

# SUPERSTITION AND SELF-GOVERNANCE

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## ABSTRACT

*This paper investigates the relationship between superstition and self-governance. We argue that at least some superstitions, and perhaps many, support self-governing arrangements. The relationship between such scientifically false beliefs and private institutions is symbiotic and socially productive. This simple but overlooked observation may help explain the emergence and otherwise puzzling persistence of both superstitions and “spontaneous” orders that seem perverse or dysfunctional, as well as why these two phenomena are often found together.*

**Keywords:** Superstition; self-governance; spontaneous order; beliefs

**JEL classifications:** K40; Z10; Z12; Z19; P48; N33; N43; B53

## INTRODUCTION

This paper investigates the relationship between superstition – scientifically false beliefs – and self-governance – social cooperation secured outside

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government. In doing so it addresses two themes commonly associated with the Austrian School of economics: individuals' subjective beliefs and private or "spontaneous" orders (see, for instance, Boettke, 2010, 2012; Hayek, 1948, 1988; Lachmann, 1976, 1994; Leeson, 2012a; Martin & Storr, 2008; Menger, 1871 [1981], 1883 [1985]; Mises, 1949).

Our argument is straightforward. At least some superstitions, and perhaps many, support self-governing arrangements.<sup>1</sup> The relationship between such scientifically false beliefs and private institutions is symbiotic and socially productive.<sup>2</sup> This simple but overlooked observation may help explain the emergence and otherwise puzzling persistence of both superstitions and "spontaneous" orders that appear perverse or dysfunctional, as well as why these two phenomena are often found together.<sup>3</sup>

To explore our hypothesis we examine the role of superstition in supporting self-governing solutions to three central problems of social cooperation: the problem of adjudication, the problem of protecting private property rights, and the problem of facilitating collective action. To investigate the problem of adjudication, we consider the institution of "sassywood" as practiced in contemporary Liberia. To investigate the problem of protecting private property rights, we consider the institution of liturgical malediction as practiced in medieval West Francia. And to investigate the problem of facilitating collective action, we consider *Romaniya* – so-called Gypsy law – among the Vlach Roma.

Each of these cases is characterized by a society of individuals who cling to superstition and who, because they cannot rely on government to promote cooperation, require institutions of self-governance for this purpose instead. Also in each of these cases, the superstition clung to critically supports self-governing institutions that, despite outward appearance, promote social cooperation, providing strong pressure for these institutions and scientifically false beliefs to persist. The result is symbiotic and socially productive relationships between seemingly undesirable beliefs and seemingly undesirable private orders.

## SUPERSTITION AND SELF-GOVERNING ADJUDICATION

Social cooperation is impossible without social rules – rules that regulate interpersonal interaction – and means of these rules' enforcement. The latter function, rule enforcement, is not "automatic." While in some cases it is

obvious whether or not an individual has broken an acknowledged social rule and thus should be subjected to whatever consequence society uses to punish rule breaking, in many other cases it is not.

Consider, for instance, a situation in which a community member has turned up with a hatchet in his back. While his neighbors insist that it was Mr. Z who committed the atrocity, they have no evidence to corroborate their suspicion, and Mr. Z vehemently denies involvement in the murder. In such cases the mere existence of a social rule that prohibits hatcheting men in the back and punishment for such behavior – say, a hefty fine – is not sufficient to resolve the situation in a manner that promotes social cooperation.

Either a policy of punishing Mr. Z merely because his neighbors have accused him of the crime or a policy of exonerating Mr. Z merely because he denies having committed the crime is likely to have undesirable incentive effects from the perspective of social cooperation. On the one hand, if any member of society can cause the punishment of any other member after someone turns up dead, there is likely to be a race to accuse one's competitors. Even if there is not, if being suspected of having broken a social rule is sufficient to incur punishment, the marginal cost of actually committing crime – at least if one believes that there is someone else in his community who would be happy to accuse him of as much – will be very low.<sup>4</sup> On the other hand, if any member of society suspected of having committed a crime can avoid punishment by his denial, the marginal cost of committing crime will also be very low – this time because there is no punishment for anyone willing to lie.<sup>5</sup>

The adjudication of such matters – of whether a particular individual has broken a social rule and thus should be punished – is typically thought of as the province of government, the courts of which have as one of their primary purposes the finding of fact in cases like the one involving Mr. Z. However, for societies in which governments and thus government courts do not exist, or at least cannot be relied on to adequately perform such adjudication, this is no avail. A self-governing solution to the problem of adjudication must be forthcoming if social rules are to be enforced in a manner consistent with the discouragement of rule breaking and thus the encouragement of social cooperation.

