

Ten books of 2021 that you must not miss



All these books have one common connecting thread: they help us make sense of the challenging times we live in.

26 Dec 2021

Vivek Kaul

- As another year of uncertainty looms, this list of unmissable business and economy books offers some answers

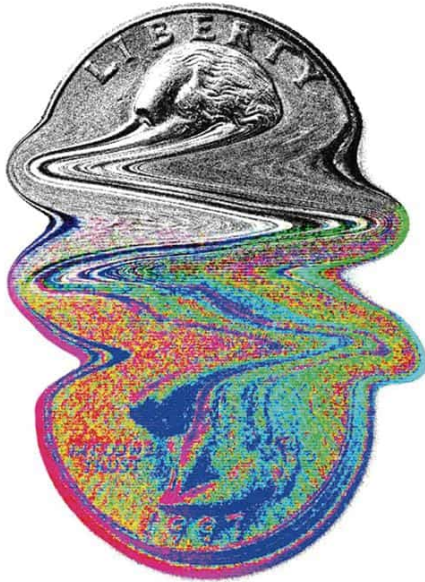
MUMBAI : In a world that has become more complicated and chaotic by the day, it is perhaps books that offer us some direction and answers. So, here's a Mint curated list of 10 unmissable books on business, economics and finance that were published in 2021. Listed in no particular order, all these books have one common connecting thread: they help us make sense of the challenging times we live in.

The Future of Money—How the Digital Revolution Is Transforming Currencies and Finance

ESWAR S PRASAD

The Future of Money

How the Digital Revolution
Is Transforming Currencies and
Finance **Eswar S. Prasad**



[View Full Image](#)

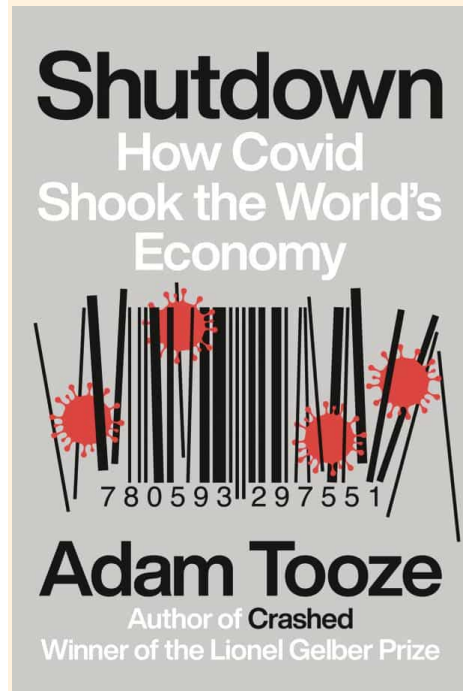
The Future of Money—How the Digital Revolution Is Transforming Currencies and Finance

In the last few years, there has been a spate of books trying to tell the world that we need to be bullish about crypto and bitcoin. Most such books either get stuck with the point that central banks are printing tons of money and, hence, we should all buy bitcoin or they argue that crypto can unleash a technological revolution. No book gives a complete perspective. Economist Eswar S Prasad's *The Future of Money* fills that gap. Prasad writes about the economics of crypto and says that the chances of cryptos emerging as a medium of exchange that can replace government-issued fiat money are minimal. He also writes about the technological possibilities of crypto. Also, Prasad starts right at the beginning by trying to explain how the banking and financial systems actually work.

While the technology part can get a little complicated for the lay reader, the rest of the book reads like a breeze. A must-read for anyone who wants to understand the highly-jargonized world of cryptos, how they work and what the future holds for them.

Shutdown—How Covid Shook the World's Economy

ADAM TOOZE



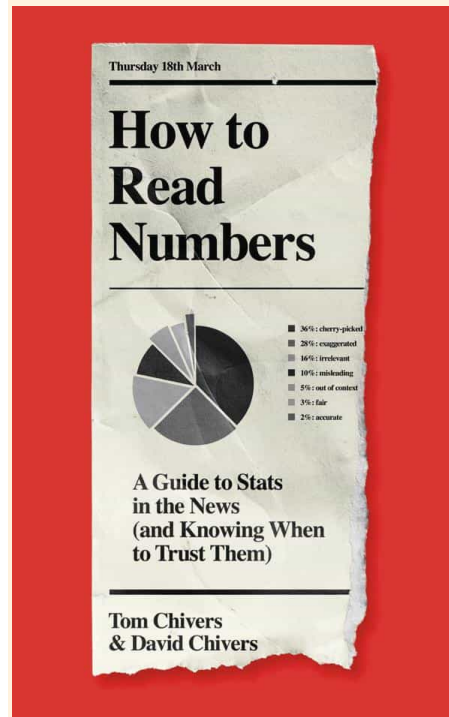
[View Full Image](#)

