

# A reason for optimism

If it takes 8 printers 8 minutes to produce 8 brochures, how long does it take 24 printers to print 24 brochures? Stop reading for a few seconds and write down your answer. Did you write down twenty-four? That seems like the obvious answer, but it is both obvious and wrong. You will see why if you think about the problem more closely. Each printer takes eight minutes to print one brochure. As a result, two printers take eight minutes to make two brochures, and twenty-four printers take eight minutes to make twenty-four brochures, and so on.

Psychologists are fond of posing variations of the previously mentioned question to show that people make systematic and predictable mistakes. Some scholars have argued that policy makers can create better policies by acknowledging that people make these types of mistakes. To be successful, these policies must alter the choices people face so that their tendencies actually lead to good decisions.

In his recent book "Rationality," Steven Pinker poses the question that you just read. He also gives an interesting take on the implications of these wrong answers. According to him, the implication isn't that governments must alter the choices people face. Rather, the implication is that these types of wrong answers do not mean much. While Pinker acknowledges that people make these mistakes, he also argues that people agree with the correct answer once they hear the reason behind it. This means that everyone does not have to be able to figure

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out the answers to problems in order to make good decisions. Instead, people only have to recognize good answers once they hear them.

Pinker goes on to argue that people's ability to recognize good arguments has made the world a better

place. While it is fashionable to lament the passing of the good old times, these good old times never existed. Long ago, people regularly engaged in activities that would be considered atrocities today. According to Pinker, we changed our behavior because a few people made well-reasoned arguments that almost everyone found convincing. For instance, as Pinker notes, we no longer have human sacrifice, slavery, or require girls to bind their feet.

As an economist, I found Pinker's argument encouraging. Many people have ideas about economic issues that are just as wrong as their ideas are about how long it would take 24 printers to print 24 brochures. Their economic misconceptions include the following: They believe one country can win a trade war. They believe some government spending is "a free lunch" (that is, it does not have a cost). They believe the government can pass laws to require firms to lower prices without firms reacting by reducing their output. They believe that the government can require firms to

pay higher wages without firms reacting by hiring fewer workers.

While the simple logical mistakes that psychologists (and Pinker) point out and the common economic misconceptions can both be corrected, it takes longer to make the convincing argument about an economics issue than it does to make a convincing argument about how to solve a logic problem. The simple logical mistakes (like the one about printers) can be pointed out in just a few sentences. The mistakes in economic reasoning take longer to point out. An argument that talks about how trade is better thought of as cooperation rather than competition, or that talks about how trade makes both parties involved better off would take up so much space that I can't fit it into this particular Op-Ed. Such an economic argument would require a whole Op-Ed, a few chapters of a book, or two weeks of lectures.

While it may take a while for people to accept an argument made by sound economic reasoning, it is worth the wait and effort. It may be the case that some economists can contribute more to society by conveying the ideas that the profession already agrees on rather than by discovering new knowledge for the profession. It is true that the arguments of economists who choose to follow this path will not produce results as dramatic as ending human sacrifice or ending slavery. But the effective dissemination of economic arguments can allow the rest of us to make better use of society's resources and generally improve our wellbeing.