

DIFFERING PERCEPTIONS, ASSUMPTIONS, FORECASTING STYLES BETWEEN ECONOMISTS AND FUTURISTS

<u>ECONOMISTS</u>	<u>FUTURISTS</u>
Forecast from past data; extrapolating trends Now also use optimistic, pessimistic forecasts	Construct “What If” scenarios; trends are not destiny
Change seen as dis -equilibrium (i.e., equilibrium assumed) – all other things equate “normal” conditions will return	Identify “Preferred Futures” – plot trends for cross-impacts
Reactive (invisible hand assumed to control)	Fundamental change assumed (transformation assumed) – no such thing as “normal” conditions in complex systems
Linear reasoning: reversible models	Pro-active (focus on human choices and responsibilities)
Inorganic system models. Focus on “hard” sciences and data	Non-linear reasoning: irreversible models, evolutionary
Deterministic, reductionist, analytical	Living system, organic models. Focus on life sciences, social sciences, “soft,” fuzzy data, indeterminacy
Short-term focus (e.g., discount rates in cost/benefit analysis)	Holistic, synthesis, seeks synergy
Data on non-economic, non-monetarized sectors seen as “externalities” (e.g., voluntary, community sectors, unpaid production, environmental resources)	Long-term focus, inter-generational costs, benefits and trade offs
Methods tend to amplify existing trends (e.g., Wall Street psychology)	Includes data on social, voluntary unpaid productivity, changing values, lifestyles, environmental conditions; maps contexts, external variables (use post-economics models: technology assessment, environmental impact, social impact studies)
“Herd instinct” in investing, technologies, economic development; models of "efficient markets" and "rational actors" now suspect	Methods “contrarian” (e.g., look for anomalies, check biases in perceptions, cultural norms)
Entrepreneurial when “market” is identified	Identify potentialities
Precise quantitative forecasts (e.g., gross national product for next quarter of year; annual focus)	Socially entrepreneurial (e.g., envision future needs, create markets, social enterprises)
	Qualitative focus (e.g., Calvert-Henderson, Beyond GDP), data from multiple sources, plot interacting variables, trends in long-term global contexts