



WHEN BLACK SWANS AREN'T:

Holistically understanding global complexity, forecasting complex systems' change, and the emergence of 'crisis' events.



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**“Do not, for the sake of
cogito, forget the noble
sum.”**

J.G. Hamann

Humanity exists because people forecast constantly

- **Mostly - more or less – correctly, in their familiar environments and circumstances.**
- **Without having “all the facts.”**
- **Without math models (Do you drive that way?)**
- **Without even an MBA, Ph.D.....or any degree.**

The Problem is NOT:

- **Lack of data, but lack of understanding.** Kant, Immanuel, Critique of Judgment
- **Too much complexity, but unfamiliarity.**
- **Too many ‘facts’, but not knowing their contexts, dynamics as systems, and their embedded \leftrightarrow emergence \leftrightarrow entanglement features within probable ‘futures.’**

The Problem IS:

- **Not seeing that very complex systems are typically MORE stable – hence actually more forecast-able as dynamic and adaptive systems – than simpler, more volatile systems.**
- **Not seeing that all human-involved systems are ‘bounded’ systems, with (self)limited options.**
- **Not seeing that using “Frankenstein” forecasting constructions vs. holism is a very large mistake.**

The Problem usually is NOT:

- **That nobody ‘got’ it, but that most people did not listen (The Un-wisdom of Crowds: aka = herds, mobs, bubbles, experts and such).**
- **That virtue goes unpunished: Those that ‘get it’ are USUALLY punished.**
- **The story of Calchas (The Iliad), or “The same old, same old.”**

What a 'cool' Idea (for shifting responsibility): The Black Swan!

- **Stuff just comes out of nowhere...especially if you have a narrow perspective on system's change.**
- **Markets (aka crowds) as “summing” methods.**
- **Mathematics and models as “summing” methods.**
- **They work well...until something fundamental is changing → Then they systematically misguide.**

The Need, Therefore...

- Is for a way of ‘seeing’ EACH SPECIFIC complex, adaptive systems’ shifts BEFORE they emerge.
- Is for a way of forecasting how different SPECIFIC bounded – hence limited - systems will likely (and can) react to change pressures (internal and external).
- Is for a way of forecasting how different specific, bounded systems will interact with each other.

Holistic Assessment as a Normative System

- **It is conservative: Uses customs, norms, traditions, values, and ‘bounded’ reality to foresee “what can be, and can never be.”**
Isaiah Berlin
- **It is skeptical of human capacity to shape the world, hence watches emergences and entanglements.**

Holistic Forecasting as an Assessment Approach

- **Systems as “syndromes.”** Przeworski & Teune
- **Systems as adaptive yet bounded.**
- **Systems as SPECIFIC internals (Idea and Strategy) interacting with SPECIFIC externals (other bounded systems & their environment as shifting contexts).**

The 'Cutting Edge' of Forecasting...

- **Is at the Dynamic and Complexly Adaptive Qualitative-Quantitative Interfaces of Differently Biased systems (SYNCRETIC THINKING → See Inflectional Change).**
- **Is, as in a theater performance, about understanding the shifting themed contexts wherein the actors (variables/systems) move to the foreground and then to the background within the play.**
- **It IS about seeing SYNDROMES SHAPE-SHIFT.**

Thinking Beyond Synthesis...Or, Why 'Markets' Can Fail.

- **“Conventional models failed to foresee the financial crisis” – The Economist, July 24th, 2010, 76**
- **Even so-called ‘Black Swan’ events are contained and constrained – hence predictable - emergences.**
- **“...Is much less innovative than is generally supposed...I find in its first struggles, the forecast of what it was to create...” Alexis de Tocqueville speaking of the French Revolution.**

“Much is taken forward as the same water between new banks”

Alexis de Tocqueville

- Mindset goes forward (Idea and Strategy)
- System’s limitations constrain and shape.
- There is stability in change → This Produces Shape-Shifting Syndromes more than Whole System’s Change → **SYNCRETICALLY forecast that!**

Embedded Systems and Their Specific Dynamics

- **Eschews cognitive universals (the ‘rational’ idea that everyone thinks the same), chaos, randomness, and chance as useful in forecasting probable and possible futures → All things and processes are EMBEDDED.**
- **These are erected over time and are quite stable → See F. A. Hayek on Path Formation.**

Each Specific Emergent System's Change Path...

- **Is Iteratively and Contextually Shaped**
- **Is a syndrome change more than a 'new' event or outcome.**
- **Think Amoeba-type movement and change, more than 'new creation.'**

The Forecasting Trick is...

- **To foresee how each specifically embedded and emergent system can change, is likely to change; how, and why that is so.**
- **Judging ‘When’ (time) is harder**
- **Thus, the concept of ENTANGLEMENT.**

Entanglement: Old Water within New Banks (Legacy).

- **This is the realm of BIASED LEGACY SYSTEM'S BEHAVIORS within their ever-new contexts and emergent forms.**
- **“Forms of life differ. End, moral principles, are many. But not infinitely many.” Sir Isaiah Berlin,** 1992. *The Crooked Timber of Humanity*, 11.

What if...

- **The problem is not that the future cannot – within reason - be predicted, but that we, using our methods, cannot predict the future?**
- **Our current methods are only reliable when nothing fundamental is changing?**

The Future Nobel Prize?

- Solving the problem of foreseeing change at the iterative qualitative-quantitative nexus' for each entangled and bounded system.
- Seeing **DIFFERENTLY BIASED ENTANGLED SYSTEMS** in their specific interaction with other systems of bias and entanglement.

My Bias? (aka Judgment)

- **The foundation of this futures forecasting solution is qualitative and not quantitative.**
- **Although the latter is necessary to achieving a best-practice solution.**
- **“Do not, for the sake of cogito, forget the noble sum.” J. G. Hamann.**