

BOOK REVIEW

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Abstract:

Book review of: *Skin in the Game: Hidden Asymmetries in Daily Life* by Nassim Nicholas Taleb. Random House & Penguin, New York City, 2018, 304 pp. ISBN-13: 9780141982656 and ISBN-10: 0141982659

For all the great authors or for the most part of creative of contemporary authors, their origins, families and friendships confer or give a special “silhouette” to understand the roots of their scientific personality. Nassim Nicholas Taleb remains a unique spirit and a multidisciplinary personality of the 21st century. NNT - as the author abbreviates his own name in the text of his books - was born in Lebanon, in a family composed from a physician and an anthropology researcher, holding French citizenship and profound Antiochian Greek origins. In his latest and remarkable book entitled *Skin in the Game: Hidden Asymmetries in Daily Life* (2018). He recognizes the classic cultural influences, and the proof of this truth is on the first page of the work, as dedication to his brave friends Ron Paul and Ralph Nader, the first as “*Roman among Greeks*” and the second as “*Phoenician Greek spirit*”. Book after book, the NNT’s amplitude of creativity or his scientific personality is permanently expanded beyond the stability of the classical or ancient values being associated with the profound discernment of his scientific opinions and with the perspective of his modern multidisciplinary approaches.

The most difficult aspect in the life of an author of scientific literature is not to become famous, but to keep all his works as best-seller. I believe that you can imagine how difficult it was for Nassim Nicholas Taleb to write again such an incredible and valuable book about uncertainty and risks - as level of probability of the success of a writer in modern world - after his exceptional and almost brilliant collection of bestsellers, translated in 40 languages and entitled *Incerto - A Philosophical Essay on Uncertainty*, a collection including *Foiled by Randomness* (2001), *The Black Swan: The Impact of the Highly Improbable* (2007), *The Bed of Procrustes Philosophical and Practical Aphorisms* (2010) and *Antifragile: Things That Gain From Disorder* (2012)... After reading the text of *Skin in the Game: Hidden Asymmetries in Daily Life*, you will know that he put not only his skin but also his soul again in the game inside the pages of his unique book to reach such a high level of probability of success.

But, before you read the first words of this memorable book, do not forget to reserve a special place in your mind for Taleb’s own words as a doubled virtual motto: “*The symmetry of Skin in the game is a simple rule that’s necessary for fairness or justice*” together with “*Never trust anyone who doesn’t have skin in the game. Without it, fools and crooks will benefit, and their mistakes will never come back to haunt them.*” This dual or ambivalent motto helps anyone to understand how an excellent mathematician can solve apparently in a philosophical manner, but essentially in a practical view, a great variety of the risks and probability problems after a two decades process of meditating about how to think in uncertainty conditions specified in the real business and life...

A bestseller should always be a book that is both well-written and well-structured, from each section of it, the author being always with eyes focused on the reader. NNT introduces an additional criterion of the “two

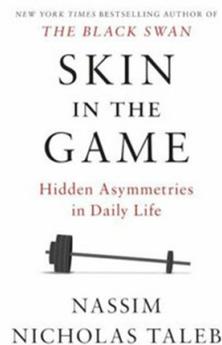


Sources of the photos:

https://www.elefant.ro/incerto-foiled-by-randomness-the-black-swan-the-bed-of-procrustes-antifragile-paperback_c366f46c-c661-4d07-898b-9a1189ae0f1c

decades” as retrospective and prospective coverage: a book will be a bestseller resilient in time or durable if it can be anticipated two decades earlier in other works of the same author (continuously), but also if it can be read as intensely in the future or on long term period, defined symmetrically or even equally with the same two decades but since editing (innovatively). *Skin in the Game: Hidden Asymmetries in Daily Life* is structured into 8 parts: i) Introduction; ii) The first look at an agency; iii) That greatest asymmetry; iv) Wolves among dogs; v) Being alive means taking certain risks; vi) Deeper into agency; vii) Religion, belief, and skin in the game; viii) Risk and rationality and 19 sub-sections or chapters. The sub-parts or chapters are polarized in relation to the contents and concentrated in the 5th and 6th books, which together contain no less than ten subsections, which practically translate a specific heterogeneousness of the bestseller based on the condensed contents in the central part and on the usual interest of the author for real life, inspired by the vital *process of taking certain risks*, and with *deeper introspection into agency*, to find out more and more *hidden asymmetries*.

