

Community and the Economy:

A Reformed theological reflection on
a social-embedded economy

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ABSTRACT

This study focuses on the contribution that Reformed theology can make toward the restructuring of the relationship between the economy and community in order to achieve a more equal and just distribution of livelihoods, elements of production and opportunity for all. It begins by highlighting the economic roots of the lack of freedom present in the modern South African economy. Uncontrolled economic growth and the need for cheap labour led to urbanisation, the destruction of mostly African communities, and poverty amongst both white and black workers. Attempts to eradicate poverty by using capitalism failed because the problem of the relationship between the economy and community was not resolved.

Employing the work of the economic historian Karl Polanyi who assessed the way ancient cultures embedded the economy in social relations of the community, the study attempts to understand the economic roots of unfreedom. It argues that social-embeddedness provides a framework for a Reformed economic theology, because Reformed theology focuses on restored relationships between God and humanity and between human beings. A Reformed economic theology finds its source and goal in the righteousness of God that unmasks societal structures as sinful and oppressive towards the poor and vulnerable groups in society. Christians and others are called to be humanist, to resist the economic forces that create unfreedom, and to accept responsibility for restorative justice. However, field research revealed that a group of white Afrikaans businessmen from Reformed communities had not been exposed to this liberating trajectory in the Reformed tradition within their church communities.

The study concludes by developing a Reformed economic theology built on the institutionalised pattern of covenant and the principles of sacrifice. It challenges traditional concepts of the economy, control over the elements of production, social and economic institutions and governance. It also provides Reformed Christians with resources that enable them to move from their embeddedness in individualism and comfortable materialism, towards becoming a truly covenantal community in solidarity with the poor.

DECLARATION

Submitted in fulfilment of the requirements for the degree of **Doctor Philosophiae** in the Graduate Programme in **School of Religion, Philosophy, and Classics** at the **University of KwaZulu-Natal, Pietermaritzburg**, South Africa.

I, **Bernardus Johannes Pieters (6301105003087)** declare that:

1. The research reported in this thesis, except where otherwise indicated, is my original research.
2. This thesis has not been submitted for any degree or examination at any other University.
3. This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
4. This thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, then:
 - a. Their words have been re-written but the general information attributed to them has been referenced.
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5. This thesis does not contain text, graphics or tables copied and pasted from the Internet, unless specifically acknowledged, and the source being detailed in the thesis and in the references sections.

BJ Pieters

Prof. B Haddad

This study is dedicated to:

My wife, Lizbé, a fellow-pilgrim on the way of Christ.

My parents, Manie en Davida Pieters for leading us on the way of Christ.

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I have to acknowledge the support and contribution of my wife, Lizbé, and our two sons, Manu and Kobus. Thank you for sharing our love for one another, the joy when we succeed, and the support when we struggle. Over the past six years all of us had to make sacrifices in terms of time, money and opportunities that we missed in order to complete this study. This is as much yours as it is mine. I am so proud to be part of this family.

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When I started the journey I was asked why I took on the project. My answer was that I hoped to rediscover the Christian tradition I grew up in. I did. I rediscovered the liberating trajectory of grace, the orientation to the poor of election, the emphasis on community, the call to self-sacrifice, and how the concept of original sin provides us with a resource to understand society. I rather naively, believe that this journey and discovery is what God in God's grace and mercy wanted for me, and for that I am extremely thankful and humbled.

ACRONYMS

AA	-	Affirmative Action
AB	-	Afrikaner Broederbond
ACSV	-	Afrikaanse Christen Studentevereniging
ANC	-	African National Congress
AsgiSA	-	Accelerated and Shared Growth Initiative for South Africa
BB-BEE	-	Broad-based Black Economic Empowerment
CEO	-	Chief Executive Officer
COSATU	-	Congress of South African Trade Unions
FCC	-	Fontainebleau Community Church
FET College	-	Further Education and Training College
GATT	-	General Agreement on Trade and Tariffs
GEAR	-	Growth, Employment and Redistribution Programme
HNCP	-	Homo Novus Community Projects
HTS	-	HTS Teologiese Studies/Theological Studies
ICU	-	Industrial and Commercial Workers' Union
IMF	-	International Monetary Fund
ISCOR	-	Industrial Steel Corporation
IWW	-	Industrial Workers of the World
FVB	-	Federale Volksbeleggings (Federal People's Investments)
JIPSA	-	Joint Initiative for Priority Skills Acquisition
JTSA	-	Journal of Theology for Southern Africa
MERG	-	Macroeconomic Research Group
NEDLAC	-	National Economic Development and Labour Council
NG Kerk	-	Nederduitse Gereformeerde Kerk (also known as Dutch Reformed Church)
NGO	-	Non-governmental Organisation
NGTT	-	Nederduitse Gereformeerde Teologiese Tydskrif

NIV	-	New International Version
NP	-	National Party
RDP	-	Reconstruction and Development Plan
RDP-WP	-	Reconstruction and Development Plan White Paper
REC	-	Reformed Ecumenical Council
SANDF	-	South African National Defense Force
SCA	-	Student Christian Association
SME	-	Small and Medium Enterprises
UKZN	-	University of KwaZulu-Natal
UNISA	-	University of South Africa
UP	-	University of Pretoria
URCSA	-	Uniting Reformed Church of Southern Africa
WARC	-	World Alliance of Reformed Churches
WCC	-	World Council of Churches
WCRC	-	World Communion of Reformed Churches
WTO	-	World Trade Organisation
WW1	-	First World War
WW2	-	Second World War

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Chapter 1

Introducing the study

1.1 Background to the study

Since 1990, I have ministered in a white Dutch Reformed Congregation in the affluent northern suburbs of Johannesburg, and acted as an Operational Manager at a small non-profit company that focuses amongst others on training and job creation initiatives for unemployed youth. The members, almost all of whom are from a racially white background, work mostly as managers in the large corporate headquarters, or as professionals in private practice or in partnerships. A significant group of the male members of the congregation share with many white Afrikaans persons a sense of the loss of power and meaning in post-*apartheid* South Africa since 1994. Others have embraced the new political dispensation as an opportunity and have been successful in transforming their businesses or redirecting their careers.

But I have noted with ambivalence the way those in business in the congregation construct the relationship between the “economy” and “community.” On the one hand, there are many stories of sacrifice, contribution to community projects and efforts to uplift individuals, families, and groups. One family, for example, financed and built a small medical clinic in an informal settlement. They were for many years still involved in the operational side of the clinic until they re-located to another country in the Southern Africa development region. Yet, they will mostly defend forms of capitalism, agreeing to some degree of State intervention and regulation, as the best economic framework for poverty alleviation. The willingness or resistance of white Christian businesspersons to engage the economic structures is all the more important because of the historic economic inequality in South Africa. In spite of political strategies to redistribute

wealth and empower black business, economic power is still said to be largely in the hands of white and often Afrikaans speaking persons.¹

The context of inequality raises two questions of a theological nature. The first question is whether self-interest (of white business) can be subjected to the interest of the community, or at least to the interest of “the other” in the community. “Community,” in this context does not refer exclusively to a religious community but expresses the interrelatedness, and thus the responsibility of human persons for one another. Society refers to the more formal network of relations between people and institutions existing together for the benefit of the individual and the “social good.”² This interrelatedness serves as the moral force and forms the backbone of society. The second question is whether Christ’s gospel of the poor (Luke 4:18) can facilitate a conversion from self-interest towards new “forms of distribution,” including “redistribution and reciprocity.”³ If there is structural injustice, can there also be structural grace?

I want to argue that the way the relationship between the “economy” and “community” is structured should be a key issue in this debate. Understanding the relationship between “economy” and “community” from the perspective of Reformed theology has become important to my search for a theology that can serve the members of the congregation and the community in which I minister and live. Economics and theology share an interest in the well-being of the community and the behaviour associated with well-being.⁴ Lionel Robbins defines economics as “the science which studies human behaviour as a relationship between ends and scarce means that have alternative uses.”⁵ This implies that behaviour is “just” when scarce means are used in

¹ Brian Pottinger, *The Mbeki Legacy* (Cape Town: Zebra Press, 2008); Sampie Terreblanche, *A History of Inequality in South Africa, 1652–2002* (Pietermaritzburg: University of KwaZulu-Natal Press, 2002).

² See Rasmussen’s description of “civil society,” Larry L. Rasmussen, *Moral Fragments and Moral Community. A Proposal for Church in Society*. (Minneapolis: Fortress Press, 1993), 41.

³ Karl Polanyi, *The Great Transformation. The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944 (2001)), 49-58; Enzo Mingione, *Fragmented Societies; a Sociology of Economic Life Beyond the Market Paradigm*, trans. Paul Goodrick, 1 ed, Studies in Urban and Social Change (Oxford: Blackwell Publishers, 1991), 23-4.

⁴ Herman E. Daly and John B. Cobb (jr), *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future* (Boston, Massachusetts: Beacon Press, 1989), 19.

⁵ Lionel Robbins, *An Essay on the Nature and Significance of Economic Science* (London: Macmillan, 1935 (1952)), quoted by M. Douglas Meeks, *God the Economist - the Doctrine of God and Political Economy* (Minneapolis: Fortress Press, 1989), 53.

such a way that value is added in order to meet certain ends. An economist, working from a capitalist framework, would focus on the behaviour of an individual as it is influenced by the search for gain. Within a capitalist rationality, community is merely the arena for economic activity, or the community is embedded in the economy.⁶ Here, the interest of the community is expressed in the well-being of the individual as a *homo economicus*.⁷

The value that Reformed theology attaches to human beings as *imago Dei* cannot accept such a reduction.⁸ Managing the economy is not excluded from the rule of God and this means that every person should share in the benefits of creation and that economic relations should contribute to the well-being of the community. Reformed theology sees “just” behaviour as behaviour that benefits the community, especially those members of the community that are poor, marginalised, oppressed or excluded.⁹ This implies that the attitude of Reformed theology to issues of the ownership of and use of elements of the economy such as land, labour and money must differ from neo-liberal capitalism.

However, Reformed ethics is often seen as a, if not the, major influence in the rise of capitalism.¹⁰ For the Christian Reformed business persons, applying their trade in a world formed through the hegemonic power of neo-liberal globalisation but confessing their faith in the context of a Reformed community, there is potentially a dissociation of their spiritual life from their

⁶ Daly and Cobb (1989), *For the Common Good*, 19.

⁷ This concept refers to humans as being defined by economic activity. Rational choice theory uses the model of *Homo economicus*. “It explains behavior in conformity with social norms as the product of the strategic interactions of instrumentally rational, self-interested individuals,” See: Elizabeth Anderson, “Beyond Homo Economicus: New Developments in Theories of Social Norms,” in *Philosophy and Public Affairs* 29, no. 2 (2000), 170-200.

⁸ Elise Anne McKee, “The Character and Significance of John Calvin's Teaching on Social and Economic Issues,” in *John Calvin Rediscovered. The Impact of His Social and Economic Thought*, ed. Edward Dommen and James D. Bratt, Princeton Theological Seminary Studies in Reformed Theology and History (Louisville and London: Westminster John Knox Press, 2007), 13; Eberhardt Busch, “A General Overview of the Reception of Calvin's Social and Economic Thought,” in *John Calvin Rediscovered. The Impact of His Social and Economic Thought*, ed. Edward Dommen and James D. Bratt, Princeton Theological Seminary Studies in Reformed Theology and History (Louisville: Westminster John Knox Press, 2007), 75.

⁹ See: Uniting Reformed Church of Southern Africa (URCSA), “The Confession of Belhar,” (1986), <http://www.vgksa.org.za/documents/The%20Belhar%20Confession.pdf>, paragraph 4. Accessed on 24 November 2016. See also: G.D. Cloete and D.J. Smit, *„n Oomblik van Waarheid* (Kaapstad: Tafelberg, 1984), 9.

¹⁰ The best known argument in this regard is that of Max Weber, see: Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Scribners, 1958). Also see André Biéler, *Calvin's Economic and Social Thought*, trans. James Greig (Geneve: WARC and WCC, 1961 (2006)), 423-54 for Biéler's description of Weber's and other theories on the matter of Calvin's role in the development of capitalism.

world of work and trade. I suggest that this discontinuity results from the difference in the way the relationship between the “economy” and “community” is structured between neo-liberal capitalism and in Reformed theology.

Economic historian Karl Polanyi sees the economy as one of many activities defining and working together for the well-being of the community.¹¹ For him the economy should be embedded in the social context. Reformed theology could possibly find greater continuity with the notion of a socially-embedded economy than with neo-liberal capitalism where community values are subjected to economic interests. I will argue in this study that Reformed theology has resources to contribute to the restructuring of the relationship between “economy” and “community.”

1.2 Literature review

1.2.1 South African economic history

Scholars from different disciplines, including theologians, political scientists, and economists have warned against the all-consuming power of the neo-liberal capitalist economic system. It is an ideology that has led to significant economic inequality and ecological deprivation that threatens the lives of vulnerable people in South Africa and all over the world.¹²

The impact of a neo-liberal economic policy on South Africa had been documented by, amongst others, Patrick Bond, "South Africa Tackles Global Apartheid: Is the Reform Strategy Working?,"¹³ and *Talk Left, Walk Right*,¹⁴ and by Sampie Terreblanche, *A History of Inequality in South Africa. 1652-2002*.¹⁵ Brian Pottinger, *The Mbeki Legacy*¹⁶ provides a concise

¹¹ Rob Knowles and John R. Owen, "Karl Polanyi for Historians: An Alternative Economic Narrative," *The European Legacy* Vol. 13, no. No. 2 (2008), 182.

¹² Allan Boesak, "Theological Reflections on Empires," in *Hervormde Teologiese Studies* 65, no. 1 (2009), 1.

¹³ Patrick Bond, "South Africa Tackles Global Apartheid: Is the Reform Strategy Working?," *The South Atlantic Quarterly* 103, no. 4 (2004).

¹⁴ Patrick Bond, *Talk Left, Walk Right. South Africa's Frustrated Global Reforms* (Scottsville: University of KwaZulu-Natal Press, 2004).

¹⁵ Sampie Terreblanche, *A History of Inequality in South Africa, 1652-2002* (Pietermaritzburg: University of KwaZulu-Natal Press, 2002).

¹⁶ Brian Pottinger, *The Mbeki Legacy* (Cape Town: Zebra Press, 2008).

description of the economic history of post-*apartheid* South Africa. Herman Giliomee, *The Afrikaners: A Biography of a People*,¹⁷ and Rebecca Davis, *Afrikaners in the New South Africa*¹⁸ pay specific attention to the role of Afrikaans speaking white people in the South African economy. Hein Marais' critical work, *South Africa. Limits to Change the Political Economy of Transition*, and *South Africa, Past, Present and Future* by Alan Lester Etienne Nel and Tony Binns both provided valuable contributions to understanding South African economic history.¹⁹

1.2.2 Approaches to theology and economics-discourse

Theologians have critically engaged neo-liberal economics and globalisation in seeking a future, which is more economically just. Yet, theologians have not engaged the socially-embedded economic theory in the work of Karl Polanyi in a critical and substantive way.

The first observation is that the relationship between theology and economics is built on the sometimes explicit, at other times implicit assumption that economics has to submit to theology.

An important debate about the conceptual relationship between theology and the social sciences was stimulated by the work of John Milbank's critique that social sciences has rooted theology in an atheistic and humanist tradition.²⁰ Milbank warns that the secular positioning of theology could lead to the "questionable idea of an autonomous secular realm, completely transparent to rational understanding" where theology "idolatrously connects knowledge of God with some particular field of knowledge"²¹ – in this case economics.

¹⁷ H.B Giliomee, *The Afrikaners. Biography of a People* 1ed. (Kapaastad: Tafelberg, 2003).

¹⁸ Rebecca Davis, *Afrikaners in the New South Africa* (London: I.B. Tauris Publishers, 2009).

¹⁹ Hein Marais, *South Africa. Limits to Change the Political Economy of Transition* (London: Zed Books Ltd, 1998); Alan Lester, Etienne Nel, and Tony Binns, *South Africa Past, Present, and Future - Gold at the End of the Rainbow* (Essex, UK: Pearson Education Limited, 2000).

²⁰ John Milbank, *Theology and Social Theory. Beyond Secular Reason*, 2nd ed. (Oxford: Blackwell Publishing Ltd, 1990 (2006)), 1.

²¹ Milbank (2006), *Theology and Social Theory*, 1.

Andrew Lynch in "Social Theory, Theology, Secularisation and World Youth Day"²² has compared John Milbank's position with that of JAT Robinson, *Honest to God*,²³ and Harvey Cox, *The Secular City*.²⁴ Lynch asserts that theology and sociology have much in common and argues for a "reflexive" use of social theory.²⁵ Clodovis Boff, *Theology and Praxis: Epistemological Foundations*,²⁶ wants to "escape the danger of a „pure“ theology, one that inevitably yields an overabundance of significations for their own sake."²⁷ He proposes that social theory is used as a "mediation," or an "instrumental" use of social theory in "dialectical reference to praxis, but subordinated to the hermeneutic principle of faith".²⁸

In summary, Milbank wants to protect the priority of theology in its relationship with the social sciences, including economics, with regard to mediating knowledge of God and interpreting reality. Lynch and Boff, on the other hand, want to maintain a role for the social sciences and economics in interpreting reality, and so inform the task of theology. Under the influence of Adam Smith's notion of human beings having a "natural propensity" to "truck, barter, and exchange" economics was long been seen as a natural science.²⁹

Broadly speaking, there are four approaches to explaining the relationship between theology and economics.³⁰ The first three approaches give priority to theology over economics. The first is an approach from ethical or moral theology, which primarily considers how we should live within the current economic world by responding in a faithful way to the ethical dilemmas at hand, without necessarily challenging the underlying social-economic structures.³¹ This approach attempts to create a direct link between Christian virtues and economics, or subjecting economy

²² Andrew Lynch, "Social Theory, Theology, Secularization and World Youth Day," in *New Zealand Sociology* 23, no. 2 (2008).

²³ J.A.T. Robinson, *Honest to God* (London: SCM Press, 1963).

²⁴ H Cox, *The Secular City: Secularization and Urbanization in Theological Perspective* (London: SCM Press, 1967).

²⁵ Lynch (2008), "Social Theory, Theology, Secularization and World Youth Day", 46.

²⁶ Clodovis Boff, *Theology and Praxis: Epistemological Foundations* (New York: Maryknoll, 1987).

²⁷ Clodovis Boff (1987), *Theology and Praxis*, 8.

²⁸ See: Daniel Izuzquiza, "Can a Gift Be Wrapped? John Milbank and Supernatural Sociology," *Heythrop Journal* 47, no. 3 (2006), 396.

²⁹ Adam Smith, *Inquiry into the Nature and Causes of the Wealth of Nations* (Feedbooks, 1776), <https://www.goodreads.com/ebooks/download/25698?doc=5258>, 15. Accessed on 10 May 2016.

³⁰ Kathryn Tanner, *Economy of Grace* (Minneapolis: Fortress Press, 2005), 3-9.

³¹ Tanner (2005), *Economy of Grace*, 3.

to theology based on the concept of the sovereignty of God. However, what it manages to do is often no more than an individualising of Christian precepts risking a foundationalism based on the idea of Christian faith as grounded in propositions, such as God, eternity, soul etc., available to our “rational gaze.”³² Max Weber, in *The Protestant Ethic and the Spirit of Capitalism*, argues that this focus on ethics contributed to the protestant influence on the rise of capitalism through protestant concepts of vocation and, therefore, on ethics.³³ Two other examples of an ethical approach that, though critical, do not address the structural issues underlying capitalism are Emil Brunner with his call for a “responsible capitalism” and John Bennett’s “Christian Realist” position.³⁴

The second approach is an attempt to construct a “theological economy” as an endeavour to address economic injustice by identifying structural shortcomings and proposing new economic structures.³⁵ One way to do this is to address the structural shortcomings by building a semantic relationship between that which theology and economics talk about in their different areas. This is done through a comparison of a concept in one field (i.e. “grace” in theology) for the signifier (i.e. “money”) in the field of economics. This could lead to the equalisation of the signifiers grace and money, in a way in which the traits of the one is applied to the other.³⁶ This opens the way for Milbank’s critique of the “secular positioning” of theology.³⁷ Tanner identifies H. Richard Niebuhr, *The Social Sources of Denominationalism*, as an example of this approach.³⁸

Third and closely related to this semantic approach, is that of Kathryn Tanner in, *Economy of Grace*.³⁹ She attempts a comparative approach by comparing the “systems of distribution” of

³²John Milbank, Catherine Pickstock, and Graham Ward, *Radical Orthodoxy. A New Theology*, (London: Routledge, 1999), 25.

³³Weber (1958), *The Protestant Ethic and the Spirit of Capitalism*, 102-125.

³⁴David A. Krueger, "Capitalism, Christianity, and Economic Ethics: An Illustrative Survey of Twentieth Century Protestant Social Ethics," in *Christianity and Capitalism. Perspectives on Religion, Liberalism and the Economy*, ed. Bruce Grelle and David A. Krueger (Chigaco: Center for the Scientific Study of Religion, 1986).

³⁵Tanner (2005), *Economy of Grace*, 5.