Consider, for example, the rural inhabitants of contemporary Liberia. Although Liberia has a government whose claim to authority extends to the rural parts of the country, like in other least-developed countries, Liberia's formal judicial system is for all intents and purposes useless to broad segments of its rural citizenry, which are located distantly from the

country's major cities where formal courts are found. In addition to this, Liberia's formal criminal justice system is highly corrupt and incompetent. The former attribute stems from the ease with which formal Liberian judicial administrators may sell justice to those willing to pay for it. The latter stems from inadequate training and in some cases a dearth of resources at the disposal of such administrators.

For rural Liberians, then, if adequate adjudication is to be had involving a major crime, such as murder, it cannot ordinarily be had through formal governmental courts. It is in this context that Leeson and Coyne (2012) analyze the informal, customary institution of Liberian adjudication known as "sassywood." The following discussion of this institution and the superstition that underpins it is based on their analysis.<sup>6</sup>

Sassywood is a trial by ordeal similar to the trials by ordeal famously used throughout medieval Europe (see Leeson, 2012b). Unlike medieval ordeals, however, which were commonly trials by boiling water or burning iron, sassywood ordeals as typically practiced in Liberia are trials by poison ingestion. Indeed, the Liberian ordeal takes its name from an ingredient in the poison administered to the accused, which comes from the bark of a sasswood tree.

The sassywood adjudication procedure is straightforward. A criminal defendant, someone accused of murder, for example, is ordered to publicly imbibe a poisonous concoction, which has previously been prepared by a "sassywood specialist" – a spiritual leader in the community who alone is believed capable of mixing the concoction properly. Upon imbibing the liquid, the defendant is watched closely to determine his reaction to the drink. If he vomits the liquid up, he is exonerated of the crime. If he does not and shows signs of the poisonous mixture acting upon him negatively, such as convulsing in pain, he is found guilty of the crime and, if he does not die, is subjected to the assigned punishment for the crime of which he has been convicted. Alternatively, the defendant may confess to the crime, in which case he avoids the specter of imbibing poison that seems certain to kill him or at least to cause him serious pain. However, by confessing, such a defendant subjects himself with certainty to the assigned punishment for the crime he admits to (perhaps with some reduction in the penalty incurred for having given himself up).

On the surface this institution of private order appears nonsensical and, what's worse, perverse as an institution of adjunction. Swallowing poison is sure to produce deleterious effects on the imbiber, convicting, if not also killing, all who undergo the ordeal. One can avoid the ordeal, but only by admitting to a crime of which he may actually be innocent. Fact-finding – and

thus effective adjudication that promotes social cooperation by deterring social rule breaking – would not seem to be sassywood’s strong suit.

Yet Liberians have a reason for why they expect adjudication via sassywood to accurately find fact in ambiguous cases: they believe the sassywood concoction is magic. According to Liberian thinking, when prepared by the sassywood specialist, who, recall, is a spiritual leader of sorts, the poisonous potion takes on the power to inspect the criminal status of the soul who drinks it. If that soul is guilty, a lie-detecting spirit that is believed to inhabit the draught will act negatively on the individual and in doing so report its finding to those observing, as it were, by making him convulse and/or killing him. However, if the soul is innocent, the spirit will lead him to expel the poison, reporting his innocence back to those who observe and leaving the imbiber unharmed.

The popular Liberian superstition recounted above, which is the source of sassywood’s alleged power to adjudicate criminal cases effectively, seems only to make this self-governing institution’s uselessness, and indeed stupidity, that much more certain. But all is not what it seems.

The key to seeing why it is not lies in understanding the economic relationship between Liberians’ superstition and sassywood as a self-governing institution of adjudication. Consider things from the perspective of a Liberian defendant who believes in the sassywood superstition. If he is guilty of the crime of which he has been accused and undergoes the ordeal, he expects the spirit that inhabits the draught to reveal his guilt, killing him, or at least harming him physically, after which he will incur the punishment attendant to being convicted of the crime – if the ordeal poison does not kill him first. However, if he declines sassywood and confesses to the crime instead, although he will be subject to the punishment attendant to his crime, he will at least avoid the specter of serious physical harm or death as a result of imbibing the ordeal poison.

However, if the defendant is innocent of the crime in question, he expects that if he undergoes the ordeal the spirit will reveal his innocence, saving his life and sparing him pain, exonerating him of the wrongdoing of which he stands accused. If instead he confesses to the crime to avoid the ordeal, he will be subjected to the punishment assigned to a crime he did not commit.

The incentives faced by a defendant who reposes faith in the superstition are clear. If he is guilty, his expected cost of undergoing sassywood is greater than his expected cost of confessing. And if he is innocent, the reverse is true. Thus, as long as defendants believe in the sassywood superstition, only guilty defendants will choose to confess and only innocent

defendants will choose to undergo the ordeal. Because of this, the sassywood specialist who makes the concoction that defendants are to drink learns important information about defendants' criminal status when he observes how they choose with respect to the ordeal. Conditional on a defendant being willing to undergo sassywood, the specialist knows he is innocent and so "fixes" the concoction he makes, for instance by including in it vomit-inducing substances, to produce the desired outcome: the defendant's exoneration.

