Anticipation: Foreseeing a New Paradigm of Human Development

WAAS Webinar
13 April 2015

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Current Research

• The role of anticipation in the evolution of business and innovation ecosystems.
  • How models of the future direct development and how they are co-constructed
• “Next-generation foresight”
  • The shift from epistemological stance towards ontology:
    • The problems is not to know the future; it is to create it.
  • Link between innovation research and foresight:
    • “The best way to predict the future is to invent it.” (Kay, 1972)
    • Making the future an endogenous factor (not something that happens to us).
    • Innovation creates realities that did not exist before: they can not be understood as extrapolations of the past. ("ontological expansion")
• Anticipatory systems theory as a method to understand science, modeling, innovation, and complexity.
  • In particular, the interesting fact that almost all future in sciences is retrospective:
    • The case of expectations and economic theory...
Economic expectations

• “The main difference between economics and natural sciences is that economics is based on expectations.” (Evans & Honkapohja, 2001)

• Two main approaches to incorporate expectations.
  • Adaptive expectations:
    • People predict the future based on historical trends and adjust their expectations based on observed error.
    • Future modeled as accumulated past and “error” in extrapolated trend; fully retrospective.
  • Rational expectations (including behavioral economics and irrational markets)
    • The hypothesis is that expectations are, on average, consistent with the predictions of the (econometric) model
    • Things that are not predicted are “random shocks”
    • The rational expectations hypothesis assumes that we use all the available information
  • The problem: unexpected surprises are not irrelevant for economic development; on the contrary innovation economy is based on socially and economically disruptive innovation, i.e. unpredicted qualitative change that creates new domains of economic activity.
  • The consequence: Economic theory, as we know it, is unable to model a world where innovation happens and where future matters.
Thank You!