

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.

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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

Christian roots, which Gold explains in chapters 2, 3, and 9: God is love; the Trinity is the model for interpersonal relationships; individuals recognize their personhood through offering themselves to others in loving service (“what you give makes you be,” 57); love is open to all, and so on.

According to Gold, Focolare experience and spirituality contribute at least two important elements at this stage of the analysis: (1) a spiritual reason for acting under this commandment of love (120ff.) with people of different confessions possibly having different but not necessarily contradictory motivations and (2) a way of understanding the human person—an anthropology—that given its philosophical underpinning may be common to different religions, which is why the message of the EOC is open to other religions and to people without specific beliefs (59).

In fact, it is in anthropology that the contrast between the EOC’s *homo donator* and *homo oeconomicus* becomes apparent, the latter based on the assumption that rational agents act exclusively out of self-interest. This is a subject that Gold addresses, for example, when she explains the relational aspect of human action (57). In her attempts to find alternatives to economic rationality, however, she confines herself to a rationality based on religious (33) or sociological variables (culture). It is a pity that she makes no reference to certain recent contributions in relational sociology and economics (Donati, Bruni, Zamagni), some of them inspired by the EOC.

Even so, I must stress that if the Focolare Movement is able to attain an anthropology that is capable of sustaining an alternative economics, it does so on the basis of a religious experience. This is reflected in Lorna Gold’s explanations about the movement’s origins; yet when it comes to drawing conclusions about the role of religion in the economy, she limits herself entirely or mainly to cultural means (32) so that God, the God who gives rise to Clara Lubich’s “mystical insight” (65), is not present as a living being with whom a person communes habitually and in and with whom a person lives. Religion is effectively reduced to an economic ethics (36), which undoubtedly diminishes the transforming role of religion in society and thus also the significance of the EOC.

The EOC arose as a result of a visit by Clara Lubich to Brazil in May 1991. The spectacle of the stark social and economic inequalities led her to propose to the participants in an assembly of the Focolare Movement that they create businesses whose profits, once the businesses’ own long-term survival was assured, would be used to meet the needs of the poor (36): The “communion of goods” was to be complemented with the production of wealth (117). Naturally, she herself could not work out all the technical details of her proposal. In any case, the principles on which the EOC is based are those of the anthropology and theology mentioned previously; new theories of the organization must be derived from them. This is a task for experts—one that, as far as I know, remains to be tackled.

The book contains an interesting account of the practices of EOC businesses: how they have emerged, how they are managed, how they relate to one another, and how they differ from other businesses. This is the second main theme of the book, covered mainly in chapters 4 through 8, and based on interviews with owners in Brazil and Italy. Although these are not in-depth case studies, they shed considerable light on the EOC phenomenon.

Life came first; now it is time to formulate the theory. Is there, in fact, a specific EOC model? I think there is, insofar as the managers of EOC businesses have different motivations, seek other outcomes, understand their responsibilities differently, “see” aspects of reality that others do not see, and define the relevant variables differently (chapters 6 and 7). Is it a unique model? No, at least not insofar as the anthropology on which it is built is shared by other companies. Nevertheless, the EOC specifies its goals in a particular way, so it would make no sense to copy the EOC as if it were a set of recipes and ignore the spirit that informs them (145). This seems also to apply to some of the problems facing EOC business managers (193) and to the transition from a personal commitment (how I manage my company) to a universal model (how a more human company can be managed) as Benedict XVI proposes (*Caritas in Veritate*, no. 40).

Is it viable? Undoubtedly; assuming the human person is not the self-interested and individualistic *homo oeconomicus* presented by neoclassical economics. Of course, the viability of a model does not depend solely on its principles but also on its implementation, as Gold points out in her discussion of the problems of EOC businesses, which are not only the fruit of spirituality but also of the faithfulness and good judgment of their leaders (chapters 6 through 8). The book would certainly have gained breadth if it had linked the practical problems of EOC businesses to the already very abundant literature on business ethics and corporate social responsibility in which many of the issues (corruption, taxes, labor relations, and product quality, to name a few) have been discussed at length (chapter 7).

