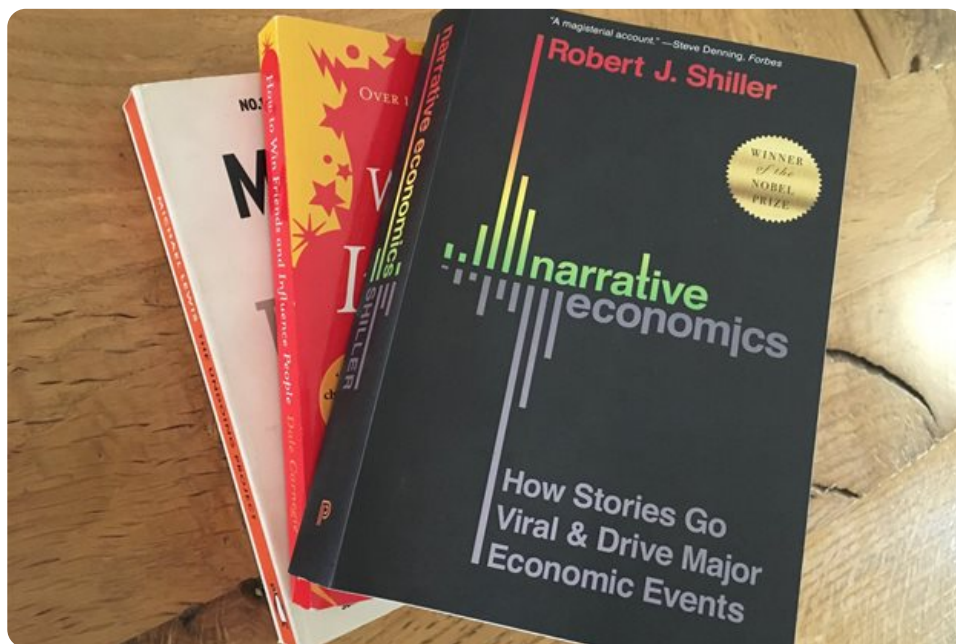


It's all narrative

By Bronwyn Williams 23 Nov 2020

"Flatten the curve," "Build back better," "The great reset." We've all heard these phrases repeated through politicians and publications this year. Small, simple words designed to get big ideas to spread throughout our collective consciousness and facilitate a specific change or set of actions within our communities.

With these words buzzing in my ears, on my screens and throughout my social feeds, this week, I've been reading *Narrative Economics: How Stories Go Viral and Drive Major Economic Events* by Nobel Prize winner, Robert J. Shiller.



Also, as a futurist, economist and trend analyst myself, the book fits snugly in the centre of my own personal Venn diagram at the intersection of persuasion (marketing), economics and foresight. *Narrative Economics* deals with the idea that *narrative*, as defined by Merriam-Webster as “a way of presenting or understanding a situation or series of events that **reflects and promotes a particular point of view** or set of values” is a key driving force behind the wisdom (or madness of crowds.

In the book, the author draws parallels between the worlds of epidemiology and economics to show how *ideas* spread and mutate throughout society, changing it in the process, in much the same way as viruses do.

“...economic fluctuations are substantially driven by contagion of oversimplified and easily transmitted variants of economic narratives. These ideas colour people's loose thinking and actions. As with disease epidemics, not everyone becomes infected. In the case of narrative epidemics, the people who miss the epidemic may tell you there was no such important popular narrative. **But in a historic epidemic, for most people, the narrative will be fundamental to their reasons for doing, or not doing, things that affect the economy.** ~ *Narrative Economics* ”

(Of course, all citizens of planet Earth are only too familiar with the devastating force of *contagion* - both the literal viral kind and the more insidious informational kind, with right now. Shiller's timing in releasing his book just before Covid-19 swept across the globe amidst a wave of mis- and disinformation of plague like proportions in its own right, can only be considered prescient. He could not have arranged a better object lesson to drive home his points.)

Shiller goes on to explain how understanding narrative trends and trajectories - by using similar tools epidemiologists use to model the trajectory of diseases - can help us both predict (to a certain extent) and *direct* socio-economic behaviour and

market booms and busts.

As Kenneth Boulding said, “*Economics creates the world it is investigating.*” He could just as well have been talking about how futurists *shape* the worlds they conjecture about, or how marketers and entrepreneurs *make* the world around them as they promote new ideas that change the way we live and work.

Whatever we are selling, policy or product, it all starts with an idea. Like a virus, at the right time and at the right place, given an accommodating host, a small idea can change the world. Indeed, as Shiller demonstrates, the simplest ideas tend to be the most powerful, precisely because they are so easy to share.

The stories we tell each other (and communicate to our customers) can become self-fulfilling prophecies or take on a life of their own. The question is, are we telling each other the right stories?

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