

Postscript — The Habit That Survives the Headlines

Books about economics age in an odd way. The props on the stage change, but the stage does not.

The early 2020s offered plenty of new scenery: disrupted supply, sudden price rises, louder fiscal promises, and an administrative appetite that discovered fresh justifications for itself. None of that makes the central lesson obsolete. It makes the lesson easier to see.

The temptation, when conditions shift, is to declare a new era and retire old constraints as quaint. That move flatters the speaker, and it misleads the listener. Scarcity does not yield to rhetoric, and behaviour does not freeze out of respect for parliamentary language.

Three observations keep returning, even when the vocabulary changes.

First, incentives still work when nobody likes them. When rules subsidise one activity and penalise another, people do not respond with moral obedience; they respond with adaptation. The adaptation is not a character flaw. It is the mechanism through which policy turns into outcomes.

Second, time still separates applause from consequences. Political demand is immediate: a visible gesture, a cheque, a promise, a ban. Economic effects arrive on a delay: less investment, fewer entrants, higher compliance costs, quieter price pressure, a smaller margin of error. This delay is why so many policies look compassionate in the moment and cruel in the aggregate. The cruelty is often statistical. That is exactly why it is neglected.

Third, administration is never neutral. When a policy requires valuation, exemptions, eligibility tests, or continuous monitoring, it builds a new trade: the trade of avoidance, lobbying, and interpretation. That trade does not merely “add complexity”. It reallocates energy away from production and towards classification. In the end it also reallocates power, because the people who can hire specialists do better than the people who cannot.

None of these points are partisan. They are descriptive.

A useful way to read the news after finishing this book is to treat each proposal as an empirical wager rather than a moral ceremony. Every policy has a claim. Every claim rests on

an assumption about behaviour and scarcity. Every assumption can be tested, at least in principle, by asking what must be true for the promised outcome to occur.

Consider how often the public argument depends on a frozen world. A tax is announced “on companies”, as if prices and wages sit politely while accountants do nothing. A subsidy is announced “for buyers”, as if supply is a tap that turns on without planning, risk, labour, and time. A credential is demanded “for quality”, as if competence is a mood that arrives after a ceremony rather than a skill built under pressure.

The book has been blunt about the ladder because the ladder is where economics touches dignity without sermonising. Entry matters more than reassurance. The young, the new, and the unconnected do not need a society that performs empathy; they need a society that makes it cheap to start. That means fewer delays that act as silent taxes. It means fewer rules that claim to protect the public while protecting incumbents. It means fewer policies that inflate paper claims while starving the practical training that turns people into producers.

It also means respecting the difference between wealth, income, and cash—because confusing them is a reliable route to coercion with a smile. When policy treats assets as if they were bank balances, it forces liquidation, punishes investment, and invites political appraisal. The language of fairness then becomes a cover for a new kind of discretion: who gets valued how, who gets carved out, who gets chased, and who is allowed to delay.

Inflation deserves one final remark, because it is the most convenient moral fable in modern politics. Calling inflation “greed” is attractive precisely because it offers a villain without a mechanism. It also offers a false remedy: if malice causes prices, then controls and scolding can cure them. The lived result is predictable: controls ration, and rationing hits those with the least spare time and the least access. Monetary disorder, once disguised as moral failure, becomes an administrative queue.

None of this implies cynicism about public aims. Most people who support popular measures want something defensible: cheaper housing, steadier bills, better opportunities, less humiliation for those who fall. The failure mode is not cruelty. It is impatience allied to illusion: impatience about time, illusion about incentives, and a theatrical preference for what can be announced over what must be built.

That is why the book insists on tests.

Does a housing policy increase *units and quality*, or does it increase *demand chasing fixed stock*? Does a labour policy increase *entry and training*, or does it increase *the cost of hiring the unproven*? Does a tax raise revenue *after behaviour changes*, or only in the first budget table before avoidance becomes an industry? Does a regulation reduce harm *per pound spent*, or does it merely raise fixed costs until only the largest firms can comply?

When those tests feel cold, remember what they replace. They replace the habit of judging policy by intention. Intention is cheap. Mechanism is costly. The point of economics, at its most humane, is to pay the cost upfront so other people do not pay it later.

A final note on tone. Public debate now rewards indignation because indignation travels quickly. The calm mind looks slow by comparison. Yet most genuine improvements in prosperity and fairness come from slow virtues: predictable rules, enforceable contracts, swift permissioning, honest prices, stable money, and a culture that does not sneer at practical excellence. Those are not fashionable topics. They are how societies stop wasting human effort.

The slogans will not disappear. They will be replaced by newer slogans. The only defence is a habit: count beyond the first effect, and insist on tracing the bill.

Lesson line: If you cannot trace the bill through behaviour, the policy is only applause with delayed invoices.