

## ETHICS AND ECONOMICS

### The Battle: How the Fight Between Free Enterprise and Big Government Will Shape America's Future

**Arthur C. Brooks**

New York: Basic Books, 2010 (192 pages)

“They are playing for keeps, and if they win, America will change forever.” With these words, Arthur Brooks sets the stage for his brief and timely book. Who are *they*? They are the segment of the body politic using their energy and ingenuity to move America toward European-style socialism or social democracy. The impact of their “win” would be the debilitation of a free-enterprise economy that has been the bedrock of the United States since its founding. The “change forever” goes beyond mere economic organization and would result in a cultural transformation and decline.

*The Battle* is a call to political arms in what Brooks labels a culture war. This culture war is not about gays, abortion, or the definition of marriage. Rather, the focus is on the moral and cultural implications of the huge struggle of political economy that has resulted from the financial and economic crisis that hit full force in late 2008.

The two sides of the battle have armies of different sizes and character. Brooks sees America as a 70 percent/30 percent nation in terms of the great economic issues of our time. He goes through a wide range of polling questions and data to support his proposition that 70 percent of the electorate favors organizing the economy along free-market principles. The advocates of European social democracy, in his analysis, are only 30 percent of the electorate.

How has this 30 percent gained so much political power and apparently the upper hand with the election of Barack Obama? Within the 30 percent, we find influential elites

in the legal system, journalism, K–12 and college education, and entertainment. With dominance in these areas, those who would reshape America are capable of magnifying their political power. Moreover, the social democrats were handed a political gift by the collapse of 2008–2009. Beyond the political benefit from economic disarray surfacing under a Republican president, the 30 percent nation was able to create the dominant narrative about what brought on the collapse. The crisis was fundamentally the fault of free-market fraud, greed, and excesses. While fallacious, this narrative, with amplification by mainstream journalism, won out in the minds of the most of the electorate.

Published in May 2010, *The Battle* attempts to lay out a strategy for the 70 percent to regain political power and turn back the tide of government and bureaucratic direction of the economy. The beneficiaries of winning the battle would be future generations of Americans. Brooks also believes the outcome has major international significance. Those struggling to support a free-enterprise economy and culture in other countries look to America as an example and witness to the entrepreneurial spirit.

Of the four chapters, the most valuable is the third, “Free Enterprise and the Pursuit of Happiness.” Here Brooks lays out the view that the free-market economy has great moral and cultural value. The most fundamental defense of free markets is not to be found in a materialistic or utilitarian assessment. Rather the ultimate significance of the market is its nurturing of the human spirit in an environment of liberty and creativity. The market allows people to pursue happiness as entrepreneurs, workers, and citizens active in civic affairs. The pursuit of happiness through earned income (in contrast to unearned income channeled through the welfare state) results in personal optimism, meaning, and control. Brooks backs up his perspective on these themes with a valuable survey of the happiness literature.

With this cultural defense of the free market, Brooks sees the monetary rewards that come with effective work and entrepreneurship as secondary to their true meaning in terms of the pursuit of happiness through personal creativity and initiative. Regarding entrepreneurship, he quotes Joseph Schumpeter: “The financial result is the secondary consideration, . . . mainly valued as an index of success and as a symptom of victory.”

*The Battle* may be questioned on the proposition that the United States is split 70 percent to 30 percent. If it were, then defending its economic heritage would seem virtually assured. Brooks presents polling data to support his view of the political landscape. What he does not do is present how firmly grounded, committed, and intense these political views are. I fear a large portion of the market-friendly electorate does not have a clear understanding of market principles and lacks passion on the issues. The same is true for the supposed 30 percent of the electorate on the other side of the battle. If the majority were well grounded in such principles and understood the limitations of government actions, they would not have been hoodwinked into believing that the crisis of 2008–2009 resulted from the excesses of free markets.

The lack of principled political engagement extends beyond citizens and is even a concern regarding those elected to office. In the final chapter, which is a game plan for winning the battle, Brooks challenges readers to political engagement based on pursuit of

core principles—not pursuit of power. It is ironic that Newt Gingrich wrote the foreword to *The Battle*. Mr. Gingrich was the principal engineer of the Republican (conservative?) congressional victory of 1994. As Speaker of the House, Gingrich quickly pivoted to an expansion of earmark spending to shore up the positions of newly elected Republicans.

Questioning the political edge of supporters of the free market heightens the importance of Brooks' cultural and moral defense. Winning the battle will require much more than training and organizing free-market supporters for political action. Brooks' allies face the enormous challenge of education to strengthen the foundation of those inclined to free markets and winning over a portion of the electorate that voted for Barack Obama because he was so “cool” and effective as a speaker.

Free-market supporters in positions of influence must make the case to those who are wavering. Economists who adhere to free-market principles can be major players in the battle. Their interactions with students can convey the cultural as well as economic and efficiency arguments for free markets. Unfortunately, most economists in the classroom are more focused on mathematical formulations, econometric intricacies, and creative solutions to freaky human puzzles.

—John Pisciotta

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## New Financial Horizons: The Emergence of an Economy of Communion

**Lorna Gold**

**Foreword by Michael Naughton**

Hyde Park, New York: New City Press, 2010 (224 pages)

In its two decades of existence, the Economy of Communion (EOC) has been abundantly studied and written about and has earned widespread recognition, including from Benedict XVI (*Caritas in Veritate*, no. 46). Even so, this book by Lorna Gold is not redundant. Rather than merely describing, praising, or criticizing, it sets out to answer questions such as, Is the EOC a new model of the firm? Is it a workable model? Can it guide us in the current debate on how to overcome the models based on self-interest?

*New Financial Horizons* is a very readable book that will interest many educated readers, even those who have no specialized knowledge of economics, theology, or business ethics. All the information they need in order to understand the history and messages of the EOC is provided.

The book addresses three broad themes that are intertwined. The first, concentrated in the first three chapters but picked up again throughout the book, is an attempt to clarify the history and foundations of the EOC. There are repeated references to Focolare spirituality, as the EOC is above all the fruit of the spirituality (65) and vocation of universal solidarity embodied in the Focolare Movement, founded by Clara Lubich and her helpers in the 1940s (40), and cannot be understood without this reference. This spirituality has deep