

When the model does not work abandon it

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There's been a massive right wing economist / libertarian traffic on this blog for the last few days.

I discussed this with a wise friend last evening, over a glass or two of quite nice wine, I admit. They thought I was mad to accept any such comments on the blog: I said it came with the territory. The idea I was an extremist, as many of these commentators like to suggest, made them laugh: as my friend noted, and as I know to be true, being a social democrat is not extreme. It fits you into all mainstream UK political parties right now bar the Tories (I don't count UKIP and the BNP as main stream). Not so long ago the Tories were happy to embrace it too: Red Tories are trying to revive the idea. Some extremist then.

But what of what these people argue? The comment was very wise:

All models are abstracts from reality. All models are wrong. Models are helpful if they either help understanding or accurately predict beneficial behaviour. The model that these people espouse clearly did not work. It created massive misunderstanding reflected in market breakdown. It created massive cost for society. It follows the model was wrong. How can they still believe in it?

As some others have suggested here over the last few days, a number of explanations are plausible:

- * A sort of quasi religious belief in the model that defies logic now it has failed;
- * Fear of being exposed as the exponent of a mistaken philosophy;
- * Persistent adherence to the self interest it promoted.

So the continued pursuit is deluded, fraudulent or self interested.

Rationally there is little other explanation.

As my friend said, let's move on to a better model as the facts clearly demand.