The Alternative: How to build a just economy **by Nick Romeo. (Basic Books, London, 2024), pp. 372.**

The Alternative is an exploration of ways of organising economies, businesses, organisations and people that transcend neoliberal and capitalist logics and promote human flourishing. Topics include 'true prices' in retail shops that internalise environmental costs and animal and labour exploitation; job guarantees for rebuilding shattered towns and pride in place; worker owned cooperatives and employee share schemes; and regulating gig work platforms as public utilities or creating them that way in the first place. While many of these ideas have been around for decades, there are fresh angles on them in this book and, crucially, real life case studies.

Nick Romeo is a journalist best known for his economic and policy writings in the *New Yorker* and his book is strongest when leveraging this skill set. There are many colourful characters, and they often express the book's ideas best in their own words. Camille Canon, for example, the cofounder of Purpose Economy, is incisive when explaining how corporate governance structures make valuing anything other than profit difficult, and how niche elements of trust law provide powerful solutions. This echoes conversations I have had with charity leaders in the lived experience and coproduction space in the UK, like Maddi Cassell. When founding LEX Scotland, she wanted a flat governance structure to reflect the coproduction mission of the charity, but law required a board, a chair, an executive, and various other inherently hierarchical features. There are ideologies embedded in our institutional architecture that often constrain innovation, altruism, and progressive social movements in inadvertent ways.

The interviews and quasi-ethnography Romeo conducts in the Basque region among Mondragon employees is similarly interesting and enlightening, with the human element coming through strongly. Mondragon is the world's largest worker-owned cooperative and a massive, sprawling firm with diverse operations touching on many aspects of the global economy. Its profits are heavily reinvested not just in the business but also in the wider community, such as a university that facilitates (re)training and fosters social mobility. Given this social mission, it is a little less surprising than might otherwise be the case that executive salaries in Mondragon are capped at around 7x what the lowest paid employee earns. The culture of Mondragon is to seek and award social prestige for contributions to the firm and wider community. Comments from employees and Romeo's reflections when attending an event at one of Mondragon's community halls make vividly clear how the business' altruistic investments facilitate social life, foster understanding and conviviality between workers and managers, and generally promote wellbeing. It is a strikingly different vision of the good life than the one that predominates in the board rooms of capitalist bastions like London, where I live. Success in a Mondragon life is not a personal project of making ever more money, but rather a collective effort to create a thriving, cohesive, secure, and economically healthy place. It seems to work!

While the characters of *The Alternative* are charming, its ideas curious, and its vibes immaculate, the book is weak on concrete details – the sort of thing academics might want. There is especially a lack of generalisable principles. For example, how would a National Investment Authority (NIA) – the subject of the final chapter – overcome the dynamics of picking losers, corruption, and low returns that has plagued many if not most attempts at industrial policy? Writers in this space, often explicitly following Ha Joon Chang as Romeo does in his first chapter, assume that all industrial policy will be as successful as it was in South Korea, and don't have much of a theory as to why. They forget Malaysia, Kenya, the Soviet Union and the thousands of other cases where the powerful gave public money to the politically connected rather than the most productive or well-intentioned. The policy influence of economics and law

comes from the analytical traction their tools provide. Ideas like demand and supply or rational choice theory can be easily applied to novel policy challenges to provide a degree of structure to the problem at hand. Romeo doesn't distil these sorts of generalisable principles, tools or ideas, and his book is often painfully out of touch with the principles that already exist. For example, he recommends (p. 75) legislating that all firms prove that their supply chains are free of human and environmental abuses with no regard for how colossally burdensome this would be, especially on small firms, if practical at all. There is little engagement with the voluminous literature on regulatory burdens and how to design policy so as to avoid them (Halling & Baekgaard 2024).

The first chapter of the book, on the failures of economics, is a bad caricature and generally unnecessary. There is an unfortunate tendency in this sort of literature, from ecological economics and degrowth to the wellbeing economy alliance, to conflate 'economics' with Milton Friedman, Ronald Reagan, and macroeconomists at Ivy league universities in the run up to the global financial crisis. Neoliberal ideologues are not 'economics'. There is rarely engagement with the theories and principles of economics in these critiques or explanation of where the errors are. Romeo speaks fondly of the CORE project, overlooking that all its authors are also economists and hardly out of the mainstream in most cases, and drawing on economic literature that was well developed even before 2008. The reason why these misplaced critiques are destructive rather than constructive is that they don't help readers to identify what's good or compromised in economics but rather encourage them to ignore the entire discipline. Ideas with immense analytical traction and empirical validity, like elasticity or the distortionary effects of price controls are consequently overlooked, and progressive administrations then repeat the same tired mistakes, like rent control, instead of inventing more sophisticated ideas.

What I think is strongest in *The Alternative*, but which is also ironically a shortcoming, is how clear the importance of morality is in all of Romeo's case studies. The living wage founders he interviews accept lower profits to offer better work and life to their employees. The public utilities for gig workers he envisions take less profit than private platforms so that more can be passed on to workers. The purpose-led trusts featured all involve founders who want to care about values beyond profit. The critique of private equity in the final chapter is basically a critique of its moral bankruptcy in the pursuit of profit. Mondragon was founded by a priest and literal saint! Everywhere there is morality and altruism and yet this is never the point of the chapter. All the institutional reforms and innovations that the book showcases are important but they're all secondary to people simply having non-capitalist values. I don't know why this wasn't emphasised more given the general absence of other-regarding values from neoclassical economic models and especially from the neoliberal ideology that Romeo evidently reviles.

The Alternative is an excellent place to look for ideas on how to take economics beyond our current late-capitalist death spiral. It is especially useful for academics because what's missing from the book is some dialogue between the innovations Romeo finds out in the world and the general theories the academy is developing and teaching to students. I suppose it is appropriate in this context that the first chapter is titled: The Battle for Academia. Romeo provides many case studies, it now falls to us to systematise them.

Works cited

Halling, A. & Baekgaard, M. (2024). Administrative burden in citizen-state interactions: A systematic literature review. *Journal of Public Administration Research and Theory,* 32(4): 180–195.