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How to fix the future

In the run-up to the election on 7th May many commentators suggested that some of the interventionist legislation recently enacted or promised by the African National Congress (ANC) was populist rather than ideological. In other words, it was designed mainly to stave off the threat from Mr Julius Malema and his Economic Freedom Fighters. How far the Government will now proceed with this legislation — described in the 5th issue of *@Liberty* on 26th March — will be one of the key trends to watch. However, even if the ANC drops or dilutes the damaging initiatives we identified and implements instead its National Development Plan (NDP), South Africa needs something better to overcome anaemic investment, pedestrian growth, and sky-high unemployment. Something, in fact, like the 12-point plan the Institute put forward in the inaugural issue of *@Liberty* on 13th February 2014. The fourth issue - entitled “Pearls before swine, Johnnyboy” and published on 3rd March - explained why governments sometimes adopt plans once dismissed as pie in the sky. This 7th issue of *@Liberty* puts forward a 10-point strategy for getting the 12-point plan adopted.

Number one: Get your analysis correct. If you want to counter policy you have to understand it. Connect the dots to sharpen your insight into the nature of the ruling party and the ideological and other factors driving it.

Watchdog institutions are critically important here.

In the old days some liberals used to tear their hair out at the seemingly crazy things the National Party (NP) was doing. Some things did seem crazy. But there was method in the madness. When Dr HF Verwoerd said that giving blacks better education would strengthen their demands for equal rights, he was echoing views from down the ages — such as when the Church in the 17th century resisted translating the Bible from Latin into English. It correctly feared that this would empower the masses against the ecclesiastical monopoly who could read Latin.

Many people pooh-pooh the NDR. But it's unwise to dismiss something just because it seems fanciful or threatening.

So also, it is necessary to figure out whether current ANC policy initiatives are indeed merely populist tactics to counter threats from the Left, or manifestations of a more radical agenda such as the ANC's commitment to bring about a National Democratic Revolution (NDR) as a half-way house towards socialism. First adopted by the South African Communist Party in 1962 and then by the ANC in 1969, this plan has been reaffirmed at almost every ANC conference, including the one in Mangaung that also endorsed the National Development Plan (NDP) in December 2012.

Many people pooh-pooh the NDR. Few journalists, economists, opposition politicians, business chambers, or non-governmental organisations (NGOs) pay it any attention. But it's unwise to dismiss something just because it seems fanciful or threatening. The previous government's plans to reverse the flow of blacks to the cities by 1978 were ridiculed. But between 2 and 3 million people were forcibly removed from the supposedly "white" area to the "homelands". Arrests under the pass and influx control laws numbered more than 17 million. If the 1978 fantasy could not be implemented, it was not for lack of effort.

Number two: You cannot fight every battle, but you can fight and win some. The Solidarity movement's campaign in the courts against racial legislation is a good example. The Free Market Foundation is challenging key aspects of labour legislation. The Institute for Accountability and the Helen Suzman Foundation have been challenging corruption in the arms deal and the closing down of the Scorpions. The courts are not the only arena for political battles. The Press is another. Fighting these battles is also part of public education, as we've seen with the coverage of the Nkandla affair. This coverage is also an opportunity to connect the dots — to explore any connection between corruption and key components of revolutionary ideology, including cadre deployment, lack of democratic accountability, and the notion that the State belongs to the party. For at least some of those who profess themselves "baffled" by Nkandla, the penny may begin to drop.

Expose policy contradictions and do so relentlessly.

Number three: Expose policy contradictions and do so relentlessly. The contradiction between trying to run a racially integrated economy under a straitjacket of political apartheid helped to destroy that system. Exposing contradictions in current policy is essential. It can also be fun: one should always look for opportunities to lighten the debate so that politics is not always dreary. Ridicule can be a useful weapon now as it was in the past. You cannot have

a developmental state as well as affirmative action and cadre deployment. You can't have an effective police force if you also want affirmative action and cadre deployment. Nor an operational defence force. You can't achieve high rates of economic growth if you alienate foreign investors, or play fast and loose with property rights.

Number four: Defend valuable assets: the Constitution, the rule of law, the independence of the Judiciary and of the Public Protector, the freedom of the Press, the freedom of the non-governmental organisation (NGO) sector. They help hold government to account. Some of the threats to these institutions in recent years have been thwarted. But they may come back.

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It is also necessary to defend the capitalist system. Capitalists will seldom do that themselves, partly because political culture has made capitalism a dirty word. To take one recent example, Hollywood has made yet another movie about greedy people on Wall Street. Capitalists are also their own worst enemies. As Adam Smith recognised, they will often try to rig markets to their advantage. But, like it or loathe it, capitalism is the only system with the dynamism and creativity to generate the faster growth we need.

The various interest groups in health care will not come to the defence of private medicine. Pharmaceutical companies have allowed the Government's attack on their intellectual property rights to go unanswered. A far more robust defence of the agricultural sector is also needed. The same applies to mining.

Number five: Put forward alternative policies. This will show that you are not merely a critic. But it is also necessary to have something ready to replace present policies when they collapse. That is the role of our 12-point plan (see Note below). Milton Friedman's policies of monetarism and floating exchange rates were waiting in readiness for adoption in the 1980s when the policies of the 1970s failed. In South Africa, when apartheid collapsed, we got a constitution with many liberal elements. A key reason is that all the homework had been done, so these ideas were familiar across the political spectrum, including in ANC circles.

