

## Book Reviews

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### Recensions

#### *Understanding the Social Economy: A Canadian Perspective*

Jack Quarter, Laurie Mook, and Ann Armstrong. Toronto: University of Toronto Press, 2009

#### **Book Review by Robert D. Weaver, University of Windsor**

The primary purpose of this book is to provide a comprehensive examination of the social economy within Canada, which is defined by the authors as a “bridging concept for organizations that have social objectives central to their mission and their practice, and either have explicit economic objectives or generate some economic value through the services they provide and purchases that they undertake” (4). The text targets business studies and, as discussed below, takes into account factors that are frequently overlooked by scholars and educators whose focus is the accumulation of profits within the private sphere.

The book is divided into three parts and nine chapters. Part 1 consists entirely of Chapter 1, and it introduces the reader to the notion of the social economy and characteristics of social economy organizations, including social objectives within their missions. The authors’ description of Canada’s largest credit union, Vancity, succinctly captures the essence of mission within social economy organizations as they explain it emphasizes the “so-called triple bottom line: financial, social, and environmental” (16).

Another core characteristic of social economy organizations is social ownership. Unlike the for-profit sector where personal gain is the hallmark of ownership, social benefit is the defining trait within social economy organizations. Consequently, assets are considered social dividends that are passed from one generation to another.

Chapter 1 also alerts the reader that this book differs from a standard business text because it explains how the current neo-liberal climate challenges social economy organizations. In short, those organizations earning their revenues in the market may be forced to compete with profit-oriented businesses while those that rely primarily on public sector funding may vie for contracts.

Part 2 consists of five chapters that each addresses a particular dimension of the social economy. Chapter 2 focuses on different types of social economy businesses that operate within the market economy to meet their members' needs. For instance, a discussion of user-based co-operatives in the form of credit unions or *caisses populaires* reveals that the co-operative financial institution Desjardins is the sixth-largest financial institution in Canada and the leading employer in Quebec. Other social economy businesses mentioned in this chapter include commercial non-profits such as the university-based Travel Cuts and quasi-commercial non-profits like the well-known and popular YMCA network.

Community Economic Development (CED) is the primary domain of Chapter 3. This chapter contains an incisive discussion of the growing economic inequality within Canada and how this has prompted the need for CED. The attention to this topic was a pleasant surprise, especially within a business text. A useful diagram on page 81 outlines how CED initiatives embrace aspects of the social economy, such as a strong social mission, but also generate revenues through the market and often receive financial support from the public sector. The authors maintain that the socio-economic benefits emanating from CED project are real and "tangible" (96), yet they mention no studies that outline these benefits. A few concise summaries of studies that capture the benefits of CED, particularly within impoverished regions, would have boosted the persuasiveness of this chapter.

Chapter 4 focuses on social enterprises. These initiatives exchange goods and services within the market and thus generate substantial revenues through the private sphere but they may also receive financial support from governments and foundations. A form of CED, social enterprises typically assist individuals that may face socio-economic barriers, such as persons with disabilities, in becoming more economically independent. As is the case throughout the book, the chapter provides a plethora of useful examples, such as Part du Chef, the Montreal eatery that hires people with psychiatric disabilities, and the Potluck Café Society, which promotes employment amongst residents of Vancouver's impoverished Downtown Eastside. There are over 500 social enterprise organizations across Canada and an informative highlight of the chapter is a one-page table on page 128 that outlines different forms of social enterprise, including online social enterprise, and their respective target groups.

Public sector non-profit organizations are the subject of Chapter 5, which emphasizes domains traditionally associated with a welfare state, such as non-market housing, health care, and child care. During the mid-1990s, non-profit organizations faced obstacles in delivering services as result of the federal government's implementation of the Canada Health and Social Transfer (CHST). Despite the funding reductions that emanated from the CHST, government has remained a key player in funding the non-profit sphere and shaping policy. The chapter's historical analysis is insightful, particularly as it relates to child care, because it traces its evolution within Canada across time up until its current "hodge-podge" (162) and fragmented state.

Chapter 6, the final chapter in part 2, considers civil society organizations, which "are arguably the purest example of social economy organizations in that...they neither overlap with the public sector nor with the market" (174). This chapter is very informative and highlights the import that civil society organizations have within Canadian society. Organizations described and discussed range from the Canadian Labour Congress (CLC) to professional and consumer associations and self-help groups such as Alcoholics Anonymous and Narcotics Anonymous. Religious congregations and ethnocultural organizations are also mentioned.

Part 3 is comprised of 3 chapters, all of which contain detailed and useful information on the specific structure, design, and functioning of social economy organizations. Chapter 7

outlines various organizational design choices that characterize social economy organizations, such as the so-called “simple structure” that is one large unit with one or two managers and the adhocracy, which is typified by teams of multi-disciplinary experts. Governance within social economy organizations is also considered through the chapter’s detailed discussion of two governance models. One of these, the Carver Model, stresses the organizational board’s function in delegating the managerial duties of the organization while the Leadership as Governance Model emphasizes a more nuanced role of boards that requires critical reflection by members.

Chapter 8 broaches the variegated nature of financing for social economy organizations. As is the case throughout the book, the authors’ informative attention to detail is impressive in their explanation of a multitude of funding sources, including government, the private sector, community foundations, credit unions and caisses populaires, and pooled sources of funding, such as community investment funds and social enterprise funds. In the chapter’s conclusion, the authors effectively recall the Venn diagram located in Chapter 1, which depicts the dynamic interaction between the social economy and the private and public spheres. Nowhere, they state, is this interaction more evident “than in finance” (271).

The ninth and final chapter emphasizes social accounting. The purview of social accounting extends between traditional accounting’s domain of financial surplus and deficits and is more aligned with social missions of social economy organizations. This is evinced through an explanation of the Global Reporting Initiative (GRI) guidelines that consider dimensions such as the environment, human rights, and labour. Another approach to social accounting, dubbed the Expanded Value Added Statement (EVAS), appraises the economic, social, and environmental impacts of organizations.

The strengths of this book are numerous. It is well-organized and informative, and its three parts are logically divided and complementary. The book primarily targets business studies whose scholars have generally neglected the social economy in their research and pedagogical approaches. Concomitantly, the text’s sophisticated and comprehensive treatment of this important topic make it a relevant read for academics and leaders within a variety of fields and disciplines, including social work, public policy and public administration, and sociology.

From a pedagogical standpoint, the text is instructor-friendly. It is replete with examples, including mini-case studies scattered throughout all of the chapters and a major case study at the end of each chapter. Discussion questions and the listing of relevant sources and websites are also provided.

In terms of its limitations, the book ends rather abruptly without a summarizing chapter that could prompt the reader to think more critically about the feasibility of expanding the social economy. In other words, the book lacks a prescriptive element which could focus on how social economy organizations can best be promoted to offset the growing inequality emanating from the neo-liberal climate, both in Canada and abroad. Thus, readers are left searching for strategies intended to establish a more comprehensive presence of social economy organizations across Canada’s economic landscape.

Despite this shortcoming, the breadth and depth of information contained in this book make it a valuable addition to the library of any academic, professional, or student whose interests lie within social and economic matters and the promotion of the common good. As Canadian policymakers and business leaders face an increasingly precarious and interconnected global economy, they would be wise to refer to this book for foundational information on how to promote a more equitable and just society for Canadian families and individuals.