The last large block of themes the reader will find in *New Financial Horizons*, spread across all the chapters but especially in the first one and the last two, is the location of the EOC within the framework of recent social, economic, and ethical issues and debates. I will not go into all these issues here, although it is an exciting subject for a social scientist and to some extent justifies the writing of this book. The EOC is not only a charitable action or a religiously inspired initiative but also a practical project that has succeeded in involving large numbers of people in a task that is intended to (and can) change the world. At the same time, it is a theoretical project that forces experts to rethink the economic, social, ethical, and anthropological concepts underlying our economic system (182). That alone is enough to recommend this book to readers.

That said, I would not want the focus on current issues to make us forget that the EOC is also connected with Catholic social teaching, which is something that is barely touched upon in the book under review. The fact that twenty years ago a group of practicing Catholics engaged in certain economic initiatives cannot be fully understood without considering the content of Catholic social teaching and the experience of all the Christians over the centuries who have tried to follow the Gospel, encountering difficulties similar to those encountered by EOC business (106), including the problems they faced in putting Catholic social teaching into practice within the framework of an economy and a management science that have autonomy (*Gaudium et Spes*, no. 36) yet do not share Christian anthropological and theological assumptions. Discussion of ethical problems in light of recent theories (universalization, feminism, and social justice [chapter 10]) is good, but

it should not be forgotten that Catholic social teaching has been providing answers to many of these questions for decades.

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Corporate Social Responsibility in the Twenty-First Century

Bryan Horrigan

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Professor Horrigan teaches law at Monash University in Australia. The purpose of his book is to consider corporate social responsibility (CSR) from a multidisciplinary and regulatory point of view, in a select range of jurisdictions (mostly Australia, the United Kingdom, and the European Union). It is “anchored firmly in legal, policy, and regulatory perspectives” and hopes to contribute to “building bridges, enhancing dialogue and suggesting action on CSR across major disciplinary, jurisdictional and sectoral boundaries” (ix). Horrigan offers a “scholarly defence of an aspirational account of CSR” (xii). As he sees it, the central problem remains one of ensuring that global democratic society gains the advantages of markets without suffering the disadvantages (and limits) of market forces and the capture of governments and populations alike by big business without the existence of any central world authority charged with this oversight responsibility. It should be noted that Professor Horrigan spent some time at the Wharton School where he learned from Tom Donaldson that “the most prominent alternative to the stakeholder theory (e.g., the ‘management serving the shareholders’ theory) is morally untenable” (101). He foresees a world in which there will be regulatory convergence.

This book contains an enormous amount of information about law and regulation in Australia, the UK, and the EU but little about the United States (which Horrigan concedes is a different regime). For American readers, I would strongly recommend Jonathan Macey’s *Corporate Governance*. There is very little that is theoretically new about the CSR debate.

As a service to the reader, I shall put CSR in perspective. Generally speaking, the major assumption in this field is hostility to markets and market societies. This hostility is fueled by a traditionally leftist understanding of the social world and its problems (i.e., going back to Rousseau’s critique of Locke, the present world reflects an unfair bargain in which the “haves” have imposed an unfair system on the “have-nots”). However, the post-1989 left has become understandably disenchanted with government planning and control of markets. In its acceptance of the impossibility of planning, it is clearly not Marxist or Leninist or Maoist in any traditional sense. It is much more favorably inclined to democracy. At the same time, it is mindful of how even democratic governments are corrupted by special interest groups, and it is suspicious of collusion between big government and “big business” (never clearly specified but somehow pejorative).

Under these circumstances, what is to be done? The alternative is to appeal to a kind of triangulation in which civil society is the dominant element. Civil society is somehow