

Misinformation and biases

Lecture 7

Today

- Is problem that citizens are uninformed?
 - Or that citizens are misinformed?
 - Systematic biases
 - People confident in mistaken beliefs
1. Problems with political reasoning
 2. Voting biases
 3. Can we do better than democracy?
 4. How can we make citizens better?
 5. How can we make ourselves better?

Which is worse: lack of information or misinformation?

- Misperceptions common about political issues (eg, vaccines)
- Not always responsive to information (eg, Obama is a Muslim)
- Source of misinformation is both politicians and grassroots
- Knowledgeable people are not better off: better information but also stronger filters

1. Problems with political reasoning

Motivated reasoning

- People believe what they want to believe
 - Selective exposure: people seek out information consistent with their world view and avoid contradictory information
 - Confirmation bias: people accept claims that reinforce their world view and reject claims that undermine their world view
- These biases stronger among more sophisticated
- Eg, Subjects watch a football match and are asked to assess decisions of referee
 - More likely to think decisions against their team are bad

Partisan differences in viewing economy

- Supporters of government parties see economy as better, supporters of opposition see as worse

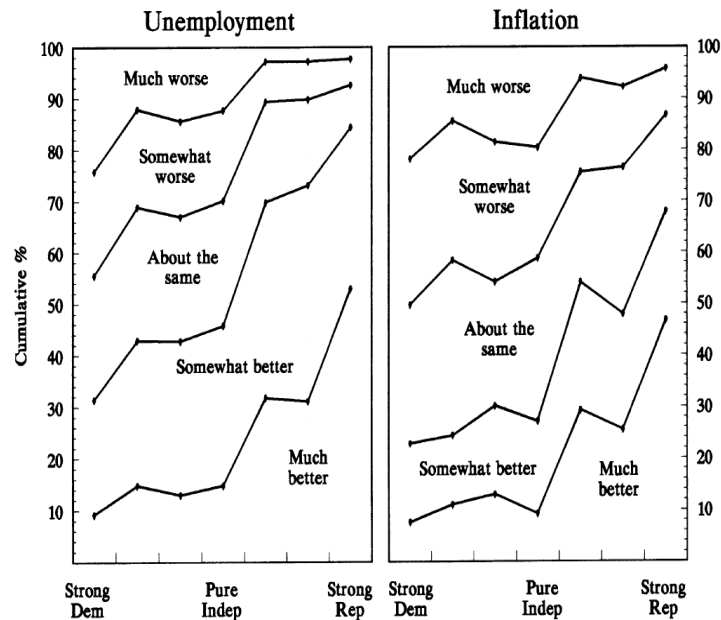
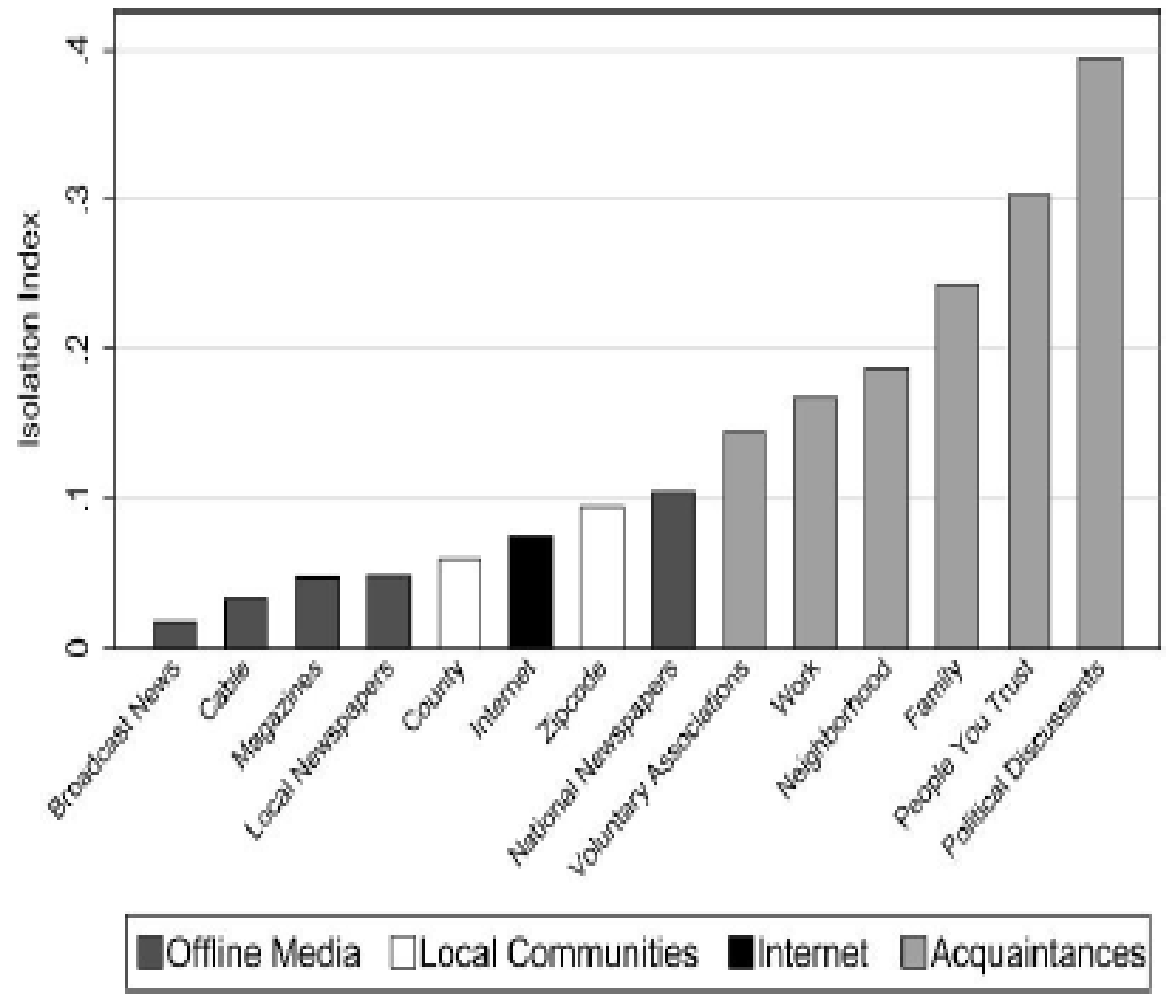


