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Financial Models and Society: Villains or Scapegoats
By Ekaterina Svetlova
Edward Elgar, 2018

This book is an intelligent rebuttal of blanket criticisms of financial models, in particular the idea that economic processes will converge towards their depiction in such models, known as Barnesian performativity. Instead, the author, Ekaterina Svetlova, argues for a 'multifaceted interplay between users and models in the practice of markets' (Svetlova, 2018, p 4) and makes a call for qualitative methods to study 'cultures of model use' (Svetlova, 2018, p 144). In doing so, the book provides a useful overview of the theoretical basis for performativity, and numerous empirical examples that compare how financial models are used.

In discussing the theoretical basis for performativity, the book rejects both the 'over-calculative' view, where the world is rational and predictable, and the 'under-calculative' view, where agents ignore calculations altogether. Instead, the book argues that there are cultures of model use. These range from Barnesian performativity, such as the Black-Scholes model, where model use results in the convergence of economic processes (option prices) towards their depiction; to situations where models are combined with human judgement, such as 'quantamental investing', with varying levels of discretion; to counter-performative models, where model use leads to behaviours that eventually undermine it.

This argument suggests there is no unifying definition of a financial model. Earlier, however, the book defines financial models as 'practical decision-making instruments' (Svetlova, 2018, p 8) that suspend the unknown aspects of markets under 'conditions of radical uncertainty and symmetrical ignorance' (Svetlova, 2018, p 13). This central idea, that models are selected to cope with 'non-knowledge' (Svetlova, 2018, p 67), continues throughout. However, the book is largely silent on the institutional and power structures that lead to the selection of models in the first case. There is a brief discussion of 'front stage stories', where models are employed by sales and marketing teams as a 'necessary fiction to keep markets going' (Svetlova, 2018, p 140), but the processes of model creation, adoption and rejection, are largely unexplored.

Instead, the book calls for economists to a turn towards qualitative methods to investigate these subsequent human/model interactions. These conclusions could be more radical. The book has already given examples, such as CAPM, where the model remains a powerful 'language and thought argument' (Svetlova, 2018, p 120); and where banks adopt models to create a 'perception of control' where absolute control is clearly not possible (Svetlova, 2018, p 141). The book suggests that this is because 'authoritative knowledge' frequently suppresses 'economic logic' (Svetlova, 2018, p 142). However, more could be done to unravel the sources of this 'authoritative knowledge'. If the 'very process of model creation (is).. *an idea*' (Svetlova, 2018) then this creation process is where the focus of research should be. The subsequent human/model interactions would then become secondary effects or, in the words of the book, a means of 'theatrical persuasion, convincing staging and, thus, [] making believe' in the already chosen models (Svetlova, 2018, p 124).

In summary, the theoretical overview, in particular, is well-written and would be especially useful to research students interested in performativity. As such, the book is essential reading alongside other established works (Callon, Millo, and Muniesa, 2007; Mackenzie, Muniesa and Siu, 2007). However, in an era of fake news and social media algorithms, the book will disappoint those who are looking for ways to mitigate the impact of financial models. The central problems of model creation, model selection, and regulation of the new forms of human/financial model interactions that follow, are largely unresolved.

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Economic Stagnation in Japan Exploring the Causes and Remedies of Japanization
Edited by Dongchul Cho, Takatoshi Ito and Andrew Mason
Korea Development Institute, The East-West Center, and Edward Elgar, 2018

Since the abrupt failure of Japanese economic growth in the early 1990s, Japan has become an example to the rest of the world of how deflation may happen, and what policies may be undertaken to reverse that deflation. If we are to take the historical record of banking crisis and limping economic growth since then,