

The Time has come for Capitalism to Re-invent Itself

Since the Protestant Reformation shook the foundations of Christian Empire, a new and secular religion called Humanism has also emerged. Humanism has split into three strands – liberal humanism, socialist humanism and evolutionary humanism. To oversimplify, secular humanism tends to line up with Capitalism, while socialist humanism has given rise to scientific socialism (a.k.a. Marxism). As for evolutionary humanism, it gave rise to the “master race” concept of the Nazis and also eugenics, which had its longest run in Sweden.

The Covid-19 crisis has been a kind of shock therapy for politicians. Those like Donald Trump and Boris Johnson who were known for their bravado, have had to swallow some bitter medicine. They once criticized Big Government but are now facing economic challenges on the scale of the Great Depression.

Here in South Africa, governments tend to confess socialism. So “saving lives” was the mantra of lockdown – to slow down the spread of the virus. Only later did we start to hear about “saving livelihoods” as well. Because as in other countries, there was a back-lash driven by libertarians against the way lockdown was done. For example, the Helen Suzman Foundation is taking the ANC to court over managing the State of Disaster without parliamentary oversight. The loyal opposition DA is championing “saving the economy”. Etc.

This disease has been particularly hard on the elderly and on those with pre-existing medical vulnerability. The Nazis actually used evolutionary humanism to excuse their elimination of the disabled and of undesirables like the Jews. Perhaps part of the over-reaction of governments to the Covid crisis was to stay above reproach in this respect. Although a re-think of the way Western society sequesters its elderly is on the cards.

The pandemic has exposed some elements of Globalization that have left countries up the creek without a paddle. Some ran low on protective clothing, because it was thought best to buy such items in the cheapest market. Suddenly they realized that they were not producing at home what citizens needed just to survive. Some countries did not produce ventilators. In South Africa, a huge effort was made by the private sector to produce them in real time. Because of all the government red tape involved, that project ended up relocating to the USA.

There are advantages to Big Government, and there are disadvantages. Britain has struggled to source protective clothing and testing kits, because it adopted the Big Government approach. The USA tried that for a couple of weeks, and experienced the same red tape delays. So it then devolved it to the private sector which was able to overcome the challenges. Meanwhile in Britain, by comparison, the national food supply chains were left private, and adapted quickly to the new Covid conditions.

In South Africa, food production through to grocery stores has functioned smoothly throughout the Covid crisis. Whereas the army and police seemed to have over-reached their mandate. There are many complaints about their brutality.

A country centred on patriotism will prefer to buy product made “at home”. This is why the Leavers voted to leave Europe. But suddenly they found that after decades of Globalization, they were no longer producing what they needed for themselves. This is what is leading capitalism to re-invent itself in the post-Covid world. Centralization snuck in the back door. Countries with cheap labour took over the supply chains and many Western countries and major cities shifted to a service-based economy. Leaving the dirty job of industry to other places. This needs some re-thinking in the post-Covid world. Back to liberalism.

Countries like Germany and South Korea coped well with the pandemic because they had the at-home industrial capacity to rise to the challenge of shortages of protective clothing and testing kits. The distortions of the Covid crisis are the ultimate consequence of Globalization.

Sweden got it right. It found a balance between saving lives and saving livelihoods. It didn't blink when the health juggernaut rattled the cage. Saving lives is critical – but so is saving the economy. We are now re-opening after lockdown. We have to wear masks, wash our hands a lot and keep our distance. We cannot shake hands or cozy up to others in bars or movie theatres. Life has changed. But that was Sweden's solution right from the start! It said No to lockdown but Yes to behaviour change. And it did not crash its economy.

In South Africa, government followed the example of Wuhan. It closed borders, told everyone to stay home and deployed the military to enforce government decisions. This was the approach of socialist humanism. The liberal humanists went ballistic. Their civil liberties had been suspended. How can government tell you not to go to school? Not to go to church? To close your business? Who gave government that right?

The economic result has been catastrophic. Unemployment and poverty have risen faster than government's ability to roll out its bail-out schemes. We have come to a cross-roads. We either have to surrender our civil liberties to Big Government fatalistically. Or we have to rise up and say that the damage to South Africa's economy was self-inflicted. It was economic suicide.

In 2005 alone, at the peak of the HIV and AIDS crisis, 700 people a day were dying in South Africa. That year, largely because government was refusing to roll out ARVs, 270 000 citizens died of that pandemic. By 2017, this had decreased to 89 000 deaths, or about 240 per day. Now after 60 days of lockdown we have 400 Covid deaths, to date. Whose idea was this lockdown?

Socialist humanism has lost its compass. It wreaked havoc on Russia and Eastern Europe during the Cold War. South Africa needs to recover its roots of liberal humanism. But

because the Covid crisis has exacerbated inequality, Capitalism must humble itself to provide a new road map to prosperity and minimal inequality - without any further erosion of civil liberties.