FIG. 3. Partisan bias in perceived economic conditions, 1980–1988.

Is internet the problem: Ideological segregation

- Do people only view/read sources they agree with?
 - Worry that with expansion of TV channels & internet people will segregate themselves
- Isolation index: average conservative's exposure – average liberal's exposure
 - Ranges from 0 (both sides read same thing) to 100 (each side reads something different)
 - TV news best, internet okay, ordinary life the worst
- Why?
 - Still many popular, moderate sources versus small market for extremes
 - People prefer news that is timely, well-written, and entertaining – takes a lot of resources to produce and thus tries to appeal to wide audience
 - People browse, gather news from multiple sources
- Compare real-life: do you have friends with very political different views



Conspiracy theories

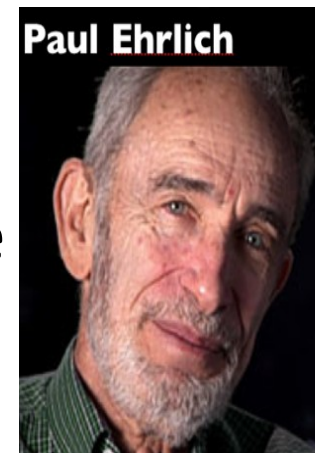
- Conspiracy theory = false theory or belief which ascribes excess malevolent intentionality and exaggerated power
 - Past examples: Elders of Zion, Freemasons, Pope, UFOs
 - Present examples: vaccines, 9/11
- Why?
 - We tend to anthropomorphize – see human intent readily
 - Fundamental attribution error – attribute outcome to personality rather than context
- Who believes them?
 - Those with lack of trust, insecure employment, anomie
- Can media stop them?