³⁶Tanner (2005), *Economy of Grace*, 6-8.

³⁷Milbank (2006), *Theology and Social Theory*, 1.

³⁸H. Richard Niebuhr, *The Social Sources of Denominationalism* (New York: Meridian, 1959)..

³⁹Tanner (2005), *Economy of Grace*, 5.

money and grace.⁴⁰ By evoking concepts and ideas of sociologist Pierre Bourdieu, *Outline of a Theory of Practice*,⁴¹ Tanner attempts to formulate an “economy of grace” built on unconditional giving and the principle of non-competitiveness.⁴² Her critics argue that her dependency on economist John Maynard Keynes undermines her challenge to global capitalism and in the process weakens both the explanatory powers of economic theory and the persuasive argument of a Christian economic vision.⁴³

The fourth approach is a critical theological approach that attempts to engage the theological structures behind economic theories.⁴⁴ Douglas M. Meeks, *God the Economist - the Doctrine of God and Political Economy*,⁴⁵ sees the task of the theologian as to investigate the “God-concepts” projected by economic beliefs and market logic, and then redefines these into a theological economics. Jung Mo Sung, "The Human Being as Subject: Defending the Victims,"⁴⁶ and *Desire, Market and Religion*,⁴⁷ works within a liberation theology framework. Using the concept of mimetic desire, he critiques current market logic as sinful and idolatrous.⁴⁸ Recognising that the existence of a market is inevitable, he calls for the reorganisation of the economy to include everyone, and suggests specific “battlefronts” and disciplines in which Christians and theologians can enter to promote transformation.⁴⁹ Joerg Rieger, *No Rising Tide*, wrote against the background of the 2008 recession.⁵⁰ Pointing towards the role of a constructive

⁴⁰ Tanner (2005), *Economy of Grace*, 10.

⁴¹ Pierre Bourdieu, *Outline of a Theory of Practice*, trans. Richard Nice (Cambridge: Cambridge University Press, 1977).

⁴² Tanner (2005), *Economy of Grace*, 87-142.

⁴³ Steffen Lösel, "Economy of Grace," *Theology Today* 64, no. 1 (2007), 102-8. This is a peer review of Tanner's book.

⁴⁴ Tanner (2005), *Economy of Grace*, 7.

⁴⁵ M. Douglas Meeks, *God the Economist – the Doctrine of God and Political Economy* (Minneapolis: Fortress Press, 1989).

⁴⁶ Jung Mo Sung, "The Human Being as Subject: Defending the Victims," in *Latin American Liberation Theology: The Next Generation*, ed. Ivan Petrella (New York: Orbis Books, 2005).

⁴⁷ Jung Mo Sung, *Desire, Market and Religion* (London: SCM Press, 2007).

⁴⁸ Jung Mo Sung (2007), *Desire, Market and Religion*, 37.

⁴⁹ Jung Mo Sung (2007), *Desire, Market and Religion*, 71-5.

⁵⁰ Joerg Rieger, *No Rising Tide - Theology, Economics and the Future* (Minneapolis: Fortress Press, 2009).

critical theology and economics, Rieger believes that the future for a more humane economy is to rediscover the relatedness of human beings with one another and with God.⁵¹

Latin American Liberation theology critiques not only the existing God-concepts, but also attempts to unmask the ideological influence and power of these concepts in upholding systems of economic injustice and oppression and thus provides theological efforts to restructure the relationship between “economy” and “community.”⁵² The influential authors on economics and the markets are Liberation Theologians such as Hugo Assmann and Franz J. Hinkelammert, *The Ideological Weapons of Death: A Theological Critique of Capitalism*,⁵³ whose books were first published in Portuguese, only a few had been translated into English, James M. Dawsey, "Liberation Theology and Economic Development - Religious Foundations of Social Policy,"⁵⁴ Leonardo and Clodivis Boff, *Introduction to Liberation Theology*,⁵⁵ and Gustavo Gutiérrez, *Theology of Liberation*.⁵⁶ The chapter by Peter Henriot, “Social Discernment and the Pastoral Circle”⁵⁷ is one of a few important and relevant chapters in the book, *The Pastoral Circle* edited by Frans Wijzen.⁵⁸

Herman E. Daly and John B. Cobb (jnr.), *For the Common Good* built their effort on the idea of a common interest of theology and economy in the well-being of community and ecology.⁵⁹ They describe a paradigm shift in economics by repositioning economy as service to the community, without relinquishing their understanding and support of capitalism and free-market systems.⁶⁰

⁵¹ Joerg Rieger (2009), *No Rising Tide*, 158-62.

⁵² James M Dawsey, "Liberation Theology and Economic Development - Religious Foundations of Social Policy," *The American Journal of Economics and Sociology* (2001), 55.

⁵³ Franz J Hinkelammert, *The Ideological Weapons of Death : a Theological Critique of Capitalism* (Maryknoll, New York: Orbis Books) 1986.

⁵⁴ Dawsey (2001), “Liberation Theology and Economic Development,” 55.

⁵⁵ Leonardo Boff and Clodovis Boff, *Introduction to Liberation Theology*, trans. Paul Burns, Liberation and Theology (Turnbridge Wells: Burns & Oats, 1987).

⁵⁶ Gustavo Gutiérrez, *A Theology of Liberation. History, Politics and Salvation*. (London: SCM Press Ltd, 1973).

⁵⁷ Peter Henriot, "Social Discernment and the Pastoral Circle," in *The Pastoral Circle Revisited. A Critical Quest for Truth and Transformation*, ed. Frans Wijzen (New York: Orbis Books, 2005). 15-26.

⁵⁸ Frans Wijzen, "The Practical-Theological Spiral - Bridging Theology in the West and the Rest of the World," in *The Pastoral Circle Revisited - the Quest for Truth and Transformation*, ed. Frans Wijzen (New York: Orbis Books, 2005). 108-26.

⁵⁹ Daly and Cobb (1989), *For the Common Good*, 19.

⁶⁰ Daly and Cobb (1989), *For the Common Good*, 18. See also the sub-title of the book “Redirecting the Economy toward Community, the Environment, and a Sustainable Future.

By decentralising the market, they create the possibility for an approach that is built around individuals, community and the environment.

The second observation, explaining the dearth of theological engagement with Polanyi, is that theologians mainly address neo-liberal capitalism as an economic model, while there is relatively little theological critique to other economic models.

This is illustrated by the names of important economists addressed in for example the work of Brazilian Catholic theologian Jung Mo Sung. Sung addresses economists such as FA Hayek, *The Road to Serfdom*⁶¹, Francis Fukuyama, *The End of History and the Last Man*,⁶² and Milton Friedman, *Capitalism and Freedom*⁶³. Friedman and Fukuyama are important defenders of the neo-liberal economy. In addition, Sung addresses the “democratic capitalism” of Michael Novak. In his work, *The Spirit of Democratic Capitalism*,⁶⁴ Novak defends the neo-conservative economists who played a major role in the establishment of neo-liberal economic measures in developing countries.⁶⁵

Any investigation of the relationship between “economy” and “community” should pay attention to those who critique neo-liberal economics from the inside, *albeit* from different perspectives. Joseph Stiglitz, *Globalisation and its Discontents*,⁶⁶ and *The price of Inequality*,⁶⁷ Jeffrey Sachs, *The End of Poverty*,⁶⁸ and Amartya Sen, *Development as Freedom*,⁶⁹ are important critics of neo-liberal economics and the influence it has on developing countries. Stiglitz’s critique is born from his involvement with key Bretton-Woods institutions of world economics. He has a first hand knowledge of how these institutions operate and the impact of the policies of

⁶¹ F.A. Hayek, *The Road to Serfdom* (London: Routledge, 1944).

⁶² Francis Fukuyama, *The End of History* (New York: The Free Press, 1992).

⁶³ Milton Friedman, *Capitalism and Freedom* (Chicago: The University Press, 1962).

⁶⁴ Michael Novak, *The Spirit of Democratic Capitalism* (New York: American Enterprise Institute/Simon and Schuster, 1982).

⁶⁵ Anthony Payne, *The Global Politics of Unequal Development*, (New York: Palgrave-Macmillan, 2005).

⁶⁶ Joseph Stiglitz, *Globalization and Its Discontents* (Penguin Books, 2002); Joseph E Stiglitz *et al*, *Stability with Growth. Macroeconomics, Liberalization, and Development*, The Initiative for Policy Dialogue Series (New York: Oxford University Press, 2006).

⁶⁷ Joseph E. Stiglitz, *The Price of Inequality* (London: Penguin Books, 2013).

⁶⁸ Jeffrey Sachs, *The End of Poverty. Economic Possibilities for Our Time* (New York: Penguin Press, 2005).

⁶⁹ Amartya Sen, *Development as Freedom* (Oxford: Oxford University Press, 1999).

structural adjustment on developing countries. Sachs is mainly concerned about the effect neo-liberal capitalism has on local communities, while Sen argues that neo-liberal globalisation robs the individual and communities from their freedom to express themselves and to provide the means for their own survival. The one other economic model that receives some attention amongst theologians is the “Gift”-economy model. Charles Eisenstein is another with his work, *Sacred Economics*.⁷⁰

It should also be noted that the World Council of Churches (WCC) made efforts to work with institutions such as the World Bank. Documents produced by institutions such as the WCC⁷¹ and the ecumenical bodies such as the Reformed Ecumenical Synod (RES) and the World Alliance of Reformed Churches (WARC), tend to shy away from critiquing specific economists, but rather focus on the neo-liberal capitalism as a system.⁷² In 2004, WARC produced the important Accra Confession.⁷³ It should also be noted that economists such as Frances Wilson, *Full Employment and Globalization. Contradictions of Complements?*⁷⁴ Edward Dommen, *How Just is the Market Economy?*,⁷⁵ and Rogate Mashana, *Addressing Economic and Ecological Crises, under Globalization*.⁷⁶ have in the past been or are still involved in work done by the above institutions.

1.2.3 Theology and Karl Polanyi

A third observation, linked to the second, is the absence of references and engagement with the work of Karl Polanyi by theologians.

⁷⁰ Charles Eisenstein, *Sacred Economics. Money, Gift and Society in an Age of Transition*, (WordPress, 2011), <http://sacred-economics.com/wp-content/uploads/2012/01/sacred-economics-book-text.pdf>.

⁷¹ WCC, *Christian Faith and the World Economy Today* (Geneva: WCC Publications, 1992).

⁷² In 2010 the Reformed Ecumenical Synod and the World Alliance of Reformed Churches united to form the World Communion of Reformed Churches (WCRC).

⁷³ WARC, "The Accra Confession - Covenanting for Justice in the Economy and the Earth," (Geneva: WARC, 2004).

⁷⁴ Frances Wilson, "Sustainability, Full Employment and Globalization. Contradictions of Complements?," in *Sustainability and Globalization*, ed. Julio De Santa Anna (Geneva: WCC Publications, 1998).

⁷⁵ Eduard Dommen, *How Just Is the Market Economy* (Geneva: WCC Publications, 2003).

⁷⁶ Rogate Mashana, "Addressing Economic and Ecological Crises, under Globalization," Online -Texte der Evangelischen Akademie Bad Boll (2010).

This is especially conspicuous since social sciences such as sociology, anthropology and history have paid much attention to Polanyi's theory. While Meeks,⁷⁷ and Daly and Cobb⁷⁸ refer to Polanyi, the more recent authors mentioned, such as Jung Mo Sung and Rieger do not refer to Polanyi. Practical theologian, Gregory Baum, *Karl Polanyi on Ethics and Economics*,⁷⁹ seems to be the only theologian who pays more than just cursory attention to the ideas of Polanyi.

Polanyi's main contribution to economics is his historical analysis of economic and social changes since the Industrial Revolution, and the concept of the social-embeddedness of the economy and the double movement. Some of Polanyi's most important works are *The Great Transformation*, *The Political and Economic Origins of Our Time*,⁸⁰ and the *Livelihood of Man*.⁸¹ He co-authored *Trade and Market in the Early Empires – Economies in History and Theory*,⁸² with Conrad Arensberg.

Recently published books are Gareth Dale, *Limits to the Market*,⁸³ a biography on Polanyi, *Karl Polanyi: A Life on the Left*,⁸⁴ and a second text, *Reconstructing Karl Polanyi*.⁸⁵ Fred Block and Margaret Summer published, *The Power of Market Fundamentalism*.⁸⁶ Polanyi's daughter, Kari Polanyi Levitt also authored or co-authored a number of titles on the life of her father. These include compilations or contributions from many other economists. The important works are *The Life and Time of Karl Polanyi*⁸⁷, and *Karl Polanyi in Vienna: the Contemporary*

⁷⁷ Meeks (1989), *God the Economist*, 53-55.

⁷⁸ Daly and Cobb (1989), *For the Common Good*, 60-1.

⁷⁹ Gregory Baum, *Karl Polanyi on Ethics and Economics* (Montreal: McGill-Queen's University Press, 1996).

⁸⁰ Karl Polanyi, *The Great Transformation*, *The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944 (2001)).

⁸¹ Karl Polanyi, *The Livelihood of Man*, ed. Harry W. Pearson (New York: Academic Press, 1977).

⁸² Karl Polanyi, Conrad M. Arensberg, and Harry W. Pearson, *Trade and Market in the Early Empires* (Chicago: Free Press, 1957).

⁸³ Gareth Dale, *Karl Polanyi: The Limits of the Market*, (Cambridge; Malden, Mass.: Polity, 2010).

⁸⁴ Gareth Dale, *A Life on the Left*, New York: Columbia University Press. 2016.

⁸⁵ Gareth Dale, *Reconstructing Karl Polanyi*. London: Pluto Press, 2016.

⁸⁶ Fred Block and Margaret Summers, *The Power of Market Fundamentalism: Karl Polanyi's Critique* (Harvard University Press 2014).

⁸⁷ Kari Polanyi Levitt, *The Life and Work of Karl Polanyi* (Montreal: Black Rose Books, 1990).

Significance of The Great Transformation (with Kenneth McRobbie).⁸⁸ The most recent from Polanyi Levitt is *From the Great Transformation to the Great Financialization*.⁸⁹

The number of texts still published on Polanyi's work is enormous. Sociologist Enzo Mingione, *Fragmented Societies: a Sociology of Economic Life Beyond the Market Paradigm* asserts the importance of Polanyi's critique of neo-liberalism and the search for alternative economic models.⁹⁰ Mingione calls for a re-interpretation of Polanyi's methodology in order to apply it to fragmented industrial societies. In *Fragmented Societies*, and a 2007 article with Simone Ghezzi, "Embeddedness, Path Dependency and Social Institutions: An Economic Sociology Approach", they re-interpret Polanyi's work, for industrial societies through the concept of "associative sociality."⁹¹ In South Africa Edward Webster, Andries Bezuidenhout and Rob Lambert integrated Polanyi's work with the ideas of Karl Marx in their book: *Grounding Globalization: Labour in the Age of Insecurity*. They criticise Polanyi for a lack of clarity of his concept of society, and consequently his understanding of agency and power.⁹² Others, including historians such as Rob Knowles and John R. Owen, "Karl Polanyi for Historians: An Alternative Economic Narrative,"⁹³ Sener Arturk in his article, "Between Aristotle and the Welfare State,"⁹⁴ William Booth, "On the Idea of the Moral Economy," argue that neo-liberal economics is also politically and socially-embedded, and critiques Polanyi as anti-democratic and Aristotelian, with pre-conceived notions of "the good."⁹⁵ Jens Beckert writes that economic

⁸⁸ Kari Polanyi Levitt and Kenneth McRobbie, *Karl Polanyi in Vienna : The Contemporary Significance of The Great Transformation*, 2nd ed. (Montréal, Quebec: Black Rose Books, 2006).

⁸⁹ Kari Polanyi Levitt, *From the Great Transformation to the Great Financialization* (Winnipeg: Fernwood Publishing, 2013).

⁹⁰ Enzo Mingione, *Fragmented Societies. A Sociology of Economic Life beyond the Market Paradigm* (Oxford, Blackwell Publishers, 1991).

⁹¹ Simone Ghezzi and Enzo Mingione, "Beyond the Informal Economy: New Trends in Post-Fordist Transition," in *Globalization, the State, and Violence*, ed. Jonathan Friedman (Walnut Creek, California. and Oxford: Rowman and Littlefield, AltaMira Press, 2003). 11-23.

⁹² Edward Webster, Andries Bezuidenhout, and Rob Lambert, *Grounding Globalization: Labour in the Age of Insecurity*. (Wiley-Blackwell, 2008), 5-17.

⁹³ Knowles and Owen (2008), "Polanyi for Historians: An Alternative Economic Narrative," in *The European Legacy* Vol. 13, no. No. 2 (2008), 175-191.

⁹⁴ S Arturk, "Between Aristotle and the Welfare State: The Establishment, Enforcement, and Transformation of the Moral Economy in Karl Polanyi's the Great Transformation," in *Theoria: A Journal of Social & Political Theory*(109 (2006).

⁹⁵ William James Booth, "On the Idea of the Moral Economy," in *American Political Science Review* 88, no. 3, September (1994).

sociologists made “embeddedness” the “core concept indicating a sociological approach to the economy.”⁹⁶ The leading figure amongst economic sociologists is Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness”⁹⁷ for whom economic activity is embedded in “actors” social networks.”⁹⁸ Another important text is Greta Krippner’s “The Elusive Market. Embeddedness and the Paradigm of Economic Sociology.”⁹⁹

Polanyi is considered a key influence in Institutional Economics, associated with T.B. Veblen.¹⁰⁰ Sebastian Berger, in his article on the relationship between Polanyi and William Kapp, “Karl Polanyi's and Karl William Kapp's, “Substantive Economics: Important Insights from the Kapp-Polanyi Correspondence”, mentions Carl Menger and Gundar Myrdal as other contemporaries of Polanyi in the tradition of European Substantive and American Institutional economics.¹⁰¹

Recently, Polanyi’s work has been used in debates surrounding the credit crunch in 2008, the Welfare State, and the search for alternatives to neo-liberal capitalism.

Polanyi’s insistence on the socially embeddedness of economics can help theologians to understand the effect of economic policies on society.¹⁰² He offers insights that could assist in developing a contextual Reformed theology that can contribute to new perspectives on the conceptual relationship between “economy” and “community.” Considering the importance of concepts such as community and the different institutions in the Old Testament that were designed to protect vulnerable groups in society, the lack of interest from theologians in his work is a surprising shortcoming.

⁹⁶ Jens Beckert, "The Great Transformation of Embeddedness: Karl Polanyi and the New Economic Sociology," in *Discussion Paper 07/01* (Köln: Max Planck Institute for the Study of Societies, 2007).

⁹⁷ M. Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," in *The American Journal of Economics and Sociology* 91, no. 3 (1985).

⁹⁸ Beckert (2007), “The Great Transformation of Embeddedness,” 9.

⁹⁹ Greta Krippner, "The Elusive Market. Embeddedness and the Paradigm of Economic Sociology," in *Theory and Society* 30 (2001).

¹⁰⁰ Thorstein Veblen, *The Instinct of Workmanship, and the State of the Industrial Arts*, (New York: M. Kelley, 1964).

¹⁰¹ Sebastian Berger, "Karl Polanyi's and Karl William Kapp's Substantive Economics: Important Insights from the Kapp-Polanyi Correspondence," in *Review of Social Economy* 66, no. 3 (2008), 394.

¹⁰² Moritz Deutschmann, *Karl Polanyi's "Great Transformation" and Development*, (University of Berkeley: Grin Publish & Find Knowledge, 2006), 11.

1.2.4 South African Reformed theologians and the economy

A fourth observation is that in recent years, Reformed theology in South Africa has mainly addressed issues of economic justice through the critique of globalisation and neo-liberalism, addressing issues of poverty alleviation, and that of human dignity, but has mostly refrained from offering an alternative theological economy.

The Reformed tradition in general and Black South African Reformed theology in particular, have for a while been committed to issues of social justice. In South African Reformed theology this commitment is based on a theological understanding of both God and the church.¹⁰³ Journals from an Afrikaans Reformed background such as the *Nederduitse Gereformeerde Teologiese Tydskrif* (NGTT) and *The Hervormde Theological Studies* (HTS) have published volumes and articles that were dedicated to the theme of poverty.

I wish to highlight the work of five prominent South African theologians. The first is that of Allan Boesak, *Black and Reformed*.¹⁰⁴ Boesak understands God as (sovereign) Lord¹⁰⁵ and accentuates the important themes of social justice that, according to the Confession of Belhar, define the church, i.e. “unity,” “reconciliation” and “justice.”¹⁰⁶ Boesak would add “prophetic witness” and “love” to this.¹⁰⁷ A second theologian, from the English Reformed and Congregationalist community is John de Gruchy. Undergirding the work of de Gruchy is the notion that God reveals Godself in history as the God of the poor and oppressed.¹⁰⁸ Another important aspect of his work is his effort to liberate Reformed theology to be a liberating Reformed theology. In this regard, important texts are *Liberating Reformed Theology: A South*

¹⁰³ Nico Koopman, "Reformed Theology in South Africa: Black? Liberating? Public?" in *Journal of Reformed Theology* no. 1 (2007); Dirkie Smit, "Challenges for Reformed Churches in Africa: A Contemporary Narrative," *International Journal for the Study of the Christian Church* 8, no. 4 (2008).

