

Book reviews

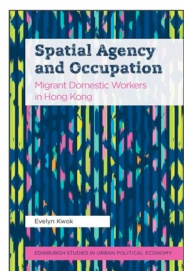
Evelyn Kwok · 2024

Spatial Agency and Occupation: Migrant Domestic Workers in Hong Kong

Edinburgh: Edinburgh University Press

Reviewer **Benedict Anderson**

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The number of domestic workers and foreign laborers worldwide has increased substantially in the 20th and into the 21st centuries. This phenomenon provides a partial reflection of the globalized world where human mobility and technology help drive a fluid international labor market. Whether forced or free, the course of foreign labor has existed throughout human history and, in the present era, there seems no signs of this abating as the disparity between the rich and the poor rises ever more sharply.

On the surface, Kwok's *Spatial Agency and Occupation: Mi-*

grant Domestic Workers in Hong Kong is a contemporary account of the everyday conditions and transactions between Hong Kong's foreign domestic workers, their employers, and the city. Complex as it is subtle, Kwok's book succeeds in outlining and defining the resilience of tens of thousands of Philippine, Indonesian, Malaysian, and other Southeast Asian domestic workers in Hong Kong. Kwok points out that "the minimum number of years a worker has been in Hong Kong was four, and the maximum was thirty-one," (p. 176) which reflects the sacrifice and absence Hong Kong's foreign domestic workers, predominantly women, must endure to provide for their families. In the face of retractable civil rights and the "exploitative scenarios that occur behind closed doors," their invisibility in society is turned on its head for one day of the week – Sunday – when thousands gather to temporarily occupy urban spaces and the above-ground pedestrian walkways of the city. The disruption of transient space to occupied space is reinforced by the mats and cardboard boxes that the workers bring to sit on, the food and conversations they share, as they contact their families back home.

Urban space is not an inclusive societal given but when occupied it can be transformed, creating new meanings for our understanding. Societal changes have often come through the spatial occupation of public spaces, where voices of opposition to the government of the day can be expressed. While the gathering of foreign domestic workers on Sundays should not be confused with civil protests for social change, their recurring and persistent occupation of Hong Kong's public spaces nonetheless makes a clear statement about their presence. Normally denied and hidden as they are throughout the week, their occupation of

the city's transient spaces reflects their status in Hong Kong society, though it is far better to think in terms of their resilience. It is a sobering thought, a century and a half after Marx and Engels, that we are still accepting the servitude of one group and race of people over another – where obtaining financial security means forgoing one's culture, family, and country. This is one consequence of inequality, and Kwok is acute in telling its effects on these women.

Dr. Kwok's book progressively charts the conditions under which Hong Kong's foreign domestic workers live and work, both in relation to their employers and more broadly to Hong Kong society. It is a chilling account of what might normally be unlawful in many other societies in terms of work/life balance. Kwok reveals the inconspicuousness the workers endure in the confined spaces of their employers' apartments, where they clean, cook, and mind the children and the elderly from morning to night. Many domestic workers have no dedicated space to call their own, with many sleeping on a mattress on the floor between the children's beds or in spaces no bigger than a closet. The long hours and physical hardships they endure come with the relief that the money they wire home will pay the rent, feed and school their children.

You might ask what sort of modern-day society creates such disproportional relationships between worker and employer that cast a disproportionate and moral cloud over Hong Kong society. Can we call Hong Kong's foreign domestic workers bonded laborers? The answer lies in the perspective one takes. For sure, the workers are paid for their labor, but without rights and without recourse to the law. When evidence points to substantial numbers of domestic workers suffering physical and

mental abuse at the hands of their employers, it tells us that the threat of bonded labor is an active threat in their working lives. Kwok does not shy away from accusing the triadic system that maintains such practices, calling out the Hong Kong government, the unscrupulous conduct of employment agencies concerning contracts, and the employers. It is without question a system open to abuse, and while some changes have been made, these exist more on paper than in action. As mentioned, human history has long engaged in the deployment of bonded labor. India's brick factories provide an ongoing example. Supported by the country's underlying caste system, whole families are bonded to their employers, while government attempts to stamp out this archaic practice continue to be resisted by company owners who deploy fear and intimidation to keep bonded laborers under their control. It is a hard pill to swallow that we still live in a time of bonded labor, and this should awaken us all; and even if Hong Kong's foreign domestic workers may not be categorized in the same way, there is the sense that they are held captive by their employers and Hong Kong society as a whole.

