

Book Reviews

Living Economics: Canadian Perspectives on the Social Economy, Co-operatives and Community Economic Development

Edited by J J McMurtry

Published by Emond Montgomery Publications Limited, Toronto, Canada, 2010.

ISBN 978-1-55239-282-9

Reviewed by Luc Thériault, University of New Brunswick, Canada

This book does not just deal with co-operatives in Canada but, more comprehensively, with what is called the 'social economy'. This term is relatively well known by now in continental Europe, the UK and French-speaking Quebec, but it is still relatively new in most parts of Canada outside of Quebec. The editor, J J McMurtry, has assembled a collection of eight chapters that provide an excellent advanced introduction to the state of the social economy and of its scholarship in the Canadian context. Currently the research and the literature on the social economy in Canada is expanding exponentially, thanks largely to a 5-year investment made in 2005 by the Social Sciences and Humanities Research Council (SSHRC) during the short-lived Liberal government of Prime Minister Paul Martin. The book takes stock of some of the early output of this initiative.

In Chapter 1 (*Introducing the Social Economy in Theory and Practice*), McMurtry analyses some of the definitional issues that have plagued the notion of social economy in Canada since its coming to the forefront in public policy debates. Using various bodies of literature, McMurtry attempts to find some unity among the perspectives by focusing on the underlying values that make a difference in guiding them. Clearly, the reality of the social economy has long existed in Canada, but there has been both a lack of conceptual agreement on the meaning and a lack of official government recognition in policies. Conceptually, the social economy has mostly been defined by what it is not. To define it more positively, McMurtry digs deeper into the meaning of the terms 'social' and 'economy'. He also invites us to move away from a taxonomical approach fixated on institutional forms. Instead, he argues for a more normative understanding because the innovation of the social economy rests on the commitments of these organisations to their normative goals.

Chapter 2 (*Co-operatives and the Social Economy in English Canada: Circles of Influences and Experience*) is written by Ian MacPherson, Canada's foremost historian of the co-operative movement. First, he reminds us of the sheer size and importance of co-operatives and credit unions in the economic landscape of Canada. Then, he takes us on an historical tour of co-operative development in Canada (eg the Antigonish Movement) with references to experiences from abroad such as Mondragón. In his conclusion MacPherson stresses the importance of recognising (perhaps even in celebrating) the unique character and shape that the co-operative formula has taken in various countries, especially at a time when we are facing particularly turbulent economic times.

In Chapter 3 (*The Social Economy in Quebec and Canada: Configurations Past and Present*), Yves Vaillancourt, another über-researcher on the subject, discusses the history of the social economy in Quebec through five different configurations (mutual aid societies, patronage, corporatism, economic nationalism, and solidarity). This overview leads him to contrast the links between social economy and social democracy in the different traditions of French and English Canada. In his conclusion, Vaillancourt insists that while the social economy has emerged differently in the two nations that form Canada, it offers an opportunity to bring closer together those who are concerned to advance a social democratic regime that would reconcile 'state intervention with participation by stakeholders from civil society and the market' (p90).

In Chapter 4 (*Building the Social Economy Using the Innovative Potential of Place*), Doug Lionais and Harvey Johnstone introduce the potential of *place* in the study of the social economy. In doing so, they situate the social

economy in contradistinction to the issues of globalisation and of 'the local'. Lionais and Johnstone revisit the social economy debate in a fairly narrow way. They hold the view that the social economy is effective only in redistributing wealth but that it suffers from a lack of wealth creation. This is at best a partial and simplistic view. Undoubtedly, many co-operatives (a part of the social economy) are certainly producing wealth in the traditional sense. But, more importantly, an understanding of the social economy perspective should lead authors to redefine 'wealth' in a broader way. When a couple receives childcare or homecare services (for instance) from a social economy organisation (whether it is structured as a co-operative or as a non-profit) this certainly represents a type of service that increases their well-being or welfare. It might not increase their possession of money, real estate or other property, but to say that the social economy organisation providing the service has not created or produced wealth in the process is very reductive. In spite of this criticism, it is fair to say that Lionais and Johnstone raise valid points about the ability of 'place-based businesses' to counteract the forces of uneven development brought about by capitalism. The authors also rightly emphasise the need for social economy organisations to act on the causes of social exclusion and not only on its symptoms.

