

# THE RUMORMILL (A PROPOSAL)

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*Speak Truth to Power*

—*Quaker Saying*

ABSTRACT. Market competition provides price information and benefits consumers. Political competition should do the same thing, allowing citizens to reward (punish) politicians and bureaucrats for their good (bad) deeds. Unfortunately, complex political administration, lags between elections and limited resources of those who police civil society make policy efficiency is even less likely than economic efficiency. I propose a new check on political malfeasance, [www.rumormill.com](http://www.rumormill.com), where anonymous visitors could post rumors on the misbehavior of organizations, debate these rumors, vote on their validity, and receive positive (negative) feedback when they turn out to be true (false). The proposed mechanism promises to increase transparency in politics and empower the “little guy” against injustice.

Advocates of *economic* free markets argue that they deliver the greatest benefit to the greatest number because the price signals resulting from uninhibited trading convey clear information to both producers and consumers, allowing each to maximize their own gains, subject to their various preferences, technologies and constraints.

Advocates of *political* free markets would say much the same thing—politicians compete with promises to voters. Those who fail to deliver results are replaced with their betters. This cleansing process requires a generous flow of information to connect promises to policies to realizations, while removing confounding influences and spurious effects.

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However, just as trade is rarely free, so too are politics, policy and administration rarely transparent—even in the developed world.<sup>1</sup> Corrupt politics destroys citizens in the same way that inhibited markets impoverish consumers. Nonetheless, things do not break down completely; traditional checks, both formal and informal, limit damage. My proposed mechanism will augment these mechanisms by increasing information flows—to the benefit of all citizens.

## 1. TRADITIONAL SOLUTIONS

There are three traditional checks on political corruption and administrative malfeasance:

**Morals:** Politicians and bureaucrats often do good because it is “right” and even when it is costly. Economists are surprised at this behavior, since it contradicts their prediction that *homo economicus* would act in his own self-interest, not that of others. Researchers in evolutionary psychology and social cooperation are not surprised, since humans would not have made it this far without strong social, moral and cooperative instincts (See, e.g., Sanfey et al. (2003); Fehr and Fischbacher (2002)). The economists are not completely wrong, of course, since “immoral” types do exist; their lapses are partially constrained by internal and external social controls.

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<sup>1</sup>See, e.g., Transparency International at [www.transparency.org](http://www.transparency.org)

**Internal Controls:** In the United States, competing branches of government (executive, legislative, judicial) and internal auditors (the US General Accounting Office, Congressional Budget Office, etc.) check the abuses of other branches of government.

**External Controls:** The Press (the “Fourth Estate” to Government, Aristocracy and Church estates) and Non-Governmental Organizations (NGOs, the “Third Sector” to Public and Private sectors) are traditional monitors and coordinators of resistance to governmental malfeasance or laziness.

Individual citizens are unable to “speak truth to power” without one of these checks. If the politician is uninterested, the government monolithic, and the press and civil society weak, the individual will be ignored or crushed. Effective speech requires voice and leverage.<sup>2</sup> In this Proposal, I discuss voice, which can get results if one of the three checks listen. If not, the citizen needs to make his own leverage.<sup>3</sup>

## 2. EMPOWERING VOICE

People are social animals. News, gossip and humor all taste better when eaten with others. One’s own pain, fear and victimization are bad because of the suffering involved, but similar suffering is also bad when experienced by others.<sup>4</sup> People will try to stop bad behavior—even

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<sup>2</sup>I ignore exit, as discussed in Hirschman (1970).

<sup>3</sup>I will discuss leverage in a future Proposal on “Ultra-democracy.”

<sup>4</sup>I am agnostic about the source of these “other-regarding” emotions. The experts are psychologists and sociologists, but economists have written on this topic as well. See Akerlof and Kranton (2000) for identity as a motivation, Smith (1759) and Scheff and Retzinger (2000) for moral obligation and shame as an emotion,

when it is costly to them—when they have some belief that their effort will have an impact (Fehr and Schmidt, 1999; Cosmides and Tooby, 2005a). Economists would say that inaction is natural, especially, when there are costs and few benefits, but I argue—in line with experimental and theoretical results in evolutionary psychology just cited—that inaction occurs far less frequently than we would expect, and that its source is not indifference but helplessness. In situations where impact is doubtful, or the cost quite high, a man’s sense of wrong will often give way to his sense of rational self-protection and lead to inaction.

“Whistleblowers” complain of malfeasance within their organization. They are often punished—even when the law specifically promises protection. This happens because enforcing the law requires effort by those who may have little knowledge of the wrong, while breaking the law protects those with much to lose.<sup>5</sup> I empower voice by lowering the cost of whistleblowing.

**2.1. The Mechanism.** My proposal protects whistleblowers within an anonymous forum; it discourages false alarms by allowing others to

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or Bergstrom and Stark (1993); Hoffman et al. (1996); Fehr and Schmidt (1999); Carter and Castillo (2003) for other-regarding behavior or altruism as a motivator.

