

# **CIFREM SEMINARS**

## ***Naïve reconstruction of macro-economics***

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Via Rosmini, 70 - TN***

The functioning of the economic system is complex and technical. For its part, the public is constantly presented with information on economic causality. It is important for its members to assimilate it, whether to further their personal goals or to engage advisedly in the democratic process. We presented economically untrained and trained participants with questions of the form: "If *VARIABLE A* increases, how will this affect *VARIABLE B*?" for all the combinations of 19 key economic indicators. Economically untrained participants were willing to commit themselves on most questions, despite their medium to low self-report of understanding the concepts involved. Analysis of the pattern of responses reveals the use of a simple shortcut, the good-begets-good heuristic, which yields a sense of competence in the absence of understanding of the causal mechanism involved.