ECONOMIC GROWTH MODELLING AND THE THEORY OF CYBERNETIC SYSTEMS

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This paper is based on two-years experience of a seminar on economic and social ferecasting organized by the Department of Economic Cybernetics of the Academy of Economic Studies.

Starting with the critique of linear econometric models, the usefulness in long-term forecasting of economic growth of the models with a high degree of aggregation constructed with general ideas of the theory of systems is advocated.

The importance of a proper definition of state and control variables as well as of the outputs, together with the modelling of the dynamics on the basis of a corresponding description of the way in which the choice of controls, i.e. fundamental economic decisions, influences the evolution of the states and hence of the outputs, is pointed out. These general ideas are illustrated by experiments made for the Romanian economy with one-sector and two-sector models, without and with consideration of the foreign trade.