As Leeson and Coyne (2012) point out, in practice sassywood's operation is more complicated than what we have described above for several reasons, not the least of which is that not all Liberians repose the same degree of faith in the sassywood superstition. Still, the basic logic recounted illustrates the way in which Liberian superstition and the seemingly senseless sassywood adjudication institution built upon on it can effectively find fact. The relationship between this superstition and institution is symbiotic. Moreover, far from perverse, it renders each phenomenon socially productive, facilitating successful self-governance in Liberia. Viewed this way, it is clear why scientifically false Liberian belief persists (and perhaps exists), why the seemingly perverse Liberian institution of sassywood exists and persists, and why these two phenomena are found together. Each supports the other in a manner that contributes to social cooperation among individuals who cannot rely on government.

## **SUPERSTITION AND SELF-GOVERNING PROPERTY PROTECTION**

Social cooperation under the division of labor requires private property rights (Mises, 1949). Such rights can exist only where they are secure against appropriation by others. Conventionally, property protection is considered the primary function of government. However, historically not all societies enjoyed governmental protection of their property rights. Indeed, as Liberia evidences, even today people in some societies cannot rely on state-provided institutions to perform basic functions, including property protection.<sup>7</sup>

Among the most unlikely alternative sources of such protection is widespread belief in scientifically false propositions.<sup>8</sup> Magical thinking would not appear to provide much of a foundation for property rights. Yet in some societies that required self-governing solutions to property protection

in government's absence, such thinking played a critical role in securing those rights. Leeson's (2014b) analysis of liturgical malediction – divine cursing – in medieval West Francia illustrates superstition's role in supporting self-governing solutions to property protection. Our discussion below is based on his work.

Communities of monks and canons in medieval West Francia were among the kingdom's wealthiest land owners. Despite their great wealth, however, these communities had little in the way of means of self-protection. Part of joining a monastic community involved renouncing all “means and symbols of earthly power” (Little, 1993, p. 51). This included traditional implements of warfare that might also be used for defensive purposes.

In lieu of such implements, communities of monks and canons hoped to rely on government to protect their extensive properties against the plunder of would-be appropriators. And, through the 9th century, the Carolingian dynasty did a reasonable job of providing such protection. Unfortunately for clerical communities, central government in West Francia degenerated significantly in the 10th century. During this period, waning public authority gave rise to groups of powerful strongmen unaccountable to royal control. This created a problem for communities of monks and canons, who remained more-or-less physically defenseless against strongmen interested in claiming Church property for themselves.

Confronted with the need to protect their property rights through self-governance, but without physical means to do so, medieval communities of monks and canons resorted to supernatural self-protection: malediction. Maledictions were clerical calls to God, through saints or other holy figures, to supernaturally curse those who depredated clerics' property. These curses took several forms. The most basic was the liturgical *maledictio*. Like liturgical benedictions, malediction prayers followed prescribed forms and were said during community worship. Unlike benedictions, however, monks used maledictions not to venerate, but to damn the persons they named.

Another variety of malediction was the clamor. A clamor was a vigorous appeal to God and other holy figures, especially saints, to turn their wrath against clerics' enemies. To clamor, holy men would lie prostrate on the floor, “humiliating” themselves, or humiliate other holy figures by, for instance, covering their images in thorns. This “disrespecting” of God's servants was intended to arouse the attention and anger of those called upon, whose ire was to be directed at persons who threatened Church property.

A third form of malediction monks and canons employed was excommunication and anathema. In excommunicating an individual, monks and

canons cut him off the ordinary path to salvation: the Holy Mother Church. Anathema was a more dramatic form of excommunication through which anathematizing clerics explicitly damned the excommunicant's soul to eternity in hell.

The supernatural sanctions maledictions threatened against those who sought to appropriate clerical property were intended to inflict punishment on their targets not only in the next world, as with excommunication and anathema, but also in this one. For instance, liturgical maledictions routinely cursed the bodies and minds of their targets, their fields, homes, livestock, family members, and so on.

The economic logic underlying monastic maledictions' potential power to improve clerical property rights against the plunder of strongmen is straightforward. These curses substituted the threat of supernatural sanction for that of the state against those tempted to prey on the Church's lands. In doing so they raised the expected cost of preying on clerical property, which reduced attempted violations of clerical property rights, in turn improving those rights' security.

Things were not quite this simple for communities of monks and canons, however. Their curses' power to improve their property protection depended critically on targets' belief in the validity of those curses. Malediction could only work if it could be grounded in some kind of widespread malediction superstition. Moreover, assuming that strongmen were rational, maledictions could only work if they did not generate evidence that showed them to be bogus – evidence that the afflictions and punishments they promised did not “come true.”

