

Business Goals and Social Commitment: Shaping Organizational Capabilities—Colombia's Fundación Social, 1984–2011. By José Camilo Dávila, Carlos Dávila, Lina Grisales, and David Schnarch. Bogotá: Ediciones Uniandes, 2014. xxxiii + 208 pp. Figures, references, appendix. Paper, \$40.00. ISBN: 978-958-695-930-8.

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Reviewed by Frank Safford

This book is about an unusual institution: a capitalist business founded at the outset to aid the poor, which is now called “Fundación Social.” Important in its ancestry is the Papal Encyclical *Rerum Novarum*, issued by Pope Leo XIII in 1891 as a reaction to increasing inequality in capitalist economies and the threat of socialist attacks on property. The pope called for Roman Catholic attention to the needs of the poor. The founder of what came to be called Fundación Social was a Spanish Jesuit priest, José María Campoamor, who in 1911 sought to form “Workers’ Circles” in Colombia, which in turn were to establish savings associations. Attempted associated activities included schools for street children, workshops, newspapers and restaurants for workers, and employment bureaus.

The Catholic Action movement initiated by Campoamor in 1911 in Bogotá grew slowly, but in the 1940s the Workers’ Circles expanded into other Colombian cities and regions. In 1942, Workers’ Circles appeared in the cities of Cali and Manizales in western Colombia and also in various regions of the eastern highlands. Oddly, Medellín, the most significant industrial city, lagged behind. However, in 1947 Workers’ Circles were formed there and generated several publications, including *El Obrero Católico* (the Catholic Worker). Increasing industrialization in Colombia may well have played a role in the expansion of the 1940s and subsequently.

From the initial years under José María Campoamor until 2002, a succession of Jesuits led this organization dedicated to Catholic social action. From an early point, however, Catholic laity—many educated at Jesuit universities—played important roles in the organization. The role of lay Catholics may well have increased after 1965, when Adán Londoño, a Jesuit from highly entrepreneurial Antioquia, was assigned the leadership role. Londoño encouraged expansion into increasing activity in financial institutions. As a consequence, an organization dedicated to Catholic assistance to the poor also became an important player in Colombian finance and real estate.

Nonetheless, Londoño and his lay successors sought to retain a balance between the original intention to serve the poor and increased activity in financial management. While encouraging expansion of

financial activity, Londoño established an advisory body on social and pastoral matters, which reinforced the Jesuit role in the organization. The majority of the members of the advisory body were to be Jesuits and “professionals with a Jesuit education.” Also, capital generated by workers’ savings and contributions from the upper class was to go into a savings fund, to be invested in social work.

Other than the conjunction of financial enterprise and a focus on assistance to the poor, another interesting feature of this entity is the existence of continuing self-study, apparently in a Jesuit mode. This involved deep group examination of the institution, considering (I infer) whether in its continuing development it was functioning in accord with its intended mission. One example of such an exercise is a self-examination initiated by Londoño, which led in 1984 to a document entitled “How We Think, What We Are.” Another such exercise in deep introspection occurred, from 1973 to 1988, in an “Axiological” document, that is, an examination of the value of what the organization was doing. The Decision by the Jesuit order in 2002 to abandon its leadership role in this organization prompted another such task of self-examination, which led to a document called the Fundación Social “Legacy.”

This book suggests that current leaders of Fundación Social are now devoting increasing attention to developing, and proposing to others in the Colombian elite, ways of better reaching the poor and improving their lot.

I found this book quite interesting as a discussion of an institution that is engaged in financial management while retaining a commitment to aiding the poor. This social commitment is admirable, indeed. I think, however, that students of private enterprise would want to see much more information about how this entity functions as a financial institution and how its financial activities relate to its social mission. Are there not occasions when its financial activities conflict with that social mission? That question is not actually explored in this book.

Frank Safford is professor emeritus in the department of history at Northwestern University. Two of the works he has published on Colombia are The Ideal of the Practical: Colombia's Struggle to Form a Technical Elite (University of Texas Press, 1976) and Colombia: Fragmented Land, Divided Society (Oxford University Press, 2002), both republished in Spanish in Colombia.

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