

The Christian and Modern Business Enterprise

by Bob Goudzwaard

THE PLACE OF ENTERPRISE IN MODERN SOCIETY (1)

What can be said from a christian point of view about the place of the business enterprise in a contemporary society? When seeking an answer to this question, one soon encounters the important role of the concept of freedom in present-day discussions of this subject. In the name of freedom, one view pleads for a free individual exercise of business activity in which each enterprise is restricted by as few fetters as possible; while another view, appealing to free national development, pleads for a radical subordination of enterprises to the will of the state or the national community. A third sees freedom in economic life guaranteed only when the distribution of power places in balance, each over against the others, enterprises versus labour organizations versus consumers (the theory of so-called countervailing powers). The question naturally arises here: what are the backgrounds of these various views and how do these views come to expression in human society?

THE FIRST VIEW

For the background of the first view — in which free enterprise is restricted by as few fetters as possible — we do not have to look far. It is directly rooted in the humanistic belief that man has the right to be a law unto himself. Or, as is stated in the heading of the well-known magazine, *Canada Month*, "Because we believe that the strongest force for good in the world is the free and responsible individual, our unremitting cause is personal liberty, guaranteed by responsibility on the part of those who enjoy it." Behind this statement lies the quite unbroken humanistic belief that to provide freedom for man, who is accountable only to his own conscience, it is sufficient to bring about the maximum attainable happiness for society. The consequences of this individualistic faith in freedom are, in reality, of a totally different nature than promised here. For precisely when the individual is granted the right to do what according to his conscience is right, the evil in his heart gets every opportunity to come to expression. Then business enterprises make life impossible for each other (cut-throat competition); then enterprises parasite without limit upon the "common resources" of human so-

ciety (air and water pollution, excessive cultivation); then firms seek to secure a future market by artificially reducing the life span of their products; then — last but not least — they attempt to annex habits and conscience of the consumers for their own commercial ends by means of penetrating advertising methods and force upon them artificial "needs" which are not really such. To put it differently; the attempt at striving towards a free exercise of business with as few restrictions as possible, a striving based on belief in the self-determination of the individual, in practice leads not only to a materialization of culture and a commercialization of our behaviour patterns, but also to business' open neglect of what their neighbours (the consumers, the competitors) need for their life development.

THE SECOND VIEW

No wonder then that in reaction to this conception of freedom there arose out of the same humanism and veering toward the other extreme, the extreme of a complete take-over of private enterprise by the national community. Behind this second concept of freedom, too, lies a religious conviction, namely, the humanistic faith in *man-in-community* as the source for all societal happiness. In this view it is not the individual but the community which can lead mankind to true freedom and true happiness.

In practice, also this belief reverses itself, for it leads straight to a strong centralization of power in the state and also to a thwarting of the direct relationship of responsibility between God and those whom He called to His service in economic life. The multi-coloured character of God's creation is tarnished, dulled by this; for society is here, as it were, forced back to one undifferentiated societal relationship (that of subjection to government), which wrongly takes the place of the rich diversity of the presently existing relationships (between, for example, the producer and consumer, between firm and labour organization, between employer and employee).

THE THIRD VIEW

The third view — that of countervailing powers — is the most modern and, therefore, also the most diversified one. Theorists adhering to this position often have in the back of their

minds the idea that freedom in society will be greatest when every important organization or institution has an approximately equal measure of power, so that the freedom of the one can keep the freedom of the other in balance.

Now it can be said, indeed, that a concentration of power in society can cause much harm and that a certain measure of spreading and dividing power can be desirable. The adherents of the theory of countervailing powers, however, often intend something else and also something more. They strive for a large measure of equalization of power, because they believe that in this way it is still possible to achieve harmony in society by means of the free play of these powers. Putting it differently, also in this view it is generally the belief in the optional results of individual human self-determination which, in the last analysis, plays the decisive role.

Also with regard to this view it must be said, however, that it will not prove capable of establishing definite harmony in society. After all, the various powers in their relationship to each other will display sinful reactions similar to those which individuals can have towards each other. In certain cases, they will partially join forces in order to push other powers into a corner. Moreover, a sharp social contrast can easily arise between those who possess recognized power and those who do not (the well-known distinction between elite and mass). Also in this view the humanistic belief in free, human self-determination in no way leads automatically to the promised ideal society.