All 19 chapters are preceded by a long introductory part, which may be the most detailed and directly exposed section you have ever read, as a proof of the author’s high respect for his major theoretical notions and for his audience, containing nothing else but a triple prologue as a long and paradoxical route of ideas both mythological and ancient, classical and modern, retrospective and prospective, from Antaeus to Heracles, from Seneca to Diogenes or Antipatros, from Hammurabi to Kant, from Bob Rubin to Donald Trump, based on the decision-making process under uncertainty, asymmetry or opacity, simultaneous on ancient heuristics and Mediterranean ethics systems. From the informational risk, to the symmetry of human activities, from the sharing of information in any transaction, to the specific rationality of complex systems, one reaches the importance, prevalence and ubiquity of symmetry to partially end with skin in the game, through entrepreneurial spirit involved as example and finally with soul in the game with ethical and religious materialization. Multiplying symbols cover book background or its specific way of reasoning, from Antaeus as symbol of the essential contact with earth or reality to Hammurabi as the source of the ancient principle “*an eye for an eye*”, from Hannibal as the symbol of the famous Latin expression “*unus sed leo*”, to modern effect Lindy, according to which “*everything that survives, survives for some reason*”...



https://www.elefant.ro/skin-in-the-game-hidden-asymmetries-in-daily-life-hardcover_8c9ac53c-abec-4676-b332-837bd8016e77

“*Le style c’est l’homme*”, one of the most used quotation in the process of delimitation of the writers’ universe, belonging to the Comte de Buffon, usually translated as “*you may know a man through his writing*”, is the most adequate frame to personality of NNT, an amazing writer with a natural hobby as a philologist, in fact not only a connoisseur of ancient Greek, Classical Arabic, Latin, Aramaic, Syriac, Hebrew languages, but also of the modern ones as French, English, Spanish, Italian etc. A deep sense of self-irony characterizes NNT style and this aspect is similar as impact of his exceptional humor, and also by his necessary cynicism, which interweaves with the precision of language specific to a rigorous mathematician and statistician, that remains difficult to be defeated on the field of terminological correctness and applied issues. In the end, all of these style elements give birth to a writer’s most valuable scientific personality, expanding his conceptual creativity, proving to the readers his unimaginable paradoxes, metaphors, aphorisms etc. I quote some synthetic phrases or syncretic statements, a few texts able indeed to make him more well-known in spite of the fact that is famous already, based on his expressions really able to underline the uniqueness of NNT’s style, both scientific and literary, full of self-irony and humor, a style that clarifies the meaning of his ideas and emphasizes the truth of his prophetic phrases and the veracity of his ideas, in the following lines:

“Beware of the person who gives advice, telling you that a certain action on your part is “good for you” while it is also good for him, while the harm to you doesn’t directly affect him.”

“Let us return to pathemata mathemata (learning through pain) and consider its reverse: learning through thrills and pleasure. People have two brains, one when there is skin in the game, one when there is none. Skin in the game can make boring things less boring. When you have skin in the game, dull things like checking the safety of the aircraft because you may be forced to be a passenger in it cease to be boring. If you are an investor in a company, doing ultra-boring things like reading the footnotes of a financial statement (where the real information is to be found) becomes, well, almost not boring.”

"Thirty-nine percent of Americans will spend a year in the top 5 percent of the income distribution, 56 percent will find themselves in the top 10 percent, and 73 percent will spend a year in the top 20 percent."

"Freedom is always associated with risk taking, whether it leads to it or comes from it."

"Science isn't the sum of what scientists think, but exactly as with markets. Had science operated by majority consensus, we would be still stuck in the Middle Ages."

"The market is like a large movie theater with a small door."

"The knowledge we get by tinkering, via trial and error, experience, and the workings of time, in other words, contact with the earth, is vastly superior to that obtained through reasoning, something self-serving institutions have been very busy hiding from us."

"If you can't put your soul into something, give it up and leave that stuff to someone else."