¹⁰⁴ Allan Boesak, *Black and Reformed* (Johannesburg: Skotaville Publishers, 1984).

¹⁰⁵ Koopman (2007), "Reformed Theology in South Africa," 295.

¹⁰⁶ Allan Boesak, "At the Heart of It All – Perspectives on the Struggle for the Relevance of the Reformed Tradition in South Africa," in *NGTT Supplementum Teologie 150+ en Calvin 500* no. 51 (2010), 293; Piet. J. Naudé, "The Theological Conference between the Belhar Confession and Some Antecedent Church Witnesses in the Period 1948-1982," in *Verbum Et Ecclesia* 24, no. 1 (2003), 169.

¹⁰⁷ Boesak (2010), "At the heart of it all," 293.

¹⁰⁸ Koopman (2007), "Reformed Theology in South Africa," 295.

*African Contribution to an Ecumenical Debate*¹⁰⁹ and his article, "Toward a Reformed Theology of Liberation: A Retrieval of Reformed Symbols in the Struggle for Justice."¹¹⁰

A third approach emerges from the Presbyterian Church. The work of Puleng LenkaBula, *Choose Life, Act in Hope, African Churches Living out the Accra Confession*,¹¹¹ and "An African feminist theological dialogue with the Accra Confession"¹¹² makes an important contribution to the discussion on economic justice. LenkaBula, "Beyond Antropocentricity," makes use of socio-cultural resources to re-interpret the concept of justice within Reformed theology.¹¹³ LenkaBula adds an important feminist perspective to the study.

A fourth approach, which is an important voice from the Afrikaans Reformed Community, is that of Piet Naudé. He has played an important role in the deconstruction of the social thinking of the Dutch Reformed Church. Active in business ethics, Naudé asks attention for the potential of partisan justice, and for the willingness to accept the preferential option for the poor as a distributive guiding principle, "In Defence of Partisan Justice - an Ethical Reflection on the Preferential Option for the Poor"¹¹⁴ and "We Cannot Just Continue as if Nothing has Happened Between Us. Sola Gratia and Restorative Justice,"¹¹⁵ and "The Ethical Challenge of Identity Formation and Cultural Justice in a Globalizing World."¹¹⁶

¹⁰⁹ John W. de Gruchy, *Liberating Reformed Theology, A South African Contribution to an Ecumenical Debate*. (Grand Rapids, Michigan: Wm B. Eerdmans Publishing Co., 1991).

¹¹⁰ John W. de Gruchy, "Toward a Reformed Theology of Liberation: A Retrieval of Reformed Symbols in the Struggle for Justice," in *Toward the Future of Reformed Theology*, ed. David Willis and Michael Welker (Grand Rapids: William B Eerdmans Publishing Company, 1999), xiii, xv, 15.

¹¹¹ Puleng LenkaBula, *Choose Life, Act in Hope. African Churches Living out the Accra Confession* (Geneva: World Alliance of Reformed Churches, 2009).

¹¹² Puleng LenkaBula, "Justice and Fullness of Life in the Context of Economic Globalization: An African Woman's Perspective," in *Reformed World* 52, no. 4 (2004); "African Feminist Reflections on the Accra Confession," *Studia historiae ecclesiasticae* 32, no. 2 (2006); "An African Feminist Theological Dialogue with the Accra Confession," in *Reformed World* 56, no. 1 (2006).

¹¹³ Puleng LenkaBula, "Beyond Antropocentricity - Botho/Ubuntu and the Quest for Economic and Ecological Justice in Africa," in *Religion & Theology* 15 (2008).

¹¹⁴ Piet J Naudé, "In Defence of Partisan Justice – an Ethical Reflection." in *Verbum et Ecclesia* 28, no 1 (2007).

¹¹⁵ Piet J Naudé, "Sola Gratia and Restorative Justice," *Scriptura* 82 (2003).

¹¹⁶ Piet J. Naudé, "The Ethical Challenge of Identity Formation and Cultural Justice in a Globalizing World," in *Scriptura* 89 (2005).

Finally, Dirk Smit addresses economic justice as an issue of public engagement. God for Smit, is God in public.¹¹⁷ Another important contribution by Smit is his focus on the church, its identity and spirituality, and its potential contribution to issues of social justice and transformation. Important articles are “Reformed Ethics and Economic Justice,”¹¹⁸ and “On Social and Economic Justice in South African Today: A Theological Perspective on Theoretical Paradigms.”¹¹⁹

Two important projects from the response of Reformed circles to globalisation, in which the impact of economic globalisation on community has been addressed are the Accra Confession and the dialogue between South African and German theologians *via* the consultations organised by Protestant Academies of Arnoldshain and Bad Boll (Germany) and the Beyers Naudé Centre for Public Theology, University of Stellenbosch (South Africa) since 2002. The contributions to these consultations were published in *The Humanization of Globalization*¹²⁰. Important themes in the dialogue on humanisation of globalisation are human dignity and human rights.¹²¹ The Centre also published an inter-disciplinary work on globalisation, *Globalisation – the Politics of Empire, Justice and the Life of Faith*.¹²²

In order to identify the unique contribution of South African theologians in the Reformed tradition it will be necessary to locate their contribution in the body of work of theologians in the tradition from other contexts. Some other texts from Reformed circles are, *John Calvin*

¹¹⁷ Koopman (2007), “Reformed Theology in South Africa,” 295.

¹¹⁸ D.J. Smit, “Reformed Ethics and Economic Justice?,” in *Essays in Public Theology. Collected Essays 1*, ed. Ernst M. Conradie (Stellenbosch: SUN Press, 2007).

¹¹⁹ Dirk J. Smit “On Social and Economic Justice in South African Today: A Theological Perspective on Theoretical Paradigms,” in *Essays in Public Theology. Collected Essays*, ed. Ernest M. Conradie (Stellenbosch: SUN Press, 2007).

¹²⁰ Clint le Bruyns and Gotlind Ulshöfer, *The Humanization of Globalization: South African and German Perspectives* (Frankfurt am Main: HAAG + HERCHEN Verlag GmbH, 2008).

¹²¹ Clint le Bruyns and Gotlind Ulshöfer (2008), *The Humanization of Globalization*. See also: Dirkie Smit and Nico Koopman, “Human Dignity and Human Rights as Guiding Principles for the Economy?,” and Elke Schwingler, “Human Dignity and Human Rights in the European Tradition as Guiding Principles for a Globalized World? – Philosophical Reflections,” both in *The Humanization of Globalization: South African and German Perspectives*, ed. Clint le Bruyns and Gotlind Ulshöfer (2008); (Frankfurt am Main: HAAG + HERCHEN Verlag GmbH).

¹²² Allan Boesak and Len Hansen, *Globalisation. The Politics of Empire, Justice and the Life of Faith*, Beyers Naudé Centre Series on Public Theology (Stellenbosch: SUN Press, 2009).

Rediscovered, edited by Dommen and Bratt,¹²³ *Towards the Future of Reformed Theology: Tasks, Topics and Traditions*, edited by Willis and Welker,¹²⁴ and, *Reformed Theology. Identity and Ecumenicity*, edited by Alston and Welker.¹²⁵ Also important is the work of Jürgen Moltmann, together with Karl Barth who could be considered as the founders of Reformed Political Theology.

The contemporary protestant theologian, Ulrich Duchrow wrote, *Global Economy. A Confessional Issue for the Churches*¹²⁶ and *Faith Communities and Social Movements Facing Globalization*.¹²⁷ He has become a leading figure in the theology and economy debate. This will also include documents from the WCC and important texts in this regard are: *Christian Faith and the World Economy Today*,¹²⁸ and *Alternative Globalization. Addressing Peoples and Earth*.¹²⁹

1.2.5 Theoretical paradigms undergirding research methodology

The theoretical paradigm of critical realism has mostly been employed in the field of natural sciences and theology.¹³⁰ Two articles attempted to introduce the paradigm into economics and theology. Andreas Losch in his article, "On the Origins of Critical Realism," sketches the historical development of critical realism.¹³¹ Bjorn-Igor Davidson, "Towards a Critical Realist-

¹²³ Edward Dommen and James D. Bratt, *John Calvin Rediscovered. The Impact of His Social and Economic Thought*, ed. Edward Dommen and James D. Bratt, Princeton Theological Seminary Studies in Reformed Theology and History (Louisville and London: Westminster John Knox Press, 2007).

¹²⁴ David Willis and Michael Welker, *Toward the Future of Reformed Theology* (Grand Rapids: William B Eerdmans Publishing Company, 1999).

¹²⁵ W M Alston and M Welker, *Reformed Theology. Identity and Ecumenicity*. (Grand Rapids: William B Eerdmans, 2003).

¹²⁶ Ulrich Duchrow, *Global Economy. A Confessional Issue for the Churches?* (Geneva: WCC Publications, 1987).

¹²⁷ Colloquium 2000: *Faith Communities and Social Movements Facing Globalization*. Studies from the World Alliance of Reformed Churches No 45, Geneva vol. 45, Studies from the World Alliance of Reformed Churches (Geneva: World Alliance of Reformed Churches, 2002).

¹²⁸ WCC, *Christian Faith and the World Economy Today*, (Geneva, WCC 1992).

¹²⁹ WCC; *Alternative Globalization. Addressing Peoples and Earth*, (Geneva: WCC, 2006).

¹³⁰ Kees Van Kooten Niekerk, "A Critical Realist Perspective," in *Rethinking Theology and Science. Six Models for the Current Dialogue*, edited by Niels H. Gregersen and J. Wentzel van Huyssteen. (Grand Rapids: William B Eerdmans Publishing Company, 1998), 52.

¹³¹ Losch, Andreas. "On the Origins of Critical Realism." in *Theology and Science* 7, no. 1 (2009), 85-96.

inspired Economic Methodology,” attempts to situate critical realism in economics.¹³² Ross McKenzie and Benjamin Myers speak of a “Dialectical Critical Realism” in the theology of Karl Barth, referring to Barth’s famous “*Zinkrecht vom oben*” understanding of revelation.¹³³ In this, they follow the work of Bruce McCormack, *Theology and Science: Karl Barth’s contribution to an ongoing debate*,¹³⁴ and Paul la Montagne, *Barth and Rationality: Critical Realism in Theology*.¹³⁵ Wentzel van Huyssteen, *Teologie as Kritiese Geloofsverantwoording* [Theology and the Justification of Faith: The Construction of Theories in Systematic Theology],¹³⁶ provides a model for critical realist rationality for theology. He identifies three characteristics of rational theological statements. These are its relatedness to reality, ability to solve problems, and the ability to design progressive solutions.¹³⁷

The study will, through qualitative research, focus on another gap in the theological work on economics, i.e. the role of white male Christians working in a business context of post-*apartheid* South Africa. Important texts on qualitative research include the work edited by Martin Terre Blanche *et al*, *Research in Practice: Applied Methods for the Social Sciences*,¹³⁸ Willis *et al*, *Foundations of Qualitative Research. Interpretive and Critical Approaches*¹³⁹, Jennifer Mason’s *Qualitative Researching*,¹⁴⁰ and *Designing Qualitative Research* by Catherine Marshall and Gretchen B. Rossman.¹⁴¹ Nigel King and Christine Horrocks in *Interviewing in Qualitative Research*,¹⁴² provides a good grounding in the interviewing dynamics.

¹³² Bjorn-Ivan Davidson, "Towards a Critical Realist-Inspired Economic Methodology," in *The Journal of Philosophical Economics* 3, no. 2 (2010).

¹³³ Ross H. McKenzie and Benjamin Myers, "Dialectical Critical Realism in Science and Theology: Quantum Physics and Karl Barth," in *Science and Christian Belief* 20, no. 1 (2008), 53.

¹³⁴ B.L. McCormack, *Karl Barth's Critical Realistic Dialectic Theology: Its Genesis and Development 1909-1936* (Oxford: Clarendon Press, 1995).

¹³⁵ D.P. La Montagne, *Barth and Rationality: Critical Realism in Theology* (Princeton Theological Seminary, 2001).

¹³⁶ Wentzel Van Huyssteen, *Teologie as Kritiese Geloofsverantwoording* (Pretoria: RGN, 1986).

¹³⁷ Van Huyssteen (1986), *Teologie as Kritiese Geloofsverantwoording*, 169-214.

¹³⁸ Martin Terre Blanche, Kevin Durrheim, and Desmond Painter, *Research in Practice: Applied Methods for the Social Sciences*, 2 ed. (Cape Town: UCT Press, 2006).

¹³⁹ Jerry W. Willis, Muktha Jost, and Rema Nilakanta, *Foundations of Qualitative Research. Interpretive and Critical Approaches* (Thousand Oaks: Sage Publications, 2007).

¹⁴⁰ Jennifer Mason, *Qualitative Researching*, 2 ed. (London: Sage Publications, 2002).

¹⁴¹ Catherine Marshall and Gretchen B. Rossman, *Designing Qualitative Research*, 5 ed. (Thousand Oaks: Sage Publications, 2011).

¹⁴² Nigel King and Christine Horrocks, *Interviews in Qualitative Research* (London: Sage Publications Ltd, 2010).

1.3 Theoretical paradigms undergirding this study

The study was approached from a critical realist paradigm. A critical realist paradigm is realist because of the conviction that reality exists independently from our own perceptions,¹⁴³ of which we can only obtain valid knowledge through critical engagement,¹⁴⁴ reflecting on statements of observation, statements of primary relations and statements of scientific theories,¹⁴⁵ or in the words of Davidson the “strata” of the empirical, the actual and the deep level of mechanism, structures and forces.¹⁴⁶ It is also important to note the importance of the “epistemological position” to understand what “critical realism” means to the specific author using the term.¹⁴⁷ Davidson notes that a “critical realist methodology” is anti-foundational and that there is no, “a priori preference for any particular method and no methods are banned or excluded at the outset.”¹⁴⁸

In this study I brought two narratives together in order to critically access the relationship between the community and the economy. The first of the two narratives that will frame this study is the Christian narrative as interpreted through the lens of Reformed theology. Reformed theology cannot be done in a vacuum – just as the reformers did not respond to a vacuum but to a situation in which power relations were skewed in favour of the rich. “Embedded” in the notion of God’s graceful initiative, Reformed theology is above all concerned about the dehumanisation of human beings by the reality of sin, also structural sin of socio-economic and political injustice. John de Gruchy points to a truly political and liberation trajectory in Reformed theology that is, according to Moltmann, located in the doctrine of grace.¹⁴⁹ Because of this

¹⁴³ Van De Kooten Niekerk (1998), “A Critical Realist Perspective,” 78; McKenzie and Myers (2008), “Dialectical Critical Realisms in Science and Theology,” 53.

¹⁴⁴ McKenzie and Myers (2008), “Dialectical Critical Realisms in Science and Theology,” 51.

¹⁴⁵ McKenzie and Myers (2008), “Dialectical Critical Realisms in Science and Theology,” 59.

¹⁴⁶ Davidson (2010), “Towards a Critical Realist-Inspired Economic Methodology,” 74-97

¹⁴⁷ Andreas Losch, “On the Origins of Critical Realism,” in *Theology and Science* 7, no. 1 (2009). 85.

¹⁴⁸ Davidson (2010), “Towards a Critical Realist-Inspired Economic Methodology,” 85-6.

¹⁴⁹ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 103-19.

continuous reforming character of Reformed theology, it becomes necessary to use a contemporary South African Reformed expression as a theoretical framework for the study.¹⁵⁰

For this I used a text of Dirk Smit, “Reformed Ethics and Economic Justice”¹⁵¹ originally published in 1995 as a contribution to the Kitwe deliberation of the Alliance of Southern African Reformed Churches. In this article, he uses three questions to provide a framework for the public ministry of the church. The first question is “What kind of society are we dreaming of?” Smit argues that the essence of what the church can contribute is hope because we dream about a “just society” and serve the God of justice.¹⁵² For Piet Naudé, the task is to give “more precise content on principles of (re)distribution” in response to the critique that the “option for the poor” is nothing more than “strong prophetic talk.”¹⁵³ The second question is “Who are we called to be?” In this regard, the work of African Reformed theologians on being Reformed in Africa, i.e. Puleng LenkaBula, opens new ways to look at the way communities function and relate to one another. LenkaBula uses the concept of *Botho/Ubuntu* as “a guiding norm for just relations between humanity, the earth and the whole creation.”¹⁵⁴ The third and final question is “How do we decide what to do?” In response, Smit points to and elaborates on the well-known “Pastoral Circle” or See-Judge-Act hermeneutical process.¹⁵⁵ John de Gruchy proposes that the hermeneutical circle should be used in such a way that it remains faithful to the normative status of biblical witness and “in critical dialogue with the confessional traditions out of which it comes.”¹⁵⁶

The second narrative that frames this study is the economic narrative, seen through the lens of economics as a socio-natural process of embedding economics in the social reality of communities. From the perspective of neo-liberal economics the struggle for survival results

¹⁵⁰ Jurgen Moltmann, "Theologia Reformata Et Semper Reformanda," in *Toward the Future of Reformed Theology*, ed. David Willis and Michael Welker (Grand Rapids: William B Eerdmans Publishing Company, 1999), 120-135.

¹⁵¹ Smit (2007), “Reformed Ethics and Economic Justice?” 379-98.

¹⁵² Smit, "Reformed Ethics and Economic Justice?" 385.

¹⁵³ P. J. Naudé, "In Defence of Partisan Justice - an Ethical Reflection," 186-7.

¹⁵⁴ LenkaBula (2008), “Beyond Anthropocentricity,” 393.

¹⁵⁵ Henriot (2005), “Social Discernment and the Pastoral Circle,” 15-26; Jon Sobrino, "Foreword: Faith, Justice, and Injustice," in *The Pastoral Circle Revisited. A Critical Quest for Truth and Transformation*, ed. Frans Wijsen (New York: Orbis Books, 2005), ix-xv.

¹⁵⁶ John W. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 103-19.

from the competition to control or possess the means for survival, i.e. food, security etc. Therefore, an individual person always acts out of self-interest. Neo-liberal capitalism exploits this self-interest.¹⁵⁷ Karl Polanyi argues that understanding human behaviour as self-interest results in an autonomous self-regulating market as the principle organising factor in the economy.¹⁵⁸ It leads to devaluating labour and land to the status of “fictitious” commodities, isolates labourers from their social networks and dehumanises them.¹⁵⁹ Instead, Polanyi holds to the view that economic activity of the labourers aims to protect their social position and social institutions.¹⁶⁰ He distinguishes between the formal definition of economics, focusing on scarcity and thus the process of exchange, and the “substantive.”¹⁶¹ Polanyi sees economic activity as a component of culture where social relations and institutions control economic behaviour. He identifies a double movement of institutionalised regulation, on the one hand, and counterpoint disruptive events, on the other hand, which creates a balance of power to protect the social context.¹⁶²

Reformed theology and Polanyi’s “socially-embedded economics” share the concern about the dehumanising effect of the self-regulating market in liberal economics, however, having identified two frameworks that could engage each other in a dialectical fashion do not solve the problem of relating technical data and religious views.¹⁶³ Polanyi, as an economist, is interested in the technical question of how human beings organise themselves to deal with the material aspects of their lives.¹⁶⁴

In order to create meaning and obtain valid knowledge about this objective world, we have to reflect *critically* on our experiences of this reality. Critical research could be interpretive and

¹⁵⁷ Sung (2007), *Desire, Market and Religion*, 79.

¹⁵⁸ Polanyi (1944), *The Great Transformation*, 76.

¹⁵⁹ Polanyi (1944), *The Great Transformation*, 76.

¹⁶⁰ Polanyi (1944), *The Great Transformation*, 48.

¹⁶¹ Polanyi (1944), *The Great Transformation*, 71.

¹⁶² Polanyi,(1944), *The Great Transformation*, 136-138. See also Björn Hettne, *Thinking About Development*, ed. Development Matters (London & New York: Zed Books, 2009); Bernardo S. Wjuniski and Ramón G. Fernandez, "Karl Polanyi, Athens and Us: The Contemporary Significance of Polanyi's Thought," in *Brazilian Journal of Political Economy / Revista de Economia Política* 30, no. 3 (2010), 426.

¹⁶³ Izuzquiza (2006), "Can a Gift Be Wrapped?" 426.

¹⁶⁴ Wjuniski and Fernandez (2010), "Karl Polanyi, Athens and Us," 421.

constructionist.¹⁶⁵ To position the study we will first do a literature study and interpretation of the economic history of South Africa in chapter 2. Through a qualitative research project we will also look to interpret the experiences and insights of a group of contemporary Reformed Christian businesspersons in the light of the two theoretical frameworks which we will develop in the following chapters.

1.4 Research question and objectives

In section 1.1 I indicated that during years of ministry I perceived a discontinuity between the way white Afrikaner businessmen respond to the economic needs in communities, and their (for me problematic) commitment to a free-market economy. The strong influence of Afrikaans speaking business persons in economic decision making and economic analysis in South Africa led me to ask what specific contribution Reformed theology can make to resolve this discontinuity relationship. Hence the key research question of this study:

What contribution can Reformed theology make towards the conceptual restructuring of the relationship between “economy” and “community” in post-apartheid South Africa?