Systematic biases according to Caplan

- Anti-market bias: people underestimate benefits of market
 - Adam Smith on invisible hand
 - Profits perceived as gifts rather than incentives
- Anti-foreign bias: people underestimate benefits of interactions with foreigners
 - Trade seen as zero-sum rather than positive-sum
- Make-work bias: people underestimate benefits of conserving labor
 - Worries about downsizing and technology; but they increase productivity
- Pessimistic bias: people overestimate problems and underestimate future

The bet: Julian Simon and Paul Ehrlich

- Ehrlich published *The Population Bomb* in 1968, predicts that the world is running out of resources => starvation
- In 1980 bets with Julian Simon that price of five metals (copper, chromium, nickel, tin, tungsten) will increase from 1980 to 1990
 - If metals are becoming scarce, then price should increase
- Simon wins the bet: the price of all five declines



2. Problems with voting

Extreme myopia

- Retrospective economic voting should give politicians an incentive to produce better economy
- But what economy do voters care about
 - Mainly last year of electoral term or even last 3 months!
- Politicians should thus only worry about economy at end of term
 - Recall political business cycle

Duration neglect

- Voters forget the length of good times and bad times
 - Churchill in 1945: Wasn't saving you from the Nazis enough?
 - Answer: No
- In short, what have you done for me lately
- Or:
 - I don't know what the parties are doing now, but I know the Communists were bad.

Blind retrospection

- Voters will punish governments for shark attacks, droughts, flu, sports losses!
 - God punishes society for sin?
- When voters in pain, they kick the government
- Even if it is not government's fault!
- Also, reward for good events outside of control
 - Eg, oil price rises in oil-producing areas

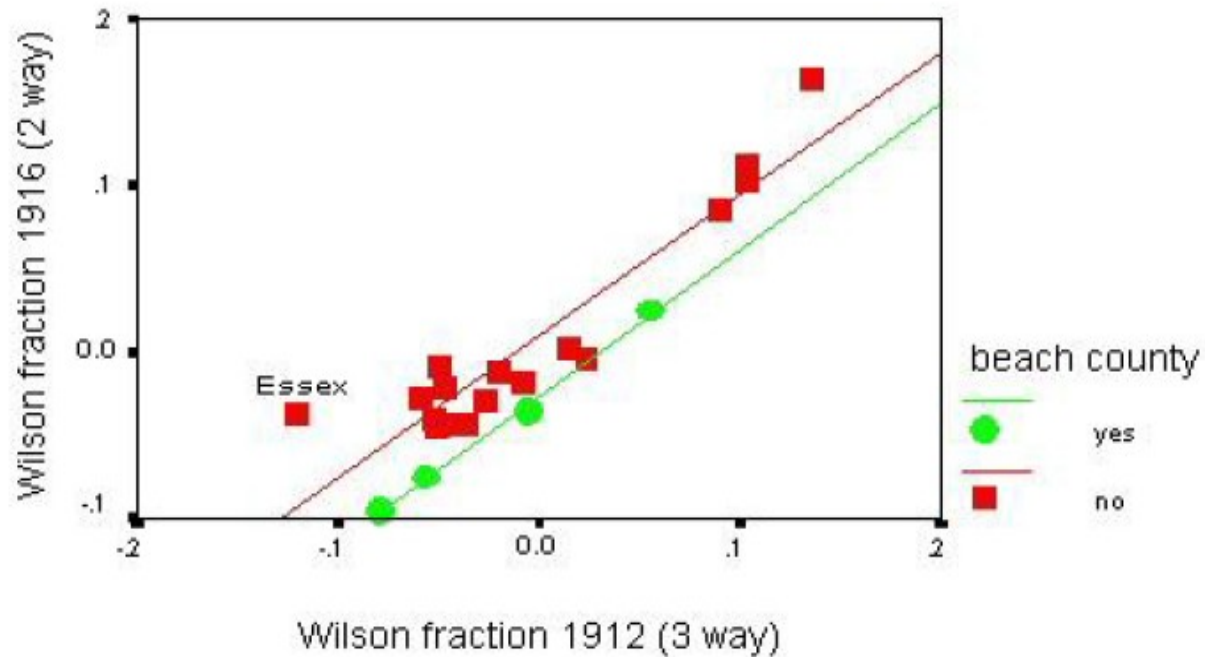


Shark attacks!

