

Why the events that matter most are the ones nobody foresaw

Upcoming episode

Why is it always the thing nobody saw coming that changes everything? A walk through the ideas in Nassim Nicholas Taleb's *The Black Swan* – Mediocristan and Extremistan, the turkey problem, the narrative fallacy – and what to actually do about it.

THE BOOK THIS EPISODE IS ABOUT

The Black Swan – Nassim Nicholas Taleb

2007

MAIN TOPICS

- What a black swan is, and what it is not
- Mediocristan and Extremistan – two kinds of randomness
- The turkey problem and the limits of induction
- The narrative fallacy – inventing causes after the fact
- Silent evidence, and why we only ever see the winners
- The ludic fallacy – why dice are a poor model for the world
- What to do in practice when you cannot forecast
- What the criticism amounts to

QUESTIONS THIS EPISODE ANSWERS

- What is a black swan?
- What is the difference between Mediocristan and Extremistan?
- What is the turkey problem?
- Why are forecasts so unreliable?
- What is the narrative fallacy?
- How do you prepare for something you cannot foresee?
- What is the criticism of *The Black Swan*?

KEY POINTS

- A black swan is rare, has enormous consequences, and looks obvious in hindsight.
- Some domains follow the normal distribution. Others do not, and there the average is meaningless.
- The turkey has a thousand days of evidence that humans are kind. Then Thanksgiving arrives.
- We construct explanations afterwards and believe we could have seen it coming. We could not.
- The aim is not to forecast better, but to arrange things so you can survive being wrong.

SOURCES AND REFERENCES

- Nassim Nicholas Taleb – The Black Swan (2007, expanded 2010)

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