In order to answer this research question, the following sub-questions were addressed:

1. Can an economic theory of “social-embeddedness” provide a conceptual framework to describe a “Reformed” theological economic theory?
2. In which ways do the Reformed tradition influence the way Reformed theologians in South Africa conceptualise the relationship between “economy” and “community” in post-*apartheid* South Africa?
3. In which ways do the Reformed tradition influence the way Reformed Christians in business conceptualise the relationship between “economy” and “community” in post-*apartheid* South Africa?

¹⁶⁵ Terre Blanche and Durrheim (2006) “Histories of the Present”, in: Terre Blanche, Durrheim and Painter (2006), *Research in Practice*,” 523-37. Terre Blanche and Durrheim wrote the following about the basic research paradigms, “... positivism may suit those who are after objective facts, interpretive research may suit those who care about the meanings people attach to such facts, and social constructionism may suit those who wonder how the social world gets constructed in the first place as one which contains „facts“.”

4. What conceptual contribution can South African Reformed theology make to the way Reformed Christians understand the relationship between “economy” and “community”?

In the light of these questions, the objectives of this study are:

1. To analyse the way in which Karl Polanyi uses the notion of “social-embeddedness” to describe the relationship between “economy” and “community.”
2. To understand how some South African Reformed theologians conceptually structure the relationship between “economy” and “community.”
3. To assess from interviews with eight Reformed Christians in leadership positions in business, the influence of Reformed faith and spirituality on the current conceptual structuring of the relationship between “economy” and “community”.
4. To identify new possible ways in which Reformed theology can contribute to the conceptual restructuring of the relationship between “economy” and “community.”

1.5 Research methodology

The project consisted of seven tasks some of which ran concurrently.

The *first* of these tasks was to do a critical literature review and to write a theological critique of liberal and neo-liberal economics.

The *second* task was to conduct field research in order to gain a better insight into how the faith formation and experience of some Reformed Christians relate to the way they conceptually construct the relationship between “economy” and “community”. This task consisted of qualitative research interviews with eight Afrikaans speaking Reformed Christians working in leadership positions in the business environment. The next section will give greater detail of the design of this field research.

The *third* task was to build an understanding of the context in which the study is situated. It entailed conducting a literature review in order to gain an understanding of the development of

the South African economy since the discovery of diamonds through to the development of economic policies in post-*apartheid* South Africa.

The *fourth* task was to conduct a critical literature review of the work of Karl Polanyi to understand his critique of liberal economics.

The *fifth* task was to conduct a critical literature review, describe and analyse the way in which Reformed theologians working in South Africa problematised the relationship between “economy” and “community,” and to understand their underlying theological positioning and how they propose that this relationship should be structured. While I focused on key texts of Smit, Naudé, John de Gruchy and LenkaBula, relevant texts from other Reformed theologians were included in this review.

The *sixth* task was that of appropriating the insights gained from the study and finally to construct the specific conceptual contribution of South African Reformed theologians to the problem of restructuring the relationship between “economy” and “community” in post-*apartheid* South Africa and the perspective of the eight participants in the qualitative field research.

The *seventh* task was to present the findings of the study in this dissertation.

1.6 Field research design

1.6.1 Objectives for the field research

The field research has sought to understand how the faith formation and experience of some Reformed Christians are related to the way they conceptually construct the relationship between “economy” and “community”? The research question was:

How are faith formation and the experience of some Reformed Christians related to the way the participants conceptually construct the relationship between “economy” and “community”?

The objectives of the personal interviews were:

1. To explore whether and in which ways the participants use key concepts that relate to neo-liberal and to Polanyian economics.
2. To explore the ways in which Reformed Christian spirituality informed the worldviews of the participants.
3. To explore in which ways the participants conceptually perceive the relationship between “economy” and “community.”

With reference to the second objective, it is important to note that the focus was to explore the ways in which Reformed Christian spirituality influenced the worldviews of the participants. The interview was not structured to determine what Afrikaans speaking businessmen think or understand about the economy. Objective two focused on their understanding of notions such as the work of God, the structural expressions of sin and the need for justice, discipleship, and stewardship functions in the thoughts and lives of the participants as they recounted their life-stories.

1.6.2 Semi-structured interviews

Lisa Given describes qualitative research as an exploration of how people see and experience the world.¹⁶⁶ The specific method used in this project is semi-structured interviews. The interview was designed to bring two distinct methods of research together in a semi-structured interview. These are the use of “interview guide” and “a short life-story.” With the interview guide allowing the researcher to use previously identified questions, while still allowing him the space to probe answers for a better understanding [see Appendix 1].¹⁶⁷

The combination of interview guide and short life-story research in the interview poses some specific challenges with respect to the analysis and the subsequent validity of the data. Willis *et al* reminds us that “less structured approaches to interviewing always involve some tension or

¹⁶⁶ Lisa M. Given, "Introduction," in *The Sage Encyclopedia of Qualitative Research Methods*, ed. Lisa M. Given (Los Angeles: Sage, 2008), xxix.

¹⁶⁷ Marshall and Rossman (2011), *Designing Qualitative Research*, 144.

conflict between the three contexts of the interview: life world, interview situation, and analytic framework.”¹⁶⁸ Some issues regarding the interview, and the analysis, and the validity of the data must therefore be acknowledged.

First, the interview was designed to allow the participants the opportunity to interpret their own life-story. A fundamental assumption of qualitative research is according to Marshall and Rossman, “the participant’s perspective on the phenomenon of interest should unfold as the participant views it (the emic perspective), not as the researcher views it (the etic perspective).”¹⁶⁹ For that reason it was important for the researcher to convey an attitude in which the participant can recognise the importance of his contribution.¹⁷⁰ Yet, Marshall and Rossman also write, “The generativity of the interview depends on both partners and their willingness to engage in a deep discussion about the topic of interest.”¹⁷¹ Also according to Steinar Kvale and Svend Brinkman, an interview should be seen as an “inter view” in which two persons exchange views and in a real sense create a new reality.¹⁷²

The second issue of concern was that not all data was relevant. An aspect of storytelling is that many facts and anecdotes that are shared are not relevant to the topic under discussion and/or the focus of the research. However, the “irrelevant” data can also not be totally discarded as it often contains hidden clues that can assist with formulating alternative ways of interpreting the data. For purposes of this research, relevant material was seen to be statements that referred to, explained, or illustrated belief issues regarding the participants’ business interests and their commitment to the economy as well as their religious beliefs.

A third issue of concern is the position of power that the researcher had as an ordained minister in the Reformed tradition of the NG Kerk and the possible effect thereof. The danger this posed

¹⁶⁸ Willis, Jost, and Nilakanta (2007), *Foundations of Qualitative Research*, 245. They quoted H Mazeland and P ten Have "Essential Tensions in (Semi-)Open Research Interviews," ed. I Maso and F Wester, in *The Deliberate Dialogue. Qualitative Perspectives on the Interview* (Brussels: VUB University Press, 1996) <http://www2.fmg.uva.nl/emca/ET.htm>. Accessed on 12 November 2016.

¹⁶⁹ Marshall and Rossman (2011), *Designing Qualitative Research*, 144.

¹⁷⁰ Marshall and Rossman (2011), *Designing Qualitative Research*, 145.

¹⁷¹ Marshall and Rossman (2011), *Designing Qualitative Research*, 145.

¹⁷² Steinar Kvale and Svend Brinkman, *Interviews: Learning the Craft of Qualitative Research Interviewing*. (Thousand Oaks, CA: SAGE, 2009), 2.

to the research process was that this could influence the way in which participants spoke about their “Reformed position.” Participants might also avoid expressing opinions on issues of faith for fear of being wrong. The researcher attempted to alleviate these limitations in the interviews by responding by way of questions and affirmative remarks and not commenting on statements made by participants, and to be aware of how they might have influenced the responses of participants while analysing the data.

1.6.3 Identifying an appropriate sample size

Kvale writes that “qualitatively” it is possible to “investigate in detail the relationship of specific behaviour to its context, to work out the logic of the relationship between the individual and the situation.”¹⁷³ The validity of the research is not determined by the quantity of subjects interviewed, but by the depth in which interpretation, understanding and contextuality is addressed.¹⁷⁴ In qualitative research it is not possible to determine beforehand what data is required. Therefore, data collection can be terminated when new cases no longer disclose new features, and data is thus saturated.¹⁷⁵ He warns that many qualitative interview studies “appear to be designed on a quantitative presupposition – the more interviews, the more scientific.”¹⁷⁶ According to Kvale in 1996 the number of interviews tended to be between 5 and 25.¹⁷⁷ His impression is that many studies would have benefitted from fewer subjects and more time to prepare the interviews and to analyse them.¹⁷⁸ Kelly concurs with this. He writes,

Experience has shown that six to eight data sources or sampling units will often suffice for a homogeneous sample – that is, where there is not much variation in the sample.¹⁷⁹

¹⁷³ Steinar Kvale, *Interviews. An Introduction to Qualitative Research Interviewing*, Second ed. (Thousand Oaks: SAGE Publications, 1996), 103.

¹⁷⁴ Amir B. Marvasti, *Qualitative Research in Sociology: An Introduction*, ed. David Slivermand, 1st ed., *Qualitative Research in Sociology* (London: Sage Publications, 2004). 29; Kvale (1996), *Interviews*, 102.

¹⁷⁵ Kvale (1996), *Interviews*, 103.

¹⁷⁶ Kvale (1996), *Interviews*, 103.

¹⁷⁷ Kvale (1996), *Interviews*, 102.

¹⁷⁸ Kvale (1996), *Interviews*, 103.

¹⁷⁹ Kevin Kelly, "From Encounter to Text: Collecting Data in Qualitative Research," in *Research in Practice: Applied Methods for the Social Sciences*, ed. Martin Terre Blanche, Kevin Durrheim, and Desmond Painter (Cape Town: UCT Press, 2006). 289.

In this research the population group was business men in post-*apartheid* South Africa who had been brought up in a Reformed tradition at home and in a Reformed Church community. The choice to limit the study to men was informed by two factors. The first is the perception that white Afrikaans-speaking men still dominate the world of business. At the same time men are perceived to be more threatened and at risk due to cultural changes and affirmative action. The participants were sampled through a combination of purposive sampling and snowballing.¹⁸⁰ Identifying the interviewees began with conversation with three people known to the researcher with good contacts amongst senior businessmen. Between them, they provided the researcher with seventeen names. Because the group was so homogeneous there were no compelling reasons to prioritise the potential candidates other than to ensure that the participants came from different economic sectors. The members of the sample group were also asked for referrals to other potential participants (a technique known as snowballing).¹⁸¹

The final decision whether or not to include possible participants was made by the researcher, based on the following consideration of religious background and denomination [traditional Reformed Churches], gender [male], culture and language [white Afrikaans speaking], and seniority of position in the business world. Members or persons who were or had been previously members of Fontainebleau Community Church, where the researcher worked as a minister, were excluded as possible participants. Because the sample group was homogeneous, it was decided in the research design to limit the initial number of data sources to eight. Only one of the participants was known to the researcher.

The participants were approached telephonically by the researcher. During the short phone call the request to participate was made, some information provided, and practical arrangements were made. As part of the information it was indicated to the participants that the interview would focus on their life-stories. The researcher decided beforehand to share this with the

¹⁸⁰ Marshall and Rossman referred to Miles and Huberman's description of snowball or chain sampling as; "identifies cases of interest from people who know people who know what cases are information rich," Marshall and Rossman (2011), *Designing Qualitative Research*, 111.

¹⁸¹ David L Morgan "Snowballing" in: Given, Lisa M. *The Sage Encyclopedia of Qualitative Research Methods*, (2008), 815-6.

participants.¹⁸² In a few instances the arrangements were made through a personal assistant. After the call a copy of the informed consent was e-mailed to the participant. The signing of the informed consent happened at the time of the interview. Participants were allowed to determine factors such as language used in the interview, time, and location. All the interviews were conducted in Afrikaans. Interviews were conducted in the office or conference room at the place of work of the participants (4), at a restaurant (1), and at home (2). On request of one participant the interview took place in a Boardroom at the researcher's place of work.

1.6.4 Analysing the interviews

Following grounded theory, each interview was analysed separately and an initial analysis and theorising happened "close" to the gathering of data.¹⁸³ This implies the possibility that new and important themes that may need further exploration may be discovered in the process of research. The interview schedule would then provide an opportunity to address these, or the sample group could be extended to probe these themes further. In this project the interviews followed the basic process as described earlier and indicated in the interview guide. As the interviews progressed, it became clear that the last question did not produce much information. From the third interview onwards, the question was changed in order to address the issue of sobriety or life-style, rather than money.

Theory regarding transcription of the interview suggests that transcription is part of the construction of meaning, and not merely writing down of words uttered during the interview.¹⁸⁴ Kvale and Brinkman quote Pierre Bourdieu on this issue: "Transcription then, means writing, in the sense of rewriting. Like the transitions from written to oral that occurs in theatre, the transition from the oral to the written, with the changes in medium, imposes infidelities which are without doubt the condition of true fidelity."¹⁸⁵ Transcription also forms part of the process of analysis, not merely through the construction of sentences and meaning, but also because coded

¹⁸² Marshall and Rossman (2011), *Designing Qualitative Research*, 144.

¹⁸³ Marvasti (2004), *Qualitative Research in Sociology*, 85.

¹⁸⁴ Poland, Blake D. "Transcript" in: Given, Lisa M. *The Sage Encyclopedia of Qualitative Research Methods*, (2008), 884.

¹⁸⁵ Bourdieu *et al.* *The Weight of the World*, trans. Priscilla Parkhurst (Polity Press, 1999), quoted by Kvale and Brinkman (2009), *Interviews: Learning the Craft*, 103.

words are identified in the process. This is especially true when the researcher is also preparing a transcript of the interview.

As with transcription itself, the translation is part of both analysing the data and constructing meaning.¹⁸⁶ In this case, the interpreted data, and relevant quotes, were translated from Afrikaans to English. Furthermore, some English expressions were used in the interviews. While these were transcribed as used during the interviews, it does impact on translation because it often disturbed the normal word order of sentences.

A further challenge is the fact that analysing data gathered from life-story telling requires specific techniques, which differ from thematic approaches often used in analysing data gathered from structured or semi-structured interviews.¹⁸⁷ The first task was to describe the actual interview based on the transcribed text of the interview, notes of the researcher and the sound files of the interview. That required in the first instance that a distinction be made between the narrative parts of the interview and those parts where the interviewee gave a meaning to an event, explanations, or offering an argument. They needed different approaches of analysis. The narratives were organised in meaning units that were categorised as biographical information, important formational events, examples to illustrate a point, and responses to external conditions. The non-narrative parts were also organised into meaning units. In analysing the non-narrative parts, a meaning unit is one or more sentences or a paragraph that deals with a specific theme that follows from a specific question or incident that was narrated.

The second task was to summarise the units into one sentence to bring out the essence of each unit. This procedure required the researcher to read every sentence carefully and to identify how themes relate to one another and where appropriate, how narrative and non-narrative units related to one another. The third step was to categorise these meaning units. Each category was defined so that similar categories could be employed for an analysis of all the interviews.

¹⁸⁶ Bogusia Temple “Translatability” in: Given, Lisa M. *The Sage Encyclopedia of Qualitative Research Methods*, (2008), 890.

¹⁸⁷ Kvale and Brinkman (2009), *Interviews: Learning the Craft*, 209-10.

The final task was to explore and describe possible structures, mechanisms, processes, movements or forces that could explain the relations uncovered in the second task.¹⁸⁸ Due to the nature of the study the influence of different intellectual traditions, social ideologies, and theological dogmas were uncovered and related to one another. It was also at this point that the way economic and faith convictions related to one another was considered.

1.6.4 Ethical issues

Ethical clearance for the study was obtained from the University of KwaZulu-Natal in Pietermaritzburg. I approached the participants personally to obtain the participants' informed consent (see Appendix 2). The informed consent provided the potential participant with the necessary information on the theme and objective of the interview and study as well as their rights and responsibilities regarding the study. Second, interviews were recorded and transcribed by the researcher. Care was taken to protect the identity of the participants, the raw material and transcripts of the interviews, keeping it on two separated data storage devices and on a secured file at the researcher's office.

1.7 Outline of the study

An inter-disciplinary project cannot reach the depths of understanding that a more specialised project is able to do. In order to create a meaningful thesis it became necessary to bring themes from more than purely theology and economics together. I had drawn on the insights from historians, sociologists, anthropologists and social theorists to build my argument.

The next chapter, chapter 2, will briefly describe and analyse three periods in South African economic history. The first is the birth of the modern capitalist economy in South Africa, beginning with the discovery of diamonds and gold in the second half of the nineteenth century. The second period discussed is the period between 1934 and 1950, the era of the rise of Afrikaner Nationalism and the birth of Afrikaner capital, or *volkskapitalisme* as it was called by

¹⁸⁸ Davidson (2010), "Towards a Critical Realist-Inspired Economic Methodology," 77.

O'Meara.¹⁸⁹ The third period is the post-*apartheid* period from 1994 until about 2008. I will look at four important policy documents. These are the Reconstruction and Development Plan [RDP] that provided a social vision for the country, followed by a number of documents aimed at the economic implementation of the RDP, the Reconstruction and Development Plan White Paper [RDP-WP], the Growth Employment and Redistribution plan [GEAR], and the Accelerated Shared Growth Initiative for South Africa [AsgiSA]. The chapter will conclude by stating and evaluating some of the transitional challenges faced since 1994 by the first democratic governments.

Chapter 3 will discuss the concept of “social-embeddedness” as employed by Karl Polanyi. The purpose of this chapter is to understand the relationship between the concept of embeddedness, and other important Polanyian concepts such as freedom, substantive economics, and the role of social institutions. It also includes a section on Polanyi’s relationship with Calvinism, and his work with the Christian Left in Britain.

The work regarding economic justice in Reformed Theology in South Africa will be described in chapter 4. The focus is on four theologians identified earlier in section 1.3. The chapter will begin with an analysis of the work on economic justice by Dirk Smit in order to establish a Reformed theological framework and to allow the reading of the other South African Reformed theologians within this framework. This is followed by a section that focuses on the work of John de Gruchy, Piet Naudé, and Puleng LenkaBula. The chapter ends by identifying some of the common concepts that are shared by Polanyi and Reformed theology.

The field research is described and analysed in chapter 5. Eight personal interviews with Afrikaans speaking business men are detailed. Each interview begins with some biographical detail and ends with an attempt to summarise the manner in which the participant linked faith with the economy. The purpose of the biographical detail is first, to position the participant in the timeframe of the political transformation and second, to establish his level of decision making

¹⁸⁹ D. O'Meara, *Volkskapitalisme: Class, Capital and Ideology in the Development of Afrikaner-Nationalism 1934-1948* (Johannesburg: Ravan, 1983).

within the economic sector in which he works. The detail of the interviews is followed by an analysis using the vision-virtue-praxis matrix developed in chapter 4.

Chapter 6 attempts to answer the research question in the light of the field work findings. The chapter will begin by exploring the common threads between Polanyi, Reformed theology and the field work participants. It consists of three sections. First, a section on the possible ways to conceptualise an embedded economy in Reformed theological language. This is followed by a section in which these concepts can be applied to the work of Polanyi. The third section formulates a number of challenges that Reformed theology faces in contributing to the restructuring of the economy.

Chapter 7 summarises the research findings, draws final conclusions, highlights the contribution of this study to the body of knowledge, and indicates areas for future research and action.

Chapter 2

The development of a modern economy in South Africa

2.1 Introduction

This chapter seeks to recount the development of South African economic history with the specific aim of asking how the economy and communal life was related throughout the history of the modern South African economy. The development of a modern economy in South Africa dates back to the discovery of diamonds at Kimberley in 1867, and gold at Johannesburg 1884.¹⁹⁰ During this period a South African capitalist society developed and social relations were subjected to the economic interests of an elite. However, the economic interest of the elite meant displacement and unfreedom for most. When economic organisation threatens the existence of societies, they will respond in self-defence. In South Africa there were two movements that simultaneously responded to displacement and unfreedom. The first movement was the rise of the Afrikaner to becoming an economic power which started during the second half of the nineteenth century and gained momentum in the early 1930s. This led to the rise of Afrikaner Nationalism. The second movement, which started at the same time, was the movement that led to the political freedom of black South Africans. The success of the first movement suppressed the second movement for many years. From the 1980s it gained a momentum that led to the dismantling of *apartheid* and eventually to political freedom in 1994. The expectation was that political freedom would also mean economic freedom. However, this latter freedom proved to be more difficult.

¹⁹⁰ Jill Nattrass, *The South African Economy. It's Growth and Change*, 1 ed. (Cape Town: Oxford University Press, 1981), 23.

