Martin Wolf

In his new book, The Age of the Stupid, the German writer and journalist Michael Hardt argues that the financial crisis is just the latest episode in the collapse of the old order of capitalism. In his view, the financial system has long been a barrier to innovation and growth, and the crisis is a sign that it has reached its limits.

Hardt sees the crisis as an opportunity for a new kind of capitalism to emerge. He predicts that a more decentralized, participatory system will emerge, with greater emphasis on sustainability and social responsibility. The new system will be based on the principles of the internet, with people connecting directly with each other and with firms, allowing for greater transparency and accountability.

Hardt’s book is a call to action for a new kind of capitalism. He argues that the current system is unsustainable and that we need to build a new one that is based on values such as sustainability, transparency, and social responsibility.

John Kay

The Financial Times’ John Kay argues that the current financial system is broken and that a new system is needed. He points to the recent financial crisis as evidence of this, saying that it was caused by a failure to understand the risks involved.

Kay believes that the current system is too complex and fragmented to be managed effectively. He proposes a new system that is more integrated and transparent, with greater emphasis on long-term thinking and sustainability.

Kay’s proposals include creating new regulatory bodies, increasing transparency, and simplifying the financial system. He also calls for a greater focus on innovation and research, to develop new financial instruments and products.

History vindicates the science of muddling through

The concept of muddling through, which was developed by political scientist John Kingdon, has been applied to the response to the financial crisis. Kingdon argued that in times of crisis, policymakers often resort to “muddling through,” taking actions as they go without a clear plan.

The response to the financial crisis was a good example of this, with policymakers taking various measures without a clear strategy. This was in part due to the complexity of the crisis, with many different factors at play.

However, Kingdon also argued that muddling through can be effective in certain circumstances. He noted that it can allow for greater flexibility and responsiveness, and that it can lead to new ideas and solutions.

Nonetheless, Kingdon also warned that muddling through can also lead to mistakes, with policymakers taking actions that are not effective or even harmful. He emphasized the importance of evaluating the effectiveness of actions as they go, and of learning from past mistakes.

The response to the financial crisis was a good example of this, with policymakers evaluating the effectiveness of their actions and learning from the mistakes of the past. This helped to ensure that future responses would be more effective.

Uncertainty bedevils the best system

The concept of uncertainty was a key factor in the response to the financial crisis. Uncertainty about the future of the financial system, about the effectiveness of policy actions, and about the likelihood of further crises, made it difficult to plan and execute policies.

Uncertainty also made it difficult to communicate with the public, as policymakers struggled to explain the complexities of the crisis and the measures being taken. This led to confusion and mistrust among the public.

However, uncertainty also forced policymakers to be more adaptive and flexible, as they had to respond to new information and changing circumstances. This helped to ensure that policies were effective and that they were adapted to the changing environment.

The response to the financial crisis was a good example of this, with policymakers adapting their strategies as they went and responding to new information. This helped to ensure that policies were effective and that they were adapted to the changing environment.