: Why Democracies Choose Bad Policies*.

In his book, Caplan discusses four systematic biases in most citizens that lead to harmful policies. These are 1) an antimarket bias, 2) an antforeign bias, 3) a make-work bias, and 4) a pessimistic bias. In order, people underestimate how much we benefit from what they see as the uncoordinated pursuit of self-interest and profit; are suspicious of foreigners and skeptical of claims that we benefit from dealing with them; applaud the creation of jobs and lament the loss of jobs regardless of the value being produced; and concentrate on economic problems while underestimating economic successes.

But couldn't the typical voter be correct in his biases and economists wrong in overwhelmingly seeing them as errors? Caplan devotes his longest chapter to addressing this question with creative use of data from the Survey of Americans and Economists on the Economy.

He next considers Public Choice explanations for why mistaken views inform the typical voter's decisions. Because of the extremely low probability that the outcome of an election will turn on one vote, voters have little motivation to become well informed. This has become known as rational ignorance—voters are rational to remain ignorant on most, if not all, issues they're voting on. But Caplan doesn't think the concept of rational ignorance adequately explains voting behavior. He argues that rationality requires updating one's beliefs in response to new evidence or arguments. Even by this minimum standard, however, most voters are irrational because they have emotional attachments to their political views that make them resistant to opposing evidence. This is “rational irrationality” because, Caplan explains, it's subject to the law of demand. The higher the personal cost of irrationality, the less irrational people will be. *Unfortunately, the arithmetic of voting eliminates the personal cost of holding and expressing silly beliefs at the polls. So they persist.*

If most people don't take the time to become informed and their views were random, then informed voters would determine

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## Bully-Board...

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The League of Taxpayers, led by Wally Reemelin, came up with a solution—a receiving plant, privately operated and located on Athens Road in north Roseville.

This plant cost the County and taxpayers *nothing* and tank owners pay only a small usage fee when their tank is pumped. From \$8 million to ZERO. The plant has served Placer and Nevada Counties since 1995.

The WRCB staff is suffering from the same “tunnel vision” pursued by County officials in 1993. The League has some ideas to open the vision of the WRCB on the implementation of AB 885 to different means of achieving the goals of the Bill in a more effective, less onerous, and less costly way.

First, the WRCB should contact waste treatment facilities in Denmark. The Danes have long experience and expertise in these matters. Most Denmark residents use on-site treatment methods as well as well water for drinking. They are surrounded by the sea.

Second, AB 885 contains a provision to devolve implementation to county agencies. The WRCB should limit its directives

to setting guidelines, *not mandates*, and direct or allow counties to implement the idea behind AB 885 as local conditions determine. There are too many variables such as soils, substrates, etc., for state central control to successfully and economically administer AB 885.

A proposal to repeal AB 885 by the legislature is not going to fly. There are too many environmental issues and supporters to allow that to happen. Local administration of the law is the best solution, costwise and for effectiveness.

As to private well inspection fees, mandated every five years, we question the *public health* interest of a private well that affects only the family using it, not the public. When a well is drilled it could have a public interest if drilled through an imperious substrate soil layer that could open infiltration of upper level impurities to lower ground water sources. Other than that, no public interest.

The battle between the WRCB and the public has just been joined and will continue over the months, perhaps years. The League welcomes citizen support and help in funding the fight that continues, to a satisfactory resolution.

*- Wally Reemelin*



*Septic plant on Athens Road in Roseville*

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The era of easy credit came to an abrupt end last summer and has given way to a withdrawal of funds from almost all corners of the developing world. A flight to safety and liquidity—which essentially means a flight to U.S. Treasuries—has become the dominant strategy of investors all around the world.

*- Ulrich Volz  
Senior Economist, Germany*