

extent that government intervention should be required. On the other side Bhagwati, Irwin and Lawrence, doubt any policies should be changed or put in place to counter offshoring's effects. Moreover, some believe that not only is this debate unhelpful, but also potentially harmful. As Lawrence puts it (maybe a little too personal): "But is Blinder Paul Revere or just Chicken Little? Is he not warning us that the sky is falling when in fact there is little reason to panic? I believe that he is excessively pessimistic and, precisely because his paper is superficially persuasive, I am concerned that he could endanger unnecessary alarm and provoke the very protectionist responses that he says he'd like to avoid" (page 92).

However, a more down to earth reader could put the debate in nonprofessional terms. Such a reader could ask: "How many Americans are losing their jobs to offshoring?" Because there are Americans losing their jobs (again, the debate is about how many they are and not about their existence), the next question would be "Are there any "programs" that would be available to those workers, and could these programs be extended to all those who are affected?" Obviously, the last issue can be addressed only after (and only if) we will be able to quantify the impact offshoring has on the United States economy with at least some degree of accuracy. Of course, the debate will then move on again, towards assessing the existing programs' efficiency and designing new better ones. Yes, it never ends.

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Parentonomics: An Economist Dad Looks at Parenting. GANS, JOSHUA. Cambridge, MA: The MIT Press, 2009. Pp.xvi, 235. \$22.95.

As economists we are familiar with the general public's opinion about the field of economics and, by implication, us! Economists have the reputation of having no sense of humor, and many people typically regard economics as a boring subject. Students often complain that they don't really see the relevance of economics to the real world. And, oh yes those graphs.....especially in the first course in Microeconomics. In fact in most universities, to soften the blow, the curriculum is set such that the first course is Macroeconomics (rather than Microeconomics). This is based on the general belief that Macroeconomics is "closer to home" and

thus, possibly more attractive to undergraduates. Ultimately, the hope is to increase the all too familiar low number of majors.

The purpose of this book is to use parenting issues, and a wonderful sense of humor, to explain economics and economists without stressing on theories. The author, among other issues, places an emphasis on “costs of parenting” and uses numerous economic theories to explain the impact of parenting on parents. According to Gans, although he is an economist, the book is based on his limited experience as a father. Thus, he acknowledges that his coverage of economics (in an academic sense) is incomplete. The organization of the book is based on the various stages of parenting beginning with “before birth”. It consists of seven parts each divided in several chapters.

The purpose of this book review is to identify related economic concepts in each part (and chapter). Due to space limitation it is not possible to give examples for all concepts.

Part I: The Beginning (Chapters 1, 2)

Here Gans explains *consumer theory, matters of incentive and cost-benefit* analysis using the process of child birth planning. The author discusses the desire for natural delivery as opposed to chemically assisted birth at the *planning* stage versus the reality of delivery and how quickly the desire can change when the mother has the incentive of *not* experiencing labor and the pain of delivery.

Part II: The Basics (Chapters 3-5)

This portion of the book addresses *production, given existing resources, property rights, deficits and surpluses, saving and spending* as well as *supply and demand* and the *unintended consequences* of choice. Gans presents production under resource constraints within the context of how two children with the same genetic makeup can be so different (taking toilet training or sleeping for examples). He discusses property rights within the context of limiting disruption after bedtime. Giving rewards is a popular parenting strategy; the author emphasizes how the reward has to be something that is not freely available in order to accomplish the goal. Saving and spending are illustrated with an excellent example using Daylight Savings Time. In addition, Gans gives clear examples related to game theory (incentive contracts) as well as comparative advantage through outsourcing (for example, when it comes to toilet training,

daycares have a comparative advantage over parents so outsourcing is the logical choice).

Part III: The Logistics (Chapters 6-8)

Gans demonstrates how to find an optimal solution for a problem. In particular he relates it to the “optimal amount of mess”. Of course, it depends on one’s *utility function*. However, Gans’s concern is the “total amount of mess” at any given time (a macroeconomic issue). He compares “mess” to the *business cycle* which goes up and down and thus, although it cannot be eliminated, one can hope to “smooth out the bad times in the cycle”. Gans continues with “*no free lunch*”, *efficiency*, *externalities (positive and negative)* and *consumption goods vs. information goods*.

Part IV: The Tough (Chapters 9-11)

In this section, Gans discusses how “all choices have cost associated with them”. He includes an explanation of *implicit vs. explicit cost* as well as the notion of *opportunity cost* by performing a simple *cost-benefit analysis* of “car seats”. He also points out that, from early on, people have a clear understanding of *scarcity* (for example, children and toys) and how it forces them to make choices. In addition, the *public goods argument, ownership and inequality as well as “right and wrong “of ownership* - and how in order for society to function efficiently they both have to exist – are addressed.

Part V: The Fun (Chapters 12, 13)

This section is devoted to “*game theory*” in action and *competition and efficiency* using the story of his “strategic” seven year old daughter playing chess with her “aesthetic” five year old brother. In addition, “*marginal analysis*” is explained through children’s’ diminishing marginal value of attending classmates birthday parties.

Parts VI and VII: (Chapters 14-16)

These parts serve as a conclusion to the book. Gans takes the opportunity to explain his motives for writing the book, given the readers familiarity

with it at this point. Here his emphasis is more on “parenting” and what parents hope for their children.

Concluding Remarks:

This volume is an applied theoretical work, but non- technical (without graphs) and evidence driven, rather than a number crunching empirical work. It is a potent medicine disguised as jelly beans. The simplicity of Gans’ writing style, along with his liberal use of humor, makes it appealing to a variety of readers. It is a testament to the viewing of economics as a social and behavioral science. It can be enjoyed by not only economists, but also economic students as either a complement to or a substitute for a traditional text book .This of course would depend on the course level and teaching style. The book can also be viewed as a parenting book alone with no *explicit* concern for economics. I view it as valuable resource both as an economist and a parent.

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Happiness: A Revolution in Economics. FREY, BRUNO S. Cambridge, Massachusetts: The MIT Press, 2008. Pp. xiii, 240. \$ 35.00.

Bruno S. Frey was the recipient of the “Distinguished CES Fellow” award, presented by the Center for Economic Studies (CES) Council in 2008. In recognition of his outstanding contributions to economic research, Dr. Frey was invited to give the Munich Lectures in Economics, which are held at the Center for Economic Studies at the University of Munich. This book, Happiness: A Revolution in Economics, is a result of his lectures.

As part of an economics series, Dr. Frey updates his audience on how economists have incorporated the concept of happiness into the economics literature and research. We all know what happiness is and how much it means to us. But, the concept of happiness is a nebulous, intangible perception that is difficult to define, measure, and evaluate. In the *Preface* of the book, the author reminds us that the research concerning economics of happiness has gone through various