In Chapter 5 (*Educating for the Social Economy*), Jorge Sousa looks at how universities (themselves social economy institutions) can contribute to the development of the social economy and to the understanding of its values. In particular, Sousa is curious about the potential of 'community service learning' for that purpose. This is a highly pertinent contribution, since Canadian universities generally offer very little in terms of curriculum when it comes to the social economy, even its well-established, co-operative form. The study of government institutions and that of business (ie, for-profits) administration, on the other hand, enjoy a deluge of degree programmes. Therefore should we really be surprised that most Canadians are unfamiliar with the term social economy?

Chapter 6 (*Social Accounting for Sustainability in the Social Economy*) is perhaps the most fascinating contribution in the collection. Laurie Mook and Jennifer Sumner introduce readers to the theory and practice of social

accounting, which is particularly relevant to the social economy notably via the key issue of sustainability. Conventional accounting too often documents only the costs of social economy organisations without properly assessing their benefits (because these benefits are in many cases non-monetised). In fact, both non-market inputs (such as volunteer labour) and non-market outputs (such as the cost of repairing environmental damage) are generally ignored by traditional accounting. It is thus imperative to create clear systems to account for the social and environmental practices of the social economy. In a world of outcome-based measurements there can be no claim of adherence to the values central to the social economy without clear practices "to illuminate rather than to obscure the full costs, and full benefits, of organisations" (p173). In promoting such changes in accounting the social economy unveils its truly alternative potential to the current way of doing business.

In Chapter 7 (*Aboriginal Perspectives on the Social Economy*), Wanda Wuttunee brings the perspective of First Peoples to the study of the social economy. This is an issue that is of particular interest to Aboriginals, especially those living in small, northern communities. Wuttunee finds in the idea of self-managed development a value that is common to both the social economy and Aboriginal communities. Aboriginal enterprises are familiar with using a blended approach to development, as is the case in social enterprises. As she states, Aboriginals do not wish to opt out of capitalism but rather to determine how to best achieve their goals with the tools at hand. A tool of choice is the co-operative and there are now more than 133 Aboriginal-owned co-operatives in Canada. Of those, 31 are operating in northern communities where they employ over 800 people. Wuttunee introduces a few case-studies illustrating successful enterprises, such as the famous Neechi Foods, a worker co-operative based in inner city Winnipeg since 1989. The author concludes that the ideas of the social economy can serve as a basis to a mutually fruitful discussion between Aboriginals and other cultures around the world about balancing social and economic goals in different cultural contexts.

Finally, in Chapter 8 (*Building Bridges with Government: The Social Economy in Practice*), Denyse Guy and Jen Heneberry offer a practitioners' account of the development of the

social economy research and policy agenda in Ontario. They argue for the development of a shared vision and values to overcome the various barriers to unifying the traditions of community economic development, non-profits and co-operatives into an effective social economy movement. This road remains to be travelled and, at the moment, the social economy in Ontario remains a movement **in itself** rather than **for itself** to paraphrase the Marxist expression. The development of a more unified social economy movement, achieved with more success in Quebec, is key because the government is not comfortable in dealing with a multiple-organisation consortia and would much prefer to deal with a single interlocutor. Internally, the authors argue, the social economy still suffers from definitional problems that are harmful to its development.

My concluding comments return to the issue of definitions, which is touched on in several places throughout the book. I would say that when it comes to defining the social economy, many of us are like Monsieur Jourdain in Molière's *The Bourgeois Gentleman*: we have been involved in it (or talking about it) for a long time without knowing it! This means that not being in full agreement on a perfect definition of the social economy should not prevent us from moving forward in developing, discussing and studying the sector. We need to take a risk and live with a certain degree of conceptual uncertainty because the realities of social

economy organisations are often hybrid (if not chimerical). These realities do not conform well to traditional categorical analysis, where enterprises or initiatives can be neatly assigned into a classification system made of items that are exhaustive and mutually exclusive. In fact, some of the realities of the social economy are better captured by what computer-scientists call a fuzzy logic, in which things resemble other things more or less while keeping characteristic of yet other things.

This book edited by J J McMurtry fills an important gap in the English-speaking Canadian literature on the social economy. It assembles a remarkable array of contributions from across the country in a style and format that is eminently readable. For pedagogical purposes, the end of each chapter offers a series of discussion questions and a list of suggested further readings and resources. The book can be used by graduate students and senior undergraduate students and will be of interest to anyone wanting to learn more about current issues and debates on the social economy in the Canadian context. Other books on the social economy in Canada are now being written or are about to be published. Taken together they will constitute an exciting and new generation of scholarship on the conditions that foster success in the social economy. The collection edited by McMurtry will undoubtedly figure pre-eminently within this group.