Figure 1: Wilson in New Jersey

Counties, 1916 vs. 1912

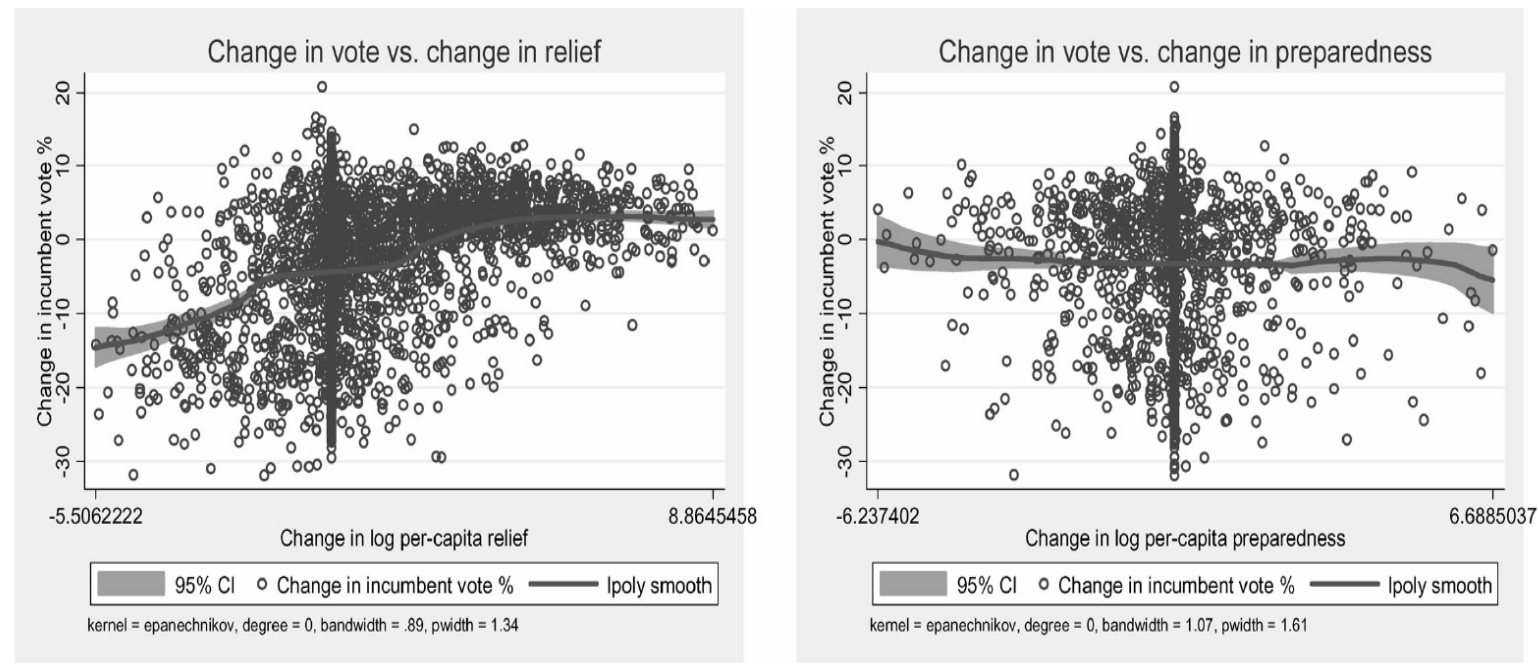
(machine county dummy controlled)



What policies should politicians chose?

