Prediction and explanation in social systems

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Issue:

Two cultures of explanation:

- Prediction driven explanation as the gold standard in the natural & information sciences

Observation \rightarrow Building theory (potentially falsifiable) \rightarrow Conducting experiments/testing hypotheses \rightarrow Does theory predict outcomes sufficiently?

- Interpretable explanation the gold standard in the social sciences
Observation → Building theory (potentially falsifiable → trying to estimate unbiased effect via regression → Does theory explain the outcome in an interpretable way?

Identified conflict: Prediction vs. Explanation

Proposed Solution:

- Current practices for evaluating predictions must be better standardized Develop a framework to compare results Conduct exploratory and confirmatory analyses
- Theoretical limits to predictive accuracy in complex systems must be better characterized to set expectations for prediction and explanation

 Identify the task to predict in order to identify which model is suited and what prediction can be expected (behavior of people in a tunnel vs. large scale evolution of societies)
 - Predictive accuracy and interpretability are complementary, not substitutes in explanations

Developing theories that predict but also show how they causally work