REPLY TO COMMENTS
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It is very hard to disagree with the comments on my paper and I would like to thank the author for them. I do think that it is, perhaps, worth taking up a couple of issues, robustness and internal consistency.

To take the last point first, rationality in standard models means consistency with a certain number of axioms. As soon as we abandon that criterion we are told that we are giving up “sound microfoundations”, yet in a genuinely dynamic model in which people follow simple rules it is unlikely that their choices would be consistent in this sense. The axioms used are derived from the introspection of economists not from careful examination of the actual behaviour of individuals. This is the very basis of behavioural economics and agent based models use behavioural rules which are often more in line with that field than the more traditional axiomatic approach. Of course, the choice of rules seems ad hoc, but in my view no more ad hoc than our axioms.

The other point, robustness, is a serious one and the criticism that one should not accept the results of simulations with one set of values for the parameters for the model is perfectly correct. Indeed, any serious agent based modeller inspects the parameter space to see how large is the set of values for which his results hold. Too often the results of one set of values are given, but this is by way of illustration, and the author should also include or make available the robustness tests. I am guilty of this in presenting some examples.

As a last observation, I would point out that in many standard economic papers authors happily assume a very specific functional form for utility or production functions and the question as to how dependent their results are on that choice is simply not raised. I suspect that this is simply a question of familiarity and that we are so familiar with homothetic functions with all their implicit assumptions that we are not troubled by them. Yet when faced with alternatives which are less familiar we are much more exacting.