Nassim Taleb has risen in the past decade to become an authority on the intersection of finance, statistics, and epistemology, popularizing insights regarding fat tails and true uncertainty. While he has brought attention to many worthy concepts poorly understood by the public, his recent work underscores an important tension within his thought. Though Taleb claims to champion the superiority of traditional institutions over the rationalism and expertise of social engineers, his arguments and conclusions betray a supreme confidence in his own ability to rationally evaluate which traditions are beneficial. In contrast to many thinkers who see the institutions and practices of modern civilization as outcomes of evolutionary processes, Taleb is a social engineer who endorses radical change, although those radical changes involve a return to institutions and practices of years past.

Most recently, his 2012 book *Antifragile: Things That Gain from Disorder* follows the ideas of the earlier publication *The Black Swan: The Impact of the Highly Improbable* (2007), and its extensions are apparent. *The Black Swan* challenged readers to consider unpredictable events that fall outside the formal models of academics, especially economists. A theory may always seem right—but only until it isn’t; the eponymous black swan falsified the long-standing theory that all swans are white. Similarly, theories that data told us perform well may suddenly cease describing reality, just as a financial model may cause a naive investor to lose his shirt.

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Antifragile shifts the emphasis to domains where black swans are asymmetric. Some domains of human experience offer unlimited upside but limited downside. That is, the downside is capped, but the gains are potentially great. A vibrant restaurant scene entails many failed restaurants, but their failures are far outweighed by the upside due to the innovations of a large number of entrepreneurs experimenting with new ideas. Taleb contrasts this scenario with “too big to fail” Wall Street. Financial economists advised regulators and banks to actualize institutional arrangements that supposedly improve “efficiency” but in reality induced future economy-crushing financial crises. These domains, with limited upsides and theoretically unbounded downsides, are socially and economically destructive.

Banks are therefore fragile; if the system is pushed just slightly too hard, it shatters at a high cost. When they are subjected to novel stresses, there is little to gain but much to lose. Restaurants are the opposite. If entrepreneurs try more ideas, there is still only so much to lose, but there is much to gain. If the potential damages a system can inflict are capped, but the upside is unlimited, the system is “antifragile.” Taleb encourages his readers to find ways to make their personal lives and the social and political worlds more antifragile.

Little of Taleb’s conceptual framework is easily disputed. Following his rubric would indeed lead to more progress while minimizing economic disasters. What is less obvious is his point of reference: we want unlimited upside and limits to downside, but upside and downside relative to what? One possible point of reference is the status quo, meaning we first ensure that our departures from present-day practices are antifragile. That is not, however, Taleb’s point of reference—nature is, or, in its absence, ultraorthodox institutions, wisdom, and other such sources of tacit knowledge.

This point of reference coheres with the beliefs of many who see the importance of institutions. The human intellect is too limited to fully understand the importance and usefulness of mores, norms, and customs that have stood the test of time, but recognizing this limitation hardly implies that society should set them aside. The recognition of our inability to determine which factors are essential to the successes of the modern world demands a deep-seated conservatism. Practices that matured parallel to humanity’s escape from crushing poverty must be presumed to contain wisdom even if their purposes are not readily apparent.

For these reasons, Taleb’s thought ostensibly fits in what Thomas Sowell (1995, 2007) calls the “constrained vision” or the “tragic vision.” For instance, Taleb emphasizes the importance of tacit knowledge and traditional institutions. Sowell, citing Joseph Schumpeter, describes visions as “a pre-cognitive act.” “A vision, as the term is used here, is not a dream, a hope, a prophecy, or a moral imperative, though any of these things may ultimately derive from some particular vision. Here a vision is a sense of causation. It is more like a hunch or ‘gut feeling’ than it is like an exercise in logic or factual verification. . . . Visions set the agenda for both thought and action. Visions fill in the necessarily large gaps in individual knowledge” (2007, 4, 6–7,
emphasis in original). Sowell cites Thomas Malthus, Adam Smith, Thomas Hobbes, Edmund Burke, Milton Friedman, Friedrich Hayek, and the general spirit of the American Revolution as emblematic of this tradition (2007, 9–35). According to such thinkers, human capabilities are “severely and inherently limited for all,” knowledge “consists largely of the unarticulated experiences of the many,” and the kinds of decisions preferred are “incremental” (1995, 105).

