

Book Review: Predictably Irrational

By Mengjie Wang

Standard economics describes us a wonderful world to live; people are making rational decisions all the time, not letting their emotion cloud their judgment, and always thinking about the future. What super-men of the mind we are. However, do things in our lives always seem like these?

Clearly, the answer is not! By conducting a series of illuminating and surprising experiments, MIT behavioural economist Dan Ariely shows that we are good at what we are, irrational! In those experiments, we see people procrastinating, not taking care of their health, not saving, cheating, and getting their emotional best out of them. These are all kinds of mistakes that we make all the time. People make mistake, get confused, and can't think about the future. Real life shows us the cruel reality – we are all biased, and we can't help it!

We do accept that standard economics has a beautiful singular theory. It provides us with clean models, with formulas, algorithms, and so on. But isn't the goal related to reflecting the world as accurately as possible? Only by recognizing that we make cognitive mistakes for sure can we potentially counter against it. Only by recognizing this inherent bias, we can actually think about how to improve the world.

Luckily for us, Ariely not only uses his light and breezy style to describe studies demonstrating the situations in which we display irrational economic behaviour, but also, he explains how to break through these systematic patterns of thought to make better decisions.

So if you haven't read Predictably Irrational, don't miss out this great chance to understand your behaviour and make your life better. Hurry up! The clock is ticking, and you are going to make mistakes!

- **Author:** Dan Ariely
- **Year of Publication:** 2008
- **Publisher:** HarperCollins
- **Genre:** Behavioural Economics