"You will never fully convince someone that he is wrong; only reality can."

"The good is not as good as the absence of bad."

(Excerpts from Nassim Nicholas Taleb, 2018. , Random House & Penguin, New York City)

If you want to select and understand with a better accuracy many of the specific applied research methods or adequate manner of reasoning in Taleb's perceptions take into account the importance of a complete sense of morality of what you will read inside his work. Reading the book, do not forget to identify in the general behaviour in business the dual solutions of ethics well known as *the golden rule of benevolence* based on ancient statement "*do unto others as you would have them do unto you*", as a major text in the Christian faith, and *the silver rule of reciprocity*, based on a relative contrary option formulated as "*don't do to others what you wouldn't want done to you*", advocated first by Confucius(1992), and after by Cicero (1971) (Tullberg, 2012). NNT's option for a robust silver rule as final solution in a real life or business is more than obvious inside his book and many times justified as a mandatory negative expression: "*do not treat others the way you would not like them to treat you*".

Both force and originality of NNT's books come from his permanent inter-, trans-, cross- and multidisciplinary approaches. It is only sufficient to find out how he extends a sociophysics method, used by Serge Galam (2012) and known as a *renormalization group*, when he explains the domination of the intolerant minority, or how he structures the inequality in the static and the dynamic, based on the conceptualization of the mathematical statistics of the ergodicity, in order to completely and simply delete or abolish Thomas Piketty's (2014) controversial arguments, from the economy of inequality etc.

Telling me with who do you really look similar and, in this way, understanding better who you really are and what value your ideas have for your audience or common readers, could ultimately be a way to get to know more profoundly not only Taleb but also his books. Reading the works of NNT, including *Black Swan* and *Antifragile*, but especially those concepts or text fragments referring to the Mediocristan, Bureaucristan, markets without intelligence, the lucky fool or the guy called robber, thief or villain who transfers all the risks to a stupid person, my first thought flew to Carlo Cipolla (1978) and especially to the comparable creativity as an impact of his last book, entitled *The basic Laws of Human Stupidity*. NNT's pragmatic conclusions are remarkable and the distance between Taleb and Cipolla becomes huge when he states that if a thing declared wrong works or a fool produces money then they will cease to be described by expressions related to human imbecility or human stupidity and non-creativity. In fact, NNT confirm that markets without intelligence are just as efficient as those with excess intelligence.

Instead of an epilogue about what NNT told me about in *Skin in the Game: Hidden Asymmetries in Daily Life*, I prefer an answer structured as half question / half conclusion. What remains after one forgets everything he has read a lifetime is culture or his mind training to survive, and after you will read this latest book by Nassim Nicholas Taleb, the sensations of the freshness of the language, careful investigation, scientific realism, and exceptional philosophical and moral rigor will amplify your remaining active memory on a higher scientific knowledge level and will transform even your personality in a Lindy effect...

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Gheorghe Savoiu, PhD, is Associate Professor at the Department of Accounting, Faculty of Economics, University of Pitesti (Romania). Gheorghe Savoiu graduated with MBA from the Bucharest Academy of Economic Studies (Commerce Department – Commerce section), and acquired a PhD degree in Economic Sciences from the Faculty of Economic Cybernetics, Statistics and Informatics, Bucharest Academy of Economic Studies (Romania). Besides pedagogical activities, he held a position of manager at the General Board of Statistics Argeş County – Pitesti. He held a position of dean of the Finance – Accountancy Faculty, to Constantin Brâncoveanu University in Pitesti, between 2003 and 2006. Since 2014, he has also been an associate researcher at INCE “Costin C. Kirişescu” of the Romanian Academy, part of the new Centre of Mountain Economics CE-MONT. He is a (co)author of more than 30 books, of 20 papers ISI Thompson (Web of Knowledge), with Hindex ISI Thompson = 4 and of more than 200 indexed journal and conference papers. He was also engaged as a project manager or member of a project team in more than 10 projects. The major domains of interest: statistics, econometrics, econophysics, sociophysics, logic, philosophy, economics, marketing research, human ecology, management methods, demography, price universe and interpreter indices, rural tourism.