

Calling or Consensus?

AFTER CAPITALISM AND SOCIALISM: An Overhaul of Democracy

by Magnus Verbrugge

Maydo Publications Inc., Vancouver, 209 pp. \$4.95

Reviewed by Bob Goudzwaard

During his recent visit to The Netherlands, Dr. Magnus Verbrugge was so kind to present me with a copy of his book asking me to read it and to give my comments. When shortly thereafter the editor of *The Guide* requested me to review the book, I quickly agreed not realizing that reviewing a book such as this presents some special problems. First of all, the book has primarily been written for the Canadian public (which makes an evaluation by a non-Canadian always a bit hazardous) and, secondly, its style and approach is decidedly un-European. In fact, although its conclusions are quite different, the book reminds me of a number of Social Credit publications which also place great expectations for the whole of society on a reorganization of the economic-financial sector of society. Such a manner of approach is not only foreign to me, I also find it somewhat unreal.

Anyway, I trust that the readers of this review will understand my handicap; it will explain why I formulated certain criticisms the way I did.

THRUST OF THE BOOK

The thrust of the book is well illustrated by its title. Verbrugge rejects the capitalist as well as the socialist form of society. Instead he advocates a societal order which a) in all forms of organization (called "mentools" in the book) will replace present absolute power and authority by a few, with a genuine democracy, i.e., a leadership elected and controlled by the constituents, and b) grants maximum opportunity for all to freely join or leave such organizations. According to Verbrugge such a change would mean genuine "progress" and he uses a whole

chapter with many quotes to illustrate that prominent writers from left to right (such as Peter Drucker, Paul Goodman, Alvin Toffler and Herbert Marcuse) essentially agree on this concept, even though they disagree on how to reach that goal of an "open" democracy.

In my opinion the best parts of the book are those where Verbrugge describes how existing organizations gradually become authoritarian and corrupt because the leaders, due to incompetence and self-interest, attempt to formulate and realize goals that differ considerably from the purposes for which these organizations were established. For example, Verbrugge shows keen insight and long experience in his observation that incompetent persons within a hierarchy tend to shield their colleagues and superiors because exposing them would also threaten their own position as higher-ups in the hierarchy. Quite correctly, Verbrugge calls the moment "when some people obtain the power to change the common purpose without permission from the rest" the *tumour point of power*. At that moment a democratic organization becomes undemocratic and a concentration of power takes place which is dangerous for society.

With such illustrations in mind Verbrugge launches his practical proposals. He advocates a radical reorganization of our financial and economic system and he recommends the following:

- a) The right of stockholders must be restored so that they are entitled to the full net profits of the corporation; this would deny the elite in the corporation the opportunity to strive for (self-willed) unlimited expansion.
- b) Legislation must be enacted which prevents one enterprise to acquire shares in another. This would eliminate an accumulation of power via

holding companies and mergers.

- c) Workers must increasingly be given a chance to obtain shares (thus providing them with a so-called SIP or second income plan). Funds needed for expansion can only become available by means of issuing shares and workers must be given preferential treatment in obtaining such shares. In order to purchase such new shares workers should be able to borrow a certain maximum amount of money from the bank.

PROBLEMS

My problem with the book does not lie in the suggestion (already made during the 1920's by Dr. Dooyeweerd) that workers should become shareholders and that this would enhance their opportunity for participation and codetermination. Nor do I reject the idea that in almost all organizations there must be an element of accountability on the part of those in authority towards the members. This certainly applies to inter-human relations in organizations pertaining to social-economic life.

My problem lies particularly in the author's general approach which, in my opinion, clearly and substantially differs from Dooyeweerd's even though Verbrugge somewhat proudly announces in his foreword that the book has been carefully read and scrutinized by Dooyeweerd and therefore bears *the marks of his wisdom*.

Let me try to clarify my criticism. Verbrugge begins his book with an analysis of human forms of society which, to some extent, agrees with Dooyeweerd's critique. We find, for instance, a distinction similar to Dooyeweerd's between voluntary and compulsory forms of human relationships, e.g. a trade union and a state (in Verbrugge's terminology a "maydo" and a "haveto"). But there are also striking differences. I want to mention only

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one. Verbrugge consistently emphasizes the purposes of organizations (*they need a common purpose*), whereas Dooyeweerd in his analysis of societal relationships has just as consistently (and correctly, I would add) rejected such emphasis. Instead, Dooyeweerd speaks of a divergent qualifying function, i.e. the internal destination function (economical, social, public-legal, etc.) of societal relationships. This may seem to be a minor difference, yet, in fact, it is of considerable significance. What is, for example, the difference in view between Verbrugge and Dooyeweerd with respect to the enterprise? Verbrugge believes that an efficient enterprise exists when there is a) internal democracy ("allrule") and b) a common purpose among the members. According to Verbrugge such a common purpose can easily be found. To use his own words: *The purpose, common to capitalist and communist corporations alike is: to make as much profit as the law allows: to maximize their profit (p. 147)*. According to Verbrugge a corporation fulfils its purpose properly if it seeks to maximize profits, providing this is done in a democratic manner and providing it adheres to certain just means and rules (p. 124).

