

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

—Antonio Argandoña (e-mail: argandona@iese.edu)
IESE Business School, University of Navarra, Spain

Corporate Social Responsibility in the Twenty-First Century

Bryan Horrigan

Northampton, Massachusetts: Edward Elgar, 2010 (427 pages)

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

represented by NGOs, that is, so-called nongovernmental organizations. There are now hundreds of thousands of self-styled NGOs worldwide (foundations, think tanks, philanthropies, charities, and overtly activist organizations). The expression *NGO* is vague, but there is a strong tendency for NGOs to be activist organizations with a leftist agenda (solving social problems through a redistribution of wealth and power) but carried out within a market society and through market mechanisms. The market mechanism primarily in question here is large and usually multinational corporations.

Why big corporations? There are two main reasons. First, these private organizations have substantial financial resources (keep in mind the present climate in which there are both tax revolts and serious sovereign debt). Second, going back to the classic analysis of Berle and Means (*The Modern Corporation and Private Property*, 1932), there is recognition and exploitation of the insight that managers are not owners. This offers NGOs the opportunity to drive a wedge between stockholders and stakeholders and exploit the agency problem on behalf of various selected stakeholders.

What motive would management have to be so compliant with NGOs? There are three reasons. First, managers are focused on efficiency and therefore worried about litigation and the threat of outside agitation, labor unrest, and bad publicity. Second, there is a new kind of celebrity-hood available to managers who are so compliant. Third, the movement to train future managers (not entrepreneurs) to become compliant is dominant in management education, with educators presuming that this approach in turn will increase the power, prestige, and rewards of business school faculty and law school faculty.

Finally, we note the existence of a new and rising ruling class in our market society. NGOs are the new power structure or institution: They are staffed by intellectual leftists (academics and law school graduates primarily) who offer to mediate the relationship of corporations with one another and government as well as all other institutions.

Horrigan's approach seems consistent with this attempt to redefine the responsibilities of corporations. He fails to consider the possibility that shifting power away from business and toward NGOs and government is no guarantee that a more just society will result.

—Nicholas Capaldi

Center for Spiritual Capital, Loyola University New Orleans

Why Some Things Should Not Be for Sale: The Moral Limit of Markets

Debra Satz

New York: Oxford University Press, 2010 (252 pages)

This book is third in the Oxford Political Philosophy series and offers a rich argument about the morality of markets and the limits of our political and philosophical categories when looking at various markets, such as those in human organs or child labor.

Debra Satz argues as a political philosopher and presents a book centered on her strong social democratic thesis “that certain goods need to be provided outside the market if