

Anticipation: Foreseeing a New Paradigm of Human Development

WAAS Webinar

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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!

