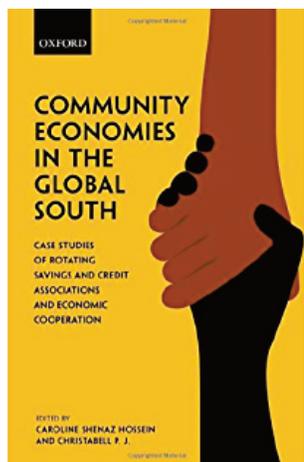


## Book Review / Compte-rendu

James Patriquin, Carleton University



**Community Economies in the Global South: Case Studies of Rotating Savings and Credit Associations and Economic Cooperation.** Edited by Caroline Shenaz Hossein & Christabell P. J. Oxford, UK: Oxford University Press, 2022. 288 pp. ISBN: 9780198865629.

*Community Economies in the Global South* will soon be regarded as a seminal text in the diverse economies tradition and required reading on rotating savings and credit associations (ROSCAs). This collection of essays makes a significant contribution to the study of financial practice in the Global South, specifically through the lens of ROSCAs, and more generally, to intersectional scholarship on financial practice. The key contribution applies a decolonial and antiracist sensibility to the feminist exposition of informal financial economies. In doing so, the volume's contributors illustrate deep historic roots of group-based financial practice prior to and in the margins of capitalism.

The essay series qualifies financial practice through the lens of lived experience, some of which is deeply personal. ROSCAs constitute an area of practice where most people will have little exposure and even less first-hand knowledge. In fact, these varied practices and systems have no conceptual corollary in the English language. Shirley Ardener's term "ROSCA" fulfills a descriptive need in this burgeoning literature. But to really understand what ROSCAs are, both in their functioning and broader significance, nothing compares to observing up-close the workings of association. Whether we are learning from examples such as Tandas in Peru which help finance women-owned businesses in a collaborative context; about Susu in the Caribbean which provides women there a wider support system engendered through democratic financial associations; or about Ajo in Nigeria and Chama in Kenya which are used to promote self-reliance and grassroots economic power—these variously named systems speak to a common experience. The authors provide no fewer than thirty unique terms for the informal systems used as a corrective against financial discrimination and exclusion. Participation in cooperative systems disturbs the sanctity of banks and speaks to a diversity of financial experiences neglected in capitalist political economies.

The volume stands on the shoulders of three publications which have laid a foundation for applying diverse economics to informal deposit-pooling systems. Foremost in this set is Shirley Ardener and Sandra Burman's text *Money-Go-Rounds* (1996) which documents the phenomena of ROSCAs and theorizes their advantages specifically to women. The text also draws support from Elinor

Ostrom's (2009) work on the governance of complex economic systems, which confirms that the overharvesting of common resources—contrary to the now-falsified “tragedy of the commons” thesis—is often prevented in practice through the creation of systems that prioritize social provisioning and mutuality. Most essentially, the volume is emblematic of the “diverse economies” tradition of J.K. Gibson-Graham, and it contributes to this approach a sensitivity to race, ethnicity, and the colonial “othering” of minority groups in formal financial spaces. The lived experience of financial alienation is clearly differentiated along the lines of identity and geography. Scholarly attention to this reality is overdue.

The authors define ROSCAs variously as mutual aid groups in which members pool and share money according to an agreed upon protocol. Such groups are widely accepted as a convenient interface of savings and debt. Members pool money, typically on a weekly or monthly basis, and then the money is distributed to individual members according to a decision of the whole. Among ROSCAs in Peru, for example, rounds of “lotteries” are often used to randomize the order in which weekly payouts proceed. In one specific group, women contribute \$30 per week and are able to receive one \$300 payout every ten weeks. In five of the groups surveyed, a predetermined payout ordering was used and tended to reflect a group judgment upon one's level of need, seasonal needs, and seniority. When surveyed, participants responded that their savings are mostly invested in their businesses, and sometimes spent on household expenses and covering debt.

The convenience and cost effectiveness of ROSCAs make them particularly useful for women, as the evidence shows they are more likely to be the head of their household, and in addition to household labour, women carry a responsibility for supporting the family's income. Rather than waiting on banks to meet their ill-served needs, women across the world turn to grassroots and peer-based solutions. This is about as far as generalization takes us, as ROSCAs are unregulated entities and tend to vary in their organization both within and across countries. The rules that ROSCAs follow similarly depend on the membership of the group, but they tend to emphasize consensus and reciprocity. ROSCAs are not “primitive cooperatives,” and the authors argue this term functions to analytically privilege formal organization. Rather, ROSCAs are effective precisely because of their informality; owing to their basis in trust and community, and specifically, to the fact that they are owned by local people invested in each other's success.

The authors offer an invaluable set of interventions describing the social and material dimensions of alterity and the “othering” of community economies under capitalism. These interventions dispense with many outdated assumptions about finance, and they showcase rather than simply name the diversity of ethical financial forms. This exposition of diversity persuasively dispels the structural logics of capitalism-Marxism, and it illustrates interpretivism as a more useful and analytically unbiased framework for understanding varieties of financial conduct. Around the world—in the Americas, Africa, and Asia specifically—the authors show that real people in complex political environments consistently choose humane, inclusive money systems “because they are ethical and good” (p. 6). And these are not alternative systems forged in necessity or the anti-capitalist crucible of resistance. ROSCAs are Indigenous, pre-colonial practices that, we are told, exist now and always have; persisting in the agency and expertise of communities because they provision tangible benefits and preserve the cultural being of their members. This is shown to be particularly useful in the

context of exclusion or oppression, however these are not the only nor the principal conditions under which ROSCAs thrive.

Although this is not principally a theoretical book, I would be negligent not to comment on two generalizations that I believe offer a tacit and enduring lesson on the politics of finance. The first is a modest and yet elegant illustration of the political good that can be conducted through finance. The contributors persuasively show there is nothing intrinsically unethical or immoral about financial practice, and that the exploitative conduct of financial institutions reflects a normative choice which is made in practice and maintained in systems of governance. Moreover, finance deployed in pursuit of sustainable growth, consumption smoothing, and community investment can come in many potential forms—they are not always immoral or undemocratic, nor are they essentially speculative or destabilizing.

The second generalization is instructive on the politics of financial scholarship, marking the text as a significant contribution to postpositivist, decolonial, and feminist political economy. The inventory of discourses, events, policies, practices, subjectivities, and forms of association provided here opens money and finance to a new kind of examination. Diverse economies scholarship prioritizes anti-essentialist and post-structural analyses, and these are deployed to challenge the capitalist and colonial privilege assigned to formal organization which has broadly failed to promote equitable and sustainable ways of living. The volume masterfully attends to a multiplicity of power and social difference, yielding only to the fecund and prolific heterogeneity of practice and demonstrating by example a more ethical practice of scholarship.

#### **ABOUT THE AUTHOR / L'AUTEUR**

**James Patriquin** is a student at Carleton University. Email: james.patriquin@carleton.ca

