

## ***Freakonomics: A Rogue Economist Explores the Hidden Side of Everything***

By Steven D. Levitt and Stephen J. Dubner

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Steven D. Levitt, an economist at the University of Chicago, and *New York Times* journalist, Stephen J. Dubner take a unique approach to economics that centers on the study of how incentives work and don't work, which yields unexpected connections and defies conventional wisdom. "Morality, it could be argued, represents the way that people would like the world to work — whereas economics represents how it actually does work" (13). Levitt and Dubner examine the untold human stories underlying abstract statistics, revealing a very different view of how society and culture actually work.

Levitt orients his research around five key concepts: 1) *Incentives are the cornerstone of life*. In other words, most of human behavior is motivated by incentives, but often incentives have unexpected and contradictory results. Therefore, an understanding of how incentives actually work or don't work can have considerable impact. 2) *The conventional wisdom is often wrong*. Just because a concept has wide acceptance doesn't mean that it actually fits the facts. 3) *Dramatic effects often have distant, even subtle, causes*. Seemingly unrelated phenomena can actually combine to produce surprising effects. 4) *"Experts" use their informational advantage to serve their own agenda*. Clients cannot assume that the respected professional they have hired has the client's interests at heart. And finally, 5) *Knowing what to measure and how to measure it makes a complicated world much less so*. Levitt tells us that the proper perspective allows us to unravel otherwise impossible riddles when we understand the dark side of incentives (13-14).

Levitt and Dubner then give many examples drawn from Levitt's research to illustrate these key concepts: Due to the national emphasis on high stakes testing in the "No Child Left Behind Act," school teachers now have greater incentive

to cheat on the tests than do students. Accordingly, there has been a statistical rise in teacher cheating (26-35). Levitt reveals that real estate agents and the Ku Klux Klan both manipulate public perception in order to gain the advantage. The Ku Klux Klan has used the threat of random violence more than actual violence as an incentive in their bid for social control (62), while real estate agents use fear and hyperbole to boost house prices (72). Levitt's research into the economics of drug dealers revealed that only a very few drug dealers have the extravagant lifestyle glorified in music videos and rap songs. The reality is that the average street dealer ends up making about the same amount of money and working the same hours as they would working a minimum wage job, thus defying conventional wisdom that dealing drugs is easy money (103). In one of the book's most controversial claims, Levitt tells us that the unexpected drop in crime experienced in the mid-1990s was due to legalized abortion some 20 years before. According to Levitt, a whole generation of unwanted children who would otherwise be destined to become criminals was simply never born (139). These are only a small sampling of the dozens of examples Levitt and Dubner offer to bolster their arguments.

Levitt and Dubner's approach is definitely intended for the mainstream, being mostly devoid of hard statistical data. The style is more narrative than academic, yet the authors do a good job of systematically supporting their claims against foreseeable objections. The authors are particularly careful in laying out their arguments for the most controversial of their claims, systematically eliminating all other alternate explanations for the phenomena. Because Levitt's work is so unconventional and groundbreaking, it is difficult to discern his influences, but in 2003, Levitt's peers honored his innovations with the John Bates Clark Medal, which is awarded to the nation's most promising economists under 40 years old. Levitt's work seems to explode many common stereotypes and reveals the sometimes unintended consequences of incentives. Much of Levitt's research seems to imply that many of our fears and worries are misplaced and many of our efforts wasted due to conflicting incentives (150). Implied here is that if citizens could learn what really *should* be feared, which incentives to offer and which to avoid, we could transform many social and personal ills. *Freakonomics* is quite readable and entertaining, accounting for its best-selling status. It also deserves serious reading and consideration.

## ***Tropical Forests: Regional Paths of Destruction and Regeneration in the Late Twentieth Century***

**By Thomas K. Rudel**

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In this book, Thomas Rudel takes a regional, meso-level approach to studying tropical forest land change and provides a middle ground between studies that focus on global factors of deforestation and local conservation strategies. It offers an excellent and innovative framework for examining the processes leading to deforestation by looking at forest trends and subsequent causal mechanisms as they appear in a particular area. Most important, however, is that Rudel goes beyond describing the different trends in forest cover that have occurred among the different tropical regions and puts forth a framework for evaluating conservation policy and deciding under what circumstances various policies will be most effective. As noted in the introduction, researchers should “seek a middle range between the global and the local” when examining the processes that shape land use. This book achieves that goal.

Rudel lays out his book in 10 chapters, with the first chapter introducing the reader to tropical deforestation trends and to the need for examining deforestation processes at the regional level. The second chapter describes the theoretical framework and methodological approach used to analyze processes of regional forest cover change. It begins by summarizing the economic, political, and demographic explanations of tropical deforestation posed by various scholars over the past few decades. These explanations tend to be variable-oriented and consist of calculating the effects of a wide-range of macro-level factors on deforestation. Rather than continuing in this tradition, *Tropical Forests* uses a qualitative comparative method to analyze the various processes that have led to recent forest cover change in the tropics. Furthermore, it recognizes that deforestation processes may differ among tropical regions. Hence a meta-analysis is performed to distinguish among the different regional patterns of deforestation.

Chapters three through nine provide in-depth accounts of the processes that led to forest cover change in each of seven regions. Deforestation of the larger tropical forests in Southeast Asia and South America can be attributed to large-scale logging, agricultural expansion, and unregulated fires. However, due to a combination of inaccessibility and a booming mining industry, the large tropical forests of Central

Africa have survived and expanded in the interior. With the smaller tropical forests, forest change ranges from the rapid deforestation experienced in West Africa to net afforestation in South Asia. Growing urban markets and high levels of debt paved the way for increasing agricultural exports and hence rapid deforestation in West Africa, while the recent widespread planting of trees in South Asia marked a turning point from years of deforestation to net afforestation. Among smaller tropical forests, the Central American and East African forests lie in the middle. While export-oriented agriculture, logging, and ranching contributed to rapid deforestation in Central America and the Caribbean, recent emigration from rural lands and an increase in tourism have helped to suppress these effects. In East Africa, deforestation is largely a result of rural population growth that relies on the forests as a source of fuel and other products.

Because of the vast regional differences in the underlying processes and conditions that contribute to tropical forest change, policies for reducing deforestation need to be tailored to the circumstances surrounding forest change in a particular place. Rudel concludes the book by describing conservation policies that would help create conditions leading to forest growth for each region.

While the research presented in the book is innovative and provides great insight into the causal mechanisms of regional deforestation, there is one minor downfall. Because the meta-analysis only includes those studies that analyze primary data, cross-national analyses of data collected by the Forest and Agriculture Organization and other institutions are excluded. Thus, the underlying processes for forest cover change in each region focus on the local causal factors but neglect the more global-level factors and processes that contribute to tropical deforestation. However, this one limitation doesn't overshadow the book's significant contributions, findings, and suggestions for conservation policy. All books and research have their limitations.

*Tropical Forests* is a tightly organized and well-written book that makes a major contribution to the environmental social science literature. Anyone with an interest, academic or otherwise, in our world's tropical forests will find this book engaging and insightful. Furthermore, from a methodological standpoint, it serves as an excellent example of how researchers studying complex human/environment interactions with untidy literatures can successfully carry out a meta-analysis. Pedagogically, this book is certainly appropriate for graduate and undergraduate seminars in environmental sociology, human ecology, sustainable development, and public policy. Without doubt, *Tropical Forests: Regional Paths of Destruction and Regeneration in the Late Twentieth Century* will be a standard point of reference for many years to come.