

Moral Capitalism: Reconciling Private Interest with the Public Good

Stephen Young

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The author affirms that the term “moral capitalism” signifies something possible and real. He holds that capitalism springs from natural instincts to own and control property. When businesses act using concepts similar to the notion of enlightened self-interest, capitalism can be moral. This is a middle way, one that avoids extremes of both economic Darwinism (think Enron), and socialism and its variants.

Young argues that just as capitalism is best when moderated by notions of stewardship and community interest, labor is most productive and workers best served when workers are neither under- nor over-compensated. The author cites the United Airlines phenomenon, in which wage rates were so high that the airline could not compete effectively and went bankrupt.

In the late twentieth century, a group of businessmen convened in Caux, Switzerland to evaluate the world business situation. They formulated a set of guidelines for businesses and governments to follow, known as the Caux Round Table (CRT) Principles. Earlier meetings at Caux had given rise to several multilateral European trade agreements. That success led to development of the European Common Market, and finally, to the European Union.

The latter part of this book is an exposition of the CRT principles. Of considerable interest is the matrix of forty-nine criteria where various business arenas—such as multilateral trade and respect for the environment—intersect with stakeholder groups, including customers, employees, suppliers, and communities.

The author brings impressive credentials to his work. He studied in Southeast Asia, and at Harvard undergraduate and law schools. Later, as Dean of the Hamline University School of Law, he initiated the Journal of Law and Religion. Young has long been concerned with nineteenth-century moral notions of stewardship and accountability and their evolution into twenty-first-century concepts of responsible business behavior. He serves as CRT Executive Director.

Young’s arguments are well grounded in history and philosophy. He builds his thesis carefully, referring to teachings as diverse as those of Cicero, the Dalai Lama, Confucius, Plato, Christ, and Mohammed. Young persuasively demonstrates the necessity for businesses to elect higher values over unbridled greed. The chapter on using private interests for public good concludes with the observation that “a moral capitalism can supplant its more brutish cousin.”

Young has written a most important book. While it requires careful reading, it is a highly useful addition to the body of work on the struggle of humankind to harness capitalism to the needs of society.

LEONARD F. CHARLA (March / April 2004)

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