Methodically organized and wonderfully illustrated, Kwok's book is divided into five chapters: "Policy and/vs People: Mobility and Stagnation," "Narratives of Oppression: Servitude, Invisibility, and Spacelessness," "Agency and Resistance," "Little Manila and Beyond," and "Commodification of Care: Costs and Sacrifices." The bookends of Kwok's analysis – the introduction, "A Matter of Space and People," and the conclusion, "A Matter of Gender, Labor, and Space" – set the focus of the book's subject and offer alternatives for new pathways of coexistence between Hong Kong's foreign domestic workers, their employers, and the labor they

provide, and to the financial survival of their families back home. Given that their presence is governed by the invisibility and harsh conditions of their working environment, the community they re-create by gathering, sharing, and supporting each other on Sundays reveals their immense resilience. This is the story Kwok thoughtfully investigates in her book, weaving multiple storylines to raise awareness. To comprehend what many of Hong Kong's domestic workers must do to support their families, of the sacrifices they make, where many don't see their families for one, two, or three years at a time, is incalculable. This is where Kwok addresses her "narratives of oppression" of sacrifice and resistance, and her book is more than worthy of telling us what this means.

Georg Rilinger · 2024

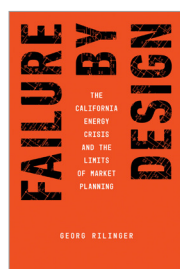
Failure by Design: The California Energy Crisis and the Limits of Market Planning

Chicago, IL: Chicago University Press

Reviewer **Sebastian Billows**

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Designer markets are becoming more and more common. They are used to match students with schools and drivers with customers, and also

for the allocation of public goods, such as energy and clean air. What does it take for these markets to work as planned? Georg Rilinger addresses this question by conducting a post-mortem of the 2000/2001 collapse of the California electricity market. Since the late 19th century, electricity generation, transmission, and distribution in California had been dominated by vertically-integrated utilities. In the early 1990s, due to scandals over utilities' bad investments and higher-than-average energy costs, the idea of creating a marketplace for electricity gained traction. Soon after it was launched in 1998, prices became unstable and regularly reached unsustainable levels. In 2000–2001 the crisis escalated, with blackouts affecting hundreds of thousands of Californian homes.

Members of Congress, regulators, and courts blamed the crisis on the manipulative behavior of energy traders and independent generators. They were accused of inflating prices by taking generators offline at crucial moments. This narrative became influential by the end of 2001, when Enron, a key player in the California electricity market, became embroiled in a wider financial scandal. This public furore and the ensuing litigation provided the author with troves of archival data on the design process and the day-to-day operations of the market, which he combined with 76 expert interviews. However, Rilinger pushes aside the convenient explanation for the crisis produced in courtrooms. A structural account of "market design failure" must go beyond the individual behavior of malevolent players. Designer markets "perform a function similar to that of formal organizations" (p. 11). They act as a search algorithm that coordinates people's activities in line with a collectively optimal solution. However, since they bring together antagonistic

market participants they can operate only through indirect coordination. To avoid destructive moves, like the ones that plagued the California energy market, market designers must make it easy and beneficial for market participants to follow the intended logic.

The designers of the California electricity market failed in this regard. The initial impulse for creating electricity markets came from engineers and scientists around MIT and Harvard University. They devised a concept to make electricity generation and distribution more efficient. In an electricity grid, supply must match demand at all times. If not, the entire network might collapse. Until the 1980s, the industry followed the principle of “load following.” Because demand was not entirely predictable and was unresponsive to the supply side, utilities had to build up costly reserves that could be plugged into the system at short notice. Creating a spot market for electricity would lift that requirement. Through the computation of local spot prices at each node of the network, optimal power flows could be determined automatically, at the central level.

With this concept in hand, the designers of the California electricity market devised a two-stage structure. At a first level, that of financial markets, buyers and sellers of wholesale electricity traded obligations for the delivery of energy at future times. Buyers looked for the cheapest available seller while energy producers lowered their price to their marginal cost. Equilibrium was reached when “the market would find the ideal mix of generators to supply all demand at the least price” (p. 88). At a second level, California Independent System Operator (CAISO) acted as a neutral system operator. It ran the grid as closely as possible to the result of financial transactions. If there was a mismatch be-

tween the outcome of transactions and the physical necessities of the grid (both to ensure that supply matched demand and that energy flows were allocated efficiently), CAISO could trade energy on a real-time “imbalance market” and various “ancillary markets.”