Cursing clerics found a solution to these two obstacles in a book: the Holy Bible. The Bible reflected the beliefs of medieval Christians, and it is littered with holy execrations – divine fulminations according to which various enemies of holy interests are cursed in their bodies, minds, fields, homes, livestock, families, and so on. A significant portion of the Book of Psalms, for example, contains graphic maledictions along precisely these lines. Cursing monks and clerics therefore had plenty of tradition and authority to appeal to in hurling maledictions at those who threatened holy interests by preying on their property – tradition and authority grounded in the existing superstitions of medieval Christians, which included the strongmen interested in clerics' lands.

Cursing monks and canons also borrowed from the Bible the specific forms their maledictions took – forms that were at once incredibly specific and completely general. The curses one finds in the Book of Psalms, for instance, involve cursing individuals in the head and the feet, in the eyes



and mouth, outdoors and indoors, from the sky and from the ground, in food and in drink, while sleeping and waking, and so on, not to mention in this life and the next. As mentioned above, the curses that monks and canons used were of this nature too. Indeed, the very language clerics' curses used was taken nearly verbatim from Biblical passages.

Why is this important? Because maledictions that quite literally curse targets "in all places and at all times" (Little, 1993, p. 9), such as those that monks and canons lifted from the Bible, are unfalsifiable. They are incapable of generating evidence that disconfirms them. At some point in his life, the target of such a curse will surely experience some calamity – a calamity covered by the all-encompassing imprecation he has been cursed with. Even if he does not experience such an event in his life, there always remains the possibility that he will experience the punishment promised him by the curse in the afterlife, of which, while he is living at least, he of course can have no experience. Because clerics' maledictions were all-encompassing, they were impossible to "disprove." This protected their power to improve property protection among persons who reposed faith in that power to begin with.

Monastic malediction not only illustrates how superstition can be used to support self-governing solutions, in this case to the problem of property protection. It illustrates how superstition *itself* can function as a self-governing solution. Of course, like in the case of sassywood considered above, this self-governing solution works only as long as belief in the appropriate scientifically false proposition is widespread and only as well as that belief is strong. Skeptics, for example, who pose some difficulty for the effectiveness of sassywood as an adjudication institution, pose even greater difficulty for the effectiveness of malediction as a means of property protection. But this is simply a different way of saying that such self-governing institutions function *because* many individuals cling firmly to certain scientifically false beliefs rather than *despite* such beliefs. The relationship between superstition and these institutions is symbiotic and, by facilitating successful self-governance, socially productive.

## SUPERSTITION AND SELF-GOVERNING COLLECTIVE ACTION

Maximizing the gains of social cooperation under the division of labor requires in some cases that the individual members of society, or at least a significant proportion of them, act collectively – that is, in a coordinated

fashion. The classic example of such necessity is the provision of so-called “public goods” from whose enjoyment it is difficult to exclude persons who have not contributed to their supply. Because of this excludability problem, public goods are prone to “free-riding” behavior, which discourages individual producers, who are unable to capture the full benefits of their production activity, from producing as much of the good as would be socially desirable.

What is needed to overcome this obstacle to maximizing the gains of social cooperation is some form collective action on the part of society’s individual members. The traditional mechanism of such action is government, which, by requiring that each member of society contribute to the provision of a public good, is supposed to ensure that the good’s production is not suboptimal from the perspective of maximizing the gains of social cooperation (or at least not suboptimal from this perspective on account of the free-rider problem mentioned above).

Unfortunately, this mechanism for facilitating collective action is no mechanism at all for individuals who must rely on self-governance to facilitate social cooperation. Government cannot be a solution to collective-action problems in societies where government does not exist. Even where it does, government is often useless in practice as means of overcoming collective-action problems.

Consider the “social arena”: the arena of one’s personal interactions with friends and acquaintances. The behavior of individuals one interacts with socially – their kindness, reliability, propriety, and so on – critically influences the quality of one’s social interactions and one’s ability to achieve his social goals, such as forging deeper, more meaningful relationships with those around him. To encourage high-quality social interactions, then, one must somehow discourage behaviors that lower the quality of such interactions, such as meanness, unreliability, and inappropriateness. How might he do this?

No government legally prohibits persons from acting like jerks, and it is impossible to imagine how a government that desired to do so could. But this does not prevent individuals from developing self-governing mechanisms that discourage (encourage) undesirable (desirable) social behavior. Social ostracism, whereby individuals “blacklist,” or refuse to further socially engage, members of their social groups who behave in undesirable ways by cutting such persons off from their social worlds is a prime example of such a mechanism. If, say, Daniel acts like an ass, his friends stop spending time with him, leaving him, at least temporarily, with no friends at all. To prevent this outcome, Daniel is encouraged to watch himself to ensure that he behaves in ways deemed acceptable by his social group.

