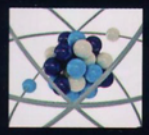

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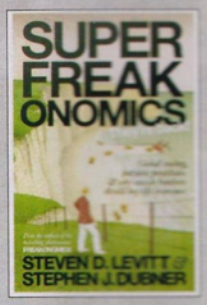


SUPERFREAKONOMICS
Global cooling, patriotic prostitutes and why suicide bombers should by life insurance

by Steven Levitt and Stephen Dubner
Allen Lane
€20 ISBN 978071399990

The combination of an experienced writer (Dubner) and a garlanded economist (Levitt) worked to such effect that *Freakonomics* (2005) became a phenomenon. Now they're back and, the PR promises: "*Superfreakonomics* will once again transform the way we look at the world."

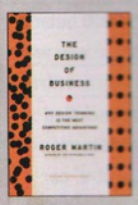
Hyperbole aside, the original worked because it was a highly entertaining roller coaster of the unexpected, such as how the legalisation of abortion drove down crime a decade later (instead of better policing), and how high-school teachers and sumo wrestlers subtly cheated to achieve certain outcomes in grading and fighting. The combination of Levitt's breeziness and Dubner's playfulness in reducing economic theory to its "most primal aim: explaining how people get what they want" also helped.

This volume builds on the theme, that "people respond to incentives." Indeed, Levitt himself is responding to the incentive of a large advance.

In the first chapter, for instance, the authors explain why street prostitution in Chicago today is worthwhile despite the fact it is paid less in real terms than in the 18th century. While the financial rewards have diminished, so has the risk: half the tricks are freebies to Chicago cops. There is also an interesting perspective on the economic advantages of middlemen, and the relative value of a pimp verses a real estate agent: a pimp-managed prostitute will earn more and be beaten up less, yet a homeowner using a realtor will see little financial benefit.

Elsewhere, this accessible approach is slyly ideological. The final chapter, on global warming, notes that there is no strong incentive in place (yet) to persuade us to pollute less, as most pollution is externalised and so invisible. The authors suggest that complex global problems can be fixed with a single geoengineering solution: pumping sulphur dioxide into the stratosphere to replicate the cooling effects of a volcano. Hence the answer to the question 'What do Al Gore and Mount Pinatubo have in common?' is 'They both suggest ways to cool the planet, except that Gore's are more expensive'. It's good knockabout stuff but, for the same reason, not to be taken too seriously. That could be said about the whole book, but that doesn't mean you won't enjoy it.

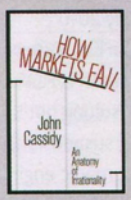
FOUR OF THE BEST FOR THE FESTIVE SEASON



DESIGN OF BUSINESS
Why design thinking is the next competitive advantage

by Roger Martin
Harvard Business School Press
€20 ISBN 9781422177808

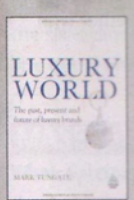
Every company wants to be the Apple of their sector, but few succeed. Martin argues that they must ditch analytical thinking for design thinking; by this he doesn't mean intuition and designer genius, but a four-stage progression from mystery to hunch to algorithm to code — the last of these representing the point at which new knowledge can be completely automated and massively profitable. The book offers examples of this deliberate thinking from the likes of Procter & Gamble and Cirque du Soleil.



HOW MARKETS FAIL
An anatomy of irrationality

by John Cassidy
Allen Lane
€25 ISBN 9781846143007

It would be a mistake to confuse this latest offering about 'why there was a crash in 2008' with all the other books rushed out so far this year. Cassidy argues that free-market thinker Adam Smith's 'invisible hand' is not only invisible, but utopian. Free markets provide incentives for individuals to follow courses of action that are individually rational but collectively disastrous. Economics needs to be based on reality, which means taming Wall Street bonuses even though it's not happening.



LUXURY WORLD
The past, present and future of luxury brands

by Mark Tungate
Kogan Page
€20 ISBN 9780749452636

The author trots across catwalks, foodhalls and ateliers to find out if luxury's been smashed by the crash. It hasn't, because Asian consumers are coming on strong. However, the author pulls his punches: we don't find out about sweatshops, we don't find out the truth behind biofuels, and we don't learn about the economics of marketing luxury. But as light entertainment this volume is pleasant enough; the juxtaposition of spas and rehab, for instance, is droll.

QFINANCE
The ultimate resource

by Various
Bloomsbury
€125 ISBN 9781849300001

Qatar Finance Authority's involvement in the production of this long-awaited, 2,160 page leviathan shows the rise in prestige of the non-West since Lehman's demise, and is to be welcomed. The results speak for themselves, with an extraordinary advisory panel assembled to author this dictionary-cum-resource, furnished with a 'how to' guide, profiles of 102 countries and numerous essays on everything from M&A to regulation and compliance. Essential reading for finance professionals.