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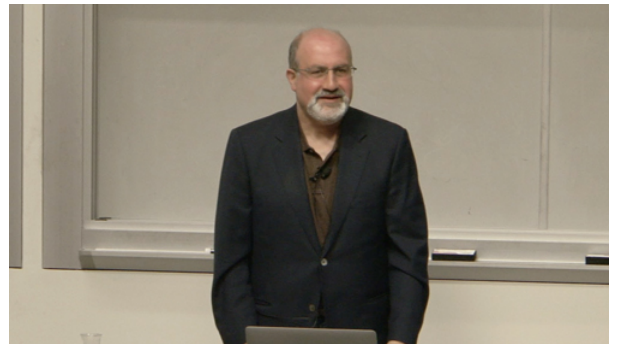
Dangers of Protecting the Status Quo

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April 10, 2013

Video URL: <http://ecorner.stanford.edu/videos/3124/Dangers-of-Protecting-the-Status-Quo>

Researcher and author Nassim Taleb shares his thoughts on how U.S. monetary policy prevents the necessary demise of fragile systems, which endangers future stability and unfairly rewards risky behavior.



Transcript

We should - the thing what the Fed has been doing, the idea of the government, they don't understand antifragility, they don't understand that when you have a crisis you should come out of it better than you were before. You guys had your crisis in California, remember? 2000, you weren't born many, okay. So you came out of it better off than before, no? It cleaned up the system. So you should never let a crisis to waste. Now what happened in Japan and here and in Europe, they had a crisis, now they shoot to establish the system to bring it back to what it was before, without letting what is fragile break and new things come in its place, you see. So the monetary policy aims at preserving the status quo and then also a side-effect is of course to enrich those who were involved in the crisis, alright, in causing the crisis. And of course it's not good to have such, you know, to have very easy money because you don't want people to take money and go gamble with it in the stock market, you want them to go use the money for what you're doing. The real things, the trial and error that you don't get respect for, for losing a little bit all the time.