2.2 Birth of a modern economy in South Africa

The development of the modern South African economy was (on the level of the interaction between humans and their environment) largely a one-sided dispositional movement driven by the interests of British mining capital, supported by the government.¹⁹¹ It happened over a period stretching roughly from the discovery of diamonds and gold in the second half of the nineteenth century, until the labour unrest of the first part of the twentieth century, and the industrialisation initiatives of the Pact government during the 1920s.¹⁹² This process has four important characteristics that are also seen in similar processes elsewhere, i.e. the formation of a market society in England.¹⁹³ First, the discovery of diamonds and gold in the interior led to growth in the agriculture sector.¹⁹⁴ The expansion of markets provided an opportunity to increase production and a need for more land to farm. African farmers lost their rights to farm, either on their own land or as tenants on white farms.¹⁹⁵ Second, the result of this appropriation of land led to immense social disruption for white and black who both were forced to the city to work in the mines.¹⁹⁶ Third, as the demand for products grew, agriculture and mines competed for the available cheap labour.¹⁹⁷ Labour was commodified in the most literal sense of the word, where labour was imported from China, India, and the rest of Southern Africa.¹⁹⁸ Fourth, the whole of

¹⁹¹ Dispositional in this context refers to processes that were one-sided because the other party in the transaction did not possess enough power to participate meaningfully in the transaction and thus to create fair and just exchanges. See: Polanyi (1977), *The Livelihood of Man*, 33.

¹⁹² . There is not one general periodisation of the South African Economic History. Four important eras, that can be associated with structural change, are the discovery of minerals in the mid-nineteenth century when mining took over from agriculture as the main economic activity, the era after 1930 with the growth of primary and secondary industrial sectors replacing mining as the biggest employers and contributor to GDP, the 1970s with a definite move towards a free-market system and important labour reforms, and 1994 with the transition to a democratic South Africa. Although, as we shall see very much contested, these eras represent a move to a socialist economy. See also: Terreblanche and Nattrass (1990), "A Periodization of the Political Economy," 6-23.

¹⁹³ Polanyi (1944), *The Great Transformation*, 71-80.

¹⁹⁴ See: Colin Bundy, "The Emergence and Decline of a South African Peasantry", in *African Affairs* 71 no 285 (1972), 376 and 381.

¹⁹⁵ See Bundy (1972), "The Emergence and Decline of a South African Peasantry", 376-86. He showed how the discovery of minerals first provided an opportunity for peasant farmers, until white commercial agriculture and the need for more labour on the mines forced black and poor white labourers to work in the cities.

¹⁹⁶ Marais (1998), *Limits to Change*. 10.

¹⁹⁷ Giliomee (2003), *The Afrikaners*, 299.

¹⁹⁸ Marais (1998), *Limits to Change*, 8.

society was built around one principle, the principle of a price-making market that provided an elite control over minerals and land.¹⁹⁹

Conflict between economic and socio-political powers about land occupation and use began with the expansion of colonial borders. The early process of acquiring land by European settlers was fundamentally flawed.²⁰⁰ White farmers confiscated land through “trekking,” and occupation.²⁰¹ In the pre-modern South African economy, with the exception of the Western and Eastern Cape both white farmers and the African tribes practised mainly subsistence farming.²⁰² Land sustained families and tribes through either farming with cattle or crop, or trekking from one piece of land to another. This important role of the land gave value to land utilised by families and tribes, irrespective of how the land was obtained.

After the discovery of minerals the development of urban markets changed the relationship between humans and land fundamentally. As markets developed and as white farm-owners discovered the potential of increased income a need developed to increase the productivity of land and to increase available land to farm. The farms of struggling subsistence farmers were bought, and agreements with African farmers, renting land from the white farmer or paying for land through sharecropping, was cancelled to obtain more land to farm.²⁰³ In order to increase production, commercial farmers needed to retain labourers.²⁰⁴ African farmers, as well as white “bywoners” were either coerced to work on the farms as tenant labourers, or had to leave the

¹⁹⁹ Marais (1998), *Limits to Change*. 8. Marais wrote, “For the next 50 years, the accumulations strategy centred on mining and to a lesser extent, agriculture, with manufacturing industry at best an incipient feature of the economy.”

²⁰⁰ See: Charles H. Feinstein (2005), *An Economic History of South Africa*, Cambridge: Cambridge University Press, 26-7. Feinstein quoted Cornelis de Kiewiet: The claim of each man to a farm of not less than 6,000 acres became ultimately an inborn right. In subsequent South African history few factors are of greater importance than the uncontrolled and haphazard method of Boer land settlement and the habits which were bred by the Company’s loss of control over Boer Expansion.

²⁰¹ Moses Ochonou, "African Colonial Economies: Land, Labor, and Livelihoods," in *History Compass* 11, no. 2 (2013), 93.

²⁰² J Nattrass (1981), *The South African Economy, Its Growth and Change*, 60-1.

²⁰³ T.R.H. Davenport, *South Africa. A Modern History*, Third Edition ed. (Johannesburg: McMillan, 1987), 510. See also: Bundy (1972), "The Emergence and Decline of a South African Peasantry," 372-6. Small farmers were driven from their farms, not only by a growing commercial agricultural sector, but also by war, and a series of natural disasters.

²⁰⁴ Giliomee (2003), *The Afrikaners*, 299. See also: Patrick Bond, "The Sociopolitical Structure of Accumulation and Social Policy in Southern Africa" in *Social Policy in Sub-Saharan African Context* (s.a.), 200.

farms.²⁰⁵ A rural class differentiation developed in which land that used to be rented to African peasant farmers was reclaimed by white owners and transformed into commercial farms. The result was that white landowners developed into a capitalist class, while the formerly economic relatively independent, African peasants were largely forged into a lower class consisting of wage labourers and labour tenants.²⁰⁶

In spite of the growing commercial agricultural sector, black peasant farming continued to play an important role in the production of food for urban consumption.²⁰⁷ Even after commercialisation of agriculture much of the food for urban consumption was produced by black farmers on either their own land, or land rented from the State or from white farmers.²⁰⁸ They were able to sell their products on local markets and in towns.²⁰⁹ Throughout South Africa communities of black peasant farmers, landowners and traders existed. In addition, these communities made use of the opportunities that came with industrialisation and urbanisation to participate in the colonial or republican economies.²¹⁰ Bundy writes,

Mineral discoveries and economic growth evoked a rapid spread of peasant production, and increased peasant participation in the new market and entrepreneurial opportunities; innovation and diversification took place, and a group of relatively well-off African peasants and small commercial farmers emerged.²¹¹

The displaced African peasant farmers also had little option other than going to work on the mines, where they were forced, by the lack of opportunity, to work underground.²¹² Blacks also had the opportunity to „squat“ on unoccupied Crown Land, or move to the demarcated African

²⁰⁵ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 375

²⁰⁶ Feinstein (2005), *An Economic History of South Africa*, 60-2.

²⁰⁷ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 375

²⁰⁸ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 372.

²⁰⁹ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 372; Feinstein (2005), *An Economic History of South Africa*, 136-8.

²¹⁰ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 369-388, See also: Ochonu, "African Colonial Economies," in *History Compass* 11, no 2 (2013), 92-4 for a comparison of African economies in settler and non-settler colonies.

²¹¹ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 372.

²¹² J Nattrass (1981), *The South African Economy, Its Growth and Change*, 65-6. Nattrass argued that it also created the opportunity to find work and an income that would enable workers to purchase goods they wanted, and to extend their ability to provide for themselves. According to her the families of these black workers were not dependent on the wages earned by working on the mine. Therefore black miners would accept much lower wages.

Reserves.²¹³ Due to population growth, migration from the farms and administrative policies that restricted available land to 8% of the country these opportunities were soon also unavailable to black workers.

There were other factors that put many white “bywoners” in a position that was considered as an even more precarious position than that of blacks. Natural disasters, war, the commercialisation of agriculture and the continuous sub-division of farms under Roman Dutch Law rules of inheritance contributed to forcing many whites off their farms into the cities.²¹⁴ Not only were their levels of education very low, but living costs were also high to the point that saving was virtually impossible. There was no Crown Land set aside that the white “bywoner” could occupy when evicted from the commercial farms.²¹⁵ They had to turn to the cities for an income.

The migration to the cities led to a social disruption for both white and black. Not only did they compete for the few jobs available, very soon racial undertones began to play a part in the struggle for survival as a white “labour” movement developed under the leadership of foreign labourers and mining engineers.²¹⁶ Unskilled white and African workers had to compete with one another for work on the mines and the surrounding industries. White team leaders preferred white labourers, while black labourers were assigned to those tasks whites considered as uncivilised.²¹⁷ As a consequence, a white labour force developed in the cities that competed with the black labour force for employment.

On the mines in Kimberley and Transvaal the competition for work increased since there was limited opportunity to migrate upwards for both black and white workers. Skilled labour which arrived in South Africa from the declining gold fields in Australia, Canada and California in the latter part of the nineteenth century blocked any possibility of increased opportunity.²¹⁸ With

²¹³J Nattrass (1981), *The South African Economy, Its Growth and Change*, 61.

²¹⁴J Nattrass (1981), *The South African Economy, Its Growth and Change*, 61.

²¹⁵J Nattrass (1981), *The South African Economy, Its Growth and Change*, 61. She wrote, “Whilst joining the industrial workforce was one of three alternatives to Blacks, it was the only possibility open to evicted Whites,”

²¹⁶Jonathan Hyslop, “The Imperial Working Class Makes Itself ‘White’: White Labourism in Britain, Australia and South Africa before the First World War,” in *Seminar at the Institute for Advanced Social Research* (University of Witwatersrand: Institute for Advanced Social Research, 1999), 5.

²¹⁷Hyslop (1999), “White Labourism,” 11-2.

²¹⁸Hyslop (1999), “White Labourism,” 11-2.

their arrival a pro-white labour movement, influenced by the international skilled labour forces, developed. Their aim was to protect the privileges of white labourers, both skilled and unskilled.²¹⁹ By the late nineteenth century the building blocks for the transformation to a modern, but deeply segregated economy was completed. The final step was the institutionalisation of land and labour as commodities.

The institutionalisation of labour began in the British colonies with the Glen Grey act of 1894. Jill Natrass states that any capitalist economy seeking to grow and industrialise from a predominantly rural base, needs a stable and reasonably cheap working force.²²⁰ To satisfy this condition cheap labour was conscripted from the large African population in the areas that would become South Africa, and the surrounding tribal areas.²²¹ The Glen Grey Act of 1894 aimed to secure cheap unskilled labour for the mines.²²² It initiated a progressive system of dispossession of the African majority in South Africa by creating circumstances which forced black persons to migrate to the colony or the mining areas to work. This Act established a system under which a labour tax of ten shillings was imposed on any African male who had not worked outside his district for at least three months in the year.²²³

The Transvaal mining companies responded by forming a centrally organised labour recruiting system (Witwatersrand Native Labour Association) by 1896.²²⁴ The aim was to ensure the continuous availability of cheap labour.²²⁵ This “market for labour” stretched as far as Malawi into Southern Africa.²²⁶ Already in 1901 the Governor-General, Sir Alfred Milner, negotiated a deal with the Portuguese colonial government in Mozambique that ensured a steady flow of

²¹⁹ Lucien Van der Walt, "The First Globalisation and Transnational Labour Activism in Southern Africa: White Labourism, the Iww, and the Icu, 1904–1934," in *African Studies* 66, no. August–December (2007), 228.

²²⁰ J Natrass (1981), *The South African Economy, Its Growth and Change*, 59.

²²¹ J Natrass (1981), *The South African Economy, Its Growth and Change*, 65.

²²² Davenport (1997), *South Africa, A Modern History*, 182-3; Feinstein (2005), *An Economic History of South Africa*, 44-5.

²²³ Giliomee (2003), *The Afrikaners*, 282.

²²⁴ Van der Walt (2007), "First Globalisation and Transnational Labour Activism in Southern Africa," 227. See also: Alf Stadler, *The Political Economy of Modern South Africa* (Cape Town: David Philip, 1987), 39.

²²⁵ Stephen R. Jr. Lewis, *The Economics of Apartheid* (New York: Council on Foreign Relations Press, 1990), 8.

²²⁶ J Natrass (1981), *The South African Economy, Its Growth and Change*, 68.

foreign unskilled labourers from Southern Mozambique to the Witwatersrand.²²⁷ Labour was also “imported” or “conscripted” from India and China.²²⁸ Thus, a pattern was entrenched in which it was considered normal that the State assumed responsibility for the supply of labour for the mines.²²⁹

The notorious 1913 Land Act further institutionalised the social disruption. The Act effectively dispossessed Africans of their land and livelihood, and further institutionalised cheap labour, and consolidated colonial control of land.²³⁰ It produced a situation where Africans were restricted to thirteen per cent of the land, in spite of being the vast majority of the population.²³¹ Restrictions to property rights and ownership, together with administrative regulations, meant that government effectively still controlled land allocated to Africans. Mark Butler and Graham Philpott write,

It is clear that the reserves never offered this potential - and that Nationalists making claims to the contrary were cynically well aware that this was so. The 'separate development' myth was essentially an elaborate racist scam to deny rights to black South Africans (the majority of the population) and ensure they had no access to substantial and independent livelihood resources - whilst exploiting their labour power in the white South African industrial and agricultural economy.²³²

While many historians concentrate on the demarcation of thirteen per cent of the surface area of the country as reserves and on the prohibition of land purchased by Africans in 'white' areas, a more important function of the act was that squatters and sharecroppers were to be reduced to the level of labour tenants.²³³ The claim was that the presence of the settled African on the farms would lead to undesirable social contact between Africans and whites. It severely curtailed the

²²⁷ William Beinart, *Twentieth-Century South Africa*, 1 ed. (Cape Town: Oxford University Press, 1994), 64.

²²⁸ J Nattrass (1981), *The South African Economy, Its Growth and Change*, 73.

²²⁹ J Nattrass (1981), *The South African Economy, Its Growth and Change*, 67.

²³⁰ See: Harvey M. Feinberg, "The 1913 Natives Land Act in South Africa: Politics, Race, and Segregation in the Early 20th Century," in *The International Journal of African Historical Studies* 26, no. 1 (1993), 108.

²³¹ Davenport (1997), *South Africa, A Modern History*. 184-5. This allocation was increased during subsequent developments – in the 1930s and up to the time of the establishment of homelands.

²³² Mark Butler and Graham Philpott, "Land in South Africa: Gift for All or Commodity for a Few?," in *Studies in World Christianity* 11, no. 2 (2005), 218.

²³³ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 384.

activities and development opportunities of the surviving black peasantry.²³⁴ Through the act they could eliminate squatting and do away with the system of farming-on-the-half.²³⁵ Bundy refers to a remark by Goodfellow who states bluntly that, “the Blacks became too rich.”²³⁶ Bundy concludes that by regulating land ownership the Native Land Act seized the very asset, which was central to lives of African people, excluded them from the money economy and markets, and rendered them destitute.²³⁷

Thus by 1914, as the old world system began to disintegrate in Europe, the project to ensure cheap labour for the South African mines and to commodify land was firmly in place.²³⁸ By then South African society was an institutionalised racially segregated capitalist society shaped by the interests of British capitalists and a class of landowners. The economy was geared towards accumulation and driven by a pragmatic approach with the support of the State. The role of the State was to provide cheap labour.

An important characteristic was the tendency to organise society not only around the needs of the market, but also around the privileges of whites. White supremacist attitudes made it necessary to protect those privileges.²³⁹ The consequence of this attitude was alienation and the development of new social groupings in which the mining and agricultural capitalist were the dominant group.²⁴⁰ The majority of the population, both black and white, lost their freedom. Through segregation and the establishment of reserves, communities were broken up, and inequality between races became entrenched. The culture of segregation also divided the labour force, or the lower class, and prevented any effective political pressure that could threaten the

²³⁴ Davenport (1997), *South Africa, A Modern History*, 510.

²³⁵ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 384. Farming-on-the-half refers to “a new form of peasant-squatting which became widespread, a form of sharecropping or 'farming-on-the-halves', in which white proprietors supplied seed and land, African peasants farmed the grain, and the returns were shared,”

²³⁶ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 385.

²³⁷ Bundy (1972), "The Emergence and Decline of a South African Peasantry," 386-8.

²³⁸ Terreblanche and N Nattrass (1990), “A Periodization of the Political Economy,” 7. The period, from 1910 to 1922 is characterised by Terreblanche and Nattrass as a period in which a coalition between wealthy Afrikaner farmers and capitalist mine-owners were forged, which eventually gave political and economic control to the English. The policy of reconciliation between Afrikaans- and English-speakers followed by then prime minister of the Union, Louis Botha and his successor Jan Smuts created an environment in which such a coalition could develop. It was also the era of class conflicts and the continued institutionalisation of segregation.

²³⁹ Giliomee (2003), *The Afrikaners*, 289-314.

²⁴⁰ Marais (1998), *Limits to Change*, 8.

interests of the mining and agricultural block.²⁴¹ The institutionalised character of segregation made it difficult for a united labour and lower class response to any threat posed by capitalist power blocks.²⁴²

The relationship between the economy and community was organised as a market economy with government support for the mining houses, and after 1922 in a pact between white labour and rural capital.²⁴³ However, an important point is that such an economy is not without intervention from external role players such as the State.²⁴⁴ In the South African case, the intervention was directed at ensuring cheap labour in order to maximise profit for the mines, and job protection to ensure the privileges of white workers.²⁴⁵ It is only after the Smuts-government turned against the protesting white strikers in 1922, that the capitalist power block was broken. In the aftermath of this, white labour achieved political power in coalition with commercial agriculture.²⁴⁶

2.3 The poor white problem and the rise of people's capitalism

2.3.1 Poverty amongst whites

Poverty developed in the latter half of the nineteenth century amongst both white and black inhabitants of the country. External and social factors contributed to this development. The poverty developing amongst whites did get attention from the church, cultural and political leaders.²⁴⁷

Jill Natrass asserts that the development of the white labour force was the result of the workings of a free-market.²⁴⁸ She argues that the situation of the poor white problem only improved over a number of years because of determined State action, “designed both to create jobs for these

²⁴¹ Marais (1998), *Limits to Change*, 9.

²⁴² Marais (1998), *Limits to Change*, 10.

²⁴³ J Natrass (1981), *The South African Economy, Its Growth and Change*, 86.

²⁴⁴ Polanyi (1944), *The Great Transformation*, 155.

²⁴⁵ Davenport (1997), *South Africa, A Modern History*, 209.

²⁴⁶ Davenport (1997), *South Africa, A Modern History*, 209.

²⁴⁷ Feinstein (2005), *An Economic History of South Africa*, 85.

²⁴⁸ J Natrass (1981), *The South African Economy, Its Growth and Change*, 73.

people and to protect them from wage competition by Blacks.²⁴⁹ The Pact government between the National Party and the Labour Party introduced a number of measures such as the protection of white jobs and wages through the colour bar-laws, and industrialisation projects.²⁵⁰ The Pact government promoted civilised labour, raised a minimum wage, extended the colour bar (preventing blacks from doing certain jobs), and created jobs through industrial development. These measures not only impacted negatively on productivity, but also on the development of the necessary skills by African labourers.²⁵¹ Through industrialisation the government could also address the long-standing challenge posed by poor whites. White labour was guaranteed jobs, artificially high wages, and exclusive access to skilled work.²⁵² Black labour was still used as cheap labour, regulated to benefit mining capital, and subdued protest, and through the saving on black labour wages, the artificially higher white labour wages were subsidised.²⁵³

The efforts of the government to address the poor white problem included education, training, job creation, and housing.²⁵⁴ In spite of government efforts the number of poor white persons had risen in a matter of one decade from 100 000 by 1920 to 300 000 by 1929.²⁵⁵ In 1929 the government requested the Carnegie Foundation to investigate the scope of the problem.²⁵⁶

The extent of poverty is disputed. Fourie argues that the poverty was merely relational, and it was almost certainly better than the situation in black communities.²⁵⁷ S.J. Terreblanche estimates that whites' per capita income was approximately eleven times larger than that of blacks in 1917 and about thirteen times larger in 1936.²⁵⁸ According to Bill Freund the ideal

²⁴⁹ J Natrass (1981), *The South African Economy. Its Growth and Change*, 64 and 71.

²⁵⁰ Feinstein (2005), *An Economic History of South Africa*, 85-9.

²⁵¹ Davenport (1997), *South Africa, A Modern History*, 529.

²⁵² Lundahl (1992), *Apartheid in Theory and Practice. An Economic Analysis*. Boulder: Westview Press, 167.

²⁵³ Marais (1998), *Limits to Change*, 10.

²⁵⁴ Giliomee (2003), *The Afrikaners*, 344-5.

²⁵⁵ Giliomee (2003), *The Afrikaners*, 347.

²⁵⁶ Giliomee (2003), *The Afrikaners*, 346.

²⁵⁷ Fourie, "The South African Poor White Problem in the Early 20th Century: Lessons for Poverty Today," in *Stellenbosch Economic Working Papers*, Institute for Socio-Economic Research (Stellenbosch: University of Stellenbosch).

