

Book Reviews

Steven D. Levitt and Stephen J. Dubner **FREAKONOMICS: A ROGUE ECONOMIST EXPLORES THE HIDDEN SIDE OF EVERYTHING**

Revised and enlarged edition

New York: William Morrow, 2010

Economics which is “Economics-FREE (konomics)”. Unlike any conventional economist, Steven D. Levitt foremostly throws light upon the need for understanding economics to comprehend the ground-level events. It appeals to me as a bridge between economics and something free of economics, hence FREAKONOMICS.

Freakonomics is merely anything more than classical economic analysis applied to social phenomenon. It transpires out to be an engaging read because it seems to be more about sociology and psychology than tedious numerical analysis. It feels to be more of common sense thing that many of us ask ourselves.

Swiftness in writing and easy reading style not only shows how the resulting correlation and causality of data impact our lives but also makes us think differently about universally seen facts and figures. The authors do not make things messy by adding mathematics and other whizkids like number gaming. Their simple approach is to make every citizen understand economics as much as it is adequate to understand; that makes the book for being a best seller, again and again.

The essence of this book smells out like: If morality represents how we would like the world to work, then economics represents how it actually does work. It factually redefines the way in which the modern world is viewed. Why book is so charming and why one freaks out while reading? This is because Levitt and Dubner are simply good at using the tools that they have mastered as economists to answer some of those questions in novel and interesting ways. Consider some of the questions as used in the chapter titles:

- What do schoolteachers and sumo wrestlers have in common? (Chapter: about incentives, how they work in the world and how you can analyse them.)
- How is the Ku Klux Klan like a group of real estate agents? (Chapter: about the power of information in markets.)
- Why do drug dealers still live with their moms? (Chapter: about “the conventional wisdom,” a term coined by John Kenneth Galbraith.)
- Where have all the criminals gone? (Chapter: about the facts and fiction of crime.)

- What makes a perfect parent? (Chapter: about “do parents matter?”)

Levitt and Dubner try to begin explanation with a mountain of data and a simple, unasked question. Some of these questions concern life-and-death issues; others have an admittedly *freakish* quality.

These may not be emblematic questions for an economist to ask. These are the everyday life yet scholastic questions - from cheating and crime to sports and child rearing ? and whose conclusions regularly turn the conventional wisdom on its head. Some of these answers might seem obvious and some might surprise you. Mostly, this book gives a single theme, crisply expressed in a sentence or two, and then tells the entire story of that theme: the history of salt; the fragility of democracy; and the use and misuse of punctuation. This book boasts no such unifying theme. This approach employs the best analytical tools that economics can offer, but it also allows us to follow whatever freakish curiosities may occur to us.

The chapter "Where Have All the Criminals Gone?" was most interesting. It talks about the invisible correlations between legalization of abortion in America and a drastic drop in crime rates. The startling decline in crime in major American cities in the mid-1990s is a mystery. No one predicted it. Everyone thought that high crime rates were a permanent feature of urban life. And the standard arguments to explain why crime falls don't seem to work in this case. Levitt and Dubner go through all the usual explanations for crime decreases—a booming economy, decline in the crack trade, innovative policing strategies, tougher gun laws, aging of the population—and find only two that they think really matter. Putting more police on the street, they say, which happened in major cities all over the country in the early 1990s, was a major factor. So were the soaring numbers of young men put away in prison in that same period? But neither of those two factors, they argue, is sufficient to explain the full magnitude of the crime drop. There has to be something else—and their candidate for the missing explanation is the legalization of abortion.

Levitt's argument goes something like this. The huge declines in urban violent crime rates happened, more or less, eighteen years after the passage of *Roe v. Wade*. States that legalized abortion earlier than the Supreme Court ruling saw their violent crime rates fall earlier. When you look at falling crime rates, the reductions in violent behaviour are almost all concentrated in the generation born after the legalization of abortion, not before. People undergo abortions, in other words, for a reason: because they are poor, or don't want a child, or live in an environment where it is hard to raise children. An unwanted child has a higher chance, when he or she grows up, of becoming a criminal. By removing a large number of unwanted children, legalized abortion ended up lowering the crime rate. Levitt makes it clear that he's not passing judgment on this. He's not pro-abortion, as a result of this observation. He's just explaining the way he thinks the world works. He also stresses—and this is because it is even more important—that he doesn't think that crime fell in major American cities solely because of abortion. He thinks abortion is simply one of several factors—albeit a significant one—in crime drop.

The other topics explored in *Freakonomics*, while not as controversial, are equally interesting. In fact, some could be considered amusing. If one is looking for something that spruces up one's intellect with a quality wit, this book is a necessary read. However, that said, it is refreshing to have an odd economist, or at least an economist who asks odd questions, to tease out the most fascinating facts concerning the mysteries of the world around us.

However smartly and sensibly the book is written, it is very easy for any critique to point out many undesired things about the book. The annoying insertion of quotations from external sources about how innovative or creative the authors are as a precursor to every chapter might be considered a revolt by some.

The structure of the book is somehow not so consistent. It fails to attain that essence of micro and macro level economics to convince a level higher people than those laymen who run from economics. Very little methodology is included in *Freakonomics*.

Freakonomics gives us a new way to look at our world from the Freak eyes of Economics. This is a short book, about 200 pages and reads very quickly. As each story unfolds from the data, one finds oneself surprised, laughing, and reading passages aloud even as soliloquy. It is wise to compare *Freakonomics* with a treasure hunt as all chapters have little secrets that were there in plain sight much of the time. The authors have created a book that is both entertaining and educative.

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