Shutdown—How Covid Shook the World's Economy

It is said that the first draft of history is written by journalists. Shutdown is that first draft of the covid-19 pandemic and the impact it has had on the global economy. However, Tooze is not a journalist. He is a historian. As he writes: “In the historic record of modern capitalism, there has never been a moment in which close to 95% of the world’s economies suffered a simultaneous contraction in per capita GDP, as they did in the first half of 2020.” Taking off from this basic premise, Tooze tackles everything from organized irresponsibility and the lack of preparation of governments to the “whatever it takes” monetary policy followed by central banks, which involved an endless amount of money printing. This is a great read for anyone wanting to get a broad overview of the negative economic impact of covid across the world and the possibilities that lay ahead.

How to Read Numbers—A Guide to Statistics in the News (and Knowing When to Trust Them)

TOM CHIVERS AND DAVID CHIVERS



[View Full Image](#)

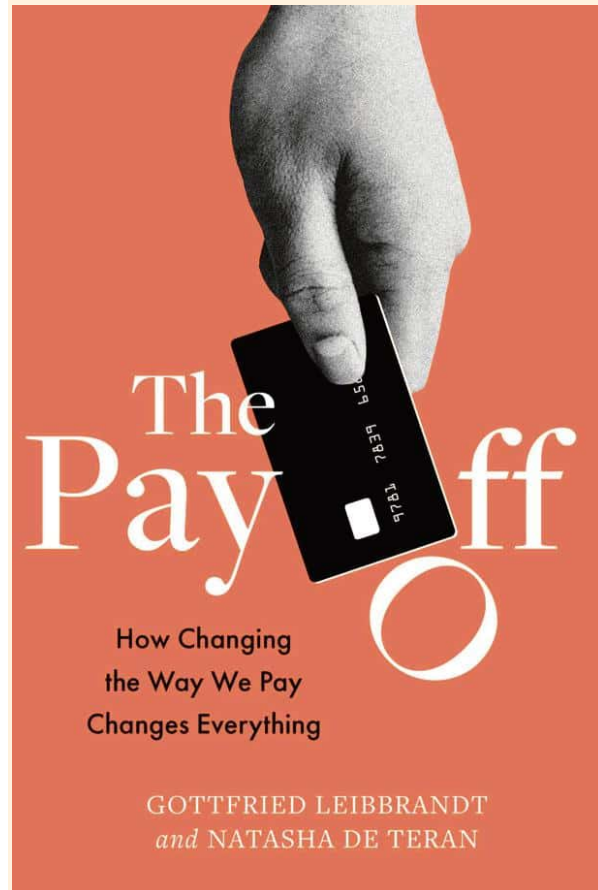
How to Read Numbers—A Guide to Statistics in the News (and Knowing When to Trust Them)

The world now generates more data than it ever did in the past. And that has led to more and more data-oriented stories making it into the news. The trouble is that a lot of this data is dodgy. When it is not dodgy, the media, in order to catch the attention of its readers, has a habit of making it simplistic and, at other times, outright sensational. How to Read Numbers goes right to the heart of this problem and explains to lay readers in very simple English what to make of statistics in the news and what not to make of it.

This writer's favourite part of the book is its last chapter, where the book's authors talk about Goodhart's Law, which when simply stated says: "When a measure becomes a target, it ceases to be a good measure". Politicians and bureaucrats regularly present data in a way that makes it look much better than it is, something that has been happening regularly all across the world when it comes to presenting covid-related data. The book is worth a read for just this chapter alone.

