'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, and the extremes to which fiscal and monetary policy have been taken by successive Japanese governments, it seems that there is precious little that can done to put a once-dynamic economy back on a path of sustainable growth. But 'hope springs eternal in the human breast', and nowhere more so than among economists seeking to conjure up policy solutions from their dismal science.

The contributors to this book have little new to offer in the way of policy. But they do provide a wealth of empirical data on the Japanese deflation, as well as insight into policy-making over the last three decades. A number of the contributions also have an original approach to the question of the Japanese deflation, by asking how far this deflation is likely to spread to South Korea and beyond, an issue that arises in this case because the book was organised by the Korea Development Institute.

The first part of the book contains chapters by Takatoshi Ito, Kyooho Kwon and Kyu-Chul Jung on ageing demographics and export dependence in East Asia. This is followed by a second part, with chapters by Keiko Ito and YoungGak Kim, and Jiyoon Oh on productivity in Japanese and Korean firms. A third section contains an insightful chapter by a former regulator from the Bank of Japan, Mitsuhiro Fukao on 'financial market efficiency' (he means inefficiency), and Daehee Jeong on zombie firms in Korea. A fourth part is devoted to monetary policy and house prices, with chapters by Barry Eichengreen, Dongchul Cho, and Inho Song. A final section contains chapters on fiscal policy by Jerry Schiff and Ikuo Saito, and Seong Tae Kim.

The data and the policy discussion in the various chapters are excellent. Of particular interest to this reviewer is the question of corporate finance and how the carefully managed investment machine of Japanese industry, that underpinned the rapid growth of the economy since the Second World War, fell apart causing the deflation. Various authors suggest that this was due to speculative excess, caused by financial deregulation in the 1980s. This undoubtedly happened. But the data cannot give us more 'structural' explanations, such as Richard Koo's 'balance sheet recession' (an author not mentioned in this book). A consequence of this over-emphasis on data and lack of analytical underpinning is a reliance on conventional insights could bear more critical consideration. For instance, Daehee Jeong treats the ratio of interest payments to operating profits as an indicator of the degree to which a firm is a 'zombie' company, that is a loss-making company kept going by successive credit extensions. This may be appropriate for a free-standing company, but is less so for firms in holding company structure that proliferate in East Asia and the developing world. There is no mention of international value chain production, which too is a common feature of industrial production and links Korean and Japanese firms with companies in China and beyond. The old underconsumptionist saw of an ageing population, that haunts Japanese discussions to distraction, is predictably raised here by Kwon and others.

Despite these reservations, this book is a valuable summary of where the discussion on Japanese deflation is, and why research on this topic needs to be taken further. The prospect of 'Japanisation' in the rest of the world, raised by Takatoshi Ito, is one that cannot be left to regional experts.

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