Such self-governing enforcement mechanisms are not limited to social interactions. One can also find their use in commercial interactions. Even where government exists to enforce commercial contracts, in practice it often proves too costly to do so. To fill this governance gap, merchants rely on commercial boycott, which works analogously to social ostracism but involves networks of merchants cutting off disreputable partners from future commercial interactions. Like social ostracism, commercial boycott is just another example of a general class of self-governing mechanisms for enforcing good conduct that relies on the threat of “multilateral punishment” – coordinated boycott by multiple members of a particular group or network – to achieve its end.

To threaten a punishment severe enough to discourage (encourage) undesirable (desirable) behavior, such punishment must be sufficiently multilateral. That is, it must encompass a sufficient number of individuals the benefits of interacting with whom a social rule breaker foregoes when he breaks a social rule. Suppose, for example, that Daniel’s friend circle consists of a dozen other persons. If Daniel acts like an ass to one of these persons, but that person alone ostracizes Daniel, Daniel faces minimal consequences of acting like an ass to a member of the group and thus has little incentive to avoid doing so. In contrast, if, when Daniel acts like an ass to even one member of his friend circle, his entire social group ostracizes him, Daniel’s incentive to behave appropriately is much stronger. As Leeson (2014d) points out, maximally effective multilateral punishment is thus maximally encompassing multilateral punishment.

However, herein lies the potential collective-action problem for this self-governing mechanism. To be effective, punishment of a rule breaker must be coordinated with the other members of one’s social or commercial group. Unfortunately, while the cost that any individual member of the group incurs to contribute to coordinated punishment often falls largely on him, the benefit he generates by doing so often inures largely to the other members of his group, setting up the incentives that lead to free-riding.

For example, it is often costly for the members of commercial groups to invest in finding out whether would-be commercial partners have behaved dishonestly in the past and thus should be boycotted by them. To do so, such an individual must contact his business associates, perform a background check, and delve into the details of potential wrongdoings to see what truth there is to them. Having done all this, suppose he learns that he should boycott a would-be partner and acts accordingly. His refusal to work with the would-be partner contributes to the punishment of rule breakers in his industry, which in turn contributes to cooperation within his group. However, the time and other expense of collecting the

information required to do so have fallen almost entirely on him. Given this, the individual's incentive will often be to let other members of his industry do the work required to make boycott effective. But if everyone in his industry reasons this way, boycott will be minimally encompassing and thus minimally effective at promoting cooperation.

The cost of investing in finding out the information required to determine whether a member of one's group should be punished is not the only cost that can create a collective-action problem for multilateral punishment. Suppose, for instance, that Daniel's friends have decided that Daniel has acted like an ass in some particular instance. Six of them are prepared to ostracize him accordingly, but the other six, who are perhaps particularly close to Daniel, are unwilling to do so because of the guilt they would feel from cutting off a close friend. The result is less encompassing multilateral punishment, which weakens Daniel's incentive to behave appropriately. In this case the problem is not free riding, but rather that the six individuals who are "soft" on Daniel are unwilling to bear the higher cost they would incur to follow the lead of the other six members of their friend group, whose cost of ostracizing Daniel is lower and thus who are willing to punish him. Despite this difference, however, the foundational challenge faced by self-governance aimed at promoting social cooperation through multilateral punishment is the same: that of collective action.

Perhaps surprisingly, superstition can help citizens overcome such collection-action problems and in doing so facilitate their ability to maximize the gains from social cooperation under the division of labor.<sup>9</sup> To see how, consider the case of the Vlax Roma – the largest subgroup of Gypsies in the United States. Leeson (2013b) analyzes these Gypsies. His study provides the basis for our discussion below.<sup>10</sup>

Gypsy beliefs are organized around contrasting notions of ritual pollution, or what Gypsies call *marime*, and ritual purity, or what they call *vujo*. According to Gypsy thinking, while above the waist the human body is ritually pure, substances associated with the lower half of the human body (e.g., urine, feces, and menstrual blood), especially women's, are ritually defiled. The polluted state of these substances is contagious, so anything that comes into unprotected contact with them, directly or indirectly, also becomes defiled and itself a carrier of ritual contamination. To govern personal and interpersonal behavior in light of the necessity of avoiding contact with things that are *marime* according to their superstition, Gypsies have developed a body of customary law called *Romaniya*.

