

Processing ambiguity

Nearly everyone agrees that the U.S. electorate is polarized, but no consensus has emerged to explain why. Harvard economist Roland Fryer offers an interesting explanation. He claims that people remain polarized because they interpret ambiguous data in a way that confirms their prior beliefs.

For instance, suppose a Republican believes a voucher system can improve K-12 education by allowing parents to move their kids out of poorly performing public schools into better performing private ones. In contrast, suppose a Democrat believes the voucher system hurts K-12 education by depriving public schools of the money they need to succeed.

As many states expand their voucher programs, these two people will have access to increasing amounts of evidence that will enable them to modify their views. In a year, assume that two news reports show voucher systems improve educational outcomes, two news reports show they hurt educational outcomes, and four reports show unclear outcomes. The Republican will interpret the ambiguous results as evidence that vouchers work, believing there are six pieces of evidence supporting the idea that vouchers are beneficial and only two pieces of evidence against this notion. In contrast, the Democrat will interpret the four unclear outcomes as evidence that vouchers worsen educational outcomes. This

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which would explain the increase in polarization. Instead, he focused on how today's level of ambiguity can lead two people confronted with the same data to reach different conclusions.

While Fryer was interested in using his theory to explain today's fractious political climate, I see another interesting application. Scholars also interpret ambiguous results in ways to confirm their prior beliefs. I saw this among economists in the 1970s and 1980s. At the time, they argued about which government policy was more effective in bringing the economy out of a recession. Some economists favored an increase in government spending; others favored increasing the money supply. Economists looking at the same data reached different conclusions. Those who had previously published papers claiming that government spending was the most effective remedy continued publishing work finding the same result. Similarly, those who claimed to have found evidence that increasing the money supply was more effective

Democrat will believe that the evidence is six to two in favor of confirming her original position.

Fryer, at least in his Wall Street Journal article, did not go into whether people are receiving more ambiguous data,

continued to find that result. In short, their previous results were nearly perfect predictors of what they would conclude in their future work.

This economic debate was resolved when computers became more powerful. With these computers, economists could analyze larger data sets and employ more sophisticated estimation techniques. The ambiguity disappeared and convincing results emerged that government spending was ineffective in ending recessions. Convincing results also emerged that an increase in the money supply, if timed correctly, could increase GDP and help end a recession. The debate moved to whether the government could properly time changes in the money supply.

In my example, economists were able to reduce their polarization by replacing ambiguous results with convincing evidence. Perhaps the same approach can be taken with our political climate. If we can reduce ambiguity, people will have less chances to interpret unclear results in ways that confirm their prior beliefs. In economics, it took massive increases in computing power to reduce the ambiguity in the field. I am not sure what it would take to reduce the ambiguity people use to form policy preferences. But searching for a way to do this seems to be a worthwhile goal.

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