

If Iceland Cannot Send Cash, It Sends Ash

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The ash crisis and the financial crisis have much in common. Both result from the fact that almost all decision makers do not understand mathematics and science, even in a rudimentary level, while most mathematicians and scientists have no feel for the real life implications of their calculations. Both camps refuse to admit their failings. “Financial engineers” created complex mathematical instruments, neglecting to emphasize unavoidable assumptions they had to make. At the same time, senior bankers and regulators did not admit that they had no idea what these papers really meant, and never asked whether there were undisclosed hidden assumptions, lurking behind new quick ways of profiteering. Theoretical scientific model builders convinced authorities that the ash cloud is here or there, without bothering to measure anything, while no one asked whether the computer model was based on realistic assumptions. In both cases, decision makers, with good training in standard scientific thinking, could smell trouble immediately, even if they knew nothing about derivatives or volcanoes. The fingerprints of a sophisticated pyramid scheme should be obvious whenever one claims he can always win, and a “killer cloud” that no one can see, affecting an entire continent, based on no actual measurements, should have raised any intelligent pair of eye brows. The world is discovering that an important profession is missing: ***Scientifically trained political decision makers***. Neither a good scientist lacking management experience, nor a smart politician with no scientific training, could spot the trouble. We need people who have both qualities.