The Pay Off—How Changing the Way We Pay Changes Everything

GOTTFRIED LEIBBRANDT AND NATASHA DE TERÁN



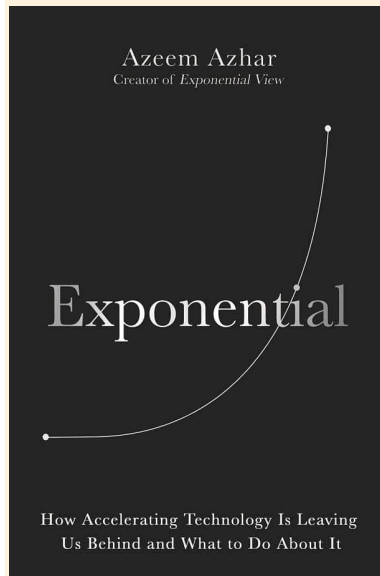
[View Full Image](#)

The Pay Off—How Changing the Way We Pay Changes Everything

Most books on money get stuck with the different forms of money as they have evolved over the centuries. Almost no book talks about payment systems, which actually make the money go around and the impact that they have on the world at large. This book does just that, which is why it is important. It gets into the nitty-gritty of payment systems and how they are changing. As the authors write: “How do we teach our children about money if they can no longer touch it? How do we budget if we no longer see numbers, much less experience the pain of payment? The consequences of the unbundling and repackaging of payments are not yet well understood”. These are questions that not many people are engaging with currently, despite the fact that it is going to have important consequences for us in the years to come.

Exponential—How Accelerating Technology Is Leaving Us Behind and What to Do About It

AZEEM AZHAR



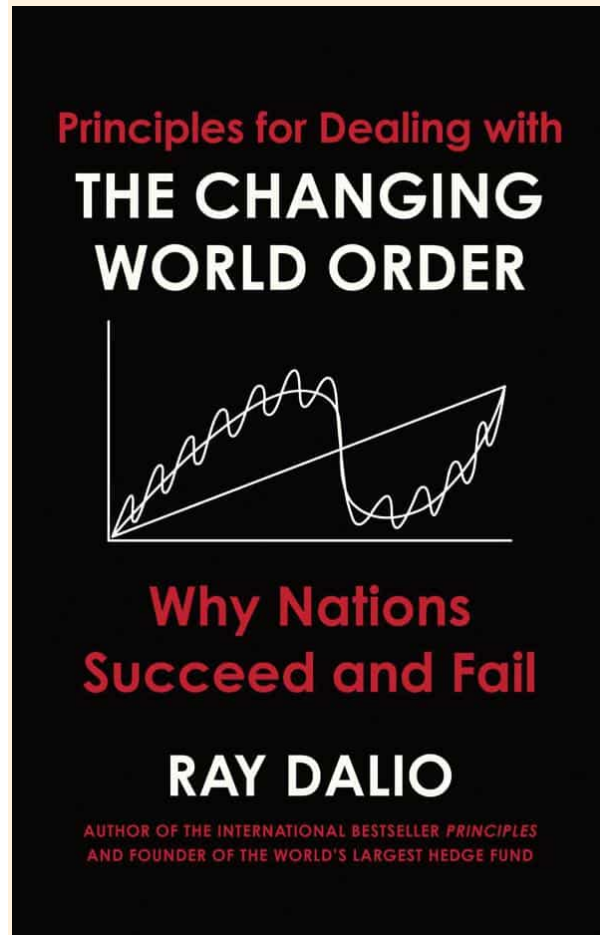
[View Full Image](#)

Exponential—How Accelerating Technology Is Leaving Us Behind and What to Do About It

This was the year when platform businesses like Zomato and Nykaa were listed on the stock exchanges via bumper initial public offers (IPOs). Many other platform businesses hope to announce their own IPOs soon. The question that has baffled many is this: Why are the IPOs of these companies, which make next to no money, being priced at such high levels? Exponential provides the answers, albeit not in an Indian context. The answer lies in what economists refer to as network externality. Take the example of WhatsApp. Everyone uses it because everyone else uses it. Platform businesses lend themselves very well towards network externality and if successful, they can become a monopoly or a duopoly in a particular line of business, which will then throw up a lot of money someday. This is why investors give these IPOs such high valuations. They are counting on the prospect of a monopoly business niche that can generate massive profits in the future. The trouble is this leads to issues for gig workers and suppliers of these firms. This is a new evolving type of economics that the world is still trying to understand and Azhar's book is an excellent introduction to it.

