



## BOOK REVIEWS

***Better Business: How the B Corp Movement Is Remaking Capitalism,***  
**by Christopher Marquis. New Haven, CT: Yale University Press, 2020.**  
**312 pp.**

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**B***etter Business: How the B Corp Movement Is Remaking Capitalism* focuses on the rise of the B Corp, a corporate form that places social benefits and environmental stewardship on an equal footing with profits. The B Corp status is granted by the nonprofit B Lab, founded in 2006 in Pennsylvania (United States) to power responsible business. According to the B Lab website, in 2022, there were approximately 4,500 certified B Corps in 78 countries, and more than 150,000 companies were using the B Impact Assessment tool to measure their social and environmental impacts. These figures illustrate that the B Corp movement is gaining traction worldwide to drive change through repurposing existing capitalist structures.

The book traces the story of the B Corp movement and its subsequent spread around the world, featuring many of its seminal moments, such as the founding of the B Lab and the development of the B Corp certification. The book chapters are well documented, with many examples of B Corps and interviews with the B Corp movement founders, managers, and frontline employees that are succinctly described and make the book easy to read and follow.

The author is a fervent advocate for the B Corp movement. A common transversal theme in the book is the claim that B Corps are the only way to address current societal challenges. Although many B Corps are considered benchmarks of responsible business in their sectors, the notion of the B Corp movement as the only force to transform business is controversial and very idealistic. First, practical evidence and research show that other types of businesses that are not B Corps contribute to creating social good and even to helping restore trust in the capitalistic system. For example, citizen-owned cooperative organizations, such as renewable energy cooperatives, have emerged all over Europe to reform the electricity sector and fight against climate change, energy poverty, corruption, and oligopolies. However, the book is unsparing in its criticism about the potential of alternative business sustainability approaches, labeling all of them as greenwashing or just compensatory good.

Second, in stark contrast to Marquis's logic, recent voices warn about the real purpose of large corporations joining the B Corp movement. For instance, in the recent book *Winners Take All*, Anand Giridharadas (2019) argues that B Corps are a mirage of capitalist elites that allow them to feel and look good while their actions to change capitalism remain on the surface. Giridharadas's book explains that elites and large corporations are the winners—when they take the lead in bringing social change, they can reshape what social change means and present it as something that would never threaten their positions so that, in practice, nothing changes at all. Their efforts to “change the business world” preserve the status quo. There are good reasons to be cautious when assessing the actions of corporations and global elites to reform a system in which they are the main winners.

The introduction and chapter 1 lay the conceptual foundation of the book. First, Marquis addresses the purpose of capitalism, debunking different myths in previous theory and practice, later to propose the need to reshape capitalism. The author claims that the current understanding of capitalism, rooted as it is in the shareholder primacy that puts shareholders' interests at the heart of business operations, should be reoriented in favor of a new form that is more inclusive and considers all stakeholders. According to the author, growing income inequality, environmental degradation, and the public health crisis prove that the current focus on shareholders is not working optimally for the vast majority of society. The result is a fragile system that is not congruent with sustainability goals. These insights are far from novel. During the last three decades, business ethicists have extensively acknowledged the importance of serving all stakeholders and moving from profit maximization to societal value maximization. However, the question is how companies can operate to serve all stakeholders effectively. The book contributes to this gap by explaining how the B Corp can be used by companies to integrate stakeholders into their business models effectively. For example, chapter 3 focuses on the B Impact Assessment, a comprehensive tool created to help companies measure and manage their overall impacts on stakeholders through concrete, measurable, and actionable steps. In addition, companies can benchmark their results against other businesses' results. Chapter 4 describes the Benefit Corporation, an innovative legal structure that helps businesses protect their mission in the face of succession, capital raises, or ownership/leadership changes.

The most compelling claim in the book is presented in the introduction and chapter 1. It highlights the need to focus on interdependencies, rather than thinking about externalities, as a forefront of refining capitalism. Shareholder primacy states that companies should limit the costs of their externalities to return more money to shareholders. In contrast, Marquis favors focusing on the interdependences that link people, profit, and the planet. Companies, employees, consumers, communities, and the planet are inherently connected, which implies that one party's every action affects all the other parties. Chapters 5, 6, and 7 provide an array of practical examples on how B Corps can address stakeholders' interdependences. Chapter 5 addresses interdependences through an in-depth look at how the B Lab has helped investors consider business impacts when deciding where to invest their money and the tools created to assist them. Chapter 6 shows how the B Corp movement, deeply nurtured in equity, diversity, and inclusion practices, has improved workers' lives.

Chapter 7 focuses on the positive impact of B Corps on local communities, especially in highly concentrated areas where local clusters of certified B Corps have emerged and evolved into local B Corp communities. These chapters also deliver on the strategic notion that managing stakeholder interdependences provides businesses with benefits, such as a stronger reputation among consumers, better employee retention and talent attraction, and environmentally sound practices.

The final chapters contribute to connecting the scaling of organizations to the scaling of social impact. The existing literature has not explicitly addressed how to scale social impact. Chapter 8 illustrates how the B Corp movement, initially occurring in the United States, has expanded globally to other regions and countries through successful stories of entrepreneurs and business leaders who adapted B Corps standards to different contexts. Chapter 9 posits that every company can be part of the movement by adopting the B Lab standards without being certified or adopting the benefit corporation legal status. This flexibility is needed for the B Corp movement to reach a broader audience. Chapter 10 contradicts the dominant assumption that big companies are the leading cause of social and environmental problems by suggesting that getting big companies on board with the B Corp movement can maximize the overall impact. Finally, chapter 11 addresses the importance of reaching consumers and outlines how companies can communicate their B Corp status to create consumer awareness.

The underlying logic in all the chapters is that all companies can be “better” following the B Corp principles and tools. The book adopts a hero perspective, with epic stories of B Corps saving people and the planet. However, the book overlooks examples of B Corps failing to integrate and manage stakeholders’ interdependences. Even for companies committed to the B Corp standards, it is challenging to meet all stakeholders’ needs and stay on course. Previous research adopting a paradox perspective of corporate sustainability has acknowledged the tensions companies face when they aim to integrate desirable but conflicting sustainability objectives simultaneously. For example, plastic straws were withdrawn from the market due to the increased amounts of plastic in the oceans. However, recent studies show that the production of a single metal straw results in the release of greenhouse gas emissions equivalent to producing one thousand plastic straws. The paradox perspective emphasizes that companies should accept tensions and operate at different temporal and spatial scales to achieve more substantive business responses to sustainability challenges (Hahn et al. 2018). Likewise, negative feelings, such as fear, anxiety, or suffering, associated with the complexity of sustainability challenges are needed to learn how to power sustainable businesses (Montiel, Antolín-López, and Gallo 2018). Unfortunately, the book fails to illustrate how companies can navigate sustainability trade-offs and complexities related to implementing B Corp standards.

Despite the limitations mentioned, overall, the book is a must-read for scholars and practitioners who want to learn more about the B Corp movement and why it is important to transforming the capitalist system. The book’s main contribution is its inspiring discussion on how B Corps can and should be a force for good and be successful, where success is redefined to include business impacts across all stakeholders.

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