However, I argue that Taleb actually holds what Sowell calls the “unconstrained vision” or the “vision of the anointed.” In this tradition, we find William Godwin, Jeremy Bentham, Jean-Jacques Rousseau, the Fabians, John Kenneth Galbraith, and the general spirit of the French Revolution (2007, 9–35). For them, human capabilities are “vast for the anointed,” knowledge “consists largely of the articulated intelligence of the more educated few,” and the kinds of decisions preferred are “categorical” (1995, 105). Despite Taleb’s enthusiasm for orthodox institutions, his beliefs and arguments ultimately fit with the unconstrained vision.

There are many commonalities between the constrained vision and a general free-market outlook, but the relationship isn’t perfect. No one will confuse Hobbes or Malthus with an ideological libertarian, but Godwin and Ayn Rand, both of whom Sowell associates with the unconstrained vision (2007, 126–27), possessed strong free-market beliefs. What distinguishes the constrained vision is the belief that the world and humankind are beset by inherent limitations and that the institutions as we have them today offer us a better standard of living and better outcomes than anytime else in human history. The radical changes sought by unconstrained visions threaten to undo the progress humanity has made.

In the constrained vision, modern civilization is a fragile entity, with institutions the human mind cannot fully understand. Changes to modern civilization must be “incremental” according to Sowell or accomplished by “tinkering” according to Hayek (1979) or by “piecemeal social engineering,” as Karl Popper (1961) put it. All of these terms, for these thinkers, clearly apply to civilization as we have it. What Taleb favors instead is a radical return to institutions that existed prior to modernity.

Consider corporations. Taleb seems to think that they are nothing but soul-crushing, parasitic institutions.

Have you noticed while corporations sell you junk drinks, artisans sell you cheese and wine? And there is a transfer of antifragility from the small in favor of the large—until the large goes bust.

The problem in the commercial world is that it only works by addition (via positiva), not subtraction (via negativa): pharmaceutical companies don’t gain if you avoid sugar; the manufacturer of health club machines doesn’t

1. If there is any doubt, Hayek states that “tinkering” and “piecemeal social engineering” (1979, 205, no. 50) are the same thing; he simply prefers his own terminology.
benefit from you deciding to lift stones and walk on rocks (without a cell phone); your stockbroker doesn’t gain from your decision to limit your investments to what you can see with your own eyes, say your cousin’s restaurant or an apartment building in your neighborhood; all these firms have to produce “growth in revenues” to satisfy the metric of some slow thinking or, at best, semi–slow thinking MBA analyst in New York. Of course they will eventually self-destruct, but that’s another conversation.

Now consider companies like Coke or Pepsi, which I assume are, as the reader is pouring over these lines, still in existence—which is unfortunate. What business are they in? Selling you sugary water or substitutes for sugar, putting into your body stuff that messes up your biological signaling system, causing diabetes and making diabetes vendors rich thanks to their compensatory drugs. Large corporations certainly can’t make money selling you tap water and cannot produce wine (wine seems to be the best argument in favor of the artisanal economy). But they dress their products up with a huge marketing apparatus, with images that fool the drinker and slogans such as “125 years of providing happiness” or some such. I fail to see why the arguments we’ve used against tobacco firms don’t apply—to some extent—to all other large companies that try to sell us things that may make us ill. (2012, 400–401)

Taleb does agree with the principle of gentle commerce, but corporations do not count. “Commerce, business, Levantine souks (though not large-scale markets and corporations) are activities and places that bring out the best in people” (2012, 17). There are many other such passages and snide remarks throughout Antifragile. Taleb holds on to all the common populist antimarket positions but applies them only to big companies. “If large pharmaceutical companies were able to eliminate the seasons, they would do so—for a profit” (61).

