

Steven D. Levitt and Stephen J. Dubner. *Superfreakonomics: Global Cooling, Patriotic Prostitutes, and Why Suicide Bombers Should Buy Life Insurance.* London: Penguin Books Ltd. 2009. 270 pages. Paperback. £ 14.99.

Behavioural economics is an emerging field and superfreakonomics provides useful insights into human behaviour observed with respect to issues that have economic implications. The underlying theme of the book is that human beings respond to incentives. The authors have set up a number of interesting examples to convey how different incentives work.

The case studies discussed in the book are based on the authors' recent academic research; motivated by fellow economists as well as engineers and astrophysicists, psychotic killers and emergency room doctors, amateur historians and transgender neuroscientists. Most of the stories fall into one of the two categories: things you always thought you knew but in fact did not; and things you never knew you wanted to know, but do know.

The authors, with the help of data, show that drunk walking is eight times more dangerous than drunk driving. The message is that the misaligned incentives (penalties) are responsible for this—only drunk driving is penalised. To show the influence of positive incentives the authors demonstrate how cable TV might have improved the status of women in India. A baby Indian girl, who does grow into adulthood, faces discrimination in provision of education, health care and remuneration in job market. In a national health survey, 51 per cent of Indian men said that wife-beating is defensible under certain situations and more surprisingly, 54 per cent of the women agreed. But things are changing, albeit at a slow pace. The authors find that cable TV has empowered Indian rural women—families with cable TV are more likely to have a lower birth rate and more schooling.

In Chapter 1 of the book the authors explore the various costs of being a woman. They argue that it is hard to be a woman, in any country, whether developed or under developed. Practices, such as abandoning a girl child in China and remuneration-discrimination in corporate America, make it difficult to lead a woman's life. The authors also attempt to understand the demand curve for prostitutes. Based on empirical evidence, they suggest that a street prostitute is similar to a department store—both take advantage of the higher job opportunities caused by holidays.

Next, the authors discuss some compelling facts about the causes of death. They point out that though death from suicide is 575 times more likely than death in a terror attack, still more attention is devoted to protection against terrorism. The lesson is but obvious—check only what is controllable. Another section, pointing to a similar conclusion, talks about the remarkable work one guy has done to make hospitals more efficient and to protect patients against misdiagnoses, medication errors, bacterial infections and technical complications.

Chapter 3 cites various cases of altruism and apathy leading to the conclusion that people are typically neither as good as thought to be nor as bad as perceived. Resolution of apparently difficult problems is found amazingly easy in the following chapter. The authors discuss the unintended consequence of the law: 'Americans with Disabilities Act'—the law designed to protect disabled Americans' rights at the work place, has in fact led to fewer job opportunities for the disabled. The reason is simple, point out the

authors: the Act has made it difficult for the employers to discipline or lay off a disabled person. The employers responded by not hiring a person with a disability. Discussing unintended consequences further, the authors state that politicians, at times behave as economists do. They use prices to encourage good behaviour. For example, in recent years, many governments have based their trash pick-up fees on trash volume—people made to pay for each extra bag of garbage, will generate less of it. However the volume charge has motivated citizens to stuff their bags fuller and dump garbage elsewhere. In Ireland, for example, new garbage tax resulted in increased backyard trash burning—bad for environment as well health.

The authors also discuss how the discovery of oil in United States has functioned as the Endangered Species Act—saving whales from extinction. By 19th century whale hunting was the engine that helped turn the United States into a powerhouse. Whale oil was a lubricant for all sorts of machinery but most of all it was used as lamp fuel. The demand for whale oil was so great that people hunted the whale, almost to extinction. Accordingly oil shortage appeared and prices rose. Today, such an industry might be considered ‘too big to fail’ but the whaling industry was failing indeed, with grim repercussions for United States. But then someone discovered oil in the ground. The new oil industry has provided job opportunities for the unemployed whalers and, as a bonus, has functioned as the Endangered Species Act, saving the whale from near-certain extinction.

In the last chapter, the authors take a cool, hard look at global warming. They discuss how Intellectual Ventures like geo-engineering can probably hold up the effects of global warming for a while. This would provide many additional decades to make the changes required in production and use of energy. Among other things, Intellectual Ventures, has thrown up ideas about putting an end to the threat of global warming and severe hurricanes. The authors have done a good job describing the idea. The question of how the idea should be put to practice has been left open.

For the interest of the general reader there is a whole lot of case studies in the book that would give new insights on common problems.

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