

A RECENT BOOK ON THE ECONOMY OF COMMUNION

Antonio Argandoña

IESE Occasional Papers seek to present topics of general interest to a wide audience.

IESE Business School – University of Navarra

Av. Pearson, 21 – 08034 Barcelona, Spain. Phone: (+34) 93 253 42 00 Fax: (+34) 93 253 43 43

Camino del Cerro del Águila, 3 (Ctra. de Castilla, km 5,180) – 28023 Madrid, Spain. Phone: (+34) 91 357 08 09 Fax: (+34) 91 357 29 13

Copyright © 2011 IESE Business School.

A RECENT BOOK ON THE ECONOMY OF COMMUNION

Antonio Argandoña¹

Abstract

Review for *Markets and Morality* of the book “New Financial Horizons. The Emergence of an Economy of Communion” by Lorna Gold., New City Press, October 2010, 224 pages. Foreword by Michael Naughton.

Keywords: Clara Lubich, economy of communion, Focolare movement, economic rationality, religion.

¹ Professor of Economics, “la Caixa” Chair of Corporate Social Responsibility and Corporate Governance, IESE

A RECENT BOOK ON THE ECONOMY OF COMMUNION

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*,” 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? And 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, as it provides all the information they need in order to understand the history and messages of the EOC.

The book addresses three broad themes, which 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 (p. 65) and vocation of the universal solidarity embodied in the Focolare Movement, founded by Clara Lubich and her helpers in the 1940s (p. 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 relations; individuals recognize their personhood through offering themselves to others in loving service (“what you give makes you be,” p. 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: first, a spiritual reason for acting under this commandment of love (pp. 120ff.), with people of different confessions possibly having different, but not necessarily contradictory, motivations; and second, a way of understanding the human person – an anthropology, which, 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 (p. 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 (p. 57). In her attempts to find alternatives to economic rationality, however, she confines herself to a rationality based on religious (p. 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 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 (p. 32), so that God, the God who gives rise to Clara Lubich's "mystical insight" (p. 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 (p. 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 (p. 36): the "communion of goods" was to be complemented with the production of wealth (p. 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, how they differ from other businesses, and so on. This is the second main theme of the book, covered mainly in chapters 4 to 8, 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 – although 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, ignoring the spirit that informs them (p. 145). This seems to also apply to some of the problems facing EOC business managers (pp. 193ff.) 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*," 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 the fruit of spirituality but also of the faithfulness and good judgment of their leaders (chapters 6 to 8). The book would certainly have gained in 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, product quality, etc.) 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, as 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, and at the same time a theoretical project that forces experts to rethink the economic, social, ethical and anthropological conceptions underlying our economic system (p. 182). That alone is enough to recommend this book to readers.

That said, however, 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 (p. 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*," 36) yet do not share Christian anthropological and theological assumptions. Discussion of ethical problems in light of recent theories (universalization, feminism, 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.