THE PLACE OF ENTERPRISE IN MODERN SOCIETY (2)

The relationship between enterprise and society will appear differently, however, when one is guided by the christian and, thus, non-humanistic conception of freedom. Not that on the basis of this concept of freedom an ideal society unaffected by sin could be constructed. To endeavour this would again be typically humanistic. But to form out of this conception of freedom a view of society in which justice can be done to the real, essential freedom of man: the freedom, namely, to discharge adequately the God-given calling in this life. For, in the Goodnews, freedom does not mean the right to human self-determination, nor does it mean the absence of re-

straint for the individual or society; but rather freedom means that a person or societal structure is free from the power of sin, unto the service of God and fellowman. In this task, in this service of God and fellowman in all the societal structures and relationships of the world, christian freedom finds its meaning and norm.

CONSEQUENCES

Illustrative of the important consequences which the acceptance of this christian concept of freedom has for the relation between enterprise and society is the situation in which a certain firm, together with others utilizes the boycott and other competitive methods to destroy another firm. Usually action of this sort is frowned upon. Should steps, however, be taken by the government against this action, such steps are considered a restriction of or an attack upon the free exercise of business.

This opinion, however, is thoroughly wrong. For the freedom to engage in business is not a freedom which has an end in itself. It is a freedom subject to God's calling; and this calling includes respect for the rightful interests of one's fellowman. When the government, therefore, imposes limits on such a situation; it doesn't do away with this freedom, but only with the misuse of this freedom. It is not the government which in this case attacks the free exercise of business, but the firm which started this dishonest action.

A second illustration is suggested by firms which try to enrich themselves by underpaying their employees or by passing an important part of their expenses on to the shoulders of society (in the form, for example, of intensive pollution of soil, water, and air). This is a direct attack on business freedom, for the meaning and content of this freedom is that companies must exercise their authority, not to the disadvantage, but to the advantage of employees and society who are their neighbours. When a labour organization, therefore, forces them to pay a just wage, or when the government compels them to refrain from passing on their expenses or compels them to compensate for their damages, there is in neither case an attack on the companies' freedom but, in fact, a support of their true character.

The two examples cited show that only the christian concept of freedom — among all those current — enables us to see the rightful meaning of the much-discussed "free exercise of business." It will have to be considered as a freedom which is determined and limited by the service to God and neighbour; a freedom to be restored in its true character by the government when it is misused in such a

way that the neighbour is unlawfully hindered from fulfilling his calling.

THE NEED FOR A STRUCTURAL CRITICISM

Meanwhile, we as Christians must realize that in many cases the evil of the misuse of freedom is so deeply rooted in society that a different structure of society must be aimed for. Sometimes the very structure of society can continually seduce men to disregard the rightful interests of their fellowmen. Then incidental measures will not suffice; a "structural criticism" of the existing societal structure is an inevitable requirement.

In the previous century the lack of a structural criticism occurred in the relationship between enterprise and employees. In the resulting fierce competitive struggle between firms, wages were sharply reduced and also the wives and children of employees were drafted into the production process. A well-intentioned employer who opposed this and who did pay his employees their just wage, suffered such losses that he could not stay in business. Here clearly the societal structure gave rise to sin. The employer as it were, was forced to deal unfairly with his fellowmen. The correction of this situation took place, because, among other things the employees were allowed to organize and by means of their trade unions could force an improvement in wages and other working conditions.

Also today this structural criticism of society cannot be omitted. We can think here, among other things, of the materialization and degradation of cultural and social life as a result of the predominance of purely commercial standards in the field of film, television and radio.

We must make an even more fundamental criticism of the unacceptable and paradoxical situation that in canadian society, economic needs are artificially aroused and cultivated by means of psychologically-refined advertising methods ("applied motivational research") merely for the sake of the largest possible market; while elsewhere in the world even the most elementary needs of life cannot be satisfied due to lack of means. Here

again we find the situation that, as a result of the existing societal structure, one firm drives another in a socially unacceptable direction; and we find that those recognizing limits in the exercise of their freedom must suffer losses.

Finally, a very important point of structural criticism of canadian society is the lack of freedom for individual employees to join the labour organization which is in harmony with their religious convictions. There are some firms which would gladly grant their employees this freedom but do not because they could be tyrannized by certain labour organizations. It is the government which, for the sake of christian freedom, will have to put a stop to this situation. As long as it does not do this, the structure of canadian society (at this point) gives rise to sin for all those who are engaged in it as employer or employee — for the employer, because he will be tempted to coerce his employees' conscience; for the employee, because he is pressured into joining an organization whose principles he can never accept for Christ's sake.

THE INTERNAL STRUCTURE OF THE MODERN ENTERPRISE

We wish to conclude this installment in our series with a note about the internal structure of the modern enterprise. The questions involved are these: is it desirable and possible for employees to have a voice in the enterprise; what is the correct relationship between labour, management and capital in an enterprise; and what are the limits of the employer's authority in an enterprise?