Destructive behavior emerged quickly. Marginal pricing gave generators and traders market power. Electricity markets *need* the committed generators to function. Sellers who knew “that their capacity was necessary to meet load” could submit a last-minute “inflated bid [...] to [...] CAISO markets” (p. 98). Thus, market players would rather sell their electricity in the real-time imbalance and ancillary markets, in which CAISO had to scramble constantly for generation assets. Normally, energy traders were barred from these markets. They circumvented this prohibition by buying energy in California, scheduling it for export to a party outside California, and then importing it back into the state. Generators and traders also manipulated the ancillary market for congestion. To adjust the scheduled transactions to the layout of the grid, CAISO could buy “decrements,” paying generators to decrease their production. This led to strategies aimed at artificially creating congestion. In 1999, Enron scheduled 2900 MW over a 15 MW path, hoping that it could earn a lot of money from CAISO to relieve the congestion artificially. Overall, market players had no real incentive to act according to the planned goal of the market. They neglected their own assets and constantly made decisions that went against the logic of sound grid management.

What made it possible to game the market? Designer markets coordinate antagonistic market players through three strategies: Simplifying, bounding, and control. For simple allocation

problems, this is a straightforward task. But faced with the complexity of the electricity market, the efforts made by market designers to control behavior led to unexpected effects. The timeframe was overly simplified. Because the marginal price commanded on the spot market took precedence, there were no relevant signals for long-term investments in capacity. The separation between the financial markets, in which energy is an undifferentiated tradable commodity, and the physical real-time grid operation, in which the location and type of electricity generation matter, is an example of bounding. As already seen, this separation backfired and created opportunities for harmful arbitrage. Control was weak. CAISO had hired internal auditing staff who managed to identify and close some of the loopholes. But as soon as new rules were published, market players found ways of circumventing them.

These design flaws have their source in the initial phase of market design. First, market designers had to reach a political compromise with major stakeholders. Ideally, grid management and markets should both be handled simultaneously by the same entity. Grid operators should be able to select the market outcomes that are the most efficient at the system level. This was problematic for some stakeholders who feared that utilities, who controlled electricity transmission and distribution, would discriminate against decentralized transactions. Second, the design phase involved a rigid division of labor. Each module of the market was designed by separate teams, which made it difficult to handle the complex interdependencies between each set of rules. Third, diverse epistemologies among market designers created a “chameleonic market.” Market designers were a mix of electrical engineers, behavioral economists, and indus-

trial economists. Each group had distinct views on what constituted market dysfunction and on how to solve it, which has prevented the emergence of a robust control structure.

Failure by Design is a masterpiece in the study of organizations. It reaches the same level as Diane Vaughan's *Challenger Launch Decision* ([1996] 2016) in its ability to learn lessons about a failed project. The book's major contribution is its critique of market design using its own terms. While others have written on the political and ethical implications of putting efficiency first (Jabko 2005; Popp Berman 2022), Rilinger shows how designer markets defeat their own purpose. When they are used to solve complex allocation problems involving collective goods, they either fail to yield the expected efficiencies or they involve control costs that offset the benefits of marketization. To extend the book's reflections, one may ask then why designer markets have remained so popular. Despite the early failures in California, the idea of turning electricity into a market commodity has spread all over the world. One avenue to explore could be the compromises that market designers make with key constituencies to implement their ideas (Reverdy and Breslau 2019). Another explanation could be market designers' claims that they have learned the lessons from past crises, similar to the rhetorical work performed by experts in the nuclear sector after major accidents (Arnhold 2023).

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Patrik Aspers · 2024

Uncertainty: Individual Problems and Public Solutions

New York: Oxford University Press

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The title of Patrik Aspers most recent book – *Uncertainty* – signals an effort, within the sociology of knowledge, to bridge discussions within economic sociology, business strategy literature, economics, and more. Readers looking for discussions that bridge these literatures have here a valuable, wide-ranging and concise contribution. The book's subtitle, *Individual Problems and Public Solutions*, points to the sociological approach taken: In focus are the collective measures that reduce uncertainty.

