Book Reviews

The Challenges of Capitalism for Virtue Ethics and the Common Good: Interdisciplinary Perspectives, edited by Kleio Akrivou and Alejo José G. Sison. Cheltanham: Edward Elgar, 2016. 328 pp. ISBN: 978-1784717902

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This fascinating book is a collection of articles written to highlight the lack of focus on the "common good" in contemporary capitalism and to provide insights into how virtue ethics—as well as an economy oriented more clearly around the common good—can lead to a better, stronger form of capitalism. While books written with an interdisciplinary set of academics can often be a mishmash of various points of view lumped together, this book brings key insights from various scholars from a variety of perspectives to give us a cohesive challenge regarding the power and possibilities of thinking about the common good while theorizing market societies. It also highlights the importance of what has been lost due to the erosion of this orientation. I will review the chapters topically, rather than merely chronologically.

The first five chapters are largely historical. Chapter 1, by economic historian Agustín Gonzalez Enciso, "The Merchant and the Common Good: Social Paradigms and the State's Influence in Western History," provides an extraordinarily useful brief history of the erosion of common-good thinking in academic discussions of markets and commerce, tracing it to before the fifteenth century, and then finding patterns within the sixteenth, seventeenth, and eighteenth centuries to the present.

Chapter 2, "The 'Medieval,' the Common Good and Accounting," by Alisdair Dobie (an accountant) provides a brief, convincing demonstration that one must look to the medieval period (500-1500) to discover the origins of significant discussions about market concepts such as fair price, reasonable profits, ownership, and the appropriate use of private property. Highlighting Thomas Aquinas and the influence of Aristotle on other medieval thinkers, Dobie discusses their views on these matters, which were certainly oriented more around concerns for the common good and virtue ethics.

Economist Mark Hanssen provides a strong argument in chapter 3 that "free market" and "capitalism" are frequently discussed but treated as ahistorical concepts in isolation of the developmental forces of culture, religion, and philosophy. Hanssen highlights the importance of scholastics and preachers (including Dominicans and Franciscans) across Europe who brought Christian charity to bear on commerce,

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which, in effect, transformed the merchant's stature and expectation in society. He points to San Bernardino of Sienna as a model of the "prudent and magnificent merchant" ideal which arose in medieval Europe at this time—one who demonstrates prudence and generosity for the common good (56).

In "Virtuous Banking: The Role of Community in Monitoring English Joint-Stock Banks in the Nineteenth Century," Victorian Barnes and Lucy Newton use the example of nineteenth-century joint-stock banks as an example of how concerns for virtue and the common good positively impacted banking at that time. Joint-stock banks, as opposed to private banks, were established for the common good, and were generally run by locals for the prosperity of the local community, and they proved generally to be more successful and had lower failure rates.

Linda Arch continues this line of thought in chapter 5 by providing an instructive twentieth-century example from London, so-called "clearing banks" between 1946 and 1971. Arch, an accountant, points to the 1946 Bank of England Act which essentially committed the banks to a self-restraint that effectively "had the potential to reduce the clearing banks' profits and to sub-optimize shareholders' wealth" (78). Arch characterizes these thirty-five years after World War II as a unique era when speculation was considered not entirely proper; bankers identified themselves as a community and as actors for the good of the commonwealth and public interest and bank actions in this context therefore should not be understood merely as being for self-interest. This countervailing focus restrained the banks in a way that is much less common since the rise of profit and stockholder wealth as the sole purpose of business.

Alejo José G. Sison's own piece in the volume is chapter 6, "Revisiting the Common Good of the Firm," which considers various reactions and criticisms of his own work "centering on the common-good theory of the firm." Sison draws on Aristotle and Catholic social thought to see firms as "above all, 'communities of persons'" that are capable of being concerned with interests other than their own economic interests, including the material and moral development of its members through work (93). Ultimately, this view of the firm sees humans as central to one's evaluation of the purpose and so, success, of a firm. Sison responds to a number of articles that have engaged his and Joan Fontrondona's work, highlighting the concepts of African *ubuntu*, Italian *economia aziendale*, and the "shared value" approach by Michael Porter and Mark Kramer, pointing out that commonalities across these theories point to a universal importance of the notion of common good. The last two-thirds of the article is an extended critical response to Geoff Moore's critical essay in chapter 8 of this volume, "Corporate Agency, Character and Purpose and the Common Good," which is rooted in MacIntyre. The heart of the argument against Moore might be summed up as "virtuous consumers should be more concerned about the perfection of the individuals who made their iPhones than the quality of the iPhones themselves" (113). Truly virtuous business practices, in other words, require a concern for the common good that promotes the moral development of individuals *in the process* of conducting business and not merely hoping that such development occurs as an external outcome.