Principles for Dealing with The Changing World order – Why Nations Succeed and Fail

RAY DALIO



[View Full Image](#)

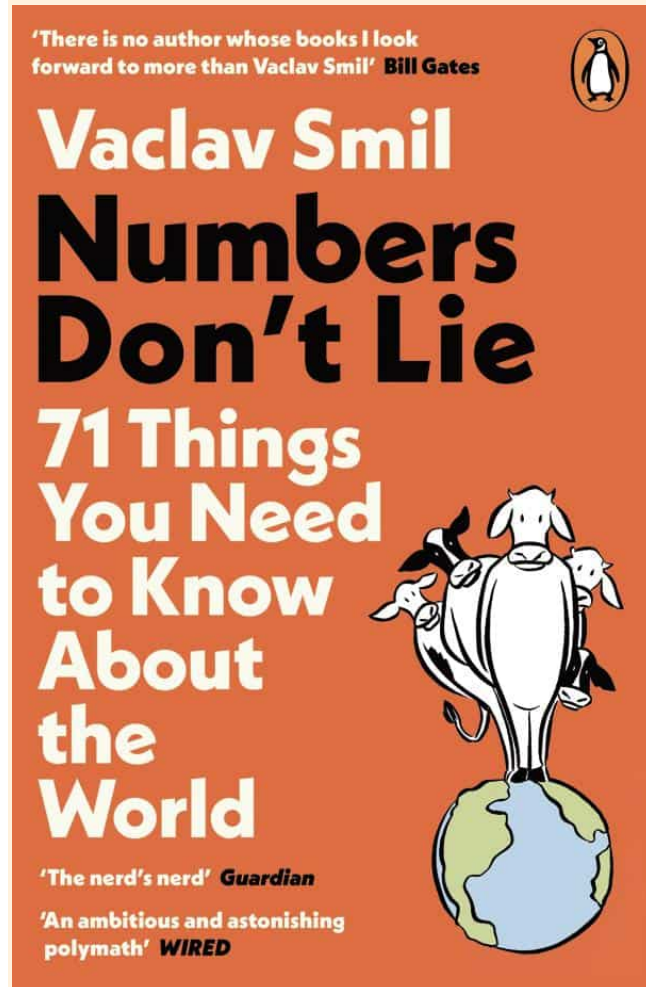
Principles for Dealing with The Changing World order – Why Nations Succeed and Fail

Dalio, who runs Bridgewater Associates, the largest hedge fund in the world, shares “a single digestible story of the last 500 years that shows how and why history ‘rhymes’ with what is happening today”. The reason, Dalio says, is because “human nature doesn’t change much over time”.

Dalio primarily looks at three past empires—the Dutch Empire, the British empire and the current American one, each being different in its own way but having enough common characteristics. The book isn’t exactly an easy read but it is an important one, given the world order may perhaps be changing again, with the US weakening and China rising.

Numbers Don't Lie: 71 Things You Need to Know About the World

VACLAV SMIL



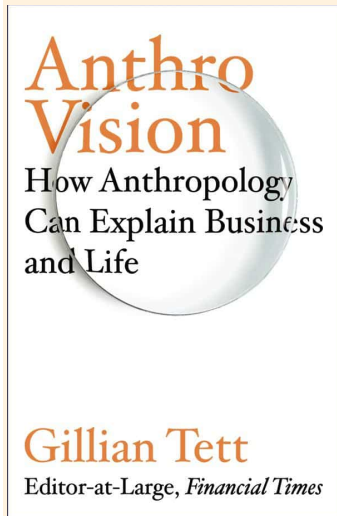
[View Full Image](#)

Numbers Don't Lie: 71 Things You Need to Know About the World

Smil is a favourite writer of Bill Gates and he normally doesn't write easy to read stuff. This book is an exception where Smil writes very small chapters which explain very broad topics—everything from what happens when parents have fewer children and why it's difficult to predict how bad a pandemic will be while it is happening to the unfolding rivalry between India and China. The book is an excellent summary of a lot of important topics which readers may want to have a view on but don't have the time to sift through a lot of dense academic tomes. The book is also a masterclass on how numbers can be used to make an informed argument and is a must-read for anyone in the business of presenting information in an interesting way.

Anthro Vision – How Anthropology Can Explain Business and Life

GILLIAN TETT



[View Full Image](#)

