WILD CARDS APPLICATIONS IN FUTURES STUDIES

EHSAN MEHRABANFAR

Faculty of Management, Science and Technology, Amirkabir University of Technology (Tehran Polytechnic), Tehran, Iran e.mehrabanfar@aut.ac.ir

ABSTRACT

Futures studies is often summarized as being concerned with "three P's and a W," or possible, probable, and preferable futures, plus wildcards, which are low probability but high impact events. Wildcards study is referred to the most challenging part in futures studies, as this study is the key to look at the futures with an open mind view. Extremes would help paying attention to unknowns and Wild cards classification as the symbol of extremes also helps clarifying the events. Wild cards application in the futures studies techniques is helpful to determine the futures hidden beyond the red lines. Many Wildcards have happened in the history however Wildcards happened in the last decade were more than before and mostly negative. Surely these wild cards have made most of political and economic situation that we live, in fact wildcard events in the history have been always a change to main trends so that if they in general did not happen then now there would be a different present and surely a different future. The effect of wild cards on history and making the future is more than what it seems. The images of the future can be discussed through trends, scenario planning, Delphi and other quantitative and qualitative methods, but the discussion should be based on wildcards as the greatest players.


1. INTRODUCTION

Human beings have always been faced with a future: negative or positive. The history is a proof to believe the mystery behind the future as it might open to us anything without considering our expectation. However there is a rule: "The Stanger and more unbelievable future you foresee the more benefit you catch". This rule shows the importance of Futures studies as it is a field of study to investigate futures available near or far away from us.

Futures studies (FS) is not just about some techniques used to investigate the futures, as Mariene (2002) also insists FS is not really a separate field. Many works done in this field is multidimensional. In fact future is a resultant vector created by many factors. Some of these factors change this vector more and some of them actually don't matter to be happened.

Wildcards are introduced by Peterson (1997) and are also called surprises or shocks or discontinuities by Van Notten et al. (2005). Wild cards refer to happenings improbable, but very effective if happen. Wildcards study could lead us to sensitive points, which are the ones that if change may make a huge effect. This is the same hypothesis behind the butterfly effect that there are some sensitive points; so that the initial conditions in a system could be so critical for the future of the system. Suppose if we know that a meteor is on the way to the earth, then anything changes. It is somehow improbable in our minds but possible in real world and also could change anything in our lives for the remaining time.

There are a lot of more examples in the history of wild cards like 11th September event, 2008 financial crisis, and some natural disasters like Tsunamis. Because these events have happened before onetime then we give them a more chance of occurrence. This phenomenon is important as people belief is one critical parameter
making the future. If a lot of people believe in something to happen then the chance of occurrence increases because minds are ready to accept it.

In General Wild cards importance in history is absolutely critical. Macrohistory is a technique to delete an event and then investigate the future with this omission. As if we use macrohistory for wild cards and delete some of them in the history we can see the difference that could come up for the present time and in a result to the future. Wild cards are naturally with a huge effect at their times, so minds never forget them and include them in their main decisions. Many changes in trends in history are the product of a wild card. If we suppose Messiah birth as a wild card or high technology advancement as another wild card; and only omit these two of the history simply we may understand the message of this paper. The main purpose of this paper is to investigate the connection between wild cards, past and future.

2. WILD CARDS ROOTS

Wild Cards Definition

Strategic surprise is first mentioned by Asnoff (1975) as "sudden, urgent, unfamiliar changes in the firm's perspective which threaten either a major profit reversal or loss of a major opportunity." This concept is later presented by the futurists in Wildcards definition.

Wildcards is rooted in poker games which some cards are nominated as wild cards. This simply refers to the nominated card as being able to take on any particular format as so beneficial to the player holding the card. Wildcards in this sense are something that can be controlled, and either good for you and bad for someone else or bad for you and good for someone else (Barber, 2006). In IT, Wildcards refer to any character than can be replaced within the software. But the main meaning is the same used in futurology as it is defined the low probable high impact event.

