

## Chapter 1 : Subscribe to read | Financial Times

*Ever since Adam Smith, the central teaching of economics has been that free markets provide us with material well-being, as if by an invisible hand. In Phishing for.*

Although *Phishing for Phools* was published only a few months ago, it has already attracted much attention, owing to the eminence of its authors, both Nobel Laureates; but it has been misunderstood. Reviewers have taken it to be just another popularization of behavioral economics. The book does make use of behavioral economics, but its fundamental emphasis lies elsewhere. It is a radical attack both on the free market and a key part of standard economic theory. The principal target of the book is a well-known and powerful argument in support of the free market. Akerlof and Shiller do not reject the argument entirely, but they drastically limit its scope. The argument in question is that the free market produces what consumers demand: The system has an insistent equilibrium. If the economy is not in such an equilibrium, there is an opportunity for profit. If so, we would expect people to take advantage of it. Just as much as the baker and the butcher and the brewer will be there if we have the resources to pay for what it takes them to supply the bread and the beer and the meat, so too the tricksters will be there to phish us for phools. It is all over the place. Why is this so? In the standard competitive equilibrium, there is no counter tendency that threatens disruption. So long as you continue to produce what consumers demand, you will be successful. The claims you make for your product may at any time be exposed, and then you may face failure. So long as a counter tendency exists, there is no proof of equilibrium. Oddly enough, Akerlof and Shiller are aware that phishing schemes may be upended. Agencies and magazines, like *Consumer Reports*, may rate products on how closely they meet standards. And they have developed some ways to do so. But it provides a surprisingly subtle way for the members to take action against shoddy competitors. If I have an urge to trash my budget or my diet, there are few protections against doing so. The point, once more, is not how effective these measures prove to be. Even if Akerlof and Shiller were right that they do not work very well, so long as they are present no proof of a phishing equilibrium has been given. But, you may object, are we not ignoring the crucial issue that *Phishing for Phools* raises? If Akerlof and Shiller have made exaggerated theoretical claims for their work, so what? Much more important, it may be contended, is their exposure of the businessmen who prey on our weaknesses by getting us to buy what we do not really want. Of course, the question now arises, on what grounds do Akerlof and Shiller say that people buy what they do not really want? How in turn, do we know this? Smoking leads to increased risks for lung cancer and other illnesses; surely smokers do not want this. People who eat large amounts of unhealthy food do not want to become obese. People who go into debt to purchase expensive luxury items do not want the worries that result from living beyond their means. Akerlof and Shiller are very plausibly right that people do not welcome these bad consequences; but how does it follow from this that they do not really want what they choose? Our authors have adopted the implausible criterion that unless you like all the foreseeable consequences of what you choose, your choice does not reveal your true preferences. Yet on this flimsy basis, these distinguished economists are prepared to jettison a key part of standard economic theory. Such an assumption, of course, is exactly at odds with our concept of the difference between what people really want what is good for them and what they think they want their monkey-on-the-shoulder tastes. Even if they have arbitrarily defined matters so that if you choose something with bad consequences, your choice does not reflect your real preferences, could they not, with little damage to their case against the market, abandon this dubious view? They have only to say instead that, even if people follow their actual preferences when they choose, they often choose unwisely. But to do this in fact would be fatal to their main argument. If, though, we say instead that people are choosing according to their preferences but that, from an external standpoint, Akerlof and Shiller think their choices unwise, there is no problem of choice that requires an explanation. It may be that, in particular cases, businessmen trick their customers; but if people choose what they in fact prefer, we have no reason in the general case to think so. When one looks at particular cases, it is surprising how little our authors require to charge that the phish is in. The easy availability of tobacco through the market, in and of itself, is the basic phish of the smokers; like-wise, the easy availability of alcohol is the basic

phish of those who end up drinking too much. The views expressed on Mises.

*Phishing for Phools: The Economics of Manipulation and Deception* | George A. Akerlof, Robert J. Shiller | ISBN: |  
Kostenloser Versand für alle Bücher.