*Romaniya* establishes the rules of ritual defilement: the various pathways through which objects and people may become *marime* and the attendant

rules for preventing becoming *marime* oneself given these pathways. For example, according to *Romaniya*, because women's skirts touch their lower bodies, their skirts are polluted and mustn't come into contact with men, lest the latter become defiled. Likewise, women mustn't wash their clothes with men's. Their contaminated undergarments would pollute the men's clothing and, once worn, these clothes would pollute their wearers. Clothing that isn't properly separated is thus *marime* and Gypsies must dispose of or destroy it.

According to *Romaniya*, careful cleaning can help prevent hands that have touched the lower body from contaminating the upper body. However, even this does not render the hands incapable of spreading pollution. For instance, under Gypsy thinking, one mustn't wash his hands in the same sink as dishes or eating utensils, lest the latter become *marime* from the hands' contact with the lower body, penultimately infecting the food eaten with their use, and ultimately infecting the eater.

According to Gypsy thinking, any person who doesn't follow *Romaniya*'s rules for ensuring ritual purity is *marime*. This includes Gypsies who have failed to adhere to *Romaniya* and of course non-Gypsies, who by definition don't follow *Romaniya*'s rules and thus are in a constant and full-blown state of ritual defilement. Because of their ritual toxicity, non-Gypsies are powerful carriers of spiritual pollution according to *Romaniya* and, with a few exceptions (e.g., for certain economic purposes), Gypsies who are in contact with them are believed to "catch" their defilement and become *marime*. Because of their perpetually defiled spiritual state, Gypsies look on non-Gypsies with disgust and contempt.

As Leeson (2013b) argues, the superstitions that *Romaniya* embodies can be understood as a means of facilitating self-governance in Gypsy societies – self-governance that is critically important to enabling cooperation among Gypsies given their traditional inability to rely on government for this purpose. Among the most important sources of this inability is the nature of Gypsies' economic activity.

Gypsies engage in several types of economic activity, from "tinkering" to tarmacking. However, their most lucrative economic activity is fortune-telling. In many municipalities where Gypsies live and work together, fortune-telling is illegal. Moreover, Gypsies typically cartelize their fortune-telling operations, allocating certain territories to particular families, which remain protected from the competition of other families that are excluded from operating in the same area by collusive agreement.

Economic disputes arising out of Gypsy fortune-telling activity are not appealable to government courts. State courts cannot be resorted to

address disputes arising from fortune-telling partnerships where fortune-telling is illegal – and still less so for collusion-related disputes. Moreover, even if Gypsies could resort to state courts for this purpose, it is unlikely that they would do so. The *marime* status of non-Gypsies, combined with the fact that Gypsy law, which Gypsies would desire to be applied to their disputes, differs substantially from government law renders state courts unappealing to Gypsies.

Other Gypsy economic employments confront a similar problem. Many such employments operate in legal grey areas, bordering on confidence games and in other cases outright fraud. Given the way that Gypsies view non-Gypsies in light of the beliefs embodied in *Romaniya*, there is no shame according to Gypsy thinking in using trickery to relieve a non-Gypsy of his money. Even otherwise completely legal Gypsy economic employments, such as tarmacking, are often less than completely legal in Gypsies' case given that Gypsies rarely obtain the permits the law requires of those who wish to operate in such industries. The result, again, is an inability to rely on government to support cooperation between Gypsies economically.

Confronted with this situation, Gypsies rely on several institutions of self-governance to promote economic cooperation in their societies. For example, they fold worldly crimes, such as breaking one's economic agreement with another Gypsy, into "spiritual crimes," such as eating with cutlery washed in the same sink as one's hands, which under *Romaniya* make one *marime*. Thus, according to *Romaniya*, a Gypsy who breaks his cartel agreement with another Gypsy becomes ritually defiled just as a Gypsy who eats from flatware washed in the same sink as hands. Given Gypsies' fear of falling into a ritually contaminated state, the threat of becoming *marime* by behaving uncooperatively in economic activities is a powerful motivator for good conduct.

A related self-governing institution Gypsies rely on to promote economic cooperation is a private Gypsy court called a *kris*. This court, which is presided over by community elders, has the power to temporarily or permanently banish rule-breaking Gypsies from Gypsy society. What is most interesting for our purpose is the role that superstition plays in facilitating collective action among Gypsies, in particular as it relates to the enforcement of such a *kris*-ordered sentence.

Suppose a Gypsy behaves dishonestly toward an economic partner and refuses to make amends and so is banished from Gypsy society, as *marime*, by a *kris*. Such a punishment, if it can be enforced, is severe – severe enough to prevent most Gypsies from engaging in the kinds of

uncooperative behavior that are likely to precipitate such punishment. However, by itself at least, such multilateral punishment is unlikely to be enforced effectively because of the difficulties of rendering the banishment fully encompassing.