²⁵⁸ Terreblanche (2002), *A History of Inequality*, 393.

wage was set on £1 per day.²⁵⁹ While it was more an ideal as reality, with that amount a person could comfortably support a family and live in a bungalow with electricity, and a garden.²⁶⁰ He argues that a male person earning £1 a day was also a part of a minority population of white males that lived under a “cloud of extreme structural insecurity.”²⁶¹ His [*sic*] value was found in the scarcity of his skills, not his race, but the fear existed that it could give way in a labour market where he is one of the 10% who earn £1 per day.²⁶² Feinstein, however, give the annual wage per employee in the industrial sector as £240 for whites and £47 for black workers.²⁶³ The formal definition of the Carnegie commission was whether the household income is high enough to provide for the basic needs of the family.²⁶⁴

More important than a formal definition is the reality that “white society” did not consist of a uniform class. Freund distinguishes between a capitalist class, but also a middle-class, labour class and a “poor white” class.²⁶⁵ He argues that the relationship between these classes was often deeply antagonistic and white unity was fragile.²⁶⁶ The majority of Afrikaners were workers, many of whom were members of trade unions, and developed a strong anti-capitalist sentiment.²⁶⁷ Two opposing forces responded to these aspirations and anti-capitalist sentiments.²⁶⁸ The one was the leadership of the Afrikaner Broederbond (Afrikaner League of Brothers – AB), consisting of Afrikaans speaking businessmen, and the church.²⁶⁹ They would increasingly reach out to white Afrikaners in order to uplift them socially and economically. The

²⁵⁹ Bill Freund, "The Social Character of Secondary Industry in South Africa: 1915-1945," in *Organisation and Economic Change*, ed. Alan Mabin, South African Studies (Johannesburg: Raven Press, 1989), 84.

²⁶⁰ Freund (1989), “The Social Character of Secondary Industry,” 84.

²⁶¹ Freund (1989), “The Social Character of Secondary Industry,” 85.

²⁶² Freund (1989), “The Social Character of Secondary Industry,” 85.

²⁶³ Feinstein (2005), *An Economic History of South Africa*, 133.

²⁶⁴ Giliomee (2003), *The Afrikaners*, 347. E.G. Malherbe, a commissioner, defined a poor white person as “lacking the mental attitude towards life, owing for example to the lack of intelligence, lack of education, temperamental defects or to physiological conditions, which prevents him rising to or maintaining a descent standard of living when exposed to the economic forces around him,”

²⁶⁵ Freund, Bill, “The Poor Whites: a Social Force and a Social Problem in South African History.” in *White but Poor. Essays on the History of the Poor Whites in Southern Africa 1880-1940*. Pretoria: University of South Africa (1992), xiii.

²⁶⁶ Freund (1992), “The Poor Whites,” xiii.

²⁶⁷ Giliomee (2003), *The Afrikaners*, 423.

²⁶⁸ See Giliomee (2003), *The Afrikaners*, 423-8.

²⁶⁹ Giliomee (2003), *The Afrikaners*, 423-4. See: pages 400-2 for a description of the founding of the Broederbond.

other was communist activists and organised labour. British and Jewish leaders dominated organised labour.²⁷⁰ The anti-capitalist sentiment was fed by the economic power of British and Jewish business interests, discrimination, and exclusion.²⁷¹ Leader trade unionist, Daan du Plessis, writes in a pamphlet that the “real power was vested in the capitalists, not Parliament nor the cabinet. The capitalist system fermented racial hatred”.²⁷² Johanna Cornelius, the national organiser of the Garment Workers Union (GWU) expressed similar sentiments, giving them a strong gender angle.²⁷³ While there were exceptions such as du Plessis and Cornelius, the Afrikaner was welcomed in the trade unions by organised labour primarily as a worker, not as an equal sharing power with them.²⁷⁴ The AB and associated organisations responded to this with an effort to reform the trade union movement and create a new Afrikaner-friendly trade union as a protection against socialism and communism.²⁷⁵ This tendency to create separate Afrikaner institutions became one of the key strategies in the development, and later sustaining, of the Afrikaner cultural and economic power.

2.3.2 Resolving the poor white problem

Against this background of relative poverty and a worker class nation, government initiatives to address the poverty issue through the Carnegie-report, a People’s Congress was held under the leadership of the AB, and of the NG Kerk in 1934. The aim was to discuss the findings of the Carnegie project, and to address the situation of white poverty.²⁷⁶ Initially solutions were focused on social upliftment. Social support, improved educational and training opportunities, agricultural training and better living conditions in the cities were targeted.²⁷⁷ Culturally the

²⁷⁰ Giliomee (2003), *The Afrikaners*, 423.

²⁷¹ Giliomee (2003), *The Afrikaners*, 423. Giliomee refers to a *NG Kerk* study that observed that those who represent South African capitalism were neither *Afrikaners*, nor cared for their interests.

²⁷² Giliomee (2003), *The Afrikaners*, 424. Giliomee quoted from an unpublished pamphlet du Plessis had written with the title: *„n Afrikaner vertel waarom ek „n Kommunis is.* [An Afrikaner explains why I am a communist.]

²⁷³ Giliomee (2003), *The Afrikaners*, 426.

²⁷⁴ Giliomee (2003), *The Afrikaners*, 423 For an evaluation of trade unions by a commission of the NG Kerk see: J.R. Albertyn, P. Du Toit, and H.S. Theron, *Kerk En Stad. Verslag van die Kommissie van Ondersoek van die Gefedereerde N.G. Kerke na Kerklike en Godsdienslike Toestande in die Nege Stede van die Unie van Suid-Afrika*, (Stellenbosch: Die Federale Armesorgraad, 1948), 290-1.

²⁷⁵ Giliomee (2003), *The Afrikaners*, 424.

²⁷⁶ Giliomee (2003), *The Afrikaners*, 346.

²⁷⁷ Giliomee (2003), *The Afrikaners*, 346.

Afrikaner became well organised, and socially the State, churches, and cultural bodies played a supporting role in their upliftment. Economically, however, they were still disorganised.²⁷⁸ This established a basis of cultural and social organisation, together with a number of existing successful Afrikaner businesses and parastatals founded by the Pact government such as ISCOR who would provide a base from which economic development could take off.²⁷⁹

In 1938 Dr JD Kestell, a NG Kerk minister who was the formal convenor of the first People's Congress in 1934, initiated a second movement with the call of "*n Volk help homself [sic].*" (A people rescues itself).²⁸⁰ This time the focus shifted to the economic situation of the people. He called for a "rescue action." The 1939 and 1948 People's Congress focused on the economic empowerment of Afrikaners. At this stage the number of successful Afrikaner businessmen and farmers increased which provided a base for action.²⁸¹ At a meeting of Afrikaner economic and cultural leaders in Bloemfontein during 1939 a comprehensive plan for Afrikaner economic „salvation“ was discussed, which rejected any element of charity.²⁸² The plan was to mobilise purchasing power and capital to enable the Afrikaners to become economically independent.²⁸³ At the opening of the 1939 Economic *Volkskongres*, L.J du Plessis, explained the aim of the movement as mobilising "the *volk* (the people) to conquer the capitalist system and to transform it so that it fits our ethnic nature".²⁸⁴ Importantly, he reinterpreted the goal of free enterprise as "not intended primarily to create wealth for individuals for their own sake, or for a handful of individuals, but to help the Afrikaners as a people to acquire a legitimate share of the economy."²⁸⁵ The rationality behind this programme of *volkskapitalisme* was to reunite social and economic power, which became detached during the development of a market society.

²⁷⁸ H Giliomee, "Ethnic Business and Economic Empowerment: The Afrikaner Case, 1915-1970," *South African Journal of Economics* 76, no. 4 (2008), 771.

²⁷⁹ Giliomee (2003), *The Afrikaners*, 434.

²⁸⁰ Giliomee (2003), *The Afrikaners*, 436.

²⁸¹ The economic share of Afrikaners at that stage were mining 1%, manufacturing and construction 3%, trade and commerce 8%, and finance 5%. See: Giliomee (2008), "Ethnic Business and Economic Empowerment," 770.

²⁸² Giliomee (2008), "Ethnic Business and Economic Empowerment," 771.

²⁸³ Giliomee (2008), "Ethnic Business and Economic Empowerment," 771.

²⁸⁴ Giliomee (2008), "Ethnic Business and Economic Empowerment," 772.

²⁸⁵ Giliomee (2008), "Ethnic Business and Economic Empowerment," 772.

As stated previously, a base of Afrikaner business already existed at that point. Companies such as Santam, Sanlam and Volkskas were all established in the second and third decades of the century. Working from this base the intention was to create wealth and access to livelihoods for all Afrikaners through job creation, education and training. In order to achieve this they had to create access to money through a culture of savings, and accumulation. With this in mind, a second action was undertaken. Kestell's call that the *Afrikaner* should save itself was institutionalised in an organisation, the "*Reddingsdaadbond*" [Rescue Act Society].²⁸⁶ This organisation would also train Afrikaners how to plan financially, and promote a saving and investment culture amongst Afrikaners in order to raise investment capital.²⁸⁷ This capital was invested in Afrikaans owned companies, as seed money for new ventures, or given as study loans.²⁸⁸ In order to assist with finance for a house, *Federale Volksbeleggings* (Federal People's Investments) was formed as a subsidiary of Sanlam.²⁸⁹

After the political victory in 1948 a high percentage of State spending was directed to benefit the interest of the (then) upcoming movement of Afrikaner capital. This was entrenched by the economic development and rise of Afrikaner capital through capital investments in banking, insurance and in industrial enterprises. From the late 1940s Afrikaner businesses became increasingly important role players in all spheres of the economy, including mining. A key development was the entrance of Afrikaner capital into the mining sector through the formation of *Federale Mynbou* (Federal Mining), and Sanlam's control over General Mining.²⁹⁰

The strategy was to create ways for Afrikaner capital to be accumulated through savings and focused investments, and to promote an exclusive, ethnic based business culture. I wish to refer to three relevant strategies. The first was, in line with the idea of "conquering capitalism" to use existing Afrikaner companies and newly formed economic institutions to create opportunities for the people. The second was a strong political will to enact the development process politically.

²⁸⁶ Giliomee (2008), "Ethnic Business and Economic Empowerment," 773.

²⁸⁷ Giliomee (2008), "Ethnic Business and Economic Empowerment," 773.

²⁸⁸ Giliomee (2008), "Ethnic Business and Economic Empowerment," 773.

²⁸⁹ Giliomee (2008), "Ethnic Business and Economic Empowerment," 772.

²⁹⁰ Giliomee (2008), "Ethnic Business and Economic Empowerment," 777.

The third was the facilitation of a total identification with the volk as a social unit.²⁹¹ This was done by creating cultural institutions and to promote behaviour to support the process.²⁹² To be successful the implementation of this strategy of *volkskapitalisme* identification with the people had to be total identification.²⁹³ At the heart of this strategy was a Broederbond-controlled cultural consolidation.²⁹⁴ They developed a list of ten tasks which Afrikaners who were committed to the cause of Afrikaner development should do. This created institutions of behaviour that long afterwards was still engraved into the Afrikaner consciousness. Giliomee explains,,

Afrikaners were asked to engage in conventional investment in shares in sound Afrikaans enterprises. In a secret circular to its divisions across the country, the Broederbond encouraged its members to support Afrikaner enterprises ... In 1941 it listed ten economic duties for all “proper” Afrikaners, among them the following:

- (1) Every Afrikaner must, even if it takes great sacrifices, become a shareholder in an Afrikaans credit institution. We mention specifically Federale Volksbeleggings. ...
- (2) Every Afrikaner must be a policyholder of an Afrikaans insurance company.
- (3) Every Afrikaner must save and invest his savings in an Afrikaans institution. [The names of Sasbank and Volkskas were mentioned].²⁹⁵

Giliomee argues that it would be wrong to interpret this rise of Afrikaner capitalism as solely the result of State intervention.²⁹⁶ After considering four case studies, Giliomee concludes,,

²⁹¹ Adrian Guelke, *Rethinking the Rise and Fall of Apartheid*, ed. Michael Cox, Rethinking World Politics (Hampshire: Palgrave Macmillan, 2005), 45. Guelke referred to the definition of nation as a unit given by JS Mill. Mill stated that “a portion of mankind (sic) may be said to constitute a nation if they are united among themselves by common sympathies which do not exist between them and others.”

²⁹² Guelke (2005), *Rethinking the Rise and Fall of Apartheid*, 29-30. Guelke referred to and quoted a text of John Kane-Berman identifying the strength of civil society as a key component of defense against a totalitarian state controlling public and private life. See: John Kane-Berman, "Beware the Culture of Silence," in *Fast Facts* (Johannesburg: South African Institute of Race Relations, 2001).

²⁹³ Liebenberg and Spies (s.a.) *South Africa in the Twentieth Century*, 269.

²⁹⁴ Giliomee (2008), “Ethnic Business and Economic Empowerment,” 771-4 illustrated this point in his description of the “Economic movement.”

²⁹⁵ Giliomee (2008), “Ethnic Business and Economic Empowerment,” 772.

²⁹⁶ Terreblanche and N Natrass (1990), “A Periodization of the Political Economy,” 12.

The businessmen considered themselves to be part and parcel of the Afrikaners' ethnic mobilisation until the 1970s. They all benefited greatly from the massive assistance successive governments provided to white business and to whites in general. But these governments, including the NP government in its first two decades in power, bestowed remarkably little ethnic patronage on them, and the English business leadership did not consider it necessary to help Afrikaner business at a discount in order to buy political favours. As a result there developed among Afrikaners a strong sense that the corporate successes were a collective ethnic achievement that reflected well on both the corporation and the community from which they sprang.²⁹⁷

Thus, the development of *volkskapitalisme* was a comprehensive effort that included aspects of saving and investment, as well as the development of industries and State support. It also included identity formation.

Therefore, we can say that *volkskapitalisme* was the result of a combination of economic and social strategies. The economic strategy was clearly a capitalist strategy, but some intervention to assist members of the group or *volk* was deemed necessary and thus acceptable. Freedom for individuals was linked to the community or the *volk*, and even though there was an elite group, the message that all Afrikaners (or whites) were valued was important. They created strong institutions of organisation and behaviour to ensure solidarity within the group. The approach was indeed to subject the economy to the interests of the social group and from that perspective, the economy was embedded.

Yet, the institutionalising of white privilege was a dangerous strategy. Especially when implemented to manage memories of uneven distribution and fears of being the minority in a bigger multi-cultural and multi-racial nation.²⁹⁸ Freedom from the fears that possessed the poor whites could only be achieved through the development of poor whites and ensuring a greater share in the material means, and the ability to use those means and accumulate wealth.²⁹⁹ Freund argues that political movement in the first four decades of the nineteenth century was torn

²⁹⁷ Giliomee (2008), "Ethnic Business and Economic Empowerment," 787. The four case studies relate to the relationship of the state with Rembrandt, Sanlam, Volkskas and the Afrikaner Press – see 780-5.

²⁹⁸ B.J. Liebenberg and S.B. Spies (s.a), *South Africa in the Twentieth Century*. 268.

²⁹⁹ The role of fear as a motivating factor in the accumulation process is a theme that should be developed further. It is clear that unskilled whites were threatened by the large, increasingly more politicised black population. See for instance the remarks of Freund (1992), "The Poor Whites," xviii.

between the need for redistributive programmes, to solve the poverty problem, and capitalist accumulation, to ensure the sustainability of the national economy.³⁰⁰ Extensive control of the economy, political power, and social organisation provided the answer.

Apartheid was consolidated over a period of twenty years from 1948 till the late 1960s through enacting of various *apartheid* laws. Internal resistance was crushed, but the economy grew. Within four decades the once political and social class divided *volk* moved up to positions of political and economic power. That position was entrenched not only through political power, but also through cultural consolidation.

2.3.3 The demise of people's capitalism

It remains one of the burning questions as to why the South African economy could continue to expand in spite of the social turmoil. At least one possible answer is that since 1939 the South African economy had a very distinct ethnic character, strong ethnic leadership and a strong base of very successful ethnic-orientated businesses.³⁰¹ As late as in 1968 the head of Sanlam declared in his annual report, "SANLAM had become the symbol of the Afrikaner's ability to maintain himself [*sic*] in the business world through intelligence, honesty and hard work. God give that it stays that way."³⁰²

This period during which the economy was determined by the social relations in the Afrikaner community was followed by a move towards a free-market characterised by the removal of political restrictions such as the colour bar and a fundamental power shift towards business, and away from the institutions of the *volk*.³⁰³ The need for cheap skilled labour and the interest of white capital provided the initiative for processes to dismantle the *apartheid* labour dispensation, and increasingly eroded political power from the 1970s onwards.³⁰⁴ There began a gradual

³⁰⁰ Freund (1992), "The Poor Whites," xviii.

³⁰¹ See Giliomee (2008), "Ethnic Business and Economic Empowerment," 771-4, for a description of the rise of Afrikaners in the economy based on establishing an Afrikaner economic movement.

³⁰² Giliomee (2008), "Ethnic Business and Economic Empowerment," 785.

³⁰³ Lester *et al* (2000), *Past, Present and Future*, 214. See also Giliomee (2008), "Ethnic Business and Economic Empowerment," 785.

³⁰⁴ Lester *et al* (2000), *Past, Present and Future*, 191-7.

detachment of the social and economic spheres of life.³⁰⁵ Giliomee shows that the recognition by business leaders replaced the need for recognition as successful by fellow-Afrikaners.³⁰⁶

The first sign of this detachment was the pressure from business, labour, and to an extent market and political forces, that moved the Afrikaner government to introduce some labour reforms from 1970 that would lead to the eventual demise of the *apartheid* State.³⁰⁷ This process began with the industrial actions taken by labourers in Durban in 1973. The strikes quickly spread through the country, and grew in quantity until trade unions and the right to strike were legalised in 1979.³⁰⁸ The government appointed three important commissions in 1977 to look at key issues of economy and labour relations and planning. The De Kock commission investigated monetary policies.³⁰⁹ The Wiehahn (investigating existing labour legislation) and Riekert (investigating the utilisation of manpower) commissions focused on labour relations and suggested a major ideological shift towards a free-market economy, and the removal of discriminatory legislation and practice.³¹⁰ These commissions proposed a shift away from the role of the State to provide stable and cheap labour, industrial peace, and white supremacy to a liberal economy.³¹¹ The commissions suggested that white domination should be rejected in the interest of long-term stability and growth. Natrass summarises this proposal as follows,

(This again) suggested that South African capitalism had reached the point at which social and political reforms were a pre-requisite for further growth within the capitalist mode of production, and moreover, that the South African state perceived? this and proposed to change its strategies to ensure, as far as it was able, the perpetuation of capitalism rather than that of white supremacy.³¹²

³⁰⁵ Giliomee (2008), "Ethnic Business and Economic Empowerment," 785.

³⁰⁶ Giliomee (2008), "Ethnic Business and Economic Empowerment," 786.

³⁰⁷ Marais (1998), *Limits to Change*, 42.

³⁰⁸ Stuart Jones and André Müller, *The South African Economy, 1910-90* (New York: St. Martin's Press, 1992), 293.

³⁰⁹ J Natrass (1981), *The South African Economy, Its Growth and Change*, 27.

³¹⁰ Mike McGrath, "Economic Growth, Income Distribution and Social Change," in *The Political Economy of South Africa*, ed. N. Natrass and E. Ardington (Cape Town: Oxford University Press, 1990), 99.

³¹¹ Marais (1998), *Limits to Change*, 42.

³¹² J. Natrass (1981), *The South African Economy, Its Growth and Change*, 27-8.

After the introduction of collective bargaining and the right to industrial action was established some changes occurred in the determination of the price of labour, and access to opportunity.³¹³ The measure to which social and economic interests were detached from one another is illustrated by Pottinger as he attempts to explain why it became possible for Afrikaners to hand over political power in the early 1990s. He argues that in the 1980s the Afrikaner became the richest social or ethnic group in the country.³¹⁴ That wealth allowed them the space to negotiate the future of the country from a position of strength.³¹⁵ According to a prominent Afrikaans speaking business person they negotiated the “biggest outsourcing exercise in this country’s history”.³¹⁶ The point here is that with the acceptance of trade unions and their right to industrial action, the interests of business was considered as enjoying priority over the segregated social relations of Nationalist *apartheid*.

A similar process of detachment of the social and economical occurred in the financial sector. South Africa had all the key financial institutions needed in a liberal economy. These institutions were well organised and functioned effectively.³¹⁷ Historically South Africa attracted large amounts of money from foreign investors, but heavy dependence on capital investments made the South African economy unstable and exposed to factors outside of its own control such as rising oil prices and later international sanctions and disinvestment.³¹⁸ While industrialisation was strong, and goldmines profitable, outside factors such as oil prices and the political sentiment against *apartheid* left the financial institutions vulnerable.³¹⁹ This dependency on investment and the need for acceptable returns on investments made control of the labour force by industry non-negotiable. In spite of intervention by the State the economy was directed to the promotion of capital accumulation of big business.³²⁰ An economy that was structurally linked to

³¹³ Marais (1998), *Limits to Change*, 44.

³¹⁴ Pottinger (2008), *The Mbeki Legacy*. 21

³¹⁵ Pottinger (2008), *The Mbeki Legacy*. 21.

³¹⁶ Pottinger (2008), *The Mbeki Legacy*. 21.

³¹⁷ Jeffrey D. Lewis, "Policies to Promote Growth and Employment in South Africa," in *Trade and Industrial Policy Strategies* (Misty Hills, Muldersdrift: The World Bank Southern Africa, 2001). 3.

