

Restoring trust in expertise

By Minouche Shafik

March 1, 2017 – *Project Syndicate*

“Why did nobody notice it?” Britain’s Queen Elizabeth II famously asked the faculty at the London School of Economics in November 2008, just after the financial crisis erupted. Almost a decade later, the same question is being asked of “experts” following the extraordinary and unforeseen events of the past 12 months – from the United Kingdom’s Brexit referendum to Donald Trump’s election as President of the United States.

Experts in general, not just pollsters and economists, have been the target of much criticism of late. The eurozone crisis that began in 2010 was perceived by some as an elite creation that had painful consequences for the public at large. This was compounded by a crisis of conduct, as scandals broke out over the misselling of financial products, global currency manipulation, and the rigging of the London Interbank Offered Rate (Libor, the benchmark interest rate that some banks charge one another for short-term loans).

All of this strengthened the public’s suspicion that the system is fixed in favor of the rich and powerful, who are never held to account. Skepticism about the credibility of elites loomed large in the Brexit referendum and the US election.

Amid such perceived failings, public confidence in experts is at a crossroads. With news becoming more narrowly targeted to individual interests and preferences, and with people increasingly choosing whom to trust and follow, the traditional channels for sharing expertise are being disrupted. Who needs experts when you have Facebook, Google, Mumsnet, and Twitter?

Actually, we all do. Over the course of human history, the application of expertise has helped tackle disease, reduce poverty, and improve

human welfare. If we are to build on this progress, we need reliable experts to whom the public can confidently turn.

Restoring confidence requires, first, that those describing themselves as “experts” embrace uncertainty. Rather than pretending to be certain and risk frequently getting it wrong, commentators should be candid about uncertainty. Over the long term, such an approach will rebuild credibility. A good example of this is the use of “fan charts” in forecasts produced by the Bank of England’s Monetary Policy Committee (MPC), which show the wide range of possible outcomes for issues such as inflation, growth, and unemployment.

Yet conveying uncertainty increases the complexity of a message. This is a major challenge. It is easy to tweet “BoE forecasts 2% growth.” The fan chart’s true meaning – “If economic circumstances identical to today were to prevail on 100 occasions, the MPC’s best collective judgment is that the mature estimate of GDP growth would lie above 2% on 50 occasions and below 2% on 50 occasions” – doesn’t even fit within Twitter’s 140-character limit.

This underscores the need for sound principles and trustworthy practices to become more widespread as technology changes the way we consume information. Should journalists and bloggers be exposed for reporting or recirculating falsehoods or rumors? Perhaps principles and practices widely used in academia – such as peer review, competitive processes for funding research, transparency about conflicts of interests and financing sources, and requirements to publish underlying data – should be adapted and applied more widely to the world of think tanks, websites, and the media.

At the same time, consumers need better tools to assess the quality of the information and opinions they receive. The digitization of knowledge has empowered people to get information that shapes their views. They can go to the doctor better informed about their illness and alternative treatments. But the democratization of information can make it difficult to discern fact from falsehood; algorithms create echo chambers of the like-minded; and extreme voices and views can rise to the top in the race for clicks and online revenue.

Schools and universities will have to do more to educate students to be better consumers of information. Striking research by the Stanford History Education Group, based on tests of thousands of students across the US, described as “bleak” their findings about young people’s ability to evaluate information they encounter online. Fact-checking websites appraising the veracity of claims made by public figures are a step in the right direction, and have some similarities to peer review in academia.

Listening to the other side is crucial. Social media exacerbates the human tendency of groupthink by filtering out opposing views. We

must therefore make an effort to engage with opinions that are different from our own and resist algorithmic channeling to avoid difference. Perhaps technology “experts” could code algorithms that burst such bubbles.

Finally, the boundary between technocracy and democracy needs to be managed more carefully. Not surprisingly, when unelected individuals steer decisions that have huge social consequences, public resentment may not be far behind. Problems often arise when experts try to be politicians or politicians try to be experts. Clarity about roles – and accountability when boundaries are breached – is essential.

We need expertise more than ever to solve the world’s problems. The question is not how to manage without experts, but how to ensure that expertise is trustworthy. Getting this right is vital: if the future is not to be shaped by ignorance and narrow-mindedness, we need knowledge and informed debate more than ever before.

Minouche Shafik, former Deputy Governor for Markets and Banking at the Bank of England, is the incoming Director of the London School of Economics and Political Science.