Anthro Vision – How Anthropology Can Explain Business and Life

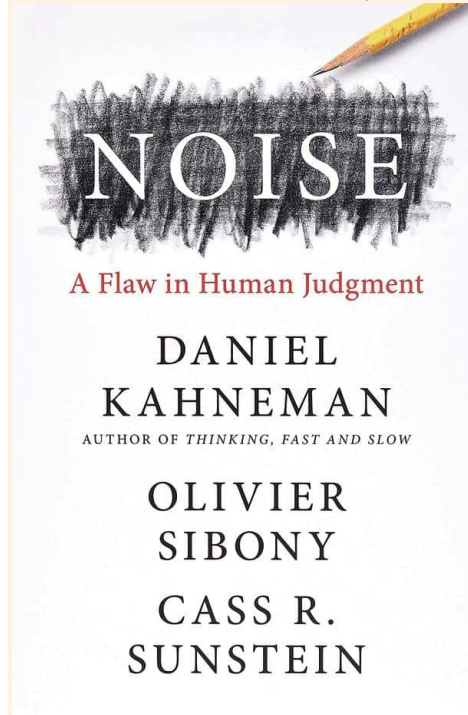
Tett, an editor at large at the Financial Times, studied anthropology in college. She uses a key principle from anthropology that “listening to someone else’s view, however ‘strange’, does not just teach empathy for others, which is badly needed today; it also makes it easier to see yourself,” to examine everything from the financial crisis of 2008 to why medicine alone can’t just stop pandemics.

One of the stories in the book is about the chocolate wafer brand Kit Kat. The fascinating story tells us about how lessons from anthropology were used to popularise this foreign brand in Japan. Sales of the brand soared as “students began to treat the chocolate bar as a new variant of an ancient Japanese phenomenon called omamori, a good luck charm that the Shinto religious shrines sell to devotees in Japan after it is blessed by a priest”.

Tett also explains how the financial crisis of 2008 came about because people in the financial sector worked with a very similar worldview and no one was interested in flipping their lens on how they viewed the world. As she writes in what is perhaps the best line in the book: “An investment banking conference is just like a Tajik wedding, I thought. A group of people were using rituals and symbols to create and reinforce their social ties and worldview”. If there is one book you should definitely read from this list, this has to be it.

Noise—A Flaw in Human Judgment

DANIEL KAHNEMAN, OLIVIER SIBONY AND CASS SUNSTEIN



[View Full Image](#)

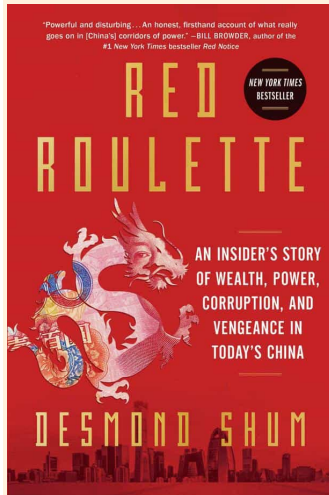
Noise—A Flaw in Human Judgment

The world that we live in has too much noise and this comes in the way of making better decisions. As the authors put it: “Wherever there is judgment, there is noise—and more of it than you think”. The authors dig deep into this issue and look at how noise impacts decision making in the interpretation of the law, in forensic science, in medicine, in performance ratings in organizations and even in public discourse.

Another area where noise impacts judgement are predictions. The noise here can take the form of unforeseeable future events. As the authors write: “Detailed long-term predictions about specific events are simply impossible... Unforeseeable events are bound to occur and the consequences of these unforeseeable events are also unforeseeable”. Nonetheless, this doesn’t stop forecasters from making predictions. As the authors write: “The obviousness of this fact is matched only by the regularity with which it is ignored”. The authors offer workable solutions to get rid of the noise in the specific case of forecasting, as well as noise in general.

Red Roulette—An Insider's Story of Wealth, Power, Corruption and Vengeance in Today's China

DESMOND SHUM



[View Full Image](#)

Red Roulette—An Insider's Story of Wealth, Power, Corruption and Vengeance in Today's China

The joke going around in the Indian English language publishing industry is that anyone and everyone who has stepped inside the ministry of external affairs now wants to write a book on China. Of course, many good books have been written by Indians on China, but what they offer is an outsider's perspective. But the real story of things as they stand can only be told by an insider. Shum's *Red Roulette* is that insider story. In the book, Shum writes a very personal story about the relationships that the Chinese Communist Party shares with private enterprises and the kind of corruption it is marred in. The book reads like a page-turning crime thriller and is a must-read for everyone who is in love with China's rapid economic growth.

Ultimately, it is always difficult to fit all the good books into just one list. So, here are a few books that didn't make it into this list. Steven Pinker's *Rationality – What It is, Why It Seems Scarce, Why It Matters*, Eric Johnson's *The Elements of Choice*, David Spiegelhalter and Anthony Masters' *Covid by Numbers—Making Sense of the Pandemic with Data*, Richard Thaler and Cass Sunstein's *Nudge—The Final Edition* and Marcus du Sautoy's *Thinking Better – The Art of the Shortcut*.

Happy reading.

(Vivek Kaul is the author of Bad Money) [Newsletters](#)