

an ownership interest. As we have seen recently in the mortgage market, the question in evaluating a loan has become whether it can be sold, not whether it is sound in itself.

This leads us to another crucial transformation, concerning the foundation of the value of assets. A real-world perspective gives considerable attention to the objective conditions that underlie an asset and its capacity to generate a stream of income. A financial perspective, on the other hand, tends to focus only on the transactional value of an object (and virtually anything can now be made a financial object), which is to say its potential to be purchased by someone else. As long as a government agency, for example, is willing to buy bundles of mortgage loans without regard to traditional financial soundness, these loans have value in transaction.

The result of all this is a shift in the direction of a make-believe world in which efficiency becomes an end in itself, real productivity is marginalized, and little account is taken of the risks imposed on real people and institutions.

Dembinski has offered a fascinating and compelling account of our current state of affairs and the process that has brought us here. His diagnosis of the problem is persuasive in most regards. Less rewarding is the brief section at the end of the book in which he offers suggestions for remedies. Nevertheless, anyone interested in a sophisticated but accessible critique of modern finance will be rewarded for the time he spends with this book.

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**Rethinking Business Management:  
Examining the Foundations of Business Education**  
**Samuel Gregg and James R. Stoner Jr. (Editors)**  
Princeton, New Jersey: The Witherspoon Institute, 2008 (220 pages)

*Rethinking Business Management* consists of thirteen chapters that, in various ways, apply the resources of the Aristotelian moral tradition to contemporary business education. The essays were first presented at a conference held at Princeton University to mark the fiftieth anniversary of IESE, the highly ranked international graduate school of management. Located in Spain, IESE is distinctive for several reasons, including its personalized programs and emphasis on understanding management practices in terms of the development and well-being of people, prospering organizations, and long-term social benefits. With that mission and history, it is sensible that the authors draw from and apply virtue ethics and the natural-law approach to management education.

The old adage, “You shouldn’t judge a book by its cover” does not quite apply in this case, because the cover art captures the central theme of the book. Plato and Aristotle, as painted by Raphael in his well-known image from the School of Athens, are situated in the middle of Wall Street. This seemingly raises a question: “Can the moral and intellectual tradition that flowed out of ancient Greece and was developed in the medieval schools

be retrieved for the context of contemporary business management?” Each chapter in this volume suggests an affirmative answer.

The literature seeking to bring both virtue ethics and the natural-law approach into conversation with business practice and business education, while not yet part of the contemporary secular mainstream, certainly is growing rapidly. In June 2008, I attended a conference at the University of Notre Dame titled, Business Education at Catholic Universities. On the first day of the conference, several presenters proposed that they had a new or unique approach to business education that drew from the rich resources of the virtues and the natural law. By the second day, presenters were no longer claiming that this approach was new or unique. In fact, it seems widely accepted now (at least among many who teach at Catholic business schools) that deontological and utilitarian approaches to ethics are inadequate and lead to interminable debates.

John Paul II proposed, in his 1991 encyclical, *Centesimus Annus*, that after the fall of communism, the market economy (properly understood) could promote human dignity. The late pope praised “an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector” (no. 42). While extolling the virtues of honesty and justice, John Paul II appealed to “qualified personnel” who might be capable of “managing the economy in an efficient and responsible manner” (no. 20). Is it possible, as John Paul II seemed to suggest, to manage in a responsible manner, with an eye to economic concerns while comporting oneself in a way that is honest and just? In short, is it possible for managers to learn how to practice the virtues? *Rethinking Business Management* makes an important contribution to this ongoing debate by arguing that business practice and business education would do well to bring the resources of the ancient and medieval wisdom traditions to bear upon contemporary practices.

The editors divided the chapters into three sections. Perhaps because I am a philosopher, I found the first section to be the most engaging; Foundations contains five strong essays by Harold James, Roger Scruton, Antonio Argandoña, David Novak, and Robert George. Throughout this section, there seems to be agreement that contemporary business management, despite its apparent modern individualism, is (in deeper ways) compatible with and better understood in terms of the virtues and the vocabulary of the natural (moral) law.

I question the editorial choice of calling this section foundational, as it does not aim to discover a Cartesian-style foundation for business or ethics. It might have been better to use the metaphor of retrieving a grammar or a language. This section implicitly aims at (and generally succeeds in) helping the reader to become more deeply conversant with the vocabulary of the virtues and the natural law in the context of business management.

The second section, Practical Challenges for Ethical Management, includes four essays that situate management in four contexts: health care; higher education; the balance between career and family life, especially for women; and workplace safety. The most engaging of

these is by Anthony Daniels. In a crisp style, Daniels criticizes the bureaucratic rationality he has experienced in the British system of health care management.

The final section, which also includes four essays that focus on management education, concludes with two congruent essays that aim at a creative retrieval of Aristotle and the cultivation of the life of virtue for the MBA curriculum.

The chapters were written before the market plunged in 2008, so issues raised by recent economic events understandably are not addressed.

I share deep sympathies with the direction of this volume, but I want to add two brief evaluative comments. First, this book seems better suited for educators than for students. I had almost planned to use this book as a required text in an undergraduate section of business ethics, but finally decided against it. I considered replacing Tom Morris' *If Aristotle Ran General Motors*—both books show how Aristotelian ethics can be compatible with contemporary business practice—but I decided to stick with Morris's book primarily because it is more accessible for undergraduates than is *Rethinking Business Management*.

Next, this volume could have done more to engage explicitly with Alasdair MacIntyre's criticisms of the manager and bureaucratic rationality. Those of us who want to follow Pope John Paul II's suggestion that the market economy and contemporary management practices can be compatible with authentic human dignity, the development and well-being of people, prospering organizations, and long-term social benefits are faced with a significant challenge if we take seriously the neo-Aristotelian account of the virtues developed by Alasdair MacIntyre. In order to rethink business management, we need to address directly MacIntyre's account of the manager in a manner that is more explicit and detailed than that provided in this collection, but that is a task for others who seek to complement this outstanding collection of essays.

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