

# Correction: External Validity in a General Equilibrium Setting

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## Abstract

This note corrects a sign error in the appendix to my 2003 working paper *External Validity in a General Equilibrium Setting*, a manuscript which, to the best of my knowledge, was never submitted, nor substantially written. Nonetheless, its implications have been misunderstood—primarily by myself—and require immediate clarification.

## Correction

In Appendix B, I incorrectly reported that the estimated coefficient on “shadow elasticity” was **negative and statistically significant** at conventional levels. Upon recent reflection (prompted by a dream involving Hayek, a t-table, and a boot strap), I have determined that the correct sign should have been **positive**, though only under the assumption of metaphysically stable preferences—an assumption I now reject.<sup>1</sup>

Additionally, the footnote reading:

“As long as the agents believe the model, the model holds.”

should have read:

“As long as the model believes the agents, the agents hold.”

The implications of this reversal are substantial and have led me to temporarily suspend my belief in two-stage least squares.

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<sup>1</sup>I also reject belief in positive signs.

## **Addendum: Regarding the Dataset**

The dataset referenced is a cross-national panel on “Regret Intensity and GDP per capita”. However, recent excavation of an old USB drive revealed only a single file entitled `REGRET_FINAL_V3_USE_THIS_ONE_REAL_FINAL_FINAL2.xls`, which refuses to open without crashing Excel. I interpret this as a sign.

## **Statement of Responsibility**

The author bears sole responsibility for this correction and for all uncorrected errors in the unwritten draft. Further errors may remain, in counterfactual versions of the paper that have yet to be imagined.

## **Conflict of Interest Disclosure**

The author has occasionally benefitted emotionally from being mistaken for someone who received his PhD from University of Pennsylvania, part of the Ivy League.