<sup>5</sup>The cigarette executive who blew the whistle on US tobacco companies (and was portrayed by Russell Crowe in “the Insider”) was a typical, if high-profile, example of speaking truth to power and then suffering greatly.

support or deny, argue and debate the idea in public but without fear of being identified.<sup>6</sup>

This forum is called “the Rumormill” and would be a website on the Internet where anyone could create a username and password.<sup>7</sup> (No personal data would be collected.) She could then post a rumor on a certain organization, say, the “US Supreme Court.” Other registered users could then debate or vote on her rumor. Debate and voting will not determine the truth of the rumor, of course, but merely reflect (un)sophisticated belief for or against it. If the rumor is confirmed as true (false), the poster receives +100 (-50) points and voters receive +1 (-1) points.<sup>8</sup> Thus, posters and voters at the Rumormill could build reputations as reliable—or not.

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<sup>6</sup>“Deepthroat,” perhaps the most famous whistleblower of all time, had a big role in Nixon’s 1973 resignation for campaign tampering. His identity was kept secret from 1972 until 2005—when Mark Felt came forward as the informant, both because he felt safe and needed to earn some money for his grandchildren’s education (Economist, 2005).

<sup>7</sup>A rumor mill “grinds” out rumors. The web site [www.rumormill.com](http://www.rumormill.com) is now an advertising portal; [www.rumormill.org](http://www.rumormill.org) is a writer’s forum. Other sites exist with Rumor Mill in their title, e.g., <http://www.rumormillnews.com/> exists to let readers “find out what the controlled media doesn’t want you to know.”

<sup>8</sup>One potential modification would link points and votes to reward valuable rumors. For example, if more than 60 percent of votes were against a rumor that turned out to be true, those who voted “true” would get double points (+2) and those who voted “false” would be double punished (-2). The poster would receive 200 points. This modification matches the maximum entropy weighting method used in information theory.

**2.2. Why Would This Work?** People have a need to gossip.<sup>9</sup> They also need to punish unfair behavior. Both needs result from behavioral evolution, not cost-benefit analysis or rational choice (Cosmides and Tooby, 2004, 2005b). The Rumormill will facilitate them.<sup>10</sup>

**2.3. Caveats.** The greatest danger *from* Rumormill is to those with something to hide. Those people are thus the greatest danger *to* Rumormill.<sup>11</sup> They have various ways of striking back—through the law, the courts or the gun. Retribution does not worry me now, since this is just an idea, but if [www.rumormill.com](http://www.rumormill.com) ever comes online and stirs debate, there could be trouble.<sup>12</sup>

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<sup>9</sup>The Bill Clinton-Monica Lewinsky scandal arose when Monica just had to tell her secrets to Linda Tripp, who passed the information to others. Senator DeWine fired Jessica Cutler, a low-level staff member, for her shameless blogging of her sex life with six men. (She did so to save time on emailing friends) (Leiby, 2005). The most amazing part of that story (to some) is that

[She] is not ashamed in the least of her behavior. “Everything is true,” Cutler told us in an interview. “It’s so cliched. It’s like, ‘There’s a slutty girl on the Hill?’ There’s millions of ‘em,” she said, laughing. “A lot of my friends are way worse than me.”

<sup>10</sup>Some readers may still be skeptical of a collective action problem. Mancur Olson said it best: “For the unorganized groups, the groups that have no lobbies and exert no pressure, are among the largest groups in the nation, and they have some of the most vital common interests” (Olson, 1971, p. 165). These groups are powerless, however, if they cannot organize to take collective action. “Only when groups are small, or when they are fortunate enough to have an independent source of selective incentives, will they organize or act to achieve their objectives” (Olson, 1971, p. 167). Although points may seem a ridiculous form of incentive, there is growing evidence that people work for points, which are a type of psychic pay or social prestige. (See [www.epinions.com/](http://www.epinions.com/) or [www.amazon.com/](http://www.amazon.com/) for many examples.) Rumormill can facilitate that point-scoring, social justice behavior in an entrepreneurial way, just as Olson predicted [*ibid.*, p. 175].

<sup>11</sup>Rumor posters are even more vulnerable, but their identity can be masked. The website will have tutorials for anonymity, so that they could, e.g., post via e-mail from an anonymous account, through an anonymous server. Since there is no need to reward or contact posters, their identity is more secure.

<sup>12</sup>See <http://www.rumormillnews.com/> for one such (unconfirmed) story.

### 3. WHAT'S THE USE?

The Internet has given the silent majority a voice. From peer-to-peer file-sharing to blogs, podcasting to Howard Dean's disruptive Presidential campaign, we have seen new ways for citizens to connect, confound and contradict establishment channels and traditional checks. During the dotcom era, a similar idea emerged ([www.fuckedcompany.com](http://www.fuckedcompany.com)) that allowed rank-and-file employees to strike back against stupid, cruel or secretive employers.<sup>13</sup> The Rumormill would do the same for members within or without *any* organization as well as promote a more considered debate through the carrots and sticks of points.

More information would tightening the feedback loop between politicians and policies, bureaucrats and administration. This, as I have said above, will increase transparency and improve the lives of all citizens.

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<sup>13</sup>On January 21, 2005, I emailed Philip J. Kaplan the owner of [www.fuckedcompany.com](http://www.fuckedcompany.com) about this idea, offering it an a joint venture. He ignored my email, then turned me down with an opaque reason (“fc has no reusable infrastructure”). I suspect that he is either busy, does not care, or is wary of further heat from those who end up looking bad online.

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