Traditionally, Gypsies were nomadic. They were itinerant people who traveled in groups from area to area as economic opportunity, the law, and whim permitted. It's not hard to see the problem such nomadism poses for encompassing multilateral punishment. If Joe is banished from Gypsy group X, he may simply seek out another Gypsy group, Y, to join up with, effectively avoiding the brunt of the punishment for his misbehavior. Before the advent of mobile phones, there was no inexpensive way for the Gypsies in group Y to find out if Joe had been banished from group X, or perhaps some other group, and thus should be shunned from their community too.

To find out such information, the Gypsies in group Y would need to invest in physically tracking down the members of various other Gypsy groups to find out what they knew about Joe. However, since Gypsy groups were scattered and constantly on the move, this was difficult. Such difficulty discouraged Gypsy group Y from finding out about Joe's history, which made group X's banishment much less effective, weakening Joe's incentive to abstain from uncooperative behaviors that were likely to lead to being banished by the *kris* in the first place.

The costliness of learning the histories of others is not the only potential obstacle to encompassing, and thus effective, multilateral punishment that Gypsies may encounter. Suppose that part of Joe's initial Gypsy community consists of his close relatives, such as his parents. For them, the cost of enforcing the *kris*' sentence is prohibitive. They simply cannot bring themselves to cut Joe off, and because of this, Joe's punishment is greatly weakened: he manages to retain social and economic support and connections through his family. As a result, Joe's incentive to avoid uncooperative behavior is greatly weakened too.

These costs create a collective-action problem when it comes to enforcing *kris*-ordered multilateral punishments used to support economic cooperation without government. Gypsies' ingenious solution to this problem is to leverage the superstition embodied in *Romaniya*. Recall that, according to *Romaniya*, ritual toxicity is contagious – not only from objects that are *marime*, but from people who are *marime* as well. In order to avoid becoming ritually defiled, Gypsies must therefore carefully guard not only their interactions with objects, but, critically, also their interactions with other people.

In effect, the specter of becoming *marime* as a result of permitting an unknown Gypsy into one's community internalizes the benefit of investigating the history of such a newcomer to find out whether he has been the subject of a *kris*-imposed banishment because of some antisocial activity he engaged in that made him *marime*. Although the cost (in the pre-mobile phone era) of performing such an investigation is high, the cost of becoming ritually contaminated as a result of failing to do so is higher still for Gypsies for whom, recall, the fear of ritual defilement is all powerful.

Likewise, the specter of becoming *marime* as a result of interacting with a banished and thus *marime* Gypsy relative internalizes the benefit of ostracizing that relative, with whom interaction will surely lead to becoming *marime* oneself – a fate worse than the guilt or pain one feels at cutting off one's kin. In short, *Romaniya*'s *marime*-contagion superstition aligns Gypsy incentives in a manner that permits multilateral punishment to be encompassing and in doing so provides maximal encouragement to Gypsies to behave cooperatively in economic engagements with one another.

The encompassing enforcement of multilateral punishment is not the only collective-action problem that self-governing societies may face. Nevertheless, given the strong reliance on such punishment in these societies, it is a centrally important one. The case of Gypsy superstition highlights how scientifically false beliefs are leveraged by self-governing societies to bolster and make effective this institution of private order.

Equally important, this case highlights the way in which superstition and self-governing institutions may be “layered” on one another in a manner that creates a more effective self-governing system overall. *Romaniya* defines what is ritually pure and impure, as well as the pathways of impurity. This thinking is layered upon worldly activities to render “economic crimes” as contaminating as spiritual ones, which is in turn layered upon the self-governing institution of the *kris*. The *kris* constitutes still another layer of self-governance. It imposes sentences for *marime* individuals that leverage the pathways of ritual defilement described by *Romaniya* to enforce encompassing multilateral punishment, which supplies yet another layer of private governance within Gypsies' communities. The result is a complex, interlocking network of superstition and self-governing institutions that help overcome collective-action problems in Gypsy society and strengthen cooperation without government.



## CONCLUDING REMARKS

This paper merges two strands of research in Austrian political economy, the first of which examines the role of superstition and the second of which examines the operation of self-governance. As the examples we considered illustrate, at least some scientifically false beliefs play a central role in supporting the effectiveness of self-governing institutions. This insight may help explain why we commonly observe the prevalence of superstition and private institutions in the same societies. The former grows alongside the latter and vice versa to strengthen self-governance, and the effectiveness of each in promoting cooperation via successful self-governance creates strong pressure for both scientifically false belief and seemingly perverse private institutions to persist. Rather than the result of inertia, this persistence is the result of the social productivity of the combination of scientifically false beliefs and self-governing institutions, which improves individuals' ability to realize the benefits of cooperation in the absence of government.

Much remains unknown about the relationship between superstition and self-governance, however, including the extent to which the conclusions described above can be generalized. Not every superstition has an obvious supportive role in facilitating self-governance. Then again, neither did such a role appear obvious at first glance in the cases this paper considered. What is needed is a more considered and nuanced study of both superstition and self-governance that is willing to go beyond what does or does not seem obvious so that a better understanding of each is possible.

