

## The Christian and Modern Business Enterprise

by Bob Goudzwaard

### STATEMENT OF THE OWNERSHIP ARGUMENT

The most common objection to any structural change in the modern business enterprise is the ownership-of-property argument. Its content is briefly this: "Not the employees but the providers of capital are the owners of the enterprise." Now, to be an owner always means to have control over something. Therefore, it is a direct interference with ownership rights when employees demand a voice and share in controlling the firm. In fact, it is nothing less than theft; for God did not entrust the stewardship of the firm to them, but He entrusted it to the owners.

### TESTING THE OWNERSHIP ARGUMENT

It is not the purpose here to give an exhaustive treatment of the christian view of ownership of property.<sup>1</sup> Instead only one aspect of the ownership-of-property problem will be dealt with, namely, the aspect referred to by the expression "owners of enterprise." Those who provide the capital, so it is claimed, are the owners of the enterprise.

There is every reason to consider this expression very critically. The expression does not refer to the function of the provider of capital (the shareholder). No one expression could do this, because in the course of time this function underwent a marked change. Rather, the expression calls attention to the fact that a view of property has crept into Western thinking which is unmistakably of humanistic origin.

What is an enterprise? It is first of all a relationship in which people live and work together, people who, in this economically qualified co-operation, use means of production which have been financed by the providers of capital. Now we can generally say of the christian view of ownership of property that it regards ownership of persons, living persons, as principally objectionable; slavery is a denial of the principal equality of all people before God. This, of course, is true not only of individual persons, but also of persons who constitute a societal relationship. For that reason, those who provide the money can never and may never be the owners of the enterprise, which is a societal relationship of living people. Providers of capital are merely owners of the capital goods, of the means of production of the enterprise. Their owner-

ship right is a limited one which can never apply to the entire enterprise and the activities of its members.

It is, therefore, a typical fruit of humanistic thought that many people ascribe to the providers of capital a complete control over the entire enterprise. Here again we meet one of the consequences of the basic belief of humanistic conservatism. Back of it lies a belief in the individual's right to complete self-determination; it is this self-determining individual who thinks that in the exercise of his ownership rights he need not recognize any limits, because he, after all, has absolute power to control his property.

### CONSEQUENCES OF A CHRISTIAN VIEW OF PROPERTY

When in our thinking about property we distance ourselves from this humanistic influence, the way is cleared for a more responsible view of modern enterprise. In this responsible view, the stockholders can at most be recognized as the owners of the capital goods of enterprise, which means that for the management of these capital goods—and only for that—the directors of the firm are accountable to the stockholders. This accounting is given by the firm in its function as a legal entity, as a "corporation." Shareholders are actually not members of the business enterprise; they are only members of the corporation. Only the employer and the employees are to be considered real members of the enterprise in its day-to-day economic activities.

The direct consequence of this view, which sees as limited the ownership right of the providers of capital, is that enterprise now is entitled to have a development of its own. That is, the enterprise has a right which, if necessary, may be exercised against the providers of capital. This right has its direct ground and support in the communal calling of employer and labourer in the enterprise. The interests of the enterprise, including those of the labourers who are part of it, may not become a mere extension of the interests of the providers of capital.

In this view of property and enterprise, there is certainly a place for a real voice on the part of the employers in the enterprise. Such a voice—speak-

ing in the concrete, daily business affairs of the enterprise—can certainly not be considered to be a form of theft. On the contrary, when the providers of capital have a right to be given an accounting by the corporation concerning what is being done with their capital input, the employees have certainly just as much right to an accounting concerning what is being done with their labour input.

It is obvious, of course, that the accounting is to be given to them concerning the production activities of the enterprise and not primarily concerning the enterprise as corporation.

### AUTHORITY

A second argument often advanced against proposals to change the structure of modern enterprise concerns authority. It usually runs as follows: "As Christians we are told in the Scriptures that we must be subject to all powers placed over us. In the modern enterprise, this power (this authority) is exercised by the owner; it is he who has received this calling from God. In business, a voice for the workers is therefore a rebellion, a revolution, against divinely-ordained authority. The meaning of this authority is undermined in an unchristian way when employees strive for an effective voice in the business."

### TRUE AND UNTRUE ELEMENTS

In this argumentation, just as in nearly all argumentation among Christians, there doubtlessly exists important elements of truth. It is indeed true that we, as Christians, must be subject to the authorities placed over us; similarly it is true that, in an enterprise, authority is primarily exercised by the owner. It is very much the possibility that there are situations in an enterprise which are revolutionary in the worst sense of the word. Employees, who do not wish to subject themselves to the management of the firm and who in the spirit of "no God, no master" want to make it impossible for the employer to direct his business, have indeed understood nothing of the true spirit of the Goodnews of Christ. For it is the call to serve that this Goodnews emphasizes so strongly.

That, however, does not alter the fact that unintentionally a very unevangelical element has crept into the argumentation offered by the present-day champions of the argument from authority. For the Goodnews does not posit norms only for those subject to authorities; the Goodnews posits norms for both the bearers of authority and those subject to it. Also, those called to give direction are under the norms which God has given for authority. And it is even the evangelical duty of those who are subject to remind their office-bearers of these norms as well as of the origin and limits of their authority.

Those, who in their argumentation brush those norms aside as irrelevant, proceed basically in a characteristically humanistic fashion. (For humanism is characterized by the fact that it does not recognize any norms imposed on man without his own consent.) The Christian who introduces authority into his argumentation as a completely independent entity (which, in all its expressions, is then to be accepted without any correlation to the equally scriptural concepts of responsibility and community) actually enters—unintentionally—into a synthesis with the humanistic belief that man has the right to be his own law-maker.