As an econ buff and a business law professor, I think I have seen most everything here, slightly different terminology. I have recommended this book to several friends and acquaintances not as versed as I am in this field. I have not all seen these topics all in one place, and at this popular level. But what I call "different terminology," points to gaps here which puzzle me. This law provides an elegant framework that allows for the widely known situation that sales people and negotiators play more loosely with matters of mere opinion, versus tighter strictures on claims of fact. This fuzziness is everywhere in our consumer world, and people deserve to be sharply educated about it. But they are not educated about it, in its classical language and concepts, here. This overflight, if you will, is puzzling. Business people, lawyers, and drafters of laws have followed these contours in countless instances, and I see this as basic as arithmetic is to learning and thinking about higher math. On a wider scale, each and every contract is a micro-equilibrium reached between crossing representations of both parties, so there is a sort of "phishing equilibrium" element without the new term here used. These are fundamental to this field, reenacted at some level in every contract, meaning millions per day. The paucity of treatment here of the basic rules of fraud and legal factual standards is astonishing to me. Yes, indirect allusions are made, but not in any clear way. Similarly, the concept of information asymmetry is at the foundation of understanding these situations, and this gets some mention, but mostly obliquely. I somewhat agree, if reaching a new audience is the aim. I agree that public policy makers and citizens should know this stuff, and sadly, victimizations large and small are visible all around us in everyday consumer life, not to mention, at the scale of big finance and politics. People who are not bright or well-informed are always with us, in droves. So this book does fill a need, though the particular people being blind-sided in real life are unlikely to read this. Sadly, as in teaching, the people present and focusing on my best content are the ones who least need it, and the ones drifting off and absent need most urgently to hear what I am saying. So a lot of this content may wind up as "preaching to the choir," as it was to me. Also, listening to this, my mind would toss up counter-ideas I would like to flesh out about the virtues of market discipline and so on, rather than the curt and fairly rote dismissals here. I do admire that Robert Shiller has repeatedly extolled the praises of finance and free markets, so he gets points for that, and has kept me in his audience, versus the lopsided drivel I hear from both extremes, in books and elsewhere. But as to market discipline: If some loll around on the beach and then expect someone to appear to magically protect them ex post, and at no cost, as many Americans seem to, perhaps they are begging for a harsh lesson. I am a great admirer of Robert Shiller in particular and will continue to read his books. It almost sounds like a computer narration. They make a strong case for why the free market requires regulation to prevent market crashes and the likes.

### Chapter 3 : Phishing for Phools | SilverMarc Web Development

*Phishing for Phools: The Economics of Manipulation and Deception [George A. Akerlof, Robert J. Shiller, Bronson Pinchot] on blog.quintoapp.com \*FREE\* shipping on qualifying.*