- Voters reward politicians for disaster relief spending but not for disaster prevention

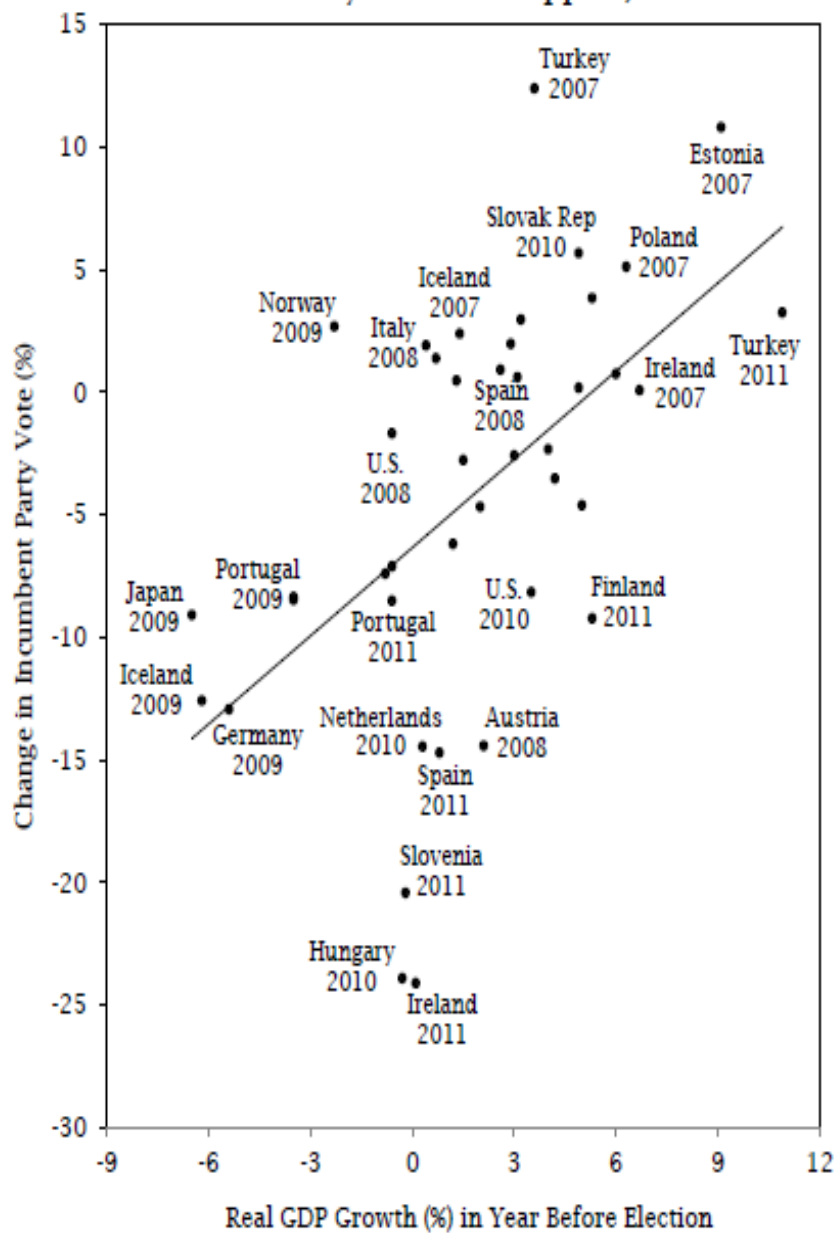
FIGURE 2. Scatterplot for Change in Incumbent Vote Share and Changes in Disaster Spending



What has happened in the Great Recession?

- Crisis of financial capitalism
- Expect voters to turn to the left
 - Punish capitalists
 - Increase welfare
- But right does slightly better (though only small effect)
- Biggest effect = punishment of incumbents

Figure 1: Election-Year GDP Growth and Incumbent Party Electoral Support, 2007-2011



In short

- Whoever is in office at time of crisis loses and loses badly
- Voters aren't trying to choose best policies
- Voters aren't able to attribute blame
 - Which parties were responsible for crisis?
 - Who did the best job fighting against it?

If not rational, then what?

- Group or identity thinking
 - Emotional attachments that transcend thinking
- People adopt opinions of group they belong to – family, school, occupation, race, ethnicity, party
 - Thus, I draw policy preferences from the party I like
 - I don't choose party based on its policies

3. Can we do better than
democracy?

How to do better than democracy?