Also the additional argument is of no avail here: the argument that the principle of sphere-sovereignty<sup>2</sup> for enterprise would be attacked. For the word "sovereignty" may not be interpreted as the right to be a law-maker for oneself but instead the principle of sphere sovereignty points each societal sphere to the task of listening directly to the laws which God has appointed for that sphere. "The idea of sphere-sovereignty, eminently christian . . . is, in the life of the nation, deformed to become a kind of employer-sovereignty which denies all others a voice; whereas a characteristic trait of that idea is: the sovereignty of divine ordinances in a certain sphere of life, before which both employer and employee, both government and people must reverently kneel."<sup>3</sup>

### THE VOICE OF EMPLOYEES

That is the reason why, in a christian view, there is definitely room for employees having a voice in the enterprise. This room is not room for voicing just any old opinion, however. For, according to this view, only that kind of voice can be recognized which indeed serves a joint subjection of employer and employees, of management and inferiors, to the laws laid down by God for enterprise. Only that kind of voice by employees is acceptable which can help to form a normed work-community in the enterprise; that is, a work-community which—under the direction of the employer—aims at an efficient production in such a way that the lawful interests both of the workers in the enterprise and of the neighbour (which includes fellowmen outside the enterprise, such as consumers, people living in the vicinity, and persons solicited through advertising) are carefully respected.

This kind of voice for employees does not deprive the employer of his authority; it rather confirms it. For through this voice of the employees, the employer's authority will be able to function so much better according to the norms imposed on this authority by God.

### CONCLUDING REMARKS

At this point it is possible to bring

to conclusion both the discussion of the structure of modern enterprise and the larger concern of our entire series of articles.

As to the structure of modern business enterprise, from the discussion of only two motifs (ownership and authority), one may not draw the conclusion that regarding the additional two motifs, community and responsibility, there is no need to fear any nonchristian influences. Rather the opposite is true.

### COMMUNITY

As to the community motif, we will have to guard against narrowing the christian community motif to a vague feeling of solidarity in the enterprise. For the radical difference between humanistic ideas of solidarity and the christian community motif is that humanistic solidarity always tried to draw boundary-lines between those for whom one should feel a sense of solidarity and those for whom one should not. The christian norm of love and community, however, cannot recognize such boundaries. According to the Goodnews we are to be neighbour to every other person, regardless of whether he is a Jew or a Samaritan, white or black, labourer or capital-provider, Christian or unbeliever. "The Christian is called to his fellowman even when natural or ideological sympathy has ceased; when he can no longer see any natural or historical reason for it; where only walls or chasms of traditional enmity may be distinguished."<sup>4</sup> Only by living and acting out of this christian idea of love and community can we principally and fundamentally overcome the idea of class-struggle, rather than by any theoretical discussion.

### RESPONSIBILITY

As to the responsibility motif, only one aspect can be treated here, namely, that not seldom this motif is used in theory and practice to demand a similar "democratic" structure for every societal relationship. However scriptural this motif may be, when it is conceived in artificial isolation from the other motifs, it threatens to become utilized as an instrument for wiping out important structural differences between the various societal relationships. Against this it must be argued that, for example, the government's responsibility to parliament cannot be considered identical to the employer's responsibility to his employees—to say nothing of the wholly unique responsibility-relationship in family and church. The way an accounting is rendered in the enterprise will, therefore, have to be different from the way it is rendered in government relations. When an identical pattern of accounting is forced upon all relationships in society, one undermines the varied richness which God has placed in

creation for the countless relationships in society.<sup>5</sup>

### A FINAL CONCLUSION

These articles have not provided an exhaustive treatment of the modern business enterprise. A reader who would draw such a conclusion would give evidence of clearly underestimating the problems which really exist.

Rather, these articles were concerned to illustrate how directly we all need a reformation of our thought-and-life world and how we need to demonstrate that in our ideas of freedom, community, responsibility, authority and ownership of property, humanistic influences have in various ways entered in. The author thought it well to emphasize this point, since this insight is indispensable to everyone who agrees that, with regard to the practical problems of modern enterprise, there are indeed no neutral views and solutions.

Rejection of neutrality was not and is not a conclusion which enables us to rest on our laurels. On the contrary, it is a diagnosis which will force us to engage in a radical christian self-criticism of our entire thinking and living. For when a (supposed) neutrality is done away with, the demand to follow Christ comes at us in full force.

The struggle of a christian labour organization in our day is, therefore, in the first place a struggle against our own heart, to ban from it under the guidance of the Holy Spirit, all conformity to this world in our own thinking and living.

END

<sup>1</sup> For the best brief discussion in English of ownership of property, see Dr. A. Troost's excellent article, "Property Rights and the Eighth Commandment," in *International Reformed Bulletin* (1977) Gentian Dr., SE, Grand Rapids, Michigan 49508, USA) January-April, 1966, pp. 28-41.

<sup>2</sup> Van Riessen, Dr. H., *The Society of the Future* (1952), pp. 69-86.

<sup>3</sup> Gerbrandy, Prof. P. S., *De Strijd om Nieuwe Maatschappijvormen* (1927), p. 107. Our translation.

<sup>4</sup> Lochman, J. M., "The Service of the Church in a Socialist Society," in *Christian Social Ethics in a Changing World* (1966), p. 246.

<sup>5</sup> Also for this reason, the manner of developing the idea of a "responsible society"—originating from the World Council of Churches, and in itself a legitimate idea—will have to be observed very critically.

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