Dooyeweerd, however, decidedly points to the normative internal destination function of the enterprise, i.e. the economic function. As a good steward, keeping in mind the economic norm, the enterprise must strive to achieve as it were a series of simultaneous purposes, including a proper service to society, internal labour peace, responsible working conditions, meaningful workmethods, respect for the natural environment, etc. In Verbrugge's book the enterprise is viewed as a more or less neutral purpose organization. Dooyeweerd on the other hand, advocates a normatively-directed destination organization. Not surprisingly, we find in Verbrugge a different, much more closed world view than in Dooyeweerd. I am even inclined to state that in Verbrugge's proposals economic life is, at least partially, flattened out to a democratically organized process of collective money earning. To some extent man's calling has been eliminated, only to be replaced by a common opinion of the organization's members. I am convinced that this manner of approach is very much foreign to the deepest intentions of the Philosophy of the Law Idea*, which has always connected the opening up of life with its deepest meaning. But what about the "marks of wisdom" which Verbrugge appeals

to in his foreword? Well, it seems to me that the book shows some traces of Dooyeweerdian thought, but only in the form of some incidental changes which, rather than supporting Verbrugge's original design, have distorted it. For example, this must be the case with respect to Verbrugge's ideas concerning the state. In Verbrugge's own design the state should be a purpose-oriented organization of which the purpose may be freely chosen by the members, i.e. the citizens. On a few pages this idea is still quite discernable. On page 146, for instance, the author labels the possession of sufficient money ("you do not need to worry") as *perhaps a worthy common purpose for all Canadians, the members of our mentool, the State of Canada*. But does not all normativity for state life disappear in this way (except, of course, the pseudo norm of democratic agreement)? Probably because of this we suddenly find a different reasoning on page 137, one in which I discover the influence of Dooyeweerd. Writes Verbrugge:

An effective state maintains public justice for all citizens . . . only the pursuit of justice as a common purpose can bring consensus.

I am happy that the author included this definition, but it undeniably weakens the strength of his arguments. For why not say something similar about the enterprise, namely that **only the pursuit of real stewardship can bring consensus**? But such a remark cannot be found anywhere in the book. It would undermine the whole intent of Verbrugge's optimistic conclusions drawn from his own reorganization proposals. In my frank opinion, Verbrugge's approach cannot be identified or reconciled with Dooyeweerd's ideas. Although I do not question Verbrugge's good intentions, I believe it would have been wiser if he had not made such an explicit use of Dooyeweerd's name in order to support his own arguments. (I do not particularly cherish making these remarks, but, as a reviewer, I have to be honest and I am confident that Verbrugge will appreciate this open manner of criticism).

Finally, a few words about the manner in which Verbrugge seeks to concretize his ideas. He associates himself very closely with the publications of Louis Kelso. I have several problems with this approach. To mention only a few:

1) Too easily it is assumed that true democracy in the workplace will result from increasing the rights of

individual shareholders. When the enterprise has thousands of small stockholders, the influence of each stockholder is still negligible. As a matter of fact, making the corporation's management once again a mere extension of the stockholders' wishes, which will frequently be synonymous with making profits (their common purpose in Verbrugge's language), is in my opinion more a reactionary than a progressive development. The benefit gained (a certain emancipation of the enterprise from the capitalistic yoke of the providers of capital) may well be nullified by such a development.

2) The idea to combine employment with the possession of shares makes much sense indeed. Provided, however, that the possession of shares is tied to employment in the enterprise in which one has these shares. Unfortunately, this element is missing in Verbrugge's proposals. Moreover, the means by which employees can obtain shares is a strange one. Employees do not acquire shares by means of profit sharing but by means of bankloans. It seems to me that this is not only unfair but also dangerous. When certain corporations experience economic hardships and financial losses this will imperil those workers and their families who have invested in the company by means of bankloans that must be paid off. As a politician I could never support the introduction of such a scheme.

As in the case with all book reviews, this one is incomplete and does insufficient justice to the book as a whole. As a counterpoise to my critical remarks I would conclude by stating that Verbrugge's book calls for such criticism precisely because it is written in such a clear, stimulating, straightforward and easy to understand way. I, for one, never felt bored while reading it.

*The Philosophy of the Law Idea was developed by professors Dooyeweerd and Vollenhoven at the Free University of Amsterdam during the 1930's.

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