



Teacher Cheating, Falling Crime Rates - and More

BOOK REVIEW



By Wm Peniston, MD

FREAKONOMICS: A Rogue Economist Explores the Hidden Side of Everything, Steven D. Levitt and Stephen J. Dubner, Harper Collins, New York, 320 pp, \$27.95, ISBN: -13:978-0-06-123400-2 (rev. ed.).

SINCE I KNOW PRACTICALLY NOTHING about economics, I suppose I'm the ideal person to review this book. Especially since co-author Levitt (the economist) "professes little interest" in "monetary issues" and blustered with self-effacement.

"I just don't know much about the field of economics," and "I'm not good at math. I don't know a lot of econometrics, and I also don't know how to do theory. If you ask about whether the stock market is going to go up or down, if you ask me whether the economy's going to grow or shrink, if you ask whether inflation's good or bad, if you ask me about taxes - I mean, it would be moral fakery if I said I knew anything about any of those things."

Levitt sees economics as "a science with excellent tools for gaining answers but a serious shortage of interesting questions." He has the ability to ask such questions and his "abiding interests are cheating, corruption, and crime."

So some of the more interesting topics in the book are about cheating by schoolteachers and sumo wrestlers, similarity of the Ku Klux Klan and real estate agents, and the causes of falling crime rates.

I found the chapter on the falling crime rate one of the most interesting. In 1989 crime was about at its peak in the United States. During the previous 15 years violent crime had risen 80 percent and was a major concern nationwide. During the early 1990s, the crime rate began falling at a sudden and rapid rate which left the "experts" confused for years.

The explanations published in newspapers were numerous, there being seven that were more frequently named and an additional more than four theories recorded. In his analyses of the seven, Levitt was able to find only three that had a significant effect on lowering the crime rate.

I found this section of the book rather confusing in that he doesn't discuss the seven most popular explanations in an orderly manner, with a presentation of data and a firm statement about the reasonableness of the explanation.

He does start out doing that with what he calls a "fairly uncontroversial one: *the strong economy*." He quickly disposes of this as an important factor in a short paragraph that does present significant data. But the next explanation, *increased reliance on prisons*, is pushed aside by "flipping the crime question around" and asking, "Why had it risen so dramatically in the first place?"

What follows is over three pages of an interesting discussion of this subject including two

pages about the lack of effectiveness of the death penalty, for which some data are presented. But in this section there is only the statement that "harsh prison terms have been shown to act as both deterrent and prophylactic," which is accompanied by no data.

Despite these perceived shortcomings Levitt provides convincing data that the decriminalization of abortion was a major factor in the decline of crime in the United States.

A study attempting to measure the academic progress of more than 20,000 children from kindergarten through the fifth grade is presented in the chapter "What Makes a Perfect Parent." The acquired incredibly rich set of data were subjected to "the economist's favorite trick: regression analysis" which is described as more art than science. Although I never learned what "regression analysis" is (I should have "Googled" it!), I found it and the chapter on children's names and what they tell about the parents almost as interesting as the one on the crime rate.

The epilogue suggests a result of reading the book may be finding "yourself asking a lot of questions." It also repeats the suggestion that, if "morality represents an ideal world, then economics represents the actual world."

This is the "Revised and Expanded Edition" of the book and contains some 92 pages of "bonus" material from the *New York Times Magazine* and the Freakonomics Blog.

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