³¹⁸ Stephen Gelb, "South Africa's Economic Crisis: An Overview," in *South Africa's Economic Crisis*, ed. Stephen Gelb (Cape Town: David Philip, 1991), 6

³¹⁹ Gelb (1991), "South Africa's Economic Crisis," 6.

³²⁰ Marais (1998), *Limits to Change*, 33.

the social relations and aspirations (wants) of a specific group served its purpose and was gradually replaced by the interest of investors and the owners of capital.³²¹

Earlier it was discussed that *volkskapitalisme* was embedded in the interest of a social unit that experienced itself as a distinct nation. After 1970 business leaders became gradually more involved in the structuring of social relations. With it came bigger disunity amongst Afrikaners. When the privilege of the social unit, or *volk*, could no longer sufficiently support the interest of capitalism the social unit was subjected to capitalism.³²² That happened both because of the on-going economic growth which required a bigger labour force, and the formation of huge companies and huge conglomerates.³²³ Giliomee points out that this is not an uncommon occurrence in groups that used to be anti-capitalist and then won a strong leadership role because it could contribute to group development through hard work.³²⁴ The only common factor that remained was the urge to accumulate.³²⁵

The exclusion of blacks from the economic movement or *volkskapitalisme* was accompanied by the exclusion of women.³²⁶ The economic development of Southern Africa was determined by colonialism. Bond highlights three issues that controlled labour and the suppression of African nationalism, gender-based inequality and a lack of political and cultural reform.³²⁷ In South Africa these factors contributed to set the country up for a violent counter-movement which reached its goal in 1994 with the first democratic elections, and a government with socialist ideals was formed.

³²¹ Lester *et al* (2000), *South Africa Past, Present and Future*, 188.

³²² Luhndahl (1992), *Apartheid in Theory and Practice*, 173.

³²³ Lester *et al* (2000), *South Africa Past, Present and Future*, 188.

³²⁴ Giliomee (2008), "Ethnic Business and Economic Empowerment," 786.

³²⁵ Pottinger (2008), *The Mbeki Legacy*, 21.

³²⁶ Bond (2007), "The Sociopolitical Structure of Accumulation," 200.

³²⁷ Bond (2007), "The Sociopolitical Structure of Accumulation," 199-200.

2.4 The development of the post-*apartheid* economy in South Africa

2.4.1 The need for economic transformation

The economy was one of the key areas in need of transformation as the African National Congress (ANC) became the first post-*apartheid* government. It was widely accepted that the “over-protected, inefficient and uncompetitive economic system needs to be over-hauled if sustainable growth, job creation and redistribution is to be achieved”.³²⁸ Heintz argues that “the transformative agenda” had to address “the economic legacy of *apartheid*: staggering inequalities, widespread poverty, unequal access to social services and infrastructure, and an economy that had been in crisis for nearly two decades.”³²⁹ Also Lewis lists “high inflation, declining GDP growth, and a large fiscal deficit” as the characteristics of the inherited economy. He adds institutional failure and unclear mandates as other challenges to be addressed by the new government.³³⁰ However, there was a need to explain the growth of the South African economy in the two decades after the National Party came to power.

During the period immediately before 1994 the world of South African political economy was divided between two main groups, each with its own explanation of the phenomenon. Nicoli Natrass uses words such as “conventionals” or “liberals”, and “radicals” or “structural revisionists” to describe the different positions.³³¹ The structural revisionists maintained “that South African economic growth was premised on the allegedly highly functional nature of State policy (particularly in ensuring a cheap supply of black labour) and that there were no important contradictions between political developments and the requirements of capital accumulation.”³³²

³²⁸ N Natrass (1994), “South Africa: the Economic Restructuring Agenda - Critique of the MERG Report,” 219.

³²⁹ James Heintz, “Out of Gear? Economic Policy and Performance in Post-Apartheid South Africa ” *Political Economy Research Institute Research Brief* 2003, no. 1 (2003), 1.

³³⁰ Lewis (2001), “Policies to Promote Growth and Employment in South Africa,” 3.

³³¹ Nicoli Natrass, “Controversies About Capitalism and Apartheid in South Africa: An Economic Perspective,” *Journal of Southern African Studies* 17, no. 4 (1991), 655. She prefers the word “conventionalist” to concepts such as “liberal”, seeing that “liberal” is often used to describe a wide range of economic frameworks that includes theoretical frameworks such as Keynesians, Post-Keynesians, Neo-Classical economists, Monetarists and even Market-Socialists.

³³² N. Natrass (1991), “Controversies About Capitalism and Apartheid in South Africa,” 655.

Intervention would be justified. For the conventional economists the continuing expansion of the economy was not primarily due to low wages and labour costs, but was the result of an economy structured without State intervention protecting the privilege of a minority.³³³ Conventional economists, therefore, focused on the conditions they saw as necessary for maximising economic growth and structural transformation rather than on the short-term interests of capitalists.³³⁴

As the debate continued both groups went through a process of re-orientation.³³⁵ The conventional economists realised the importance of the insight of the radical group that political economic frameworks cannot be, and indeed is not, limited to empirical research. At the same time theoretical and empirical changes forced the radicals to re-orientate their methodology to the point that the “idea of the state as an agent of capital was absent” and that the view of *apartheid* as a monolithic 'Grand Plan' points to “the ambiguous and changing response of capitalists to state labour policy and *vice versa*.”³³⁶ The challenge for the ANC government would be to forge a “socio-economic compromise” as a basis for the tough choices” between equally worthy economic goals.³³⁷ The nature of the choice was between a “future mixed economy or social democracy”³³⁸ Raphael Kaplinsky identifies the economic agenda for transformation as “industrial restructuring” to address issues of wages, corporate power, and entrepreneurship.³³⁹ This requires institutional reform built on the “necessity of embeddedness” and facilitative processes.³⁴⁰

It is against this background, together with intense debate within the ANC, and numerous drafting and re-drafting of documents that the first socio-economic policy, the Reconstruction and Development Plan (RDP) was produced by the ANC in 1994. It could be expected that in a context of the debate between the conventionalists and the revisionists these documents would

³³³ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 658.

³³⁴ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 659.

³³⁵ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 656. See also: 671-7.

³³⁶ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 673.

³³⁷ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 677.

³³⁸ N. Nattrass (1991), "Controversies About Capitalism and Apartheid in South Africa," 677.

³³⁹ Raphael Kaplinsky, "Economic Restructuring in South Africa: The Debate Continues": A Response," in *Journal of Southern African Studies* 20, no. 4 (1994), 536.

³⁴⁰ Kaplinsky (1994), "Economic Restructuring in South Africa: The Debate Continues, 537.

evoke intense debate and differences. The following section focuses on the development and implementation of the theoretical frameworks and how these proposed to restructure the relationship between the economy and community.

2.4.2 The Reconstruction and Development plan

The RDP was introduced as “a framework that is coherent, viable and has widespread support” to restructure society and the economy.³⁴¹ It made the policy more than merely an economic policy, but an attempt to make sure that the basic economic structure supports an inclusive, non-racial, non-sexist, and pro-youth society (RDP paragraph 1.1.1). It attempted to “incorporate ideas of democracy, prosperity and sustainable growth that are environmentally friendly into one comprehensive plan.”³⁴² The RDP was built on six principles (RDP paragraph 1.3). These were: (1) an integrated and sustainable programme (2) centred on a people driven process (3) that is closely bound up with peace and security for all (4) that will allow us to embark on nation-building (5) which requires us to link reconstruction and development, and (6) the democratisation of South Africa. In order to achieve these objectives the RDP envisaged five key programmes (see RDP paragraph 1.4). These programmes were: (1) meeting the basic needs of the people, (2) developing human resources, (3) building the economy, (4) democratising the State and society, and (5) implementing the RDP. The RDP was a social vision and needed an economic policy to implement it (RDP paragraph 1.1.1).

The document envisioned a society in which communities and civil society had a significant amount of control over the economy. The plan was based on the conviction that “neither a commandist central planning system nor an unfettered free-market system” can provide adequate solutions to the problems confronting us (RDP paragraph 4.2.1). On the one hand the new economy should be able to withstand the pressures of globalisation and liberal capitalism. But social control of the economy was also important in order to protect the quest to satisfy the non-material wants of the people such as freedom, dignity and access to livelihoods. The economic

³⁴¹ See the foreword written by the Mr. NR Mandela in: Government of National Unity, in *The Reconstruction and Development Plan. A Policy Framework*, (African National Congress, 1994).

³⁴² Clive K. Corder, "The Reconstruction and Development Programme: Success or Failure?" in *Social Indicators Research* 41, no. 1/3 (1997), 184.

system also had to ensure local participation by both the labour movement and local communities in negotiations that could impact on their interests (RDP paragraph 4.3.5). The task of the State is said to provide the leadership to allow for broad participation. This leadership role would include State involvement in corporate decision making regarding investment (RDP paragraphs 4.2.1, 4.2.3 and 4.2.4). In order to ensure participation by labour and local communities the RDP foresaw a range of institutions to be organised in key sectors of the economy and social life.

Since agriculture and mining touch on both issues of land and labour they remain key sectors to the economy. Transformation of the ownership and management of natural resources such as minerals, soil and water are highlighted as key elements to provide access to livelihoods. Access to land for rural development required a “fundamental land reform programme” (RDP paragraph 2.4.1 and 2.4.3). This programme should aim to redistribute residential and productive land to those who cannot afford it on the free-market, and restitution for those who lost land because of *apartheid* laws since the 1913 Native Land Act (RDP paragraph 2.4.5 and 2.4.13). Security of tenure for all and the removal of obstacles for women to gain access to land are highlighted (RDP paragraph 2.4.4). The need to redress the land issue would not be solved by merely abolishing the relevant “group area” laws since it would still leave many black people in a position where they could not afford land on the free-market (RDP paragraph 2.4.1 and 2.4.11). Probably because it was more a social vision than an economic policy, the role of land as a national economic asset in an urbanised world was not addressed, as the RDP did not move further than the role of land in redressing wrongs, the provision of services and markets to new land owners, and the small scale farmers (RDP paragraph 4.4.7.12). It mentioned services to support and increase productive use of land, but did not expand on it as a programme (RDP paragraph 2.4.9 and 2.4.12).

Food security was addressed in the context of the development of commercial agriculture. The key to food security is the provision of productive employment opportunities through land reform, jobs programmes, and the reorganisation of the economy (RDP paragraph 2.11.3). The document further states, “The present commercial agricultural sector will remain an important provider of food and fibre, jobs and foreign exchange. The RDP must provide a framework for

improving its performance by removing unnecessary controls and levies as well as unsustainable subsidies” (RDP paragraph 4.5.2.3).

Similarly in the transformation of the mining sector the RDP attempted to find a balance between intervention and social transformation on the one hand and economic growth on the other. Fundamental to mining reform is the notion that all minerals belong to the people, and therefore the, “principal objective is to transform mining and mineral-processing industries to serve all of our people.” (RDP paragraph 4.5.1.3) The strategy proposed was to institutionalise the marketing of minerals through a “government minerals marketing auditors' office.” (RDP paragraph 4.5.1.3) The mining sector was to be taxed with licensing fees, income tax, and strict rules related to community responsibilities. (RDP paragraph 4.5.1.3) These included that the management of mining had to be inclusive of employers, workers, and government. Further it had to focus on the protection of workers (RDP paragraph 4.5.1.10), small scale entrepreneurs (RDP paragraph 4.5.1.14), and had to aid the growth of the region (RDP paragraph 4.5.1.13). Rehabilitation of the environment and community development also became important responsibilities for mining companies (RDP paragraph 4.5.12). In a labour intensive industry such as mining, labour rights would play an important role.

As can be expected the issue of labour and labour rights were addressed extensively (RDP paragraph 1.2.1). In order to remove repressive labour policies the RDP addressed issues regarding the balance of power between labour and employers (RDP paragraph 1.4.11). Reconstruction and development required of the government to set up new institutions and mechanisms to facilitate the implementation of fundamental changes based on labour rights (RDP paragraph 4.8.6). The basic rights of workers which included the right to organise and join trade unions, the right to strike and participate in action regarding “all economic and social matters”, and the right to information from companies and government were addressed (RDP paragraph 4.8.3). Institutions that could provide negotiating forums in which labour together with government and business could co-ordinate macro-economy policies and strategies for trade, industry and technology were proposed (RDP paragraph 4.4.5). These would include forums to negotiate industrial policy, training, and education programmes, job placement and creation programmes (RDP paragraph 4.4.8). It would require a legal framework, instruments of

policy, education and training to address workplace empowerment, participation and decision making, as well as protection of workers (RDP paragraph 4.8.9-11). Programmes of equal opportunity should be implemented with the objective of ending “disparity of power between workers and management (RDP paragraph 4.8.13).”

The RDP further attempted to correct the discriminatory character of the pre-*apartheid* labour systems by envisioning a non-racial and non-sexist society (RDP paragraph 1.1.1). Throughout the document the social implication of labour and its impact on the family and social life were addressed. The migrant system was expected to persist for the near future and issues of housing (so that families can live together) and women rights needed to be addressed in the transformation of the labour dispensation (RDP paragraph 2.5.16 and 4.1.8). The attempt to link economic and social life was expressed as follows: “... coupled with a democratic political dispensation, improvements in the living standards of workers and a programme of human resource development will release the resources of the nation’s workers and significantly improve productivity in the economy” (RDP paragraph 4.8.17).

Thus, the RDP’s attempt to foster growth through development that was guided by social institutions, was an attempt to subject a liberal economic system to the social relations of the people, but held onto conventional strategies and structures to ensure growth. But structural economic change to benefit communities was not easy. It needed a shared vision, the involvement of the public and private sectors, as well as that of organised labour and civil society.³⁴³ The core of this challenge to implement the RDP was to maintain a rationality that respects the non-economic aspirations of the RDP in a world structured for a globalised market economy. Fiscal pressures, the influence and power of international economic stakeholders, and the interests of South African business were all fundamentally influenced by a neo-liberal economic context that would work together to oppose the restructuring of the economy along the lines proposed by the RDP.³⁴⁴

³⁴³ N. Nattrass (1994), "South Africa: The Economic Restructuring Agenda: the MERG Report," 224-5.

³⁴⁴ Stephen Gelb, "Macroeconomic Policy in South Africa. From RDP through Gear to Asgisa," in *At the End of the Rainbow? Social Identity and Welfare State in the New South Africa* ed. Gorm Gunnarsen, et al. (Kopenhagen: South Africa Contact, 2007), 21.

While the project accepted the task of prioritising the poor, the huge structural deficiencies present in many spheres worked together to create an economic environment in which transformation of South African capitalism to a more equal economic system became hugely challenged.³⁴⁵ The RDP attempt was based on government intervention through organised institutions, taxes and a legal and policy framework, based on equal rights and promoting access to opportunity and benefits. The document states, “The future stability of South Africa depends on a more equitable allocation of resources and opportunities. The RDP has been a bold and imaginative attempt to achieve this, but its success at this stage is perhaps more in the mind than in the reality.”³⁴⁶ Lewis writes,

Despite widespread support for its goals, the RDP implementation experience also provided an early indication of the difficult balancing act that would be demanded from the government. The newly elected, representative government needed to pick a path through the increasingly vocal and rapidly growing demands of its core constituencies, while simultaneously striving to reassure domestic and foreign investors, as well as international donors.³⁴⁷

Philip Mohr voiced what many had felt by describing the RDP as an important political document with serious shortcomings as an economic policy.³⁴⁸ The RDP represents a social vision of equality and of stronger communities, but it was too ambitious, and too vague. There were numerous papers prepared to address the implementation of the RDP. In the next section I will look at three of these papers and argue how they led to a move towards neo-liberalism, less participation by the masses and a bigger role by the private sector.

³⁴⁵ Andries Bezuidenhout, "Towards Global Social Movement Unionism? Trade Union Responses to Globalization in South Africa," in *Labour and Society Programme* (Geneva: International Institute for Labour Studies, 2000), 9.

³⁴⁶ Corder (1997), "The Reconstruction and Development Programme: Success or Failure?" 201.

³⁴⁷ S.Lewis (1990), *The Economics of Apartheid*, 3.

³⁴⁸ Philip Mohr, "Overview of the South African Economy and Policy in the 1990s," in *South African Economy and Policy, 1990-2000. An Economy in Transition*, ed. Stuart Jones and Robert W. Vivian (Manchester: Manchester University Press, 2010), 20.

2.4.3 The Reconstruction and Development white paper

In September 1994 a Reconstruction and Development Plan White Paper (RDP-WP) was published to address the implementation of the RDP.³⁴⁹ Adelzadeh and Padayachee argue that this first documented plan of implementation of the RDP “represents a very significant compromise to the neo-liberal, 'trickle down' economic policy preferences of the old regime.”³⁵⁰ According to them the RDP-WP lacked a clear statement of purpose, and changed key economic policies such as the fiscal policy, monetary policy, the foreign trade policy and industrial policy.³⁵¹ It further compromised on representation of labour, the participation of the poor in economic decision making, and the responsibility of the State to implement institutional transformation. These failures suggested that the conventional economic framework triumphed over the radical propositions that initially characterised the RDP.

The topic of labour rights provides significant examples of the tension and the deviation towards conventionalist thinking. In the RDP labour market policies encompassed such issues as collective bargaining, workplace empowerment, a minimum or living wage, training and skills development, worker rights to information etc.³⁵² The role of workers to oversee workplace transformation and the improvement of working and living conditions were watered down to the level of union negotiation, while the direct involvement of the State in the matters of huge conglomerates and companies was also weakened considerably. The foci fell on neo-liberalisation, on development of free markets and building investor confidence.³⁵³ Regarding living wages the RDP and the RDP-WP agreed, even though the position of the workers was also weakened.

³⁴⁹ Asghar Adelzadeh and Vishnu Padayachee, "The RDP White Paper," in *Transformation* 25 (1994), 2.

³⁵⁰ Adelzadeh and Padayachee (1994), "The RDP White Paper," 2.

³⁵¹ Adelzadeh and Padayachee (1994), "The RDP White Paper," 15-6. The implementation of the General Agreement on Trade and Tariffs (GATT) regulations invariably redefines the relationship between the state and civil society, and weakens government intervention at all levels; it imposes an economic programme of privatisation and deregulation in place of policies aimed at achieving full employment; it functions as a mechanism to weaken interventionist domestic laws and regulations; it promotes regressive restructuring; it weakens worker rights and unions, as well as the provision of public services and infrastructure..

³⁵² Adelzadeh and Padayachee (1994), "The RDP White Paper," 11.

³⁵³ Adelzadeh and Padayachee (1994), "The RDP White Paper," 14.

The Base Document explicitly rejected the view that labour should be seen as a cost, and argued that '[t]he required levels of growth for the successful implementation of the RDP can only be achieved on the basis of living wage policies agreed upon by government, the labour movement and the private sector'.³⁵⁴

Corder writes, a “fundamental aspect of the RDP is that the poor should not only participate in the process but also be empowered.”³⁵⁵ This was in line with the position of the World Bank that the poor should “plan, implement, supervise and help fund projects in which they are involved in, and progressively they should take more control over their own development.”³⁵⁶ In this sense the RDP is a people driven programme (RDP paragraph 1.3.3). The RDP-WP, however, raised questions regarding the ability of the poor to participate and understand the complex and technical nature of many of the problems.³⁵⁷ Civil structures are also complex and varied so that it is sometimes difficult to know “when you have consulted”.³⁵⁸ Thus participation was lessened and the responsibility to deliver on the promises for the RDP was left to an increasingly centralised State apparatus.³⁵⁹

A second point of critique was that the RDP-WP also cast a shadow over the original RDP vision on participatory institutions and the capacity of the State.³⁶⁰ The RDP restructured the relationship between the economy and the community in terms of benefits flowing into communities of poor people. The main policies available for government to achieve these objectives included taxation, job creation and wages, as well as social spending by the State.³⁶¹ Thus, the removal of the tax bias towards women, the poor and small business needed to be addressed.³⁶² However, suggestions towards reducing the tax bias were absent from the RDP-

³⁵⁴ See also: RDP, paragraph 4.8.5.

³⁵⁵ Corder (1997), "The Reconstruction and Development Programme: Success or Failure?" 187.

³⁵⁶ Corder (1997), "The Reconstruction and Development Programme: Success or Failure?" 187.

³⁵⁷ Corder (1997), "The Reconstruction and Development Programme: Success or Failure?" 185.

³⁵⁸ Corder (1997), "The Reconstruction and Development Programme: Success or Failure?" 185-6.

³⁵⁹ Adelzadeh and Padayachee (1994), "The RDP White Paper," 12.

³⁶⁰ Adelzadeh and Padayachee (1994), "The RDP White Paper," 2.

³⁶¹ Adelzadeh and Padayachee (1994), "The RDP White Paper," 2.

³⁶² Adelzadeh and Padayachee (1994), "The RDP White Paper," 5-6.

