

The Irrational economist: making decisions in a dangerous world, ed. by Erwann Michel-Kerjan and Paul Slovic. PublicAffairs, 2010. 324p index afp ISBN 9781586487805, \$26.95

During last few years, a plethora of books on the intersection of economics and psychology, or behavioral economics, have appeared: Predictably Irrational, by Dan Ariely (CH, Oct'08, 46-0969); Nudge, by Richard Thaler and Cass Sunstein (CH, Oct'08, 46-0977); Animal Spirits, by George Akerloff and Robert Shiller (CH, Jul'09, 46-6301); The Mind of the Market, by Michael Shermer (CH, Jul'08, 45-6305); and Free Market Madness, by Peter Ubel (CH, Apr'10, 47-4536) are just a few. Now adding to the abundance is The Irrational Economist, with the familiar finger-pointing at mainstream economics and its emphasis on a "well-informed, rational economic man." What distinguishes this volume is its emphasis--risk management and decision making in the face of, as alleged by Michel-Kerjan (Univ. of Pennsylvania) and Slovic (Univ. of Oregon), the increasing frequency of extreme, dangerous, uncertain events. The work avoids being a nonstop castigation of the shortcomings of individuals and markets and consists of 30 short, quasi-independent, stand-alone pieces from a conference. These creative, well-referenced essays vary in quality and likely interest to readers, but the overall effect works and offers good intellectual stimulation. In an ideal world, the rational economist would have received rebuttal opportunities at each juncture, but behavioralists are not that irrational. Summing Up: Recommended. All readership levels. -- A. R. Sanderson, University of Chicago