

One man, one vote, but only once

The melt-down of socialism is now universal. Across the world central governments are searching for new, more liberal constitutions. The peculiar national socialism of SA is no exception; indeed, Pretoria has a head start on Eastern Europe. “Adapt or die” was coined long before the Wall – Berlin’s own particular brand of apartheid – began to crumble. In SA the search has included “consociational politics”, the Kwa-Natal Indaba, the tricameral Parliament, “group rights”, and the – most recent flavour of the month – the Interim Constitution. But true “individual rights” (as opposed to what citizens can rightly lay claim to in a legal sense, e.g. the “right” to tertiary education) have so far been neglected, as have the implications of private, as against state, ownership. It is here that economists, with their understanding of how individuals participate in market transactions, can contribute insights to constitution-building exercises. Yet to date they have been either silent or ignored, and how trade can or will be conducted in post-apartheid SA is given either non-expert or no attention.

Property rights in an African environment

Ghanaian economist George Ayitteh argues that private (not communistic) property rights are an integral part of the indigenous African heritage. If previously unowned land was cultivated, or a previously unowned stretch of river was dammed, it was the individuals who did the work who had the right to rewards, not the community or chief who had previously held the land in trust. Ayitteh is doubtless correct in his analysis of indigenous African economic and legal institutions. But his explanation of the development of individual property rights is not African, but universal. The English philosopher John Locke argued in the 17th century that individuals get entitlements to previously unowned gifts of nature by being the first to mix their labour with that gift. And this Lockean principle was applied by homesteaders in North America, by indigenous Africans, and by the 19th-century trekkers staking out their farms.

Africa betrayed by European socialism

Ayitteh went on argue that “independent Africa” reacted to the end of colonial rule by rejecting the pluralistic democracy and relatively market-oriented economic structures of the former colonial powers. Instead they embraced the one-party socialistic structures of the Eastern bloc. In doing so, Africa ignored its own consensual political roots based on councils of elders and chiefs with limited powers. Africa departed from the private property, market-based “indigenous” system which was in place “long before the first European set foot on the continent”. The consequences, for example, included the establishment of control boards to fix agricultural prices below the prices attainable on world markets. The results were predictable. Agricultural production slumped, famines became endemic and smuggling (to obtain higher prices for commodities in neighbouring countries) became rife.

Ayitteh makes powerful pleas for a politico-economic system to be based on mutually beneficial voluntary exchanges between freely contracting individuals. As he neatly put it: “African chiefs never fixed prices.” Ayitteh argues that Africa, including SA, should ditch command socialism (not the voluntary communalistic welfare support systems of extended families which also have a long history on the continent) and return to voluntary market trading.

How African (parliamentary) democracy could evolve

Asked how the political institutions might evolve if we returned to our roots, where the council of elders met under the village baobab, Ayitteh agrees that a representative parliamentary system, Westminster-style, might come about in SA. It might. But then again, it might not – especially given the starting point we have in this country. There might be an irreconcilable conflict between free enterprise capitalism and democratic majority rule.

The reason is simple. Majority rule, where the legislature has unlimited power, even if everyone

professes faith in the beauties of free market capitalism, will see the emergence of groups demanding special perks and privileges for themselves. Government would inevitably respond to these pressures, not necessarily because it is socialistic by inclination but because it must buy support from enough interest groups if it wishes to remain in office. Governments throughout history have – Robin Hood style – taken from the rich to give to the greedy.

Majority rule in this sense is quite different from the ideal. It does not represent a consensus of the people but rather acts against that consensus. This, of course, is why writers such as Locke advocate a separation of powers – of the legislature from some other institution which lays down the guidelines within which laws can be formed. This is the fundamental principle of classical liberalism, namely that the only just laws a legislature can pass are those which affect each individual equally, not those which are passed with the approval of a majority based on the ephemeral arithmetic of the day.

This is all very well, but it takes us a long way from the desk of the constitution-builders in Pretoria, quite apart from the idyllic consensus-building Ayitteh described as being indigenous to African politics. But does it? Is the reality of competition in the high technology market places of the late 20th century far removed from the impersonality and impartiality of theoretical, but meaningful, economic competition?

African consensus is market harmony

The essence of competition is consumer choice, on the one hand, and producer innovation, emulation, rivalry and substitution, on the other. This at once excludes monolithic statism, and elevates the individual's role to that of a sovereign consumer. If we now superimpose on this a state or communal framework to provide the necessary collective goods of modern society, we could well do so by drawing on the indigenous political roots of Africa where a council of elders met to curb the executive power of the chief and to generate consensus and true (not sectional) majority rule.

An Afrocentric upper chamber – an advance on Westminster and Washington

Ayitteh expressed a desire to extrapolate from existing African institutions. Nobel Prize-winning economist FA Hayek might have produced an Ayitteh-style solution to SA's constitutional problems which we have overlooked. Hayek argues for a two-chamber parliament: an executive and a legislature both elected by universal franchise. To ensure laws were minimally affected by sectional interest, the legislature would be elected differently. Hayek's suggestion is that the legislature be composed only of single-term members (say 15 years), elected annually (one 15th each year). Only 40-year-olds could stand for election and each voter could only vote once, also at age 40 (for this chamber). Hayek in effect proposes a council of elders.

So economists in different continents are speaking the same language. The socialism imposed on Eastern Europe is being shrugged off as unnatural. Ayitteh argues that its imposition on Africa is equally alien. The linkages between the conceptions of liberal thinkers such as Hayek and evolving African institutions are non-trivial. But most constitution-builders continue to believe Africa is different. But as apartheid-socialism joins communism's global retreat, one-man one-vote once could make very good sense.

*This Briefing Paper was written by Duncan Reekie
and first appeared on 27 November 1989 in Business Day.*