Peterson (1999) believed wildcards happen quickly and social system won't be able to respond them effectively. Petersons brings up three principles to clarify the concept of Wild cards, first of all he mentions the importance of thinking of wild cards before occurrence, so that if we think after it is completely meaningless. The second principle is about the information and how we can find it. Experts' opinions should be taken seriously, so that it refers to Delphi method. And the third one exactly distinguishes approaches to wild cards, as extraordinary approaches are introduced to track extraordinary events (Peterson, 1999).

Rockfellow (1994) defined Wildcards as "an event having a low probability of occurrence, but an inordinately high impact if it does". He believed Wildcards would happen in the beginning of the first century which meant six years later. He also believed the probability that a Wildcard really happens is less than 10 percent.

Cornish(2003) defines Wildcards as "have the power to completely upset many things and radically change many people's thinking and planning". This definition is consonant with Mendonca definition as he describes "one of the most unpredictable and potentially damaging triggers of change of four conceivable components of change: trends, cycles, emerging issues, and wild cards.

Wild Cards Kinds

As we used probability, possibility and plausibility terms before we have to distinguish the differences between them. As Van Der Helm (2006) clarified these tree ones are the same in our ordinary speak but in futurology terms are different as we don’t say it is probable and possible and plausible to rain.

Probability refers to concepts of chance and likeliness. A probable future is a future that is more likely than some other future. Likeliness should mainly lead to the ordinal ranking of alternative futures between more likely and less likely. Whether we select likely futures or less likely futures is a matter of study objectives. Any future, whether probable or improbable, is by default a possible future.
Possibility refers to a claim of reality, whether some future either can be or cannot be (and nothing in between). A possible future is considered by default potentially realizable (either passively or actively). Possibility can be challenged for absolute reasons (violation of established laws) or for contingent reasons (lack of realism with respect to the proposed timeframe or available means). The latter consideration is the most relevant for futures studies and may yield important input for futures analysis.

Plausibility refers to the structure of the argument, where truth-value is based on the convincingness, the credibility, of the discourse describing the future. A plausible future is a convincing description of a future, which we can hold true, even though this future itself can be factually fallacious. A future can be plausible without being possible. As Van Der Helm believes anything can be plausible if somebody claims it to be. This concept is the most challenging one among these three ones.

A black swan is a rare, large-impact, hard-to-predict and discontinuous event beyond the realm of normal expectations. Before black swans were discovered in Australia, people believed all swans were white, an incontrovertible view confirmed by available empirical evidence. The sighting of the first black swan illustrates a severe limitation to our learning from observations or experience and the fragility of our knowledge. The discovery of a single black bird invalidates millennia of confirmatory sightings of only white swans.

By definition a black swan is an event that is unforeseen, thus it has a very low probability yet, if it occurs, it will have a major impact. According to Taleb a Black Swan has three features:

1. The event is a surprise (to the observer).
2. The event has a major effect.
3. After the first recorded instance of the event, it is rationalized by hindsight, as if it could have been expected; that is, the relevant data were available but unaccounted for in risk mitigation programs. The same is true for the personal perception by individuals

Black swans have three traits. First, it is an outlier: it lies outside the realm of regular expectations, because nothing in the past points to its possibility. Second, its impact is extreme. Third, in spite of being an outlier, human nature makes us concoct explanations for its occurrence after the fact to render it explainable and predictable.

Singapore has had its own wild cards and black swans: the Asian Financial Crisis of 1997, the severe acute respiratory syndrome (SARS) crisis of 2003, and perhaps the sub-prime mortgage crisis of 2007 and the rice “shortages” of 2008. Black swans are probably more frequent than commonly perceived—the human mind has a tendency to underestimate such events. Clearly, we must make an extra effort to brace ourselves to deal with greater uncertainty and unpredictability.

Of course there are also good black swans and wild cards, like the emergence of the Internet, Google, and the economic resurgence of China and India. If we are able to identify them early and understand their significance, we must then be able to exploit them to our goals.