This research program should be of particular interest to Austrian economists given their long-standing concern with an emphasis on subjective beliefs and private orders. Two areas of future work on our topic stand out as especially suited to investigation by those who think in terms of Austrian ideas.

The first of these might be called the "individual-origin problem." The foregoing analysis of superstition and self-governance is essentially construed in terms of superstition's "social origin." That is, it considers what behaviors are incentive-compatible for individuals operating in a social environment in which a superstition is widely believed in and emphasizes social usefulness as the reason for such beliefs' persistence (and perhaps emergence). In doing so, however, our approach skirts a more fundamental and more difficult problem, which is to explain how, in the absence of widespread belief in some superstition, that superstition emerges at the level of the individual in a manner that is incentive-compatible not only for him,

as a former non-believer, but also for others who are non-believers when the superstition's "inventor(s)" suggests it to them.

Although one can easily imagine why it would be in certain individuals' interests in particular cases to present pieces of "magical thinking" to others, it is much harder to imagine how or why others could be led to embrace the validity of the thinking suggested. What is needed to further our understanding of superstition in particular, and thus the genesis of its potentially complementary role for self-governance, is a healthy dose of methodological individualism. In light of their emphasis on and history of breaking down political-economic problems using this method, Austrians may have a comparative advantage in shedding important light on the individual-origin problem.

The second line of inquiry into the relationship between superstition and self-governance that Austrians may be particularly well-suited to undertake is closely related to the first. This is what might be called the "evolution problem." The approach taken by our analysis above is essentially static in nature. We consider how various superstitions interact with self-governing institutions in a "snapshot" in time. For many purposes, however, a better appreciation of the interaction between superstition and self-governance may require dynamic consideration.

For example, while many important superstitions have persisted for very long periods of time (hundreds of years or more), some of them ultimately die. Our discussion, which emphasizes the social productivity of some superstitions via their role in enabling successful self-governance, suggests that these superstitions will terminate when conditions change such that they are no longer socially productive. In this view, the sassywood superstition, for instance, would cease to be widespread in Liberia if and when effective state-supplied institutions of fact-finding and criminal justice more generally became readily accessible.

Examining superstitions historically, one may find "stop" (and possibly "start") dates with respect to their lifespans, and by studying how various governance constraints and/or prices change over time, one may shed light on the evolution of superstitions and governance institutions using knowledge of these dates. However, this kind of approach to dynamic considerations is essentially a comparative static one, which, while useful for many purposes, may not inform us about any potentially interesting "action" in the process of belief and institutional adjustment itself. Austrian economists, who have long-emphasized the importance of equilibration over equilibrium and "process" over static states (see, for instance, [Kirzner, 1973](#)) may be able to contribute to a better understanding of the evolution

problem if indeed it is possible to do so without ultimately relying on comparative statics.

## NOTES

1. See also, Leeson (2012a), who in a companion article considers the role of superstition in an Austrian approach to law and economics.

2. In other words, Stigler's (1992) provocative suggestion that long-lasting institutions are efficient may apply even to those grounded in scientifically false beliefs.

3. Martin and Storr (2008) analyze situations of what they consider "perverse" spontaneous orders. They maintain that "negative belief systems" are a central cause for such perverse orders.

4. If one believes that his enemies will accuse him of, say, stealing his neighbor's goat should it go missing, he may as well in fact steal the goat if he thinks it may go missing since the punishment he suffers in the latter case will be no different than if he forbears the theft.

5. To avoid punishments associated with profitable crimes, many are likely to be willing to lie.

6. For additional examples of the role of superstition in adjudication institutions, see Leeson (2011), who studies trial by battle in Anglo-Norman England, and Leeson (2014a), who studies the use of oracles among the Azande of Africa.

7. For other examples of *de facto* anarchy in the contemporary world, see Leeson (2014d).

8. In addition the case considered below, see also Leeson (2013a), who considers ecclesiastics' reliance on vermin trials, which also involved cursing, to enforce tithe compliance; Leeson (2014c), who considers human sacrifice as a self-governing institution of property protection among the Konds of India; and Suchman (1989), who considers the use of magic in protecting intellectual property rights without government in preliterate societies.

9. In addition to the case considered below, see also Leeson (2014c), whose analysis of human sacrifice as a self-governing institution of property protection among the Konds of India also considers the role superstition among the Konds in overcoming the particular collective-action problem they confronted in using human sacrifice for this purpose.

10. As in Leeson (2013b), our discussion focuses on the Vlach Roma from the 1920s through the 1980s. Though these Gypsies' beliefs and practices vary across communities and over time, there is enough commonality to present a basic, broad (if overly generalized) picture of them.

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