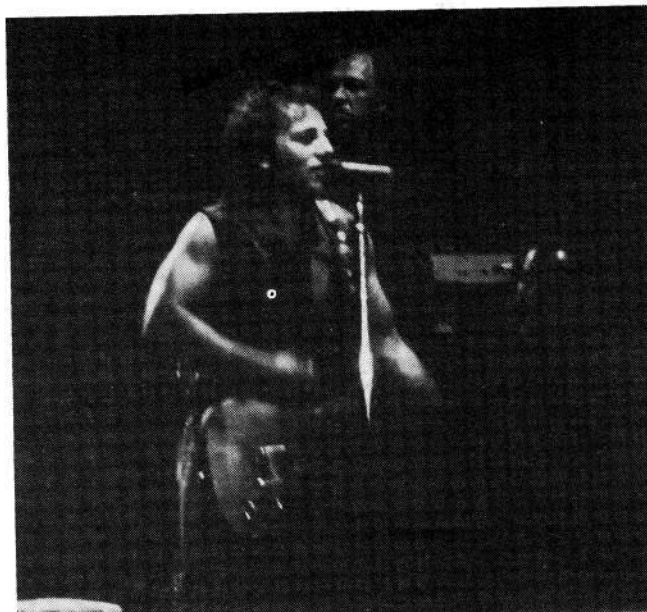


ment of economic progress, remains to be seen. But a distinction must be drawn between rhetoric and reality: although there has been a lot of talk about a Marxist socialist state it has thus far meant little in practice; and the emotional support for sanctions against South Africa is largely meaningless because the economic interdependence of the two countries puts a low ceiling on possible action.

But Zimbabwe can influence South Africa. Its existence offers a lesson in the meaning of black majority rule. That cheers up blacks in South Africa.

But the effects on white South Africans are less happy: they point fingers at Mugabe because of the roughness with which he has put down dissent and they jeer at his one-party rule; his actions justify their worst prejudices about what happens when blacks take over government.

Of course that's a strange view as it totally ignores South Africa's own lack of democracy. But the bias is so strong that it blinds whites to the benefits of the racial peace in Zimbabwe.



Bruce Springsteen: Human Rights Concert, Harare, Zimbabwe, October 1988

—by Kierin O'Malley—

## SOUTH AFRICAN LIBERAL ECONOMICS AND THE QUESTION OF POWER.

In her comprehensive analysis of the relationship between capitalism and apartheid Merle Lipton not only empirically debunks many of the neo marxist myths reproduced and nauseated by the 'hard'/illiberal left, but her definition of a South African liberal summarizes one of the many dilemmas which currently face the embattled occupants of the 'middle ground' in South Africa. She states that "on economic policy they, ie. South African liberals, range from free marketeers to social democrats".<sup>1</sup>

### LIBERAL ECONOMICS?

In his address at last years Cape Congress of the PFP – published in the January 1988 edition of **Reality** – David Welsh argues "that the gross inequalities of our society will not be overcome by invoking the free market as a panacea" as the free marketeers or right wing economic liberals tend to do, and that social democracy has been described as the liberalism of those who really mean it. Along similar lines Terence Beard in his recent review of *Democratic Liberalism in South Africa* (Reality, March/May 1988) contends that liberals cannot afford not to abandon the pursuit of laissez faire capitalism – placing himself firmly in the camp of left wing economic liberals.

On the other hand free marketeers like Ken Owen and Leon Louw define laissez faire capitalism as the economics of liberalism. Any state interference with the market mechanism and with the production and distri-

bution of wealth is per se unacceptable. Strangely enough the free marketeer, right wing economic liberal view that unadulterated capitalism of the 19th century Manchester school type is an essential and determining element of liberalism is one shared by their arch ideological foes ie. radical or neo marxist scholars and activists in South Africa.

To avoid possible terminological confusion, it is necessary to make the point that labelling free marketeers right wing economic liberals, and welfare orientated liberals left wing economic liberals, has nothing to do with the growing tendency to divide the liberal camp into left wing and right wing liberals. The latter is nomenclature related to entirely different criteria.

Rightwing liberals are means and end liberals who refuse to countenance undemocratic, illiberal and often violent means from the hard left within extra parliamentary folds and tend to accept incremental reform as a viable strategy. Leftwing liberals are those who tend to reject all incremental reform as a hindrance to 'genuine reform', and who experience little problem in justifying illiberal and undemocratic means in terms of democratic, just and equal ends and the pervasive "struggle". It is nonetheless interesting to note that right wing economic liberals have more resolutely withstood what Jill Wentzel has called the liberal slideaway<sup>2</sup> ie. that right wing economic liberals have been less easily enticed by the hard left into adopting illiberal strategies in the struggle for liberal ends.

This is not the place to enter the free market/social democratic 'debate' as to the true nature of a South African liberal economics in any depth. What can be said is the following. Up till the present there has been very little sustained non rhetorical and liberal discussion of the issue. The exchange of letters between Ken Owen and welfare orientated Herman Giliomee published in the latter's **Parting of the Ways** is an exception that proves the rule.