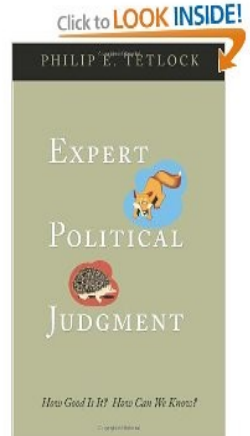
- Leave economic policy to economists
 - Economists have systematically different beliefs than public
 - Less prone to biases
- More power, more votes for educated
- Less government, more markets?

Are elites always more informed?

- Consider foreign policy views in US
- Public very multilateralist
 - Supports UN, peacekeeping, Kyoto, International Criminal Court
 - Opposes unilateral use of force
- Elites disagree 73% of time: more unilateral
 - Support use of force, oppose multilateralism
- Who is objectively correct here?

Can experts predict the future?

- Tetlock asks 284 experts to make predictions on world affairs
 - 82,000 forecasts over 20 years
 - 3 possible futures – probability of each
- Experts do very poorly – not much better than chance
- Do far worse than simple extrapolation of past trends
- Only difference is between hedgehogs and foxes
 - Hedgehogs know 1 big thing
 - Foxes know many little things



Making experts better

- Force them to make clear predictions and monitor their performance
- More bets between scholars
 - If you are not willing to bet, does that mean that you don't believe what you are saying
- Prediction markets
- Harness wisdom of crowds
 - Good Judgment Project: teams compete at making predictions

4. Making citizens better

A better media?

- Should media provide more informative reporting
 - More: positions of parties, events in parliament, effects of policies
 - Less: horse-race (who is winning)
- But who wants to read it?
- Is problem the lack of available information or lack of interest?
- Can political scientists help?
 - Can we provide useful information to journalists?
 - How to make it interesting?

Ad watch/Fact check

- Non-partisan attempts to check the facts on political advertisements and claims of politicians



PolitiFact Grades for 2012 G.O.P. Candidates

Candidate	Pants On Fire	False	Mostly False	Half True	Mostly True	True	Total
Michele Bachmann	9	14	6	3	2	2	36
Herman Cain	2	4	1	3	2	0	12
Newt Gingrich	3	4	4	4	3	3	21
Jon M. Huntsman Jr.	0	0	1	2	3	1	7
Ron Paul	1	3	1	4	6	6	21
Rick Perry	10	19	12	23	8	11	83
Mitt Romney	7	9	7	11	12	18	64
Rick Santorum	1	3	1	1	0	1	7

Note: Gary E. Johnson and Buddy Roemer have each had five or fewer statements evaluated and so are not included in the chart.

Demagog.cz



Does it work?

- Are judgments of falsity correct?
- Misperceptions hard to change
- Need to be careful:
 - Don't repeat false claims (illusion of truth from familiarity)
 - Don't just state negation (Zeman is not a criminal)
 - Need credible experts or on same side of those with misperception
 - Need alternative causal story (if $X \Rightarrow Y$ is wrong, then what does cause Y)
 - Graphics help

Maybe it affects politicians more than politicians

- Recent experiment: send letters to politicians telling them that they will be fact-checked (other politicians don't get this letter)
- Those who receive letters are less likely to tell falsehoods

5. Making yourself better

How to avoid irrationality

- Are you becoming angry during political discussion?
- Do you have strong opinions about a subject before acquiring relevant evidence?
- Do your opinions NOT change as you gather evidence?
- Do you seek information only from sources you agree with?
- Do you think people who disagree with you must be evil?

Danger of stories

- Our brains are programmed to like stories
- But stories are biased
 - Narratives are too simple
 - Emphasize intentions, but world often unintentional
 - A little knowledge often worse than no knowledge
 - People who tell stories are trying to manipulate you
- What are typical narratives about Czech politics
 - Battle against communism/communists
 - Czechs versus foreigners (Germans, Austrians, EU)
 - Ordinary people versus rich and powerful
 - Honest people versus corrupt politicians