Akerlof and Shiller are also the authors of *Animal Spirits*: Reviews "A phabulous book! This is economics after the behavioral revolution at its best. The book takes an intriguing approach and gives many interesting examples. And it makes a simple and powerful point about the fragility of the normative, welfare economics conclusions economists tend to draw. Wade, London School of Economics [Akerlof and Shiller] want to go far beyond behavioral economics, at least in its current form. They offer a much more general, and quite damning, account of why free markets and competition cause serious problems. They are intellectual renegades. Akerlof and Shiller make a convincing argument that phishing occurs because of the operation of the invisible hand, not in spite of it. They ask us to ponder those situations, economic or political, that provide particularly tempting opportunities to phish for phools. Penetrating insights rendered in accessible prose. Indeed, Akerlof and Shiller suggest that we should drop the view of markets as generally benign institutions. The argument is laid out with the help of fascinating anecdotes, the language is conversational, and the book is easy to read. It is addressed to a broad audience, but economists will enjoy it too. Winner of the Gold Medal in Economics, Axiom Business Book Awards This book was enjoyable to read, and the expertise and knowledge of the authors are abundantly evident. It may change your image of the invisible hand into an invisible phoot, always looking to trip you up. Read it for phun; read it for wisdom. Blinder, author of *After the Music Stopped*: Their case studies are illuminating, and their insights on the way markets work are fascinating. It may also be a radically important one. Akerlof and Shiller show that unregulated free markets systematically make people worse off by providing the unscrupulous with opportunities to take advantage of the unwary. The authors provide is a. The list would be endless! The authors tell some engaging tales. Phishing for Phools aims to help readers understand their psychological weaknesses, so that the phishermen can be phended off more ephectively. Shiller, Co-Winner of the Nobel Prize in Economics Phishing for Phools forswears technical language, making this book accessible not only to economists but to consumers and policymakers. It should make everyone rethink the unfettered free-market model. Economics may look sophisticated on paper, but it is often completely out of touch when it comes to reality. The book is the result of deep thinking and presented in an entertaining and easy-to-grasp manner. Lades, *Journal of Bioeconomics* "This insightful book exposes a fundamental contradiction in the market system. Consumers and policymakers beware: This redemptive revision of economic theory explains the built-in risks of rip-offs in a profit-maximizing world. This highly readable and insightful book will transform how we think about the role of government. Frank, author of *The Economic Naturalist* This unusual book offers a simple but challenging corrective to the assumptions made by most mainstream economists. Probably not every reader will agree with every interpretation or argument--but every reader will find something that enlightens and stimulates. Altschuler, *Tulsa World* With accessible language and everyday examples, Shiller and Akerlof are taking on the powerful belief that aside from a few blemishes like widening income inequality only fools advocate interfering with the free market. Much of recent innovation has led to products that make cheating the public easier. The implications are complex and profound. It should be required reading for policy makes and for consumers which is to say, all of us.

Chapter 4 : Phishing for Phools: The Economics of Manipulation and Deception | Mises Institute

*A behavioral economist, Robert Shiller talks about deception and his upcoming book, "Phishing for Phools". Robert J. Shiller is Sterling Professor of.*

Click to print Opens in new window In Phishing for Phools: Akerlof and Robert J. If you are interested in this review, you may also like to listen to a podcast of Robert J. In their new book Phishing for Phools: Shiller deliver a timely and much-needed plea against the free market dogma that surprisingly seems to have outlived the financial crisis. Our propensity to make choices according to multiple cognitive and psychological biases makes us easy targets for the phishermen. Akerlof and Shiller give a detailed and highly accessible account of the short-sightedness of the free market equilibrium thesis as a putative Pareto optimal situation maximising the economic welfare of everyone. Valuable as they are, these insights will, however, hardly come as a surprise. According to Barthes, consumption has replaced religion; since then, corporations have had a free hand to phish. A century ago, in his *Treatise on Probabilities*, the great economist underlined the fact that people handle complexity through narratives and tailored stories. Phishing Kleuske The authors themselves recognise this. The true quality of the book lies in the fact that it acts as a reminder of the deception mechanisms at play in our daily lives. However, the demonstration of this faces three major pitfalls. The first is that Akerlof and Shiller cover an extremely broad range of topics, which often prevents them from delving into details. The first part of the book is thus very simple, if not oversimplified. Part One is devoted to the subprime crisis with a more specific focus on the role of credit-rating agencies. One could wonder about the decision to consecrate such a large chunk of the book to an over-tackled subject. This reasoning could also be applied to the chapter on money politics and the impact of lobbyists in Washington. The second pitfall is that Phishing for Phools quite often generalises notions. The authors classify human beings, whatever their awareness or brainpower may be, into two distinct categories of phools: One could argue that it might be trickier to phool and sell junk mortgage-backed securities to a Nobel Prize winner in economics than to a student majoring in archaeology. Furthermore, as Chris Anderson demonstrates in *Free: Things are not as simple*. There is also no mention of the most recent technological changes. In the age of the industrial internet, scattered with so-called big data, the possibilities for phishing seem to have a decreasing marginal yield. Technological breakthroughs bring consumer awareness via peer review and open data. The business model of highly-valued companies such as Airbnb, Uber, Booking. In a world in which every service is graded, asymmetric information and moral hazard are considerably diminished. You will never again be caught in a grubby, overpriced hotel if you know that its average review mark from a panel of former clients is 2. Norms, regulations and societal awareness can greatly reduce phishing opportunities, but do not fully eliminate them. How can we ensure that we are not enticed into doing things that are not in our interests? Omission removal of drugs, cigarettes does not have side effects and undesired consequences. To summarise, Phishing for Phools is an entertaining book with valuable anecdotes and pieces of evidence on a subject every citizen should bear in mind, yet is not an indispensable read as most of its insights will probably sound extremely familiar. The reading will, however, prove useful as a vital reminder that capitalism in the twenty-first century is "more than ever" not a zero-sum game. Read more reviews by Florian Bon.