The reasons for this failure or absence are twofold. Firstly, a preoccupation – possibly over occupation – with the neo marxist attack from the left, and secondly what I term the historical liberal aversion to the politics of power. The latter is discussed in greater depth in the second part of this essay.

### **NO SINGLE COMBINATION OF BELIEFS**

It is nonetheless possible to deduce from Lipton's assertion as to the South African liberal economic dichotomy that a direct connection between liberalism of the South African variety and Manchesterian capitalism cannot be drawn. Harrison Wright has stated along similar lines that South African liberals "hold no single combination of economic . . . beliefs"<sup>3</sup>. He traces this not only to the worldwide bifurcation of liberal economic thought in the late nineteenth and early twentieth centuries, but also to the fact that the core assumptions of South African liberalism "rather than being economic, have been primarily moral and political".

Whether the core assumptions of South African liberalism have been political is a moot point, less so is Wright's conclusion that given the prevalent moral and political nature of basic liberal values in South Africa "it is inappropriate to consider as central of South African liberalism those individuals whose economic beliefs require a clear violation of the commonly shared moral and political ideas". Wright specifically mentions 2 doyens of the free market school – Michael O'Dowd and William Hutt – as not being "in accord with what is basic South African liberal thinking".

In this regard it is interesting to read an article by Jos Gerson on the future of South African liberalism in a recent volume of *Optima* – the in house journal of Anglo American. It must be remembered as David Welsh has put it "major sections of big business are liberal in a classic economic sense" ie. proponents of pre John Stuart Mill type laissez faire. Gerson distinguishes between what he calls mainstream and classical South African liberals, and surprisingly equates the former and larger group with the welfarist/social democratic tradition, the latter with the anti statist, anti welfarist free market school.<sup>4</sup> Gersons' advice to liberals is that in spite of their economic differences, the two camps should mobilize around what they share in common ie. a belief in accountable government under the rule of law. The differences must be temporarily shelved.

### **CHOICE**

Without wanting to exaggerate these differences – for South African welfarists and free marketeers do share certain views, I do feel it is necessary to add a caveat to Gersons' advice. In societies characterized by rapid polarization and intense ideological conflict, it makes sense to address and hopefully solve differences sooner than later. By postponing the making of a choice or clarifying one's position one only runs the risk that options presently before one will become outradicalised. Such a

postponement can be no part of the game plan of non ideological, compromise orientated individuals and groupings. South African liberalism is hard enough to define in 1988. In 1998 or 2028 it will be even harder, if liberals of today refuse to make decisions that have to be made. Van Zyl Slabbert's warning that liberals must get off the fence and enter "the struggle" – while made in a less specific context – is apposite.

There are other reasons for the current weaknesses and troubles of South African liberalism, but until a South African liberal economics is defined and defended all attempts at reconstructing the "middle ground" will be much akin to shifting the deckchairs on the Titanic.

### **LIBERAL POLITICS AND THE QUESTION OF POWER.**

Arguably one of the major causes for the current weakness of South African liberalism is what Adam has described as the failure to "come to grips with the nature of politics".<sup>5</sup>

Now politics is not the easiest concept to define, but most definitions would include some reference to the notion of power. South African liberals – with a few minor exceptions – have however taken the power out of politics, and replaced it with a self-righteous sentimental streak which scorns practical, porkbarrel politics as the pastime of immoral powermongers. The unspoken rule of the old Liberal Party that it was not a goal to attain political power is the best example of this tendency which is still strong in many liberal circles today.

Success then becomes measured not in terms of electoral support or positive steps towards attaining or sharing political power, but rather as being "true to ones' ideals" and "suffering the future". As Adam has said, "the effectiveness of political action generally ranks lower than the affirmation of principle".

Taking the power out of politics leaves liberals exposed to criticism from the left that they are merely softening the harsher edges of apartheid. The withdrawal from the politics of power ie. the realpolitiek has had the further drawback that liberal organizations have not generally thought in terms of a nuts and bolts/practical paradigm. Policy formulation has often been the result of intellectual parlour games. But the most devastating consequence of taking the power out of politics – which results in what can be called an apolitical approach to politics – has been a feeling of helplessness/powerlessness which results in a resort to illiberal and undemocratic means by disillusioned liberals. This is what Jill Wentzel calls the liberal slideaway, and which was referred to above.

Thus one gets Harris and the Jo'burg station bomb in the sixties, and in the eighties what Jill Wentzel has referred to as the liberal "slideshow" in the Black Sash, ECC, PFP and most white affiliates of the UDF.

Politics is as meaningless without a power component, as it is immoral without a restraining input from ethics. The key is to find the correct balance. Neither apologists for apartheid, nor the bearers of the South African liberal tradition have to date succeeded in finding this equilibrium. □

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