

## BOOK REVIEW SERIES

**HART, K. LAVILLE, J-L and A.D. CATTANI**  
(2010) *The Human Economy: A Citizen's Guide*. Polity Press: Cambridge UK and Massachusetts, xvi + 370 pages.

'Neoliberalism has been wounded, but it is not yet defeated,' say Keith Hart and his co-authors. In calling for a human economy project, they assert that, unlike the dominant paradigm which views human beings as *homo economicus* operating under a mechanised framework of rational choice, economy is made and remade by people's actions as social beings and the fine balance between an individual's need for self-reliance and belonging to others must be brought back to contemporary economic thinking. This vision of human economy underscores a democratic political drive to overcome the unnecessary divide between 'capitalism' and 'socialism,' both of which tell us only part of what is going on in an economy.

In what should be essential reading for scholars who engage with the philosophy of economics, Hart et al highlight three facets of neoliberalism. First, an economic doctrine that evolved very much as an Anglophone phenomenon now openly claims universal application. This volume reflects a realisation that non-Anglophone economic thinking from France, Latin America and Scandinavia – often lost in translation in an increasingly anglicised world – needs to be brought back into the global mainstream. Second, the financial crisis made it clear for all to see that the ideology of 'free market' superiority is just so much hype. For millennia, economy was conceived of in domestic terms as 'household management' of personal incomes, expenses, servants, loans and repayments. Its overstretched usage to apply the principle to whole nations became untenable during the financial meltdown when the "financial 'masters of the universe' quickly brought out the begging bowl and in some cases had to suffer nationalisation," and governments who once preached the free market gospel, desperately embraced Keynesian remedies with all the inflationary risks involved. Third, linked to the rise and fall of geographical and ideological hegemonies, the editors identify a need to build a global civil society, rising above the socialist-capitalist divide, and drawing on the work of anti-colonial intellectuals like Mohandas K. Gandhi,

Frantz Fanon and C.L.R. James, who expressed an aspiration to make their own independent relationship to the colonialism of the twentieth century.

A new 'new institutional economics' is proposed, to be formed out of anthropology, sociology, political economy, economic philosophy and world history. This would be the product of an extended international collaboration that cuts not only across disciplines, but also geography and languages. *The Human Economy* traces its origin to the World Social Forum held in Porto Alegre, Brazil, in 2001, and draws on earlier publications in Portuguese, Spanish, French and Italian, all called *Dictionary of the Other Economy*. This version combines Jean-Louis Laville's work on *economie solidaire* (1997) with Keith Hart's seminal idea of the *informal economy*. On offer are thirty two chapters organised under five broad headers as: World Society, Economics with a Human Face, Moral Politics, Beyond Market and State and New Directions.

What is globalization? One aspect is the unprecedented rise of world-wide networks that heighten possibilities of collaboration in all walks of life. However, globalization has not necessarily worked for the poor, nor has it worked for the environment. In their chapter, Golub and Maréchal rightly attribute this to failure to identify and preserve global public goods which cannot be produced through capitalist markets. They call for a new architecture of global governance that respects democracy in both structure and spirit. Existing global institutions have shifted their focus from development to a neoliberal fixation on free capital flows, echoing the paradigm shift in the world order from the East-West conflict of the Cold War to a North-South divide, as is manifested most explicitly in the Washington Consensus (the chapter by Merrien and Mendy). The word 'development' itself has turned into a label for political relations between rich and poor countries after colonial empire. As the former shirk their responsibility for the latter's economic improvement, development has become merely a means of legitimising the reproduction of inequality across the globe. One alternative proposed is what Pleyers calls 'alter-globalisation,' which critiques the neoliberal regime in three ways: through citizens' and experts' advocacy networks, renewed calls for local action and lending moral support to progressive regimes around the world.

*The Human Economy's* call for action is also a call to revisit the theoretical foundations of economics. Who could argue against the aim to put our common affairs on a rational footing? For over a century now, however, economic gain has come to trump prudence in a trend that must lead to a critical debate over theory. Economic actions range between two poles of meaning: at one end an

atomized rationality mobilizes scarce resources for unlimited needs, while at the other broader social considerations come into play. Neoclassical economics' concern only with the former sense is conceptually erroneous and its political dominance runs the risk of undermining democracy and provoking extreme social reactions. This danger is apparent on several fronts: ecology, feminism, social entrepreneurship, fair trade, labour relations, microcredit and the informal economy. Effective answers require an economic pluralism expressed through many political and social forms.

The section on Moral Politics continues the line that economic thinking either needs redefinition or underplaying. For example, how are ideas of citizenship and welfare compatible with economic supremacy over politics? Is corporate social responsibility a neoliberal victory that blurs the distinction between states and corporations, thus placing one set of citizens above others on grounds of wealth? Caillé's discussion of 'gift' again picks up the inadequacy of market principles to define the human economy. The point of Mauss's seminal essay written just under a century ago was that economic transactions have an inherent social logic behind them. Gifts are self-interested but they also carry reasons for alliance and disinterestedness. Here the anti-utilitarian paradigm may support the idea of *economie solidaire* which addresses plural interests over both the profit motive and universal class action (Jean-Louis Laville). Gift undermines the clear-cut opposition between pure charity and self-interest or between the market and associations. The gift paradigm also implies that dialectical continuities between the two sides may also be inverted. In this sense, a society is never complete as a construction; instead it evolves in a continuous process of making and remaking meaning.

Hann offers ethnographic evidence for this: he juxtaposes Malinowski's account of Trobriand Islanders to Thompson's idea of moral economy among English workers. Both accounts contradict Adam Smith's opposition of self-interest to morality as well as the Marxist utopia of class solidarity. Further, how are we to make sense of the Indian caste system which evidently places merchants below kings and priests? This complex division of labour is prescribed and maintained on the basis of ritual purity even though India has historically been a fiercely competitive society. It is true that this ancient hierarchy has undergone substantial changes today, but caste ideology continues to exercise a hegemony that does not necessarily conflict with the profit motive for Indians.

While this book collectively identifies major obstacles to humanising economics, straightforward answers to go about this task are not readily available from the varied chapters, except for the assertion that substantive interests

must be given play over formal considerations in economies that are essentially local and self-reliant. This resembles an approach to development by the bootstraps where societies must have inductive freedom to find their own balance between self-interest and morality in developing an economic framework of their own. Such a process must emancipate the theory of economics from an atomic rational assumption of what human beings are, and release them from existing methodological, geographic and linguistic hegemonies. Thus, the book suitably ends by charting out new directions for engagement.

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