

What do the crisis of 2007 and the covid pandemic have in common?

- Unprecedented - except for the two World Wars – fiscal and regulatory government intervention in the economy,
- one of whose consequences was a rapid and massive increase in public debt.
- The fact that in both episodes exponential developments played a central role. That may explain
- the slow recognition that there was a large-scale problem with universally pervasive ramifications and consequences.
- In both cases, we have sufficient hindsight to recognize that the problems could have been contained had they been recognized and understood in time instead of becoming very difficult to contain.
- In both emergencies, the fate of individual human beings, enterprises and countries depends on that of all others.

“[T]rends exist, or more precisely, the assumption of trends is often a useful statistical device. *But trends are not laws.* A statement asserting the existence of a trend is existential, not universal. ... And a statement asserting the existence of a trend at a certain time and place would be a singular historical statement, not a universal law. The practical significance of this logical situation is considerable: while we may base scientific predictions on laws, we cannot (as every cautious statistician knows) base them merely on the existence of trends. A trend (we may again take population growth as an example) which has persisted for hundreds or even thousands of years may change within a decade, or even more rapidly than that.” (Popper 1945b: 73, italics in original)

“Comparing various possible trends amounts to saying “let’s suppose the following three (or whatever number of scenarios are compared) developments will take place during the coming A years (stating the duration is of central importance, given the use that is made of thinking in scenarios). How would we have to allocate the economic resources at the disposal of Government in order to adapt to any of them?” Of course, the allocation of resources is only one of the many questions one may ask. Limiting ourselves to this example, thinking in scenarios may help to prevent committing resources irreversibly. It is a means for introducing prudence into policy.”

“[T]he truth is that in social evolution nothing is inevitable but thinking makes it so.”

Hayek, *The Road to Serfdom*, 1944: 35

“[T]he truth is that in social evolution nothing is inevitable but thinking makes it so.”

Hayek, *The Road to Serfdom*, 1944: 35

“Man is not and never will be the master of his fate; his very reason always progresses by leading him into the unknown and unforeseen where he learns new things.” Hayek, *Law, Legislation and Liberty* vol. 3, 1979:176).

“[T]he truth is that in social evolution nothing is inevitable but thinking makes it so.”

Hayek, *The Road to Serfdom*, 1944: 35

“Man is not and never will be the master of his fate; his very reason always progresses by leading him into the unknown and unforeseen where he learns new things.” Hayek, *Law, Legislation and Liberty* vol. 3, 1979:176).

No contradiction!

Net worth in \$ bn.

Bernard Arnault 187

Jeff Bezos 177

Elon Musk 152

Bill Gates 124

Mark Zuckerberg 97

Warren Buffett 96

Net worth in \$ bn.		GDP in \$ bn.	
		Kazakhstan	188
Bernard Arnault	187		
Jeff Bezos	177	Hungary	177
		Ukraine	165
Elon Musk	152		
		Algeria	151
Bill Gates	124	Morocco	124
		Ecuador	101
Mark Zuckerberg	97		
Warren Buffett	96		
		Ethiopia	94