

**Leeson, Peter T. The invisible hook: the hidden economics of pirates. Princeton, 2009. 271p bibl index afp ISBN 9780691137476, \$24.95**

Given the flurry of piracy off the Somali coast in 2009, this relatively short narrative could not be timelier. The Invisible Hook, a play on Adam Smith's famous "invisible hand," is an engaging, informative look at the economics of piracy and pirates. Leeson (George Mason Univ.) examines the legendary actors and their actions in the golden age of piracy in the context of familiar economic principles, such as negative externalities, public goods, signaling, and principal-agent problems. He finds that these outlaws responded rationally and purposefully to incentives in their quest for booty (that is, "maximizing profits by firms" in today's jargon). In eight chapters the author lays out how pirate ships were organized and governed; describes labor-market aspects, such as crew recruitment and compensation schemes; and explains the efficiencies inherent in flying the famous skull-and-crossbones (Jolly Roger) and acquiring a reputation for torture. The author is not a historian, some of the economics is a stretch, and there are no references--his 40 pages of endnotes are his substitute. But Hook is a well-researched, well-written, fascinating volume that has something for almost everyone. Summing Up: Highly recommended. General readers, undergraduate students of all levels, graduate students, and research faculty. -- A. R. Sanderson, University of Chicago