The constrained vision would instead recognize that corporations have trade-offs. We cannot be blasé about, for example, what Walmart or McDonald’s has done to improve the welfare of the poor (see, e.g., Furman 2005; Goetz and Swaminathan 2006; Horwitz 2009), and if Taleb is anything, he is blasé. If we are concerned about corporations’ misbehaviors, perhaps limits to liability should be reformed (i.e., an incremental change) so as to dull the incentive to socialize losses. It is certainly possible that large financial firms’ efficiency gains have been oversold. But there is a trade-off. For that reason, unlike Taleb, the constrained vision avoids making categorical judgments regarding the social benefits from the existence of large companies.

The corporation as a legal entity evolved along with modern civilization. We can articulate several good reasons why corporations may be beneficial, but even if we could not, a constrained vision would insist on being careful in changing policies regarding corporations. The unconstrained vision purports to understand the salient
features of the world and feels free to pursue policies in accordance with that view of the world. That is exactly what Taleb does throughout Antifragile for all aspects of life.

The argument by which Taleb justifies his positions also demonstrates his distance from the constrained vision. The constrained vision is concerned, so to speak, with reforms that have “antifragile” characteristics with respect to the success of modern civilization. Taleb’s reference point is instead what is “natural.” What he means by “natural” is both nature in the literal sense and what has stood the test of time.\(^2\) “Time is the best test of fragility—it encompasses high doses of disorder—and nature is the only system that has been stamped ‘robust’ by time” (2012, 124). But this goes well beyond, say, a presumption in favor of traditional customs and values. Taleb expends a great deal of time in Antifragile extolling the virtues of wide-ranging, radically contrarian habits and beliefs that differ greatly from modern modes of thought.

This rubric—the preeminence of “natural” over modern civilization—is very distant from at least Hayek’s constrained view. The wish to return to norms and institutions existing prior to today’s world is best thought of as “atavism” (Hayek 1978, 1988). That is, the world of today is foreign to the intuitions we are born with, so we romanticize the distant past and moralize against the present. Hayek’s point in developing the idea was to help explain the pull that societies forever feel toward socialistic institutions, which mirror the morality of the tribe. Although Taleb is not a socialist, his skepticism of today’s world exemplifies the very same confusions Hayek delineated in his late career.\(^3\) He privileges anything and everything he interprets as being natural and blames peculiarities of the modern world for everything he disapproves of.

Briefly, here are some concrete examples. He expresses skepticism toward the connection between skin cancer and the sun’s radiation and insinuates that sunscreen lotions exist because “makers of sun protection products need to make some profits” (2012, 344).\(^4\) Because slavery’s relative absence in the modern world flatly contradicts his position, he insinuates (via narrative) that working for a corporation is the equivalent of slavery (408). In his diet, he goes further than even advocates of the “paleo” diet: he refuses to consume anything that did not exist in the ancient Mediterranean, twice offering bizarre condemnations of orange juice, of all things (362, 364).

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2. This is not the same as what can be thought of as “natural” in the Scholastic or Aristotelian sense.

3. The emphasis on the natural was not in Taleb’s earlier major works, or at least it was not as obvious in them. Before Antifragile, Taleb was quite enthusiastic about Hayek (see, e.g., Taleb 2007, 179–83). In Antifragile, however, he backtracks and goes out of his way to spread insulting gossip regarding Hayek’s personality (2012, 259). I do not know if there is a connection between Taleb’s change in tone toward Hayek and Hayek’s criticism of atavism, but it is worth noting.

4. Taleb argues that in our natural environment constant doses of natural radiation may have allowed us to develop an immunity against more serious effects. He offers nothing to support this claim.
Taleb anticipates an objection like this. An obvious counterexample to his anti-modern contrarianism is the steady uptick in life expectancy. He refers to this objection as being like the “sillier” argument that “eating fresh, non-canned foods implies rejecting civilization, the rule of law, and humanism. So there are lots of nuances in this life expectancy argument” (2012, 357). Of course, avoiding canned food is something mainstream nutritionists would agree with. Taleb cannot have it both ways. Either *Antifragile* can be about doing things that most informed people would agree with, such as cutting back on your sugar intake or reforming limited-liability law, or it can truly be about a radical return to orthodox institutions. In the first case, *Antifragile* is banal. In the second, it is wrong because life expectancy *is* increasing.

