

Book Note

Hearing Voices

The Democratic Dilemma: Can Citizens Learn What They Need To Know?
By Arthur Lupia & Mathew D. McCubbins. Cambridge: Cambridge University Press, 1998. Pp. 282. \$19.95.

In a 1996 *Washington Post* poll, an astoundingly low six percent of Americans could name the Chief Justice of the United States,¹ and only sixty percent of respondents could identify the Vice President.² The responses deeply trouble some. Without grasping such basic facts, how can “the people” participate in a democratic system of government?³ But the responses do not faze others. Voters, jurors, and even legislators may not possess adequate information; yet, so long as they take cues from other sources, they will likely make eminently reasonable decisions.⁴ In *The Democratic Dilemma*,⁵ Lupia and McCubbins tease out this latter story of reassurance—examining, in theory and in practice, *how* individuals decide to follow or ignore particular sources of advice.

Lupia and McCubbins argue that uninformed citizens may use cues or shortcuts such as opinion leaders, party identification, and the media in their decisions. They are not, however, the first to do so.⁶ Rather, the authors’ main contribution to the contentious debate over citizen ignorance

1. This figure is presumably higher now in light of the impeachment trial of President Clinton.

2. See Richard Cohen, Editorial, *Ignorant, Apathetic and Smug*, WASH. POST, Feb. 2, 1996, at A19.

3. See ROBERT E. LANE & DAVID O. SEARS, PUBLIC OPINION 116 (1964); Cohen, *supra* note 2, at A19. In the context of jury deliberations, Richard Posner argues that the Seventh Amendment should be amended to allow judicial discretion for jury trials in civil cases. In particular, Posner believes that jurors lack sufficient knowledge to comprehend complex civil litigation. See Richard A. Posner, *Juries on Trial*, COMMENTARY, Mar. 1, 1995, at 49.

4. See ARTHUR LUPIA & MATHEW D. MCCUBBINS, THE DEMOCRATIC DILEMMA: CAN CITIZENS LEARN WHAT THEY NEED TO KNOW? (1998).

5. *Id.*

6. See, e.g., ANTHONY DOWNS, AN ECONOMIC THEORY OF DEMOCRACY (1957); KEITH KREHBIEL, INFORMATION AND LEGISLATIVE ORGANIZATION (1991); SAMUEL L. POPKIN, THE REASONING VOTER: COMMUNICATION AND PERSUASION IN PRESIDENTIAL CAMPAIGNS (1991).

and its repercussions⁷ lies in their provision of needed theoretical analysis of how and what people learn from cues. After analyzing how individuals select which cues to believe, they apply their theoretical framework of information and persuasion to assess the efficacy of a wide range of institutional mechanisms in fostering trustworthy sources.

Mired in a theory that examines only individual choices between two options, the authors show how individuals, faced with incomplete information, may draw rationally on cues to satisfy given preferences. This may be reassuring in many circumstances. These references to cues—while rational for individuals—may impose, however, external costs, from the inability of cues to form or change individuals' preferences to stunted deliberation among individuals.

I

Culling from economics, cognitive science, psychology, and political theory, Lupia and McCubbins first advance a multi-part theory to explain how “the people” (classified as voters, legislators, and jurors) make decent choices. They then present a series of experiments to buttress their formal model before briefly commenting on how institutions can be structured to encourage persuasive, but not deceptive, cues to uninformed citizens.

In narrative form,⁸ the theory—detailing the “specific conditions under which people who have limited information can make reasoned choices”⁹—is compelling. Lupia and McCubbins presume that individuals do not have sufficient relevant information to make educated judgments. The authors contend, however, that individuals need not possess full information to choose wisely. Even when they are unable to pay attention to information, individuals substitute the advice of others. Acquiring this advice is problematic since there is a tradeoff between the costs of acquiring information and the risk of being deceived by others. Institutions

7. The literature on citizen ignorance and its consequences is vast. Philip Converse's seminal contribution examines what Americans know and analyzes whether they structure their beliefs in any coherent way. See Philip E. Converse, *The Nature of Belief Systems in Mass Publics, in IDEOLOGY AND DISCONTENT* 206 (David E. Apter ed., 1964). Responding to Converse's depressing assessment of the American voter, Nie and others argue that voters may lack information, but that they use shortcuts to make decisions. See NORMAN H. NIE ET AL., *THE CHANGING AMERICAN VOTER* (1976). This revisionist argument has gained some converts, but many are still convinced by Converse and later studies. See, e.g., ERIC R.A.N. SMITH, *THE UNCHANGING AMERICAN VOTER* (1989) (arguing that voters still do not possess much relevant information). Many scholars, journalists, and pundits have fueled the debate by conducting surveys and analyzing the repercussions of the results. For a solid survey of recent work, see MICHAEL X. DELLI CARPINI & SCOTT KEETER, *WHAT AMERICANS KNOW ABOUT POLITICS AND WHY IT MATTERS* (1996).