The book draws attention to uncertainty as a point of focus that allows for systematizing and comparing ways in which uncertainty can be reduced. It is a book about order that also emphasizes order, as it distinguishes and compares types of uncertainty reduction. In doing so, it curiously draws on two types of literature less common in economic sociology. One is phenomenology of Heideggerian inspiration with a focus on "being in the world" and used to stress that "uncertainty is an inherent part of our life" (p. 14). Another is economics. Here writers such as Arrow, Knight, and Hayek are mobilized. Hayek is central to the main problem guiding the book, namely "to analyze the making of order as a result of either mutual adjustment or decisions made for others" (p. vii; p. 148). Knight and Arrow deliver the guiding definition of uncertainty: Uncertainty, the first chapter says, "means that we cannot know the 'future consequences of present action' (Arrow 1974: 33–34; March 1994: 5, cf. 178). Uncertainty is caused by lack of knowledge" (p. 5).

From this starting point, the discussion unfolded is of the sociology of knowledge, cast in an "antifoundational position" (p. 159) that allows for an understanding of the grown features of social life (and avoids "the dead-end of postmodernity and its correlated offspring," p. 3).

What Aspers names "states of the world" then comes into focus: "A state of the world is defined as public knowledge about facts, relations between things, and what will happen to these, given certain conditions" (p. 3). The states of the world are discussed throughout the book with a view to how they reduce uncertainty. In other words, the focus of the book is not so much uncertainty as ways of reducing it. Taking this function of reducing uncertainty, each chapter

addresses a specific way of doing so. The tenor of the discussion is primarily theoretical and centers on ideal types. The many empirical examples given help first and foremost to unfold the theoretical argument (and are not used so much for challenging it). The public solutions are then addressed with a focus on “Principles of States of the World” in part I and on “Forms Producing States of the World” in part II.

By foregrounding the function of uncertainty reduction, the two parts bring into alignment parts of sociology and fields of research otherwise often treated as distinct. Informal and formal institutions (chapters 2 and 3, respectively) and evaluation (chapter 4) are dealt with as principles of states of the world, while convaluation (chapter 5), deciding for others (chapter 6), and contests (chapter 7) are dealt with as forms producing states of the world.

Convaluation is a term coined to capture the mutual adjustment that may be found in markets and also elsewhere. Here Aspers discusses, for example, elections, the forming of value of performance art, and producer markets. Aspers’ prominent categorization of markets into fixed or switch role structures is further developed so as to encompass more than markets in different forms of convaluation.

The typology offered situates the book in a landscape of works seeking to describe social life in an ordered overview and with relatively few strokes. Depending on taste, one may here think of functional differentiation (Luhmann), modes of existence (Latour), types of justification (Boltanski and Thévenot), and “The firm, the market and the law” (Coase). While

the “reduction of uncertainty” may sound familiar to Luhmannites, the insistence on the guiding distinction of mutual adjustment and decisions made for others may bring us closer to Coasians.

Unsurprisingly given its concise form (some 150 pages), the book raises more questions than it answers. An overarching question is how helpful the guiding distinction of mutual adjustment versus decisions made for others will prove to be. These may empirically be entangled to such a degree that it makes little sense to distinguish between them; and this guiding distinction may be unhelpful for understanding things that show to be important. This calls for empirical studies, as does the question of whether types of uncertainty reduction can be swapped in some form of functional equivalence.

The Knightian approach turns the focus onto future consequences of present action, but less so onto why what actions are undertaken (Watson 2024). This also means that ambiguity – in the sense of James March, as the lack of knowledge of future preferences – is not central to the discussion (March 1980; 1988). The fluidity of objectives somehow seems backgrounded.

As the states of the world are unfolded in the book, they seem to capture more than matters of knowledge. However, given that knowledge is important here and the antifoundationalist approach taken, a question arises as to how different knowledges are somehow brought together in states of the world. If there is no foundation for knowledge, the different knowledges do not necessarily add up, but they are likely to be actively fitted together to do so. This suggests an adjustment of the image

conveyed of increased knowledge and the reduction of uncertainty. It may be that reduction of uncertainty sometimes operates in one dimension; somewhat like the water level diminishing when the ebb sets in, such is the level of uncertainty reduced when knowledge increases, when institutions proliferate, etc. But if uncertainty does not operate clearly in one dimension, we may have a situation that is similar to talking of “up” and “down” on board a spaceship: What is up for some is down for others, and conventions are used not simply to reduce uncertainty but also to determine what counts as a reduction. In that case, it would be pertinent to also study how what counts as uncertainty reduction in some setting is determined, as well as who produces what uncertainty and reduction of uncertainty in what ways and with what interest.

Inside every black box – as the cybernetics say – there will always be at least two other black boxes trying to get out (Glanville 1982). This saying is relevant for uncertainty and for this book. Happy unboxing!

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