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## Call for Papers

# Special issue on decision making and planning under low levels of predictability

We invite you to submit a paper for a special issue on how to make decisions and plan (or formulate strategies) when our ability to forecast is low, or in some cases non-existent.

During the last several decades it has become increasingly clear that there are a wide range of events that we cannot predict accurately or reliably. For instance, we now know that the forecasts of experts are not usually more accurate than those of simple models, which in turn are at least as accurate as the most statistically sophisticated ones in many cases. We also know that professional investors do not seem to perform better than making a random selection of stocks or bonds, and that past performance is not a good indication of future performance. The consequences of this for managing risk are severe. For instance, none of the consequential bank lending crises of the past decades, including the events in 1982 (Latin American lending), 1989–91 (real estate and savings and loans), 1997 (Asian contagion), and 2007 (subprime) were predicted even a couple of months in advance. These failures raise a lot of questions about the role and usefulness of forecasting. Finally, while uncertainty cannot be measured by standard methods that assume that errors are thin-tailed (normally distributed), independent of one another and constant, more sophisticated methods do not seem to produce more reliable results. This raises the question of what we can do practically to face future uncertainty realistically and rationally, and how we should manage our risks.

The editors are soliciting a broad range of papers covering all areas of social science (as well as some

outside) including judgmental decision making, finance, business, government, medicine, risk management, and even earthquakes, floods and climate change; in fact, any area where our ability to forecast is limited while the resulting uncertainty is huge.

The critical question that this special issue aims to address is what we can do if we accept the serious limits of predictability in many situations and the huge uncertainty surrounding our future decisions and plans. It is therefore critical to consider and provide practical solutions for how we can live with such uncertainty without either being paralyzed by hesitation, or falling victims of the illusion of control by wrongly believing that we are able to forecast and pretending that uncertainty does not exist.

All contributions will be refereed and maintained at the usual *IJF* standards. Please refer to the guidelines for preparing papers for submission at <http://www.forecasters.org/pdfs/Guideforauthors.pdf>.

The deadline for first submissions is June 2008. Please contact one of the editors for inquiries concerning the suitability of a proposed paper.

*Special issue editors*

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