

Parting Shot

We are all Nate Silver now

By Mirko Draca, Director, CAGE

The COVID pandemic will be noted for many things, but when it comes to the policy sphere there has never before been a time when the use of data and statistics has been so prominent. Political press conferences in last six months – including those featuring the centre-of-attention loving President Trump – have often had the added feature of graph-filled slide packs. This was very rare in the pre COVID-19 era. I’m also regularly reading wonkish and thoughtfully argued data-focused pieces in the popular press, which previously mainly served to inform me about the travails of celebrities.

But this data-focused debate over COVID-19 policy increasingly has a dueling quality to it. Statistical analysis is now being integrated into the disciplines of rhetoric and polemic. And then there is the simple matter that there is now *just so much* information and analysis available in 2020. ‘Data science’ boomed as a professional industry in the 2010s but now it is ever present in news debates, with lots and lots of ‘armchair’ contributions being fired off by the minute. To update a turn of phrase from Richard Nixon, ‘we are all Nate Silver now’.

Nixon coined the phrase ‘we are all Keynesians now’ when he embraced a more interventionist economic policy stance in the mid-1960s. It was meant to convey the idea that there was a consensus on certain aspects of economic policy. But just as Keynesian principles seemed to go wrong in the 1970s after the consensus was declared, I think that the consensus on the value of data analysis is clearly having some problems. Data is now an element in the overall contest for attention and influence.

And in one of those weird bits of symmetry, this year is the 50th anniversary of Alvin Toffler’s 1970 book *Future Shock* – a key text on the social challenges of technology

and one that prominently flagged the emerging problem of ‘information overload’. This is, as they say, an understudied topic but I think the technological changes of the late 2010s – mobile computing, social media, fast broadband – facilitated an expansion of information that tipped us into Toffler’s ‘information overload’ state.

So how do we navigate this challenge in the context of data, research and communication in general? While the model of ‘gatekeepers’ that regulated access to information and institutions up until the 2000s is gone, there is now a clear requirement for information curation and filtering. Simply put, there is now actually a *market* out there for curation and filtering, one that I don’t think is being specifically served.

This is where I think the ‘information economics’ literature that kicked off in the early 1970s is likely to be useful to us. For example, I definitely detect elements of George Akerlof’s (1970) *The Market for Lemons* in various corners of the internet and news media: that is, the overwhelming amount of bad (or just hard to understand) information drives out the good. It’s hard to think of a single tool that will get around this fundamental problem of asymmetric information. My best guess is that this



“I think the technological changes of the late 2010s – mobile computing, social media, fast broadband – facilitated an expansion of information that tipped us into Toffler’s ‘information overload’ state.”

is a long game that’s fundamentally about building up curatorial reputations and taking steps to increase the size of the market for high quality information. This latter set of steps related to market size boils down to education, specifically with respect to data literacy. One side effect of the surge of interest in data analysis in the COVID-19 era is that there has been a *de facto* increase in data literacy (or at least an interest in learning). So, even in the midst of this current information crisis there is a chance to capitalise and expand the market for good information.

Thinking strategically, the weakness of ‘bad’, polemical information is that it turns over fast – ad hoc modifications are needed to fit the polemic as new data comes in. Better quality information and analysis

is able to adapt and should be more persistent. This is what I’m hoping for. If my hopes are dashed, then the future media of my imagination looks like a website with loads of bizarre graphs on one side of the page and a big column of celebrity news on the other. At least I will have celebrities to read about. ◀

Further reading

Akerlof, C. (1970), ‘The Market for Lemons: Quality Uncertainty and the Market Mechanism’, *Quarterly Journal of Economics*, 84(3): 488-500.

Toffler, A (1970), *Future Shock*, Random House: New York.