

PROGRESS IN SOCIOECONOMICS

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Robert Prechter's Cambridge Presentation Coming to DVD

In February, Socionomics Institute founder Robert Prechter addressed the University of Cambridge as part of its Judge Business School Masters of Finance lecture series.

The 90-minute presentation, "The Socionomic Theory of Finance," was attended by university students, faculty and invited guests.

Prechter methodically challenged modern financial theory and showed how socionomics explains financial theory far better. The program closed with a Q&A session.

Prechter also gave an interview for the Judge Business School's podcast series. [Click here](#) to listen to the 12-minute program.

Prechter excerpted and adapted portions of his presentation in the February and March issues of *The Elliott Wave Theorist*. (For subscription details, visit www.elliottwave.com.) We hope to have a DVD of Prechter's presentation available to you by summer's end.

Socionomists Hit the Road

Socionomists are lecturing across the country to enthusiastic audiences:

- The Socionomics Institute's Euan Wilson traveled to Quinnipiac University in Hamden, Connecticut in mid-April to lecture to sociology classes taught by adjunct professor—and longtime socionomics supporter—Robert Sizemore. Wilson introduced students to the socionomic perspective. "Communicating that mood impels events, not the opposite, was my main goal," Wilson says. He reports that students appeared increasingly intrigued by the theory as his lecture went along and that the Q&A session seemed particularly helpful in solidifying socionomics' core tenets. Sizemore hopes other professors worldwide will follow suit and will invite socionomists to address their classes.
- In June, Dr. Dennis Elam, an assistant professor of accounting at Texas A&M University, San Antonio, will introduce some 1,000 CPAs to socionomics as part of the San

Antonio CPA Society's Continuing Professional Education Day. Dr. Elam will discuss socionomics as a predictive science with an emphasis on why current financial models are ineffective and why socionomics is a valid framework for understanding the markets.

Note to readers: If you are planning to incorporate socionomics into a presentation, please let us know so that we can alert our readers. Contact Ben Hall at the Socionomics Institute at institute@socionomics.net.

Socionomics of Chic

A group of students from Washington State University has used socionomics to forecast fashion trends.

Dr. Meriem Chida challenged students in her "Fashion Forecasting" class to use what they had learned about socionomics to make their own forecasts. The students analyzed 30 years of color, styling, graphics and technological changes in men's fashion, then cross-referenced the data with the political, social, cultural and economic climates of those eras to project how men's fashion would change in the next few years. The group presented its findings at WSU's annual showcase of undergraduate research. We congratulate the budding leaders of applied socionomics who participated: Dustin Larsen, Claire Puntenney, Taryn Heyamoto, Suganah Moncrase and Brook Gifford, along with their professor, Dr. Meriem Chida.

The Socionomist Investigates Civil Unrest

What drives societies to split apart? That's the question we asked in two recent issues of *The Socionomist*.

In the issue, Alan Hall asserted that declines in mood chip away at social foundations and, in certain scenarios, incite citizens to attack their own governments. He showed that in a bear market, society will eventually vent its anger either externally or internally. Hall also created an index of U.S. secessionism movements and linked current secessionist rumblings in the U.S. to the trends in social mood.

In the previous issue, Euan Wilson investigated the social mood turns that precede violence, economic upheaval and civil wars. He uncovered further evidence of Robert Prechter's assertion that extreme political and cultural events accompany critically low points in social mood. It is not all gloomy, however; Wilson also described circumstances that seem to enable nations to separate without bloodshed.

For information about subscribing to *The Socionomist*, [click here](#).

Socionomics in the Press

Esquire magazine's John H. Richardson interviewed the Socionomics Institute's Alan Hall for his April article, "Could the 11,000-Point Dow Make us All Miserable?" [Click here](#) to read the story.

In March, The Futurist published an article about pop music as an economic indicator and extensively quoted *The Socionomist*. The Futurist also interviewed media watchers William Higham and Jon Avlon, who underscored the link between socionomics and their research. [Click here](#) to read the full article.

Researchers Make New Discovery in Human Pattern Recognition

Tackling the problem of demonstrating whether markets are real or random has long been a priority for Elliott Wave International statistician Deepak Goel. His efforts now have some esteemed academic backing.

MIT professors Andrew W. Lo and Emanuele Viola and Senior Research Scientist Jasmina Hasanhodzic have released a new paper titled, "Is It Real, or Is It Randomized?: A Financial Turing Test." Their study showed that individuals can distinguish between unidentified random data and genuine financial data. Lo, Viola and Hasanhodzic's work is an important step toward challenging the Efficient Market Hypothesis, a common explanation for stock market behavior, as their findings support the assertion that stock markets are not random but patterned. We hope other academics take inspiration from this study in investigating EMH's failures.

To read the academics' paper for free, [click here](#) and then download the paper in PDF format via the link at the right of the page.

Remembering Hernan Cortes Douglas

In December, we received word that our close friend and collaborator Hernan Cortes Douglas had passed on. We rushed a short announcement into the issue. Our readers deserve to know more

about a man of Douglas' stature. At the time of his death, Douglas was an economics professor at the Universidad Adolfo Ibanez in Santiago Chile. He is a former professor of economics at the Catholic University of Chile and founded the Center for Public Studies in Argentina. Douglas was Harvard University's Luksic Scholar in the 2002-2003 academic year. He specialized in Business Cycles and Growth in Chile, and his reputation for timely calls on upcoming market crises is legendary. Douglas correctly predicted financial upheavals in Japan, Russia, Brazil and, most famously, the Asian currency crisis of 1997. In the late 1990s he was a leading advisor to Argentina's finance minister, Eduardo Aninat, as well as a manager in the World Bank's economic research division.

A gifted teacher, Douglas was beloved by his students. We were not at all surprised to find a Facebook tribute page dedicated to him, filled with fond recollections. Said one student: "A toast to the world's best economist, Javier Hernan Cortes Douglas, a beautiful genius but above all a man of great humility and great heart. His thoughts, ideals and predictions never failed, his resume was an inspiration which he shared with the classes and future generations. You will always carry in my mind, an ideal to go on forever."

All of us at the Institute are deeply saddened by Hernan's loss. But as always, we remain inspired by his enduring legacy.



Hernan Cortes Douglas
October 19th, 1941–
December 8th, 2009

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