Number six: Put alternative policies into a framework of alternative ideas. These should be classically liberal ideas which keep taxes low and trim down the State. They also provide for equality before the law, which means that the State may not discriminate on racial grounds. All the classical rights should be constitutionally entrenched — but not socio-economic rights, which are stepping-stones to socialism. There is a big intellectual battle to be waged in marketing the idea of a state which is cheaper, nimbler, and smaller.

Put forward alternative policies so you have something ready to replace present policies when they collapse.

Number seven: Spread the word. Public education is vital. We need to build up critical mass for both alternative ideas and alternative policies. This is a leadership job. The Press must be both a vehicle and a target. It needs itself to be educated out of its frequent endorsement of interventionist policies and its support for regulating everything except the Press. But it is also a vehicle for wider public education. And don't forget: the more widely your ideas are

distributed the more likely some of them will fall on fertile ground, not least in government and the ruling party, as the IRR discovered in the 1970s and 1980s.

Number eight: Watch out for stigmatisation. It's one of the lethal weapons of authoritarian parties. It was used with devastating effect against kulaks in the USSR, as well as against the old aristocratic families. The tiny Jewish minority in Germany in the 1930s was well integrated into that society — until the Nazis began a systematic programme of stigmatisation to soften Germany up for what came later. In South Africa, the National Party successively used stigmatisation to brand people as communists. It also proved that you could stigmatise people simply by punishing them, causing others to say "there's no smoke without fire, he must've done something wrong otherwise they wouldn't have banned him," and so on.

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We must be on the alert not only against stigmatisation directed at ourselves, but also against stigmatisation of others. Stigmatise the private health sector as blood-suckers, as the newspapers and the Government routinely do, and there will be few people ready to defend it when the health minister moves in for the kill. Stigmatise farmers as racists who beat up their workers, and there

will be less resistance to interference with their land rights. Stigmatisation has worked wonders for the ANC in silencing critics of its racial policies. Right now the ANC is stigmatising the Public Protector.

Number nine: Stick to principle. Tell the truth. Fight on your own ground. Be careful of saying that you favour "transformation", because you thereby give the ANC a blank cheque. "Transformation" may sound like motherhood and apple pie, but it means the National Democratic Revolution. Be wary of saying you favour "redress", lest you find that you have thereby endorsed redistribution and affirmative action and empowerment policies. Affirmative action in South Africa means racial quotas and the pursuit of demographic proportionality. The DA has made the mistake of moving on to the ANC's ideological ground on racial and redress policies.

If you stick to principle you will have a better chance of staying the course, for there are no easy victories on matters of great moment. The first people in the US to demand the abolition of slavery were the Quakers back in 1688. It was almost 200 years before Abraham Lincoln was able to muster majority congressional support for the historic 13th amendment to the American constitution, which abolished slavery.

Part of sticking to principle is playing with a straight bat. Don't tell the ANC you like their mining or land reform policy and then tell your friends the opposite at your next dinner party.

Number ten: Shift the debate on to your own ground.

Change the terms. Shift the paradigm. Talk not transformation and redress, or which party "delivers" better, but investment and growth. Say, over and over again, that the only way to deal with unemployment is much faster rates of economic growth. To get those, we need much higher rates of investment. To do that in turn, we need secure property rights, lower taxes, liberalised labour law, privatisation, a public sector appointed on merit, free trade, a

Shift the debate, talk not transformation or which party "delivers" better, but investment and growth.

professional police force, a more accountable parliamentary system, and so on — in other words many of the points we have listed in our 12-point plan.

Don't be hijacked by the current intellectual fad that the big problem is inequality. The inequality that really matters in South Africa is the inequality between people with jobs and those without them. But use the current hullabaloo about inequality to push the case for jobs — which brings us back to liberalised labour law and a better climate for investment.

Conclusion: Be prepared for losses as well as gains, victories as well as retreats. But the guiding principle is to hold out a vision fundamentally different from the prevailing one, to show how it can be realised — and to stick to your guns.

— John Kane-Berman

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Note: The key components of the IRR's 12-point plan are as follows:

1. *make faster economic growth the overriding priority, not just one among others*
2. *make strike ballots compulsory, jail violent trade unionists, and sue unions for damages*
3. *introduce a voucher system and privatise schooling as much as possible*
4. *do the same with health care*
5. *sell South African Airways and other state-owned enterprises to the private sector*
6. *slash red tape to unleash the energies of the private sector*
7. *maximise trade liberalisation to promote competition and bring down prices*
8. *radically redesign some aspects of land reform, and scrap others*
9. *scrap all affirmative action, empowerment, and other racial legislation*
10. *professionalise the public service by making appointments only on merit*
11. *decentralise government and policing to promote accountability and competition, and*
12. *elect half MPs on a constituency basis to make Parliament accountable to the electorate.*

Getting it right: In the third issue of *@Liberty*, dealing with the Promotion and Protection of Investment Bill of 2013, I warned that anyone owning homes or other personal property would be vulnerable to the Bill's provisions. In doing so, I overlooked a clause confining the Bill to property used 'for commercial purposes'. I apologise for this oversight. — Anthea Jeffery

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