Although he does not believe we can attribute moral agency to firms, Moore nonetheless argues that virtues can be literally ascribed to firms and we can say that organizational-level virtues are properties or features of the organization that have real effect (155). Moore then points out that Sison and Fontrodona (following Catholic social thought) distinguish between two senses of work: the objective sense (which are the activities, resources, and technologies used by humans to produce things) and the subjective sense (which refers to the personal activity of the human being in working and its effect on his or her humanity). Moore subscribes to MacIntyre's view, which refers to both these together as internal goods, and instead considers goods such as prestige, status, and money to be "external goods."

Moore says internal goods are about practices, while external goods are associated with institutions. The problem with Sison and Fontrodona's view, says Moore, is that this prioritization of the work over product leads to a view of the common good of the firm which doesn't sufficiently take into account the importance of the products or services produced, and considers too much "the effect of their productive work on the practitioners" (160). The common good is served just as much, if not more, by excellent goods or services (iPhones) as by the "perfection" of the practitioners. It seems likely that Moore's approach to the common good differs significantly from Sison's in large part because he considers the common good to be socially constructed and contingent, based on what seems beneficial to consumers (in the case of the iPhone) and, thus, finds the discussion to find the "common good" a mistake, since it is changing and evolving. Sison, drawing from natural law and Catholic social thought, certainly has more hope of developing a stable, less contingent account of the common good for all.

Virtue ethicists working in business ethics have rarely turned to the empirical sciences for support, but Ron Beadle's fine piece in chapter nine, "Individual and Organizational Virtues," aims to correct that whilst putting the views of Moore and Sison in helpful contrast. First, he brings empirical research to bear on virtues in organizations, arguing that research in positive organizational scholarship, moral identity, economic identity, work design, self-determination theory, and work orientation provides evidence that moral agency is significantly influenced by a range or organizational dynamics. Then he lays out the three rival views of the relationship of virtue and capitalism: (a) that capitalist organizations promote development of individual virtues; (b) that capitalism is corrosive of such development; and (c) that capitalism may be reformed to promote virtues. Deirdre McClosky and Ayn Rand represent the first view, and also hold that the common good is nothing more than the sum of individual goods. MacIntyre sees capitalism to be corrosive to virtue development, and believes there is no single common good at which to aim, but a plurality of goods. Sison and Catholic social thought seek the third, i.e., a reformation of capitalism, which would enable the virtues more readily and holds the promise of a unified common good for all. Beadle's essay deserves a careful read.

Chapter 7 is a multifaceted creative essay on "Integrated Habitus for the Common Good of the Firm," where Kleio Akrivou, Oluyemisi Bolade-Ogunfodum, and Adeyinka Adewale try to develop the notion of a firm's *habitus*, or a system of embodied tendencies and dispositions. They highlight qualitative ways "organizational context and individual moral agency interact to enable virtue for the common good of the firm" in light of concern for organizational culture (122). They suggest a radically humanistic conception of organizational culture that they call "integrated habitus," which requires an "inter-processual self" mindset (125).

Brian M. McCall provides an excellent history in chapter 10 of the development of the modern corporation, putting forth a metaphysics of the corporation based on political philosophy. He rejects two typical views of the corporation: either as a vehicle for managing private property or as a nexus for aggregating private contracts. Both views, he argues, make the decision making of corporations entirely private, for the sake of the shareholders alone. Drawing on Aristotle, Roman tradition, medieval jurists, and more contemporary developments, McCall argues that traditionally it has been thought that corporations should be oriented to the common good, not merely the individual good, and the focus on private shareholder wealth as the main purpose of the corporation is quite recent. Managers should be alert to the tension of balancing the common good with the individual goods of the members of the corporation.

Chapters 12 through 14 provide an assessment of how virtue theory can be supportively placed alongside business ethics, from historical, cross cultural, and economic perspectives. Some readers will ask: "Why should one bother unearthing this philosophical corpse [of the common good] for business ethics?" (O'Brien 2009, 25). But for those who see business as an inherently social enterprise, which exists in large part to serve the interests and well-being of society, the answer is clear: business exists for humanity, not humanity for business. There is a dearth of thoughtful attention to just what has been meant and what might be meant by the common good, and this book helps fill that gap.

The historical content of many of the chapters is extremely important in helping us think about the history of the common good. Philosophically, this book has great value to business ethicists, especially in the interplay between Sison, Moore, and Beadle. Their scholarship helps tease out a number of interesting questions. Is work itself, or the good produced by work, the more important contribution to the common good of humans? Is the common good socially constructed (Moore) or somehow "natural"? Is the common good of Catholic social thought, which focuses on the conditions for greater human benefit, compatible with a capitalism founded on self-interest? Can any conception of common good be compatible with the self-concerned basis of capitalism? And what commonalities can be identified between the disparate approaches to common good to help advance a business ethic? Theorists who see business as a social enterprise cannot escape these questions. The book addresses them directly and is a valuable resource for considering the historical and contemporary relationship between capitalism, human virtue, and the common good.

REFERENCE

O'Brien, Thomas. 2009. "Reconsidering the Common Good in a Business Context." *Journal of Business Ethics* 85 (Supplement 1): 25–37.