



Careerist experts and political incorrectness[☆]



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ABSTRACT

While political correctness is a dominant norm in many public situations, we also observe behaviors that are apparently “politically incorrect,” often from professionals and experts. This paper examines the flip side of political correctness as analyzed in Morris (2001) to shed some light on the elusive notion of political incorrectness and elucidate its equilibrium and welfare properties. We show that there are circumstances in which unbiased experts deliberately take a politically incorrect stance out of reputational concerns and identify key elements which give rise to this perverse reputational incentive. The results suggest that political incorrectness cannot necessarily be viewed as a sign of blunt honesty when informed experts have long-term reputational concerns. We also examine the welfare consequences of political incorrectness and argue that this form of information manipulation can be beneficial under some conditions.

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1. Introduction

In a seminal analysis of political correctness, Morris (2001) eloquently shows how the incentive to appear politically correct obstructs truthful information transmission. He makes this point in an environment where an uninformed decision maker needs to solicit advice from an informed expert repeatedly over time. The expert in question may be biased in favor of some politically incorrect alternative, but his predispositions are only privately known. In this dynamic context, there naturally arises an incentive for the agent to present himself as unbiased in the early stages so as to remain credible in the eyes of the decision maker. This reputational incentive is actually self-defeating, however, as it forces the expert to take a politically correct stance regardless of the true state of nature. As such, political correctness generally entails the loss of socially valuable information, illustrating why politically correct opinions are often uninformative and unreliable as a source of knowledge. Thanks in no small part to this contribution, we now have a fairly clear understanding of (at least one form of) political correctness.

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The situation contrasts sharply with its counterpart, i.e., political incorrectness, which has received far less attention in the literature. Even then, the lack of attention *per se* is largely inconsequential if we can apply this same line of reasoning to its “flip side” to gain a sense of political incorrectness. To elaborate on this possibility, consider the case where the true state of nature happens to favor a politically correct alternative. In this contingency, the unbiased expert should have no incentive to take a politically incorrect stance against his belief because that can only lower his reputation, not to mention his current payoff. Given this, because any expert who makes a false recommendation is more likely to be perceived as biased, even the biased expert now has a reputational incentive to reveal the true information. Note that reputational concerns now discipline the expert to be more truthful, unlike in the case of political correctness. According to this reasoning, political incorrectness should be regarded as a sign of blunt honesty, or “intellectual integrity,” in environments where reputation matters because an informed expert would take a politically incorrect stance only when he firmly believes in it.¹

As convincing as it may sound, however, the validity of this conclusion is not necessarily clear. At the very least, the conclusion seems rather too extreme to hold in general,² suggesting that there may be a gap to be filled in the aforementioned argument. Particularly suspicious in this regard is an implicit presumption that the reputational effect of political correctness (incorrectness) is invariably weakly positive (negative), which effectively rules out the possibility that the expert intentionally takes a politically incorrect stance out of reputational concerns. We argue that this presumption may trivialize the intricate nature of reputation formation in a dynamic setting because what “reputation” can mean in reality is potentially very broad and diverse, and the expert can gain or lose the decision maker’s trust along many different dimensions. In fact, quite contrary to the original intent of the word, political correctness is now often associated with a negative connotation where people who express politically correct views are perceived as manipulative or even dishonest; put it differently, taking a politically correct stance is not necessarily a sure way to improve one’s reputation, broadly defined. Given this negative perception, we may have a situation where the unbiased expert strategically deviates from the norm of political correctness to show that he is, at least, not manipulative.

In this paper, we construct a dynamic model of strategic communication to see whether and under what conditions this rough intuition would indeed survive in formal equilibrium analysis. To this end, we extend Morris (2001), which we refer to as the “original setup” for clarity, by incorporating an additional period and an additional expert type to capture a more diverse process of reputation formation. As in the original setup, the expert can be either good (unbiased) or bad (biased): if the expert is good, he has the same payoff function as the decision maker; if bad, he always wants a higher action than the decision maker. On top of these two strategic types, as another key departure from the original setup, we introduce the possibility that the expert may be inherently honest, in which case he simply reveals the true information in every opportunity he comes across.

The sequence of events within each period proceeds as follows. At the beginning of each period, the expert observes the state of nature, which takes a value of either 0 or 1, and sends a cheap-talk message, again 0 or 1, to the decision maker. Upon receiving the message, the decision maker then chooses an action from some continuous interval. The state is publicly observed after the action is taken, and the decision maker updates her belief about the expert’s type conditional on all the available information. Without loss of generality, we let message 1 represent the “politically incorrect stance,” i.e., the message that induces a higher (more politically incorrect) action, and say that an expert is “politically incorrect” whenever he announces 1.³

Under this setup, it is not overly surprising to see the bad type occasionally announce 1 in state 0 because he can always derive a current benefit from inducing a higher action. It is a totally different story, however, if the unbiased good type ever chooses to do so in equilibrium for some strategic reasons. For the analysis, we label this particular form of political incorrectness as *anti-political correctness*, and say that anti-political correctness arises in equilibrium whenever the good type announces 1 in state 0 with any positive probability. Since the good type derives no current benefit from misreporting in any situation, the emergence of anti-political correctness means that there must be a reputational gain from falsely announcing 1 in state 0. We emphasize this notion of anti-political correctness because it necessarily yields a profound impact on our interpretation of political incorrectness: without anti-political correctness in equilibrium, all the reputational forces would point in one direction, only working to discipline the expert to be more truthful as we discussed at the outset; if it could ever be supported in equilibrium, on the other hand, the reputational effect of political incorrectness would be reversed, resulting in qualitatively different outcomes and implications.

We obtain two main results concerning the equilibrium properties of political incorrectness. The first is an impossibility result, showing when it is not feasible to support our notion of anti-political correctness in equilibrium. We derive a necessary condition for anti-political correctness in a fairly general environment, and then establish as a corollary of this result that anti-political correctness can never arise in any two-period variant of our model, including the original setup, even

¹ This perception is perhaps exemplified most symbolically by a popular book series The Politically Incorrect Guide which presents conservative or so-called “politically incorrect” views on various topics such as Darwinism, the Constitution, the Bible, and so on.

² Although it is certainly not easy to quantify this claim, some people express an even harsher view against political incorrectness in general. For instance, in a widely-read political blog Crooked Timber, John Quiggin is quoted as saying “politically incorrect views are almost always incorrect in every way: literally, scientifically and morally.”

³ Note that our notion of political correctness is defined in the *ex ante* sense (before the true state is publicly observed). It is also defined in a different way from political correctness in Morris (2001), who takes a much broader view: he defines political correctness as an act of altering what to say in order to avoid adverse inferences.

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