The point from the perspective of the constrained vision is that we privilege what has evolved along with modern civilization because we do not have a firm grasp of why something such as life expectancy is increasing (or real gross domestic product per capita or any of the many other measures that say the modern world is great and the ancient world was miserable). The rule of law, the structure of modern corporations, and mainstream nutrition are all part of that evolution. Moreover, when Taleb cherry-picks the parts of the modern world he likes—for example, the rule of law—so as (generally) not to say anything truly outlandish, he completely contradicts one of the worthwhile arguments from *The Black Swan*.

Regarding life expectancy, Taleb argues that we can account for much of its rise by simply accounting for a handful of variables, such as the decline in smoking (2012, 357–59). How does one determine this to be true? One must disentangle the effects of several historical variables. In *The Black Swan*, Taleb denies our ability to do such a thing. Historical causation is so slippery and messy that we ought to downgrade “history and social science to a level slightly above aesthetics and entertainment, like butterfly and coin collecting” (2007, 171). If Taleb of *The Black Swan* is to be believed, our confidence in extrapolations from historical data should be muted for the same reason that coin collecting isn’t a very serious endeavor.

Taleb of *Antifragile* hand-waves this objection away by claiming the positions he takes are “evidence-based” (2012, passim), a question-begging term if there ever was one. Why he allows himself to perform the calculations necessary to disentangle one particular series of historical events is never satisfactorily explained. In order to brusquely cast aside a key objection to his portrayal of antifragility, he casually commits the error he endlessly chided social scientists for in *The Black Swan*. No amount of special pleading by claiming his positions are “evidence-based” will suffice to change that.

This hypocrisy rears its head several times throughout *Antifragile*. For example, Taleb at one point involves himself in the education and economic-growth debate. He cites one paper and two books that provide evidence against the theory that education leads to economic growth. This evidence is “so easy to check, just lying out there in front of us” (2012, 204). In reality, disentangling the effects is something economists have been struggling with for decades (see, e.g., Glaeser et al. 2004).
Perhaps confirmation bias, Taleb’s bugbear of the past, is what now drives his confidence in his opinions on difficult questions in social science.\(^5\)

Taleb’s earlier major works, *Fooled by Randomness: The Hidden Role of Chance in Market and in Life* (2004) and *The Black Swan* (2007), are difficult but worthwhile for economists to read. His skepticism toward central planning and the ability of empirical methods to shed light on important issues seemingly demonstrated his adherence to the constrained vision. Little in either book would suggest he has more in common with Rousseau and the Fabian socialists than with Burke and Hayek. But from the perspective of the constrained vision, calling for any radical departure from the institutions we have today is analogous to large-scale social engineering. It calls for knowledge about the world we simply do not possess. Taleb, confidently intuiting the antifragile via nature and ultraorthodox traditions, claims to possess that knowledge.

Ironically and quite contrarily with respect to what Taleb seems to believe, a book very similar to *Antifragile* but completely consistent with the constrained vision could have been written with the core idea intact. There is nothing wrong with the concept of antifragility itself. The intellectual tradition of the constrained vision, from Burke’s *Reflections on the Revolution in France* ([1790] 1987) to Hayek’s *The Fatal Conceit* (1988), has involved something like antifragility implicit almost since its inception; the path of reforms the constrained vision wishes to take are intended to be antifragile. In other ways, such a book would be much different, lacking references to the evils of pharmaceutical companies and orange juice. Unfortunately, Taleb chose to express his unconstrained vision instead. *Antifragile* might have furthered a strong intellectual tradition, but it is better thought of as an overwrought exercise in atavism.

**References**


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5. This is not to say that education is the key variable for economic growth. The point is to note the (in) consistency in Taleb’s methodological arguments, not to defend expanding public investment in education.