Table 1. Wildcard Typology (Van Der Helm, 2006)

<table>
<thead>
<tr>
<th>Degree</th>
<th>Yes or No</th>
<th>Truth Value</th>
<th>Disruptiveness</th>
<th>Wildcard Typology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable↑</td>
<td>Possible ↑</td>
<td>Plausible ↑</td>
<td>High ↑</td>
<td>Or</td>
</tr>
<tr>
<td>IMPROBABLE</td>
<td>IMPOSSIBLE</td>
<td>IMPLAUSIBLE</td>
<td>LOW ↓</td>
<td>Popular Name</td>
</tr>
<tr>
<td>PROBABILITY</td>
<td>POSSIBILITY</td>
<td>PLAUSIBILITY</td>
<td>IMPACT</td>
<td>TYPE</td>
</tr>
<tr>
<td>↓</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>I</td>
</tr>
<tr>
<td>↑</td>
<td>↑</td>
<td>↓</td>
<td>↑</td>
<td>II</td>
</tr>
<tr>
<td>↑</td>
<td>↑</td>
<td>↓</td>
<td>↑</td>
<td>I I</td>
</tr>
<tr>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>IV</td>
</tr>
</tbody>
</table>
3. WILDCARDS APPLICATIONS IN OTHER FUTURES STUDIES TECHNIQUES

Wildcards application in other futures studies techniques is considerable, so that it is usually used as a complementary technique. The main reason is to help thinking model as unbelievable events consideration can open new futures. Wildcards application in the point of Future Institute view is just to expand possible events not to anticipate them, as a futurist tries to crack the normal vision about the future. In other words, Futurist uses Wildcards to expand mind vision and to investigate deeply into the future.

Wildcards are not predictable but discontinuities are. Global warming as a discontinuity is predictable and if happens its effect will be high. Discontinuities can be seen so the preparation for them is also possible. Cascading Discontinuities or CD sets introduced by (Barber, 2006) is the bridge connection between Wildcards and Discontinuities. CD sets refer to impact events which if we notice them we go to Discontinuity and if we don’t we get to Disneyland.

Wildcards often are in the possible area of future events and sometimes in the plausible region. Wildcards application in Scenario construction is considerable. Scenario refers to a possible event acceptable for us. Scenario construction needs Wildcards to expand our thinking region and its results. If we don’t mind the worst simply we might not reach to the best. As Herman Khan – the founder of the scenario method – puts it: “The most surprising future is one which contains no surprises”.

CLA (Causal Layerd Analysis) is a technique to investigate the depth and quality of a subject (Barber, 2006). Its utility is not in predicting the future but in creating transformative spaces for the creation of alternative futures. Causal layered analysis consists of four levels: the litany, social causes, discourse/worldview and myth/metaphor (Inayatullah, 1998a). Wildcards challenge is mainly the third and fourth level when worldwide view in addition to metaphor view is available (Barber, 2006). In metaphor depth we challenge minds, when in their depth vision future happens. This belief that our minds (consciousness) make the future is the basement of CLA technique where we search for the layers of reality and at last find the deepest one the mind. In fact metaphor level is the dimension that we believe the way to see the future passes by the construct of language, culture.

The Foresight Matrix is used to assess the strength of an organizational FtQ, which is comprised of 7 factors below:

- Skills & Personnel; Tools and Applications; Time and Resources;
- Future; Support & Protection; Implementation & Desire;
- History and Present;

These elements are affected by Wildcards outputs, so that our thinking model changes. Introducing a Wildcard might be useful for those ones who are not aware of future power. As the time passes the futures possibilities get more. So future is always about the uncertainties. If you don’t wait for your future then there is no future for you in the futures.

A weak future signal is an early warning of change, which typically becomes stronger by combining with other signals. The importance of a weak future signal is determined by the objectives of its recipient. A weak future signal is usually recognised by pioneers or special groups not by acknowledged experts (Kussi, 2000). Weak signals are small events. Weak signals analysis is prior to wild cards, so that it is a way to estimate wild cards. In fact weak signal always accumulate to form wild cards but no all the time weak signals show a 100 percent wild card occurrence. Weak signal in addition to trends, drivers, discontinuities and wild cards are the tools to get the big picture. Between these; wild cards prediction is more important, because if we know them we know them...
all. As if somebody knows about a nuclear war he does need to know about the trends of oil prices. This means wild cards identification and preparation is inevitable (Mendonca, 2004).