8. The mathematical translation of their formal theoretical model is smartly ensconced in appendices. See LUPIA & MCCUBBINS, *supra* note 4, at 233-60.

9. *Id.* at 5 (emphasis omitted).

may mitigate this tradeoff by structuring, through penalties and rewards, the incentives of those who provide advice to align with the objectives of individuals seeking advice.

According to Lupia and McCubbins, this process of learning from others can result in one of three outcomes: (1) enlightenment; (2) deception; or (3) lack of any learning.¹⁰ The first two outcomes mandate that the listener (to advice) be persuaded.¹¹ Persuasion requires the perception that the speaker (the one doling out the advice) both possesses the needed information and is trustworthy.¹² Rather than depending on Aristotelian notions of *personal* connection and character assessment for persuasion,¹³ Lupia and McCubbins rely on the presence or absence of institutional structures, which they term “incentive-altering external forces”: mechanisms of verification, penalties for lying, and the ability to observe costly efforts.¹⁴ For example, jurors, who enter a trial uninformed about the case, are likely to believe witnesses whom they do not even know. Lawyers verify or undermine witness testimony through cross-examination, and witnesses may face prosecution for perjury if they lie under oath.¹⁵ These external credibility mechanisms help encourage listeners to perceive common interests.¹⁶

The authors build their theory through a technical model, accompanied by diagrams and mathematical proofs. They modify Crawford and Sobel’s “cheap talk” model—that because talk is truly cheap, people cannot deceive each other—to examine who can persuade a stranger, and furthermore, how external mechanisms help determine who can convince a stranger.¹⁷ In their modified model, an individual faces a binary choice between option x and option y and decides which option to take after listening to a speaker. There are three levels of uncertainty: (1) whether option x is better than option y ; (2) whether the speaker *knows* whether option x is better than option y ; and (3) whether the speaker has similar or opposing interests to the individual.¹⁸ Absent external mechanisms, an individual must perceive both common interests and speaker knowledge to

10. *See id.* at 8.

11. “When we learn nothing, our beliefs go unchanged and we gain no knowledge.” *Id.*

12. *See id.* at 50-51. It is neither necessary nor sufficient for the advice giver actually to possess knowledge to persuade listeners. Likewise, it is neither necessary nor sufficient for the advice giver and listeners actually to share the same interests for listeners to be persuaded. *See id.* at 51.

13. *See id.* at 42.

14. *Id.* at 42, 53-54.

15. *See id.* at 223-25.

16. *See id.* at 54-55.

17. *See id.* at 45. Crawford and Sobel’s model shows that people cannot be deceived in equilibrium when there are no credible mechanisms to prove statements—in other words, when there is cheap talk. *See* Vincent P. Crawford & Joel Sobel, *Strategic Information Transmission*, 50 *ECONOMETRICA* 1431 (1982).

18. *See* LUPIA & MCCUBBINS, *supra* note 4, at 45-49.

be persuaded by the speaker.¹⁹ As external forces increase, there is less need for perceived common interests to achieve persuasion.²⁰ In their model, an individual may be deceived if she cannot learn about a persuasive and knowledgeable speaker's incentives.²¹ Applying this theory to types of cues considered in debates over citizen ignorance, Lupia and McCubbins argue that "[c]oncepts like reputation, party, or ideology are useful heuristics only if they convey information about knowledge and trust. The converse of this statement is not true."²²

To test their formal theory, Lupia and McCubbins contributed to the discretionary income of a considerable number of their university's undergraduates. Most tests consisted of two students, one "speaker" and one "decision-maker," and involved a coin toss that the decisionmaker did not witness and about which the decisionmaker needed information to receive a payoff.²³ Although Lupia and McCubbins's coin flip experiments do not directly address voter choice, legislative policymaking, or jury deliberation, the experiments do provide a tremendous amount of data to support their model. In addition to cataloguing all the possible permutations of the coin flip studies, Lupia and McCubbins also conducted an experiment on persuasion by surveying almost 1500 citizens by telephone. Respondents were asked whether they thought it was a good or bad idea to spend money to build more prisons. Some subjects were told whether Phil Donahue or Rush Limbaugh endorsed a particular view on the issue.²⁴ As predicted by their theory, as respondents' perceptions of knowledge and trustworthiness of the talk show hosts increased, respondents were more likely to match the "endorsed" view.²⁵ When respondents did not agree with the endorser's views but when respondents thought the endorser was knowledgeable, learning that the source believed *x* compelled some respondents to believe *not x*.²⁶

In reflecting on their theory and its empirical validation, Lupia and McCubbins consider a variety of "electoral, legislative, bureaucratic, and

19. *See id.* at 50.