## Chapter 5 : Ullstein Buchverlage: Buch Detailansicht

*Phishing for Phools | Das (HÄ¶)rbuch zum Download von George A. Akerlof, Robert J. Shiller, gelesen von Bronson Pinchot. Jetzt kostenlos hÄ¶ren auf [blog.quintoapp.com](http://blog.quintoapp.com)*

The idea that economists and economic models were unable to predict the occurrence and scale of the crisis has damaged the credibility of mainstream economic thought to the average citizen. The theoretical premises of a certain mainstream economic school were called into question - the belief in human rationality, and that humans would always act to maximize their utility - this is the premise of an internally consistent mode After the collapse, economics has come under sustained criticism. The theoretical premises of a certain mainstream economic school were called into question - the belief in human rationality, and that humans would always act to maximize their utility - this is the premise of an internally consistent model, but one which is not so certain when it meets reality. This is the system which two Nobel laureates want to critique in this book. They are moving beyond the usual behavioral economics, and posit a sort of applied psychology. Even better, they plan to discuss this idea to a general audience. Information phish would involve lying, or emphasizing other aspects of the product which sound appealing. Psychology would involve invoking emotions, appealing to the short-term over the long-term, appealing to tastes or popularity, and so on. There are multiple examples. Akerlof and Shiller thus claim that free markets guarantee this will happen. Not the maximization of utility, not market equilibrium or whatever term the neo-classicists use, but this is one of the guaranteed results. But that is not quite the case. Even with technological advance improving health and efficiency, this is not always the case. Instead, the average laborer must deal with new desires that the market has created for them. From this basis, they move to examples. Tobacco, alcohol, or junk food are easy examples. Because what rational actor would buy a Cinnabon? But after that is a move to luxury goods, advertising tactics, ratings agencies in the crisis, and eventually securities fraud. There is no shortage of examples, and they move by almost too quickly to think about them. I did not have the impression that this was a clearly-defined system, and it would be even harder to conduct a scientific experiment about it. Even further is the problem of cognitive biases. It is useful and interesting to collect cases, as the authors have done, but organizing them into a new branch of study. If this is something the authors want to develop further, then I would be eager to see it.

## Chapter 6 : Phishing for Phools: ebook jetzt bei [blog.quintoapp.com](http://blog.quintoapp.com) als Download

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## Chapter 7 : Phishing for Phools by George A. Akerlof, Robert Shiller

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## Chapter 8 : Phishing for Phools: The Economics of Manipulation and Deception by George A. Akerlof

*We are all fools in one way or another. Fools for love, fools for vanity, fools for greed and arrogance, laziness and envy. In the fourth century AD, the Egyptian.*

## Chapter 9 : Phishing for Phools (Editorial) Ä» Erste Asset Management Blog

*Convinced? It's easy to see through this tongue-in-cheek example, but typically these emails seem as right as rain, and are intended to fool you, even.*