

Markets are failing

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One of the great myths of modern capitalism is that markets work. Moreover, the supposedly work on the way that economists like to think they do. The Conservative Party is built on that myth. So too is the American Dream.

The myth suggests that anyone can build a business from scratch, entering a market of their choice and end up, with hard work and determination, making a fortune.

This is not true. Modern capitalism has evolved to make sure that markets do not work.

Tax havens exist to hide the truth from markets, when effective markets need the data that is hidden to operate.

And far from being open and competitive, markets have become concentrated and monopolistic. The number of businesses engaging with most of us most of the time is falling rapidly as a result.

Martin Wolf illustrated this in [an article yesterday](#). I may not always agree with him, but he does supply some useful graphs. This shows the declining number of companies on the US stock market, indicating increasing market density:

And this is the number of new companies floated per annum, suggesting very strongly that the American Dream is just a myth:

The conclusion is obvious and is that a more concentrated market is keeping out new entrants to preserve monopoly power at cost to consumers and society at large.

This is why a [new economic epoch is inevitable](#).