20. *See id.* at 55.

21. *See id.* at 70-74.

22. *Id.* at 64 (emphasis omitted).

23. In many of their experiments, there were two "players": a principal and a speaker. The principal had to "guess" the outcome of a coin toss that she never witnessed. The speaker stated whether heads or tails was a better prediction. The principal's payoff was linked to the accuracy of the choice. The speaker's payoff varied, so that the authors could test the effect of common and conflicting interests. *See id.* at 101-02. Within this simple framework, the authors tested the effect of different variables such as speaker knowledge, compatibility of speaker and decisionmaker incentives, and external incentive mechanisms (i.e., penalty for lying, verification, and costly effort) on reasoned choice. *See id.* at 114. The authors also conducted a separate set of experiments on delegation, involving a principal, agent, and speaker. *See id.* at 149-83.

24. *See id.* at 186-88.

25. *See id.* at 191-94.

26. *See id.* at 194.

judicial institutions” and analyze, to a limited extent, whether these institutions are designed to promote reasoned choices.²⁷ For example, they argue that legislators wisely delegate policymaking to bureaucrats after screening potential agency heads in the appointment process and enacting rules to constrain agency action.²⁸ By contrast, they suggest that certain institutions, such as term limits for California’s state legislators, undermine the transmission of knowledge: With fewer incumbents, there is typically less of a public record, leaving voters with little to no information on new candidates for office.²⁹

Lupia and McCubbins present a compelling and empirically supported model illustrating how uninformed individuals can make reasoned decisions. Based on this simple model, Lupia and McCubbins conclude that institutions that encourage reasoned choices “mitigate the democratic dilemma.”³⁰ Is this confidence warranted? Models necessarily entail simplification. From a set of basic assumptions, a model can generate testable predictions. If these predictions are empirically verified, we may feel more confident about the underlying theory. Rational individual action may not by itself, however, necessarily be socially optimal. If individual actions in a market for information generate external costs, these externalities may lead us to worry about the level of “ignorance” and cue taking we do see.

II

Individuals make an incredible number of choices, from purchasing an automobile to voting for Governor, often without personal knowledge of the options. In an effort to make a more informed decision, an individual may seek cues from the public domain, such as recommendations of *Consumer Reports* before buying a new car or the endorsement of her daily newspaper before casting her ballot. Reliance on *Consumer Reports* does not seem threatening. An individual reading only the election editorial is more disconcerting because the editorial may not enhance her ability to discuss social and economic issues in any meaningful manner. In this way, cue taking may be rational for an individual, but it is not always optimal for society.

Because there are occasions in which cue taking is both individually rational and socially reassuring, the theoretical framework and empirical validation offered by Lupia and McCubbins make a substantial and provocative contribution to the debate over citizen ignorance. When

27. *See id.* at 205.

28. *See id.* at 216-19.

29. *See id.* at 225-26.

30. *Id.* at 227.

citizens face a simple binary choice (heads or tails, Toyota or Honda, build more prisons or not build more prisons), informational cues from outside sources can assist citizens in making reasonable decisions. In a study of California ballot initiatives, voters who knew whether the insurance industry had endorsed an initiative were more likely to vote in a manner consistent with their economic objectives.³¹

Lupia and McCubbins's theory does have, nevertheless, some potentially disconcerting undertones. First, their framework limits decisions to binary choices. Yet, legal decisions, for instance, are becoming exceedingly complex. Reliance on simple cues may not be sufficient when individuals are faced with complicated choices. Second, institutions providing cues may promote the primitiveness of decisions that confront individuals and, furthermore, may not reflect the negative social externalities imposed by individuals' rational ignorance.

The types of choices that voters, legislators, and jurors must make are not always binary ones. Lupia and McCubbins's limited discussion of judicial institutions constructs jurors as making a simple determination of guilt or innocence. Jurors are not knowledgeable about the case they are to adjudicate but rely instead on the adversarial process to attach biases to witnesses and read signals as to how they should render their decision.³² Nevertheless, with increasingly complex litigation, their decision may not consist of selecting one of two options.