WP, which focused neither on “raising tax”, nor gave guidelines for tax reform.³⁶³ The government funded the RDP by integrating it into the total budget.³⁶⁴

The success of the RDP was mixed, but expectations of improved living conditions were formed.³⁶⁵ As early as 1997 Corder finds that expectations for employment were found to be increasing, whereas those for education showed a decline.³⁶⁶ He writes,

When deprived of what people regard as their due, the temptation is to demand compensation and redress from those who are comparatively well-off. Major corporations are already conscious of the need to get behind the RDP to ensure its success and many are taking an active part in its fulfilment. However, faced with the massive differences in living standards that exist, it is unlikely that such efforts will be able to satisfy the needs of those who are outside the capitalist system.³⁶⁷

Corder warned that a backlash from a failure of the RDP to deliver these expectations could threaten the future of South Africa. Given the importance of education for job creation and participation in the economy in the RDP this suggested either a failure in understanding the core strategy of the RDP, or a change in policy reflected in the RDP-WP.³⁶⁸

In a later study of provincial disparity in the results of the RDP measured through a series of Reconstruction and Development indices, Booysen concluded that past inequalities appeared to

³⁶³ Adelzadeh and Padayachee (1994), “The RDP White Paper,” 6.

³⁶⁴ Corder (1997), “The Reconstruction and Development Programme: Success or Failure?” 201.

³⁶⁵ Corder (1997), “The Reconstruction and Development Programme: Success or Failure?” 200.

³⁶⁶ Corder (1997), “The Reconstruction and Development Programme: Success or Failure?” 197.

³⁶⁷ Corder (1997), “The Reconstruction and Development Programme: Success or Failure?” 199. Corder evaluated the effects of the RDP against some benchmark studies. He concluded that “one in every five urban blacks believed that they had already benefitted from the RDP. A far lower proportion of Coloureds (6%), Indians (6%) and whites (2%), at that stage, regarded themselves as beneficiaries (see Figure 2).” These benefits were specifically related to infra-structure development such as the “installation of electricity (3%), access to water (2%), education facilities (2%), housing (2%), better environment (2%), and improved health facilities (2%).” Despite an increased awareness of the RDP, the expectations that the RDP would be of assistance in the future, declined. “Among blacks just under one person in every two was anticipating that the RDP would be helpful to them; which contrasts with only one in every four Coloureds and one in every seven Indians. Very few whites expected the RDP would be to their advantage.” The major areas where Africans expected the RDP would be of assistance was in employment (52%), housing (46%), job training (35%), education facilities (29%), better environment (28%) and health facilities (23%).

³⁶⁸ Adelzadeh and Padayachee (1994), “The RDP White Paper,” 15-6.

persist.³⁶⁹ He argued that, “reconstruction and development are not simply a matter of coming closer to meeting the objectives described in the RDP. The government also needs to address other areas of concern that are closely associated with disparities in early progress on reconstruction and development.”³⁷⁰ These other areas of concern included demographic transition and improved standards in secondary education.³⁷¹ He argued that progress regarding education and development of rural areas could free up resources to pursue other RDP objectives.³⁷² Booysen wrote,

[L]ower levels of poverty and inequality imply less of a burden on the economy and resources can be freed to be employed towards more productive ends. This, in turn, can enhance progress towards economic growth, job creation and redistribution ... Lower levels of poverty and inequality in provinces are associated with overall progress on reconstruction and development, as well as improved fulfilment of basic needs.³⁷³

In both its content and the results it facilitated, the RDP-WP indicated a clear move away from the aim to structure the economy as a support to social and community development. The growing exclusion of the population from decision making processes, combined with the inclusion of business and academics facilitated an increasing emphasis on the role of the private sector. The role of the State was to create a non-interventionist environment for the growth through participation in international trade and markets. This was done through the monetary and fiscal policies.

³⁶⁹ Frikkie le R Booysen, "The Extent of, and Possible Explanations for, Provincial Disparities in Progress on Reconstruction and Development in South Africa," in *Development Southern Africa* 20, no. 1 (2003), 42.

³⁷⁰ Booysen (2003), "Disparities in Progress on Reconstruction and Development," 42.

³⁷¹ Booysen (2003), "Disparities in Progress on Reconstruction and Development," 33.

³⁷² Booysen (2003), "Disparities in Progress on Reconstruction and Development," 42.

³⁷³ Booysen (2003), "Disparities in Progress on Reconstruction and Development," 32.

2.4.4 Growth, employment and redistribution

In the latter half of the 1990s the demands of the economy began to subject government policy and important social aims of the RDP to the need for rapid and sustainable economic growth.³⁷⁴ Two historical factors, which were integral to the neo-liberal strategies of development, forced the hand of government. The first factor was the significant weakening of the rand at a time when a “secret loan” from the IMF to the government was approved.³⁷⁵ The second factor was the reigning Washington Consensus policies imposed by the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO)³⁷⁶. The Washington Consensus was, “the idea which had set the stage for the reduction of the role of the State in the „development thinking“ of global bodies such as the IMF and the World Bank since the 1980s”.³⁷⁷ In terms of this protocol the government made significant concessions to the IMF regarding budgetary and monetary goals to secure the loan.³⁷⁸ Heintz explained the logic of GEAR as follows,

High levels of new investment would support rapid rates of economic growth which, in turn, would create hundreds of thousands of jobs. The twin engines of high growth and rapid job creation would allow South Africa to overcome the vast inequalities that apartheid left behind. Growth would allow for the eventual expansion of social services and the provision of infrastructure, job creation would raise the incomes of ordinary South Africans.³⁷⁹

³⁷⁴ Wessel Visser, ““Shifting RDP into GEAR.” The Government's Dilemma in Providing an Equitable System of Social Security for the “New South Africa.” paper presented at *The 40th ITH Linzer Konferenz* (Linz, Austria: ITH, 2004), 8.

³⁷⁵ Bezuidenhout (2000), “Towards Global Social Movement Unionism?” 9; Visser (2004), “Shifting RDP into GEAR,” 8.

³⁷⁶ Mohr (2010) “Overview over the South African Economy,” 21.

³⁷⁷ Thokozile Batyi, *The Link between Economic Development Programmes (RDP & GEAR) and Poverty Reduction (Airport Valley as an Illustrative Case)* (Port Elizabeth: Nelson Mandela Metropolitan University, 2009), 25.

³⁷⁸ Bezuidenhout (2000), “Towards Global Social Movement Unionism?” 9.

³⁷⁹ Heintz (2003), “Out of Gear?” 1. See also the description of John Weeks, “Stuck in Low Gear. Macroeconomic Policy in South Africa 1996-98,” *Cambridge Journal of Economics* 23 (1999), 796.

For the government GEAR was an expansion of the RDP and an attempt to implement the economic structure in support of the RDP.³⁸⁰ South Africa required more than a new vision of basic human and political rights for all South Africans. The inequalities of *apartheid* needed to be redressed by a framework for economic transformation that would focus on growth, employment, and redistribution.³⁸¹ The RDP focused on the demand side of the economy, and dealt with the people's aspirations and wants. GEAR was planned to facilitate growth, and thus develop the supply side of the economy.³⁸²

GEAR itself cited lack of growth in employment, and thus inadequate distribution of resources and wealth as the main stimulus for the strategy.

I(t) became increasingly evident that job creation, which is a primary source of income redistribution, remains inadequate. It is widely recognised that the present growth trajectory of about three percent per annum:

- fails to reverse the unemployment crisis in the labour market;
- provides inadequate resources for the necessary expansion in social service delivery; and
- yields insufficient progress toward an equitable distribution of income and wealth.³⁸³

The strategy proposed a set of medium-term policies aimed at the rapid liberalisation of the economy in order to promote growth. Visser explained that the “growth through redistribution”-framework of the RDP was replaced by “redistribution through growth”.³⁸⁴ The notion of growth through redistribution was dropped in favour of a strategy that was dependant on the infamous “trickledown effect.”³⁸⁵ The promise was that the poverty problem would be resolved through

³⁸⁰ Government of National Unity, *Growth, Employment and Redistribution. A Macroeconomic Strategy*. (Pretoria: Department of Finance, 1996), 16.

³⁸¹ Heintz (2003), "Out of GEAR?" 1.

³⁸² Batyi (2009), The Link between Economic Development and Poverty Reduction, 24.

³⁸³ GEAR (1996), 1.

³⁸⁴ Visser (2004), "Shifting RDP into GEAR," 9.

³⁸⁵ Visser (2004), "Shifting RDP into GEAR," 9. In essence GEAR implied that economic development in South Africa should be led by the private sector; the state should play a smaller role in the economy; state-owned assets should be privatised; there should be deep cuts in government spending; international competitiveness and an export-orientated economy should be encouraged; exchange controls should be relaxed; and social service delivery

higher growth rates and the alleged “trickle down” effect. The advocates of the “trickle down” approach regarded job creation as the main mechanism for transmitting an additional income created by high economic growth rates to the poor.³⁸⁶ Policies to promote growth included a relaxation of exchange controls, trade liberalisation, “regulated” flexibility in labour markets, strict deficit reduction targets, and monetary policies aimed at stabilising the rand through market interest rates.³⁸⁷ Part of the problem for the new government was to raise sufficient funds for the RDP. The aim of these policies was an ambitious growth rate of 4.2% annually between 1996 and 2000.³⁸⁸ When they failed to raise enough money the focus moved to ways of convincing investors to provide the necessary funds. It was to this end that the government employed conservative policies such as fiscal prudence, “not as a means of attaining RDP objectives, but as an added goal.”³⁸⁹ In the GEAR strategy the redistribution of income was of secondary importance, instead it proposed a strategy that could ensure that the vicious circle of wage and price increases would not lead to instability in the financial markets and a decline in the country’s competitive advantage.³⁹⁰

Given the ANC’s commitment to fiscal discipline and macroeconomic balance, no money was available for properly implementing the RDP and for the redistributive implications of its poverty alleviation programme and its emphasis on meeting basic needs.³⁹¹ GEAR had an increased focus on utilising the private sector to fund the expansion of services such as education and health, public investment in favour of the poor, and there was a continued disregard for the role of land as a resource for food security.³⁹² In order to manage this balance GEAR proposed a

budgets and municipal infrastructure programmes should be reprioritised in order to address the claims of the poor to a fair package to meet their basic needs.

³⁸⁶ Visser (2004), “Shifting RDP into GEAR,” 9.

³⁸⁷ Weeks (1999), “Stuck in Low GEAR. Macroeconomic Policy in South Africa 1996-98,” 798.

³⁸⁸ GEAR (1996), 7.

³⁸⁹ Visser (2004), “Shifting RDP into GEAR,” 8.

³⁹⁰ GEAR (1996), 21. The document states: “For this reason it is important that wage and salary increases do not rise more than productivity growth. It is equally important that price restraint should be maintained, facilitated through an effective competition policy and continued trade liberalisation,”

³⁹¹ Visser (2004), “Shifting RDP into GEAR,” 8.

³⁹² GEAR (1996), 16. Visser added: “Concurrently, those social services that could not be provided to all, or could be undertaken more effectively by the private sector such as social assistance grants to impoverished children, were to be eliminated or scaled down. The central government would unilaterally set priorities and funds to be committed to social and sectoral policies,” Visser (2004), “Shifting RDP into GEAR,” 9.

“national social agreement” to address a wider range of issues related to economic restructuring, income distribution and social policies.³⁹³

The approach contained in GEAR was a demand stimulus led by a rapid expansion in private sector investment in order to facilitate growth on the supply side of the economy.³⁹⁴ This strategy, with clear goals set out, was based on two presumptions. First, public spending could provide the context for economic growth. Second, private investors will respond and sustain the economic growth through the investment of private funds.³⁹⁵ It could be argued that GEAR was the implementation of a taxation program in which the private sector was required to finance public spending.³⁹⁶ In effect the role of the government was reduced to managing the transformation, while it was expected of the private sector to lead the process of economic development.

Given the failure to provide jobs, the reform policies of GEAR were focused on job creation and protection. Rising unemployment, increased “casualisation of the labour force”, and the growth of “poorly rewarded employment”, weakened employment opportunities for the poor, which left the poor more vulnerable in the labour market.³⁹⁷ “Weakening employment opportunities for the poor imply that income distribution is likely to worsen, impacting particularly severely on the rural poor, young work-seekers and those without education or skills.”³⁹⁸ The consensus between labour and business was that the country needed to create more jobs.³⁹⁹ GEAR strategised for better work to be created and more private sector investment was needed, it therefore proposed tax incentives.⁴⁰⁰

³⁹³ GEAR (1996), 21.

³⁹⁴ Streak, "The GEAR Legacy: Did GEAR Fail or Move South Africa Forward in Development?" in *Development Southern Africa* 21, no. 2 (2004), 272.

³⁹⁵ Mats Lundahl and Lennart Petersson, "Post-Apartheid South Africa: An Economic Success Story?" UNU-WIDER *Research paper No. 2009.56*, 6. <http://hdl.handle.net/10419/45144>. Accessed on 30 March 2014.

³⁹⁶ Lundahl and Petersson (2009), “Post-Apartheid South Africa: An Economic Success Story?” 5.

³⁹⁷ GEAR (1996), 18.

³⁹⁸ GEAR (1996), 18.

³⁹⁹ Lundahl and Petersson (2009), “Post-Apartheid South Africa: An Economic Success Story?” 6.

⁴⁰⁰ Lundahl and Petersson (2009), “Post-Apartheid South Africa: An Economic Success Story?” 6.

Already in 1991 Nattrass criticised initial policy documents from the ANC on their lack of understanding of the economic sector, it was precisely that these documents ignored the critical role of investor confidence to create opportunities for growth and redistribution.⁴⁰¹ The proposed State interference in business operations, which is inherent in the report of an ANC research initiative known as the Macroeconomic Research Group (MERG), would undermine business confidence and work negatively on the important relationship between the public and private sectors.⁴⁰² John Sender responded that a “gradual build-up of public sector investment in infrastructure constituted an essential pre-condition for renewed capitalist confidence and the resumption of investment rates characteristic of previous periods of South Africa's economic history” are sober and realistic.⁴⁰³

GEAR did not provide the answers radical economists were looking for. Their criticism was linked to the growing influence of global neo-liberalism resulting in abandoning important principles of a social-embedded economy. One of the key issues was that GEAR shifted the focus away from productive capital and promoted an accumulation of capital. The emphasis in GEAR was on issues of investor confidence, fiscal management, and creating a growth framework. But radical economists questioned the ability of GEAR to support the redistribution programme needed in the transformation process. The Congress of South African Trade Unions (COSATU) argued that GEAR focused, “on stringent monetary and fiscal targets, conflicts with the goal of the RDP of growth based on job creation, meeting people's needs, poverty reduction and a more equitable distribution of wealth.”⁴⁰⁴ The trade unions critiqued that GEAR did not only move away from the RDP, but did so without consultation with its partners in the National Economic Development and Labour Council (NEDLAC), or the tripartite partners.⁴⁰⁵ The Unions were left to negotiate detail in a broader economic strategy that they disagreed with. The disagreement had to do with the language of “labour flexibility” and the space GEAR created for

⁴⁰¹ Nicoli Nattrass, "Economic Restructuring in South Africa: The Debate Continues," *Journal of Southern African Studies* 20, no. 4 (1994), 530.

⁴⁰² N Nattrass (1994), "Economic Restructuring in South Africa: The Debate Continues," 521-30.

⁴⁰³ John Sender, "Economic Restructuring in South Africa: Reactionary Rhetoric Prevails," in *Journal of Southern African Studies* 20, no. 4 (1994), 540.

⁴⁰⁴ Richard Knight, "South Africa: Economic Policy and Development," www.richardknight.com. Accessed on 30 March 2014.

⁴⁰⁵ Bezuidenhout (2000), "Towards Global Social Movement Unionism?" 10.

the markets to function and determine prices, while the government was happy to restrict its own role to management of the transformation.⁴⁰⁶ “The government’s task in this was to refrain from economic intervention and to concentrate on the necessary adjustments that would create an optimal climate for private investment.”⁴⁰⁷

In 2006 Stephen Gelb challenged the idea that GEAR moved away from the RDP policies to adopt neo-liberal policies.⁴⁰⁸ Rather, GEAR was written, not from a perspective of social transformation, but placed macroeconomic concerns central. These concerns were not new, as the key macroeconomic policies, which were prioritised by GEAR, were already in place in the RDP.⁴⁰⁹ He suggested that GEAR did not fail because it deviated from the RDP, but because policy formulation should not only be inclusive of all stakeholders, but also on the power stakeholders have in the process of both formulation and management of policies. He writes,

Policy is not just about formulation but also about implementation, and policy „voice“ depends not on interest groups having desks in the technocrats’ back office, but on their power, and the principles and positions they advocate. Therefore looking to support a populist whose principles are unclear, in the hope of winning some room in policy, is a risky strategy.⁴¹⁰

There is no simple link between less State intervention (reducing the task of the State to manage transformation – BJP), rising business confidence and increased investment.⁴¹¹ The matter Stephen Gelb highlighted was not simply whether GEAR assisted the government to reach the goals set in the RDP, but whether it is possible to use capitalist strategies to reach social goals –

⁴⁰⁶ Bezuidenhout (2000), “Towards Global Social Movement Unionism?” 9-10.

⁴⁰⁷ Visser (2004), “Shifting RDP into GEAR,” 9.

⁴⁰⁸ Stephen Gelb, “The RDP, GEAR and All That: Reflections Ten Years later,” in *Transformation: Critical Perspectives on Southern Africa*, 62, 2006 (2006), 3. Accessed on 10 May 2016 on www.muse.jhu.edu/article/210426. Gelb wrote “GEAR did not introduce any fundamentally new policies into the macroeconomic policy regime, and a „sharp break“ with the RDP in this sense doesn’t hold.”

⁴⁰⁹ Gelb (2007), “The RDP, GEAR and All That: Reflections Ten Years later,” 2. Gelb wrote, “The standard response to this position from GEAR advocates within the alliance is that all the positions advanced in GEAR are to be found in the RDP. This is correct as far as it goes, since the RDP’s macroeconomic policy section certainly takes a clear stand against macroeconomic profligacy, as was characteristic of all ANC policy statements from 1990. But of course GEAR places the macroeconomic dimension at the centre of policy, as distinct from its position in the RDP, where it was almost an afterthought. But more important than the RDP’s formal position on this is, in my view, the fact that the key macroeconomic policies put in place during the RDP’s period of supposed dominance represented positions more commonly associated with GEAR’s so-called „neo-liberalism“.”

⁴¹⁰ Gelb (2007), “The RDP, GEAR and All That: Reflections Ten Years later,” 5.

⁴¹¹ Sender (1994), “Economic Restructuring in South Africa,” 541.

as it happened in the case of the rise of Afrikaner economic power. GEAR seems to be an extension of the RDP-WP in that it represented a growing distance between the government and the economic representatives of the people, and in that it weakened the government's control over the economy. It went further by focusing on the need for private investment to follow on initial public investment.

With this in mind the government announced a third programme in 2006, known as the "Accelerated and Shared Growth Initiative for South Africa (AsgiSA)" The primary difference between GEAR and AsgiSA is to be found in the alliance the government formed with its stakeholders during the formulation thereof.

2.4.5 The Accelerated and Shared Growth Initiative for South Africa

AsgiSA was meant to further assist with the implementation of strategies for sustainable growth, not as a government policy but as a social contract between the State and the private sector.⁴¹² It aimed at making sure unemployment and poverty were halved in the country by 2014.⁴¹³ The target was quantified by bringing unemployment down to less than 15%.⁴¹⁴ This programme was in line with the country's premier social objectives of creating jobs, and the target of the Millennium Development Goals to half poverty by 2015.⁴¹⁵ It was built on the conviction that the economy did improve in its capacity to create employment opportunities.⁴¹⁶ In spite of the improved capacity, as it is called by Mlambo-Ngcuka the then vice-president, the government acknowledged the inability of the post-*apartheid* governments to address inequality and poverty. Arguing from his well-known two economies theory Pres. Thabo Mbeki described the aim of AsgiSA as,

.... [To] end the „third world economy“s underdevelopment and marginalisation...[This] will require sustained government intervention [and] resource transfers ... include[ing] education and training, capital for

⁴¹² Phumzile Mhlamo-Ngcuka, "Media Briefing by Deputy President Phumzile Mlambo-Ngcuka - 6 February," news release, 2006,12.

⁴¹³ Mlambo-Ngcuka (2006), Asgisa, 1.

⁴¹⁴ Mlambo-Ngcuka (2006), Asgisa, 1.

⁴¹⁵ Mlambo-Ngcuka (2006), Asgisa, 1.

⁴¹⁶ Mlambo-Ngcuka (2006), Asgisa, 1.

business development and ...social and economic infrastructure, marketing information and appropriate technology.⁴¹⁷

In order to implement a new strategy the government adopted a two phase project. In the first phase the aim was to reach an annual growth rate of 4.5% or higher. In the second phase, between 2010 and 2014, we sought an average growth rate which had to increase to at least 6% of GDP.⁴¹⁸ Mlambo-Ngcuka declared that, “our vision of our development path is a vigorous and inclusive economy where production, products and services are diverse, more value is added to our products and services, costs of production and distribution are reduced, labour is readily absorbed into sustainable employment, and new businesses are encouraged to proliferate and expand.”⁴