

Book Reviews

Recensions

Humanizing the Economy: Co-operatives in the Age of Capital

John Restakis

Gabriola Island, B.C: New Society Publishers, 2010

Reviewed by J.J. McMurtry, York University

The world of Co-operative Studies is notoriously bereft of literature that bridges the academic and practitioner worlds. It has also not especially been a space that has engaged in high-level discussions on policy alternatives to broad social (as opposed to membership) concerns. To expect a single book to address these gaps would be too much to ask; however, John Restakis' work *Humanizing the Economy* goes admirably far in opening the door to a future where these gaps are no longer so glaring.

A main strength of this text comes from Restakis' commitment to "make this book useful to practitioners working in the fields of co-operative and community development" (6). However, as a practitioner himself, Restakis is aware that too often our political and policy futures are determined by "vested interests," the theoretical dominance of the ideas of neo-classical economics, and methodological individualism. In short, to serve the practitioner community and influence policy, Restakis makes the practical, but often ignored, claim that co-operative practice should consider social theory.

Humanizing the Economy begins with the chapter "The Grand Delusion," which attacks the premises of neo-classical economics. It is followed by a history of the idea of co-operation, starting with the French Revolution. Co-operation is proposed as an alternative economic discourse commonly overlooked by economic and social historians. The strengths of these chapters do not lay in the novelty of the ideas, but rather, rest in the weaving together of several discourses into a coherent story of co-operation. *Humanizing the Economy* bookends its theoretical contributions with concluding chapters on the problem of social capital and contemporary case studies that are woven together with a critique of unfettered capitalism.

Two crucial ideas emerge in this book. The first is the concept of social capital: following Robert Putnam, Restakis argues that it has been eroded enormously in the past half century. The second, and related, idea is that the erosion of social capital has lead to the reversal of the primacy of "human and social values over those of capital" (p.40). For Restakis, the aim of social and economic policies should be the realization of these values in our daily existence of work and leisure – a job that he argues co-operatives do particularly well.

The remaining chapters turn to the practice of co-operation around the world from both a policy and a practitioner standpoint. The major focus for Restakis is how the co-operative model is able to leverage the power of the market while maintaining an economic reciprocity and membership-based social focus. What will be interesting for students, practitioners, and academics of public policy is how Restakis distills national solutions in Italy, Japan, and Argentina as well as particular cases of Fair Trade and a sex-worker co-operative in Calcutta to illustrate how co-operatives are a possible policy solution to some of society's most intransigent social crises – from the lack of meaningful work to decent care for the elderly, from municipal garbage collection to the link between poverty and prostitution. What is important in every case is how economic enterprise rooted in democratic control and social values can be a productive solution to a broad spectrum of issues. Restakis argues:

I am proposing that the idea of co-operatives and co-operative economic systems, based on the principle of reciprocity, be promoted, extended, studied, taught and reinvented, not only as a matter of public policy, but as a far higher political priority within the co-operative movement itself.
(p.248)

It is in this challenge to existing policy frameworks, as well as the co-operative movement itself, to be critical of assumed wisdom where Restakis' greatest strength lies.

The weakness of the text, however, ironically also rests in this strength, as Restakis does not live up to his own clarion call. There is not a single sustained example outlining a significant policy or practice challenge or failure of the co-operative model (with the exception that in Argentina the “established” co-operative movement “followed” rather than “led” the occupy movement (210)). The recent spate of demutualization in the agricultural sector, or the sale of major co-operatives to private owners in the natural food sector, or the distancing of the credit unions from the economic realities of their communities and members are simply not engaged. A reader unfamiliar with the co-operative movement would conclude from *Humanizing the Economy* that there are virtually no clouds on the horizon for this model, and in so doing the text does a great disservice to practitioners and policy makers alike. Restakis falls into the trap of Co-operative Studies generally – that of “boosterism” rather than critical evaluation.

Further, Restakis replicates the silos between the co-operative and other social justice movements spanning the globe by not engaging with the ways in which these movements might productively link together to achieve stronger social capital within society at large. For example, little connection is made between the labour movement, co-operatives, and Fair Trade. In the chapter titled “The Empire of Tea” Restakis virtually ignores that the majority of Fair Trade tea producers are organized not into co-operatives, but into labour unions given the plantation form of ownership that dominates this commodity.

Restakis is also inconsistent in his view of the problems of capitalism and the market, arguing that in the case of Italy “co-operatives were a central influence in the acceptance of market forces as a key element in humanizing the economy” (p. 78). While there are productive distinctions to be made between “capitalist” and “market” solutions to economic problems, Restakis provides little guidance for understanding them. Consequently, it is concerning that Restakis repeatedly argues that the provision of

social goods can be “marketized.” For example, he maintains that social care in Canada and elsewhere can and should be reformed through market forces – “What is needed is a new conception of market forces with respect to social care and relational goods” (p.109) – using a policy solution of social care vouchers (p.112). It is in these policy solutions that Restakis’ lack of a not simply critical, but also theoretically developed, eye is most pronounced.

Despite these shortcomings, *Humanizing the Economy* is an important contribution to the field of Co-operative Studies and, more broadly, social policy. It has been and is currently being broadly read in the co-operative sector, which also makes it a valuable text for policy makers generally and anyone interested in discovering the history, values, and practice of this important economic practice.