4. WILD CARDS EFFECTS

Wild Cards Effect on Globalization

Wild cards as described by many futurists are the main change of trends and cycles. These changes in the trends or anything else by wild cards have usually led to big events, which at last have remained big effects. For example we can postulate that wild cards increases globalization rate. This hypothesis can be investigated by understanding the effect of wild cards happened before. For example after 11/9 attacks in USA, the international politics change happened. Many countries involved in the case and after that many strategies of nations changed to mitigate such terrorist attacks. This wild card surely has been a motivator for globalization, as the information flow of international countries through the mass media itself would be enough to inform people around the world about a common believed metaphor which is against terrorism. This flow of common belief is the root for a common culture, which itself is one of the basics of a small village. World culture by common believes and values will be closer to each other.

Day by day we are more exposed to the international information around us by media, which then after that we see life styles are going to be globalized. In this world news are podcasted in seconds and information waves break any Suppression. Another example of wild cards showing the effect of globalization is After Tsunami in Indian Ocean 2004 many countries tried to help the people by sending food resources. This sadness propagated in the world is another motivator of globalization phenomena. The sadness to a disaster is a message to the world we have common belief and we have common value. In other words wild cards are in nature global phenomena’s motivator.

Arab spring happened in recent years in Egypt, Syria, Yemen and other countries simply are started by a global movement in another country. And after that Facebook and other social networks propagated the information so that the wave of revolution reached to other countries. This wild card itself disseminated globalization. As globalization in history is rooted in religion and economics (Held, 1999), modern society by technology and knowledge is expanding it. Langhorne (2001): "Globalization is the latest stage in a long accumulation of technological advance which has given human beings the ability to conduct their affairs across the world without reference to nationality, government authority, and time of day or physical environment”.

Wild Cards Effect on Future

The Law of Requisite Variety mentions that in any given system composed of some components, the one with the greatest adaptability to and reliant for other components of system controls that system. This reliance to a component might make problems for the whole system. In other words, the system relied on one component is the most vulnerable one, because Wildcards may easily destroy the system (Barber, 2006). For example if a founder of a company suddenly dies who is the symbol of that company and does the main function then probably this Wildcard brings a great deal. But if that company was not just relied on that person then this change would not have that effect.

The last paragraph is sending an important message. The component which can affect the other components in a system can control it. Most of wild cards we referred in this paper are like that, at the time of occurrence many other components making usual life were affected, in other word, wild cards are naturally effective. The problem with wild cards is not seen at the right angle as wild cards occurrences aren't most of the time calculated. The Future studies aim to introduce such hypothesizes in our modern life. Suppose the meteor
accident to earth another time, this component is somehow unseen in our calculations but at the time of broadcasting this news economics, politics, culture and many other components will change instantly.

5. CONCLUSION
We know one thing about the future, one of them is it surely comes. And its arrival will bring changes. These waves of changes will loop to bring other changes. In fact change is in nature of the river of time. As time goes the changes will come. But there is still a question remained: among many trends available which one will cause the next change. This question is the foundation of foresight.

Wildcards as described are sudden and high impact events with a low probability. Wildcards events ever happened are a few, but the changes they have brought are huge, which is the reason why the study of wildcards is so important.

The history in front of us is the creation of trends and decisions. People in the history of mankind living on earth have always been made to decide and choose.

Wild cards management is complementary to other managerial styles (Mendonca, 2004). If it doesn’t exist in the organization then in the crisis situation managers are in high risk of making wrong decisions. To manage wild cards Peterson suggest answering three questions about if we know what wild cards are and if we can anticipate the time of their arrival and at last if there is anything we can do?(Peterson, 1999).

Futures Studies is not prediction, but exploration and provocation. By this hypothesis we cannot omit wild cards from our calculation. As wild cards in history has played a main role and changed the future in a way unpredicted, so if we aim to make the future in a way to promote humanity then we must be able to make it and in this way we must try to face with wild cards.

REFERENCES


