institutions—implicitly treated in this book—posits the problem of the place of ethics in institutions and what justifies such ethical order. These problems may be overcome with a different ethical approach, for instance, one based on human goods, virtues, and the common good.

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Prosperity: Better Business Makes the Greater Good
Colin Mayer
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Colin Mayer's *Prosperity* has two main parts: First, it identifies the main problem that Mayer sees with business today, as well as its primary responsible party; and second, it offers a series of reforms that, if enacted, Mayer argues would enable business to achieve the good of which it is capable. Mayer believes that business in a market economy creates wealth, which is the good news, but the bad news is that it is also "the source of inequality, deprivation, and environmental degradation" (1). Mayer asserts that we must therefore "ensure that we harness business as a source of societal benefits and avoid its detriments" (2).

This is not exactly a novel ambition: The last few decades have seen book after book, and article after article, that (sometimes grudgingly) concede that something beneficial might come from business, but only if we "harness," regulate, control, nudge, and steer it in the right directions—directions that the authors aspirationally spell out, though without always identifying who will serve as the philosopher-economists commanding the ship of good commerce.

What is Mayer's contribution to this discussion? Mayer begins by identifying a single cause, indeed a single person, as the "starting point" of business's wrong turn: Milton Friedman. Mayer claims that Friedman's "most enduring legacy" is the "Friedman doctrine," which holds that all business activity should begin from "the premise that the purpose of business is to maximize shareholder value" (2). Mayer fingers Friedman's 1970 *New York Times Magazine* essay, "The Social Responsibility of Business Is to Increase Its Profits," as the beginning of this wrong turn, and he claims that, despite its obvious moral dubiousness, its thesis has come to dominate the world of business and business academia. According to Mayer, it was not Friedman's work in, say, monetary theory that constituted his "most enduring legacy," but instead this one nonacademic essay, which articulated a position about fidelity to shareholders that is not only "unnatural" but "has been the seed of nature's destruction." Indeed, "the damage it inflicts on our societies, the natural environment, and ourselves" is so great as "to threaten our existence" (2).

"The assets of the firm," Mayer claims, "have been accumulated on the back of the investments of virtually every segment of society—employees, suppliers, communities, nations, and nature." According to Mayer, shareholders do not own companies; instead, they have "roles and responsibilities as well as rights and rewards deriving from their dependence on and obligations to the societies in which they operate.” Mayer pleads that “the corporation should be recognized for what it is—a rich mosaic of different purposes and values,” indeed, “an almost boundless set of purposes and objectives.” One might wonder how such a capacious understanding of the purpose of a firm can give concrete guidance about what any given firm should do (or not do), or whether the firm’s responsibility to the interests of all people (present and future) who might in any way be affected by its operations might in practice be so indefinite as to induce paralysis in a firm. Mayer’s response to such worries is: “once freed from the shackles of particular interest groups, be they shareholders, employees, or governments, the corporation is capable of delivering substantial benefits to its customers and communities” (4).

Several questions arise from this beginning to Mayer’s book. For example, how can a single firm serve “an almost boundless set of purposes” simultaneously? Saint Matthew said one could serve only one master, not even two; how is the firm to serve Mayer’s indefinitely many? Yet Mayer elsewhere states that “enlightened corporations are combinations of clearly defined purpose” (41). How is a firm to have a “clearly defined purpose” and yet also “an almost boundless set of purposes and objectives”? It may be that Mayer means to distinguish between what any given firm should have as its purpose, on the one hand, and what the purpose of business overall or in general should be, on the other. In that case, however, Mayer might have clarified the connection between the two.

Second, how exactly is the firm, once it has been freed from the shackles of serving the interests of shareholders, employees, and governments, now supposed to serve the interests of customers and communities? And why would Mayer trust corporate directors even to know what best serves the interests of the community, let alone trust them to work toward it in practice, once they are relieved of any clear legal responsibility?

And third, how does Mayer’s suggestion square with the longstanding legal tradition, at least in the United States, that requires corporate directors to “make stockholder welfare the sole end of corporate governance within the limits of their discretion”? (Hon. Leo E. Strine, Jr., Chief Justice, Delaware Supreme Court, “The Dangers of Denial: The Need for a Clear-Eyed Understanding of the Power and Accountability Structure Established by the Delaware General Corporation Law,” *Wake Forest Law Review* 50 [2015]: 763) The claim that corporate directors have a legally enforceable fiduciary responsibility to serve “stockholder welfare” hardly originated with Milton Friedman, after all: as UCLA law professor Stephen Bainbridge (1993 and 2002) and many others have shown, this claim goes back at least 100 years, to *Dodge v. Ford Motor Co.* (1919), which held that the legal purpose of a for-profit corporation is to make a profit for the shareholders: “The purpose of any [for-profit] organization under the law is earnings—profit.”

Mayer goes on to relate that people are not solely self-interested, that wealth is not identical with happiness, that human beings cooperate and do not only compete, and that leading a life of meaning and purpose depends not only on material prosperity but also on love, friendship, and perhaps also spiritual commitments (chap. 1). These are all fair, if not entirely original, observations, but it is not clear what exactly Mayer wants to build out of them. He calls, for example, for public–private partnerships to encourage “the mindful corporation" (35) that balances human capital, intellectual capital, material capital, natural capital, and social capital (41), and he wants companies "to produce accounts that measure their performance in relation to" all five of these kinds of capital (42; see also chap. 3). Mayer promises to "detail how a combination of corporate ownership, governance, accounting, laws, and regulation can spearhead the emergence of a new breed of enlightened commercial successful businesses" (44), but he ultimately offers nothing concrete (the summary bullet points in the Postscript [230–32], under the heading "Purpose First; the Rest Follow," are generalities).

Some of Mayer's claims are puzzling. For example, he claims that corporations go through natural life cycles, at the culmination of which a corporation "moves to a weightless free form with negligible material components dominated by its conscious mindful state." A firm can have a "conscious mindful state"? Apparently so. Indeed: "What we await in the seventh age of the trusted corporation is this conscious entity fully recognizing its relation to its universe and its value in conferring benefits on others" (53). I confess I am unsure how to evaluate such claims.

On a more positive note, Mayer's book contains an interesting if partial overview of the historical evolution of the firm (chaps. 2–4), as well as provocative discussions of some of the laws and regulations that have enabled the development of firms and of general goals according to which Mayer believes those laws and regulations should be reformed to enable the "conscious corporation" he recommends (chaps. 5–8). These discussions are at a high level of generality, however, and are primarily subservient to his normative goals, which are to reform corporate law and corporate practice so that firms are held responsible for achieving their proper purposes. What are their proper purposes? According to Mayer, ultimately the "significance of corporate purpose comes from the role that it plays in furthering purpose in people's lives," which requires corporations to "evolve through forming symbiotic relations with others and having a consciousness of their living environment" (230). Not all purposes are good purposes, however, so telling businesses that they should be purpose-driven might be true but gives little concrete guidance. Without greater specification of what exactly it would mean to have "symbiotic relations with others" and "a consciousness of their living environment," even businesspeople who wish in good faith to conduct "better business [that] makes the greater good" might wonder how Mayer's book can help them.

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