

**Review of Timur Kuran, *Private Truths, Public Lies: The Social Consequences of Preference Falsification* (Harvard University Press, Cambridge, Mass., 1995) pp. 423, index, (forthcoming, *Journal of Economic Behavior and Organization***

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Some subjects are appropriate for book-length treatment because many little ideas need to be put together into a big picture. Other subjects are appropriate because one big idea needs the emphasis that a book's length provides, even though the idea itself can be expressed very concisely. This book falls into the second category.

The one big idea is that every person, in considering his preferences over a range from 0 to 100, considers three kinds of utility. His intrinsic utility is maximized at the point he would actually like to be chosen— 30, let us say. His expressive utility is maximized at the point he would like to choose to “cultivate his individuality” in his “quest for autonomy.” Professor Kuran assumes that this will also be 30. Finally, our person's reputational utility is maximized at the point which, will result in the most desirable responses from the rest of society if he publicly declares it, independently of any effect his declaration has on the actual outcome. If this point is 70, then our individual's actual declaration may be 30, if he cares little for reputation, or 70, if he does not think he can affect the outcome and cares little about expressing his truthful preferences. More likely, it will be somewhere in between, if he gives weight to all three considerations.

A subsidiary idea, from which many of the conclusions flow, is that for each person there is a *political threshold*: the level of mean public opinion that makes the person indifferent between publicly supporting the extremes of 0 and 100. If my intrinsic utility is highest at 20, for example, then it may be that if everyone else supported 59, I would cast my vote for 0, but if

they supported 60, I would switch to 100. The implicit reasoning behind this idea is that reputational utility is maximized by choosing what other people choose. Since my position is itself one determinant of public opinion, this opens the way to multiple self-fulfilling equilibria and sudden, discontinuous shifts of public opinion when a few people change their behavior.

Much of the book discusses recent historical events in terms of the effects of political thresholds. The three chief examples are attitudes towards Communism in Eastern Europe, towards caste in India, and towards affirmative action in the United States. In different ways, these illustrate people's reluctance to express a certain position unless others express it too.

Unfortunately, the formal model fades into the background in these later chapters. The discussions could perhaps have been sharpened and the model better explained by accompanying the narration with numerical examples. Political scientists may wish to follow up on this, since it offers a suggestion for parameterizing public and private opinion separately during the crucial weeks of revolutionary change.

Professor Kuran has collected a large number of interesting and citable examples from politics, history and psychology. In the Asch Experiment, a subject is asked to match which of two lines were of the same length, where the answer is quite obvious. When confederates of the experimenter gave the wrong answer before the subject was asked to express an opinion, 32 percent of the genuine subjects imitated the wrong answer. When white Americans were asked their opinion of blacks after being asked about affirmative action,

46 percent used the term “irresponsible”, whereas only 23 percent did when the order of questions was reversed. Public discourse can be categorized between the *thinkable* and the *unthinkable* and the *thought* and *unthought*, suggests Mohammed Arkoun. These tidbits, from pages 27, 140, and 176, are just a few examples of what one may pick up from this book. They are one of its chief delights, and I only regret that the book makes it more difficult to use them by employing endnotes instead of footnotes.

Much work remains to be done on the underpinnings of the basic ideas of intrinsic, expressive, and reputational utility, which are for the most part taken as given in this book. Expressive utility is problematic. Many people do not care to express themselves in the slightest. Of those that do, it is not at all clear that they would choose the point with the highest intrinsic utility. Individuality is, after all, cultivated by differentiating oneself, and what if everyone else values 30 too? Should I then shout “100!” ?

A more universal desire, which also can explain one’s desire to express oneself, is that one hopes to actually influence the decision. Perhaps people vote in presidential elections purely to express their personal autonomy, but in smaller groups they know that their speeches and votes may well be decisive for the outcome. This is still distinct from intrinsic or reputational utility. In order to influence the outcome, I might support a position that would not maximize my intrinsic utility. This could take the form either of exaggerating or concealing the extremism of my position. In so doing, I might also be willing to harm my reputation, since extremism is often unpopular

but effective in creating political change.

Also neglected are the underpinnings of reputational utility. Why, exactly, do other people care about my preferences, or is it really only my public declaration that they care about? Going the other way: what if I learn about my own intrinsic utility from other's opinions? I may wish to conform to the opinions of others not because I want them to respect me, but because I trust their judgment more than my own, as when a supper party in a Korean restaurant defers to one person's judgment in selecting dishes. The theory of informational cascades developed by Bikhchandani, Hirshleifer, and Welch (1994) which formalizes this idea is mentioned, but the idea is not fully linked into the three-part division of utility.

Another idea only loosely touched upon is how pressure groups form. If one wishes to form a group to support a position of 100, how inclusive ought it to be? Should it include only people from 90 to 100, or everyone from 50 to 100? Much of the answer will depend on what drives the group's positions: the intrinsic utilities of the members, or the reputational utilities the group imposes on those who join it. Clearly, *Private Lies, Public Truths* has the virtue of opening up numerous avenues for future research.

More generally, *Private Lies, Public Truths* is a reminder to economists that there is more to externalities than price changes and sulfur dioxide. People are linked through their public expressions, both because public expressions lead to public decisions and because we genuinely care about what other people think, and what other people think about us. The efficiency implica-

tions are so messy that one's first reaction is to turn away in economical horror, but the complexity may make economic tools all the more useful.

Perhaps the most important lesson of the book is not for the economist as scholar, however, but as citizen of city, country, and university. That lesson is that one man's opinion can have an influence all out of proportion to his personal importance, by emboldening his less timid fellows to express similar opinions . Everyone needs to understand why that is important, and why most people are cautious, concealing their opinions for reasons that are sensible, if inglorious.

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(A reference page follows)

## REFERENCES

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