In *Anderson v. W.R. Grace & Co.*,³³ an environmental mass torts case recounted in *A Civil Action*, jurors had to answer a set of four complicated questions in the first, and, ultimately, the only phase of the trial, involving whether particular chemicals had contaminated two drinking water wells and if so, on which dates the chemicals began to contaminate the wells.³⁴ Such complicated questions do not fit neatly into Lupia and McCubbins's model of how individuals select among binary choices. These jurors had to determine dates of actions, not merely their existence or absence. It is perhaps no surprise that the jurors said they could not determine many dates and even returned a random date for one of the questions.³⁵

Even presuming that many choices are binary, the selection process among options may yield unexpected or costly results. If choices are sufficiently simple and reliable cues exist, why would individuals spend more time investing in information? For the authors, "[t]he mismatch between what delegation demands and citizens' capabilities constitutes the

31. See Arthur Lupia, *Shortcuts Versus Encyclopedias: Information and Voting Behavior in California Insurance Reform Elections*, 88 AM. POL. SCI. REV. 63 (1994).

32. See LUPIA & MCCUBBINS, *supra* note 4, at 223-25.

33. 628 F. Supp. 1219 (D. Mass. 1986).

34. See JONATHAN HARR, *A CIVIL ACTION* 368-69 (1995).

35. See *id.* at 392.

democratic dilemma.”³⁶ There is little mismatch so long as delegation demands selections from binary choices and cue sources provide information. I wonder, however, if the democratic dilemma is rather this self-reinforcing cycle—citizens’ lack of knowledge has limited what we demand from delegation and democracy, and our limited demands encourage rational ignorance.

In some circumstances, moreover, rational ignorance may generate social costs. Given that individuals obviously cannot pay attention to everything, Lupia and McCubbins argue that individuals assess whether the expected benefits to paying attention outweigh the expected opportunity and transaction costs.³⁷ Imagine an individual voter is deciding whether to read the newspaper coverage over several weeks of an upcoming election or to rely on the endorsement by the editorial staff. Imagine further than the voter will choose to vote for the same candidate in either scenario. The opportunity and transaction costs are higher if the voter reads the newspaper. If the voter’s benefits derive solely from the choice of candidate, the rational voter would rely on the endorsement. There are presumably, however, external benefits to following the newspaper coverage. The voter may be more able and willing to discuss current political and social issues. Any discussion among voters who read the newspaper should be richer than discussion among voters who only know which candidate the newspaper endorsed.

This focus on individual decisionmaking underplays the necessity of deliberation among individuals for many decisions.³⁸ In many binary choices, such as selecting between a Toyota and a Honda automobile, we may not be concerned that in Lupia and McCubbins’s theory, individuals’ preferences are determined by some external source. But what if individuals do not hold well-defined interests regarding, for example, race relations? What if they hold defined interests that would change if they were forced to discuss them?³⁹

For two of the three institutions Lupia and McCubbins claim to address in their theory—the jury and the legislature—they do not discuss in any

36. LUPIA & MCCUBBINS, *supra* note 4, at 12.

37. They define the “calculus of attention” as $E(\text{Return}) = E(\text{Benefit}) - E(\text{Opportunity Costs}) - E(\text{Transaction Costs})$. *See id.* at 25.

38. *See* AMY GUTMANN & DENNIS THOMPSON, *DEMOCRACY AND DISAGREEMENT* 224 (1996) (arguing that deliberation plays a part in discovering “morally better decisions and morally better ways to conduct the democratic process”). Deliberation may improve outcomes, but it may also provide confidence to democratic participants. *See id.* at 229. Deliberation may, in some cases, only be symbolic, but the symbolic role may have value. *See* Bernard Grofman, *Public Choice, Civic Republicanism, and American Politics: Perspectives of a “Reasonable Choice” Modeler*, 71 *TEX. L. REV.* 1541, 1551 (1993).

39. Individuals may hold onto preferences out of habit, rather than through any systematic evaluation of the various options. *See* JON ELSTER, *SOUR GRAPES: STUDIES IN THE SUBVERSION OF RATIONALITY* 120-21 (1983).

detail the role of deliberation even though both juries and legislatures engage in group decisionmaking. Moreover, while Lupia and McCubbins consider deliberation for voters, they summarily dismiss it:

Another, and more general, idea for improving modern democracy is to encourage ordinary citizens to deliberate on political matters. The idea behind this proposal is that citizens who deliberate will enlighten one another and vastly improve political decision making. . . . The mere construction of a deliberative setting does not guarantee that the cream of the collective's knowledge will rise to the top and be spread evenly across the group.⁴⁰

The authors are correct that deliberation, within their market for information, does not guarantee "enlightenment." For it is within their market for information that individuals will not consider external repercussions, including the quality of group deliberation, when deciding whether to obtain information or rely on cues. Although citizens may indeed learn, according to *The Democratic Dilemma's* subtitle "what *they* need to know," they may not learn what our democratic institutions need them to know.

—Anne M. Joseph

40. LUPIA & MCCUBBINS, *supra* note 4, at 226-27 (internal citations omitted).