Argentina's Parallel Currency: The Economy of the Poor

By Georgina M Gomez

Published by Pickering and Chatto, London, 2010.
ISBN 978-1-85196-618-9

Reviewed by Len Arthur, Cardiff Institute for Co-operative Studies

Georgina's excellent book has a relevance to all who are interested in social movements that are aimed at creating the future in the present. First, it is situated well in the recent turbulent political and economic history of Argentina up to 2007 and her analysis provides a convincing narrative of how those most adversely affected found a variety of ways to resist and survive. Second, she has carefully related the analysis to recent discourses in institutional economics and, through synthesis and relating these to the international literature on complementary currencies and some sociology, her conclusions

have relevance beyond the economics of alternative currencies to social movement studies and all who are interested in the sustainability of alternative organisation, such as cooperatives. Third, she has personally enabled me to revisit and update my academic roots in economic and social history and consider the role of alternative currencies in relation to what me and my colleagues call deviant mainstreaming <http://deviantmainstream.blogspot.com/2009/06/deviant-mainstreaming-first-post.html>.

Complementary currencies systems (CCS)

are defined as 'a complementary economy, fully not-for-profit and [that] operates at the community or inter-household level'. They have their origins in Germany in the pre-Nazi early 1930s and an estimate in 2002 indicated that there were almost 5,200 communities in 58 countries using CCSs. It is possible to see that CCS can contest the central power of the state. Argentina at the beginning of the 20th century was one of the ten most affluent nations of the world. Between 1948 and 1990 Argentina's three year averages of GDP as a mean of OECD countries fell from 80% to 40%. As a result of a combination of 5 years of extreme neo-liberal policies and a major economic crisis in 1995, the country's socioeconomic structure was undermined. The crisis hit all sectors of the working class including the professional middle class and the excluded poor. It was within this context that the first CCS were started by members of the left: initially they attracted newly impoverished professionals who had surplus skills to offer.

The Argentinian community CCS were known as *Redes de Trueque (RT)* – network of bartering or exchange - and from time-exchange records kept on computer, a paper currency system evolved. Argentina had a history of official currency instability and this provided an 'institutional gap' which helped to provide the new currency with some legitimacy. From small beginnings in 1995 participation grew to around 2.5 million members in over 4000 clubs in 2002 dropping back to around 250,000 in less than 400 clubs in 2006. The peak coincided with another even more serious economic meltdown in 2002 and the decline followed the subsequent recovery. Within these figures were a variety of CCS with different systems of governance, scale, objectives and sustainability. Georgina engagingly describes this history, covering the rise as well as the decline and comes to conclusions that provide practical advice to all of us interested in alternative social movements, including cooperatives.

As an example, in terms of governance she suggests four criteria that are essential for

sustainability: input legitimacy of the design process; construction of mechanisms of rule enforcement; resource synergies by which material benefits of participation are shared; and control of transaction and organisational costs. Finally she suggests that a failure in one area or to manage the contradictions will result in a lack of sustainability of the whole.

Institutional economics and sociology are drawn upon to develop a synthesis of the process of developing new and alternative social and economic institutions. Georgina develops the concept of institutional gaps created by economic crisis or growing lack of legitimacy providing an opportunity for alternative institutions to emerge. She draws upon the 'figurational' sociology of Norbet Elias to aid the understanding of the process of creating a new institution. In one sense the analysis is flawed as it relies on the institutional and functional idea of 'unfreeze freeze' and the process part sits uneasily with this, neglecting the conceptual recognition of ongoing conflicts and contradiction that new institutions such as the CCS are in fact new terrains of social movement creation and struggle, as would be recognised more generally in social movement studies. However, there is sufficient overlap in content of the data presented and clarity of analysis that enables this work to make a contribution to both fields of study

In this regard, it is possible to suggest that given the findings of this study both conceptually and with the presentation of the rich detail of the full cycle of the historical experience of the CCS in Argentina that these forms of currency can be seen as an integral part of creating alternative spaces that have to find some relationship with existing power and institutions, whilst at the same time their very sustainability can provide a form of transgressive and even transitional contention: something that could be termed 'deviant mainstreaming'. If you don't wish to engage with this debate this book has much up to date and fresh information to all cooperative practitioners. So don't be put off by its dry-sounding title and presentation: it is a real gem.