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nontheoretical unfolding of History and I was reading about someone apparently experiencing history as it went along. I made efforts to mentally produce a movielike representation of the future and realized it was not so obvious. I realized that if I were to start writing about the events later they would seem more . . . historical. There was a difference between the before and the after.

The big idea is that history is full of unpredictable events: they are the "Black Swans" of the title. They are unpredictable, they have massive impact, and after they have happened we have a strong desire to make them seem less random and unpredictable than they really are, usually by telling a narrative in which they retrospectively make sense. Black Swans have a big impact partly because we humans live in a physical environment that can change in rapid and unpredictable ways, as the study of global warming is beginning to remind us. Partly it is because our social environment exhibits a phenomenon called by Sherwin Rosen "the economics of superstars": in some domains a small proportion of the talented or lucky can earn a huge proportion of the rewards, whether they are opera singers, options traders, or bestselling authors (or evangelists, or politicians, or recruiters for global jihad, for that matter). The fact that it can be luck rather than talent is due to herding, which makes later buyers or investors flock to empty their wallets in the laps of those who strike it lucky early in the process. Herding creates everything from fashion to the structure of cities, and has been

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much studied in the mathematics, sociology and economics of networks, though you would not guess this from the contempt with which mathematicians, sociologists and economists are dismissed in *The Black Swan*. Chance events that can have massive impact have also been given much attention recently by mathematicians under the title of "fat tails". This is a property of statistical distributions whose extreme values happen often enough to have a massive impact on the average of the whole distribution.

What about Taleb's own luck? Defying his maxim that "no one in particular is a good predictor of anything", he lets us in on the secrets of his investment strategy, which he realizes is why lots of people will buy this book: "Instead of putting your money in 'medium-risk' investments", he advises, "you need to put a portion, say 85 to 90 per cent, in extremely safe instruments, like Treasury bills - as safe a class of instruments as you can manage to find on this planet. The remaining 10 to 15 per cent you put in extremely speculative bets, as leveraged as possible (like options), preferably venture capital-style portfolios". He adds, "Make sure you have plenty of these small bets: avoid being blinded by the vividness of one single Black Swan. Have as many of these small bets as you can conceivably have". It seems that he has also discovered portfolio diversification. Other insights include "make a distinction between positive contingencies and negative ones"; "seize any opportunity, or anything that looks like opportunity"; "beware of precise plans by governments"; and "If you hear a 'prominent' economist using the word equilibrium or normal distribution, do not argue with him; just ignore him, or try to put a rat down his shirt". "We cannot truly plan, because we do not understand the future - but this is not necessarily bad news. We could plan while bearing in mind such limitations. It just takes guts." "In the end", he tells us, summing up the wisdom of a lifetime, "we are being driven by history, all the while thinking that we are doing the driving."

Many of Taleb's messages are delivered with the confidential mateyness of the man in the pub who has a hot racing tip: "Now, if you think that science is an abstract subject free of sensationalism and distortions, I have some sobering news". But, like the man in the pub who doesn't want his success at the races to blind you to everything else he knows, he packages it with a lot more: "The Soviets may have flattened the economic structure, but they encouraged their own brand of übermensch"; "I'd rather degrade us humans to a level certainly above other known animals but not quite on a par with the ideal Olympian man who can absorb philosophical statements and act accordingly". With a ghastly sense of inevitability you know that, four hours and many drinks later, your watch will still have advanced only twenty minutes and he is going to start telling you about chaos theory. But he wants you to know that all this erudition hasn't spoiled him: "it is usually a humbling process, particularly to someone aware of the narrative fallacy, to discover that history runs forward, not backward". Of the many words I might have used to describe the process that this insight has worked on Nassim Nicholas Taleb, "humbling" was not the first to spring to mind.