Unfortunately there are often conflicting opinions in christian circles about these questions. On the one hand, there are many Christians, who on the basis of their views of ownership of property and authority feel compelled to deny the employees any right to a voice. On the other hand, other Christians appeal to christian norms such as responsibility and community to advocate a thorough review of the present-day structure of enterprise.

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kind of faith that enabled them to see that their Savior was the redeemer of men's work. Today many men reject such a view of work because they have rejected that Savior.

That is the real reason men do not want to hear that Christ calls them to work heartily. They have rejected the Savior of work and when a man rejects the Savior, he must expect the gravest consequences.

Did you know that Jesus Christ, the only begotten Son of God who died on Calvary's cross to save all those who believe on Him—did you know that He is such a great and living Savior that He can come into your daily life through the power of His Holy Spirit and He can transform it? Jesus Christ can come right into the factory where you work, or right into the office, and He can equip you with a new vision that will make you see that the task you perform is meaningful. When you really believe in this Savior, sometimes you can hear Him say, right in the middle of a working day, "Do your work with all your

Calvary has redeemed our daily work and made it meaningful. Open our eyes and strengthen our faith so that we may do our daily work heartily, not as unto men, but as unto Thee.

We confess how far we have strayed away from the shining ideals Thy Word provides us. Forgive us for being so preoccupied with immediate labor problems that we frequently forget the greatest enemy of all, sloth, laziness, an enemy that feeds on greed and corrupts men with abiding discontent.

"Let thy work appear unto thy servants, and thy glory unto their children. And let the beauty of the Lord our God be upon us; and establish thou the work of our hands upon us; yea, the work of our hands establish thou it." In Christ we pray, Amen. ●

Note: This article is the message broadcast by the Back to God Hour on September 3. We deeply appreciate Dr. Nederhood's permission to reprint it. Readers desiring copies of this message for distribution to others should write to: The Back to God Hour, 10858 South Michigan Avenue, Chicago, Illinois 60628. GV

"Jesus Christ can come right into the factory where you work"

heart and offer it as your gift to me."

And as you begin to understand the significance of this Jesus more and more, you will find yourself saying,

Jesus, Master, whose I am,
Purchased, Thine alone to be,
By Thy blood, O spotless Lamb,
Shed so willingly for me,
Let my heart be all Thine own,
Let me live to Thee alone.

Jesus, Master, whom I serve,
Tho' so feebly and so ill,
Strengthen hand and heart and
nerve

All Thy bidding to fulfill;
Open Thou mine eyes to see
All the work Thou hast for me.

Jesus, Master, wilt Thou use
One who owes Thee more than
all?

As Thou wilt! I would not choose;
Only let me hear Thy call.
Jesus, let me always be
In Thy service glad and free.

Talk like that can destroy labor's greatest enemy: sloth, s-l-o-t-h, sloth. Some call it "sloth."

PRAYER

O Savior, we give Thee thanks as we acknowledge that Thy sacrifice on

Business Enterprise

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DIFFERENCE OF OPINION: NECESSARY OR SUPERFLUOUS?

These differences of opinion are deplorable and harmful, especially when they arise among sincere Christians. For many outsiders they provide an occasion to say, "You see, from a christian point of view nothing definite can be said about present day problems; Christians themselves are radically divided about them." Their conclusion is obvious: christian labour organizations and christian political parties really have no leg to stand on. On such occasions, christian organizations can be kept alive only artificially because they lack a common social and political insight.

Precisely because of this severe criticism it must be emphasized that such differences among Christians are caused not by the alleged fact that the Goodnews is not clear enough, but rather by the fact that we Christians listen poorly to the Goodnews and are not sufficiently receptive to it. This becomes especially clear in the presently-discussed question of the structure of the modern enterprise.

Do you really think that what the Bible says concerning the meaning of human ownership of property and human authority would contradict what that same Bible claims concerning human community and human responsibility? Of course not. When one group of Christians, on the basis of their view of ownership of property and authority, arrives at different conclusions than does another group which begins with norms such as community and responsibility, only one conclusion is possible: one of these groups, or perhaps both, has a view of ownership of property, authority, community and responsibility which is not intrinsically christian, but in which humanistic and other non-christian ideas play a leading role. Only by a radical removal of these ideas can unity among Christians be restored.

COMMUNAL REFLECTION NECESSARY?

The way in which we will have to proceed is now clearly marked out. The conflicting ideas of authority, property, community and responsibility will have to be subjected anew to a fundamental, christian evaluation. This incidentally, is not the task of one or two persons, but a communal obligation of all who are concerned with this subject. What the author offers here then — in the third, final installment — is to be considered, therefore, as nothing more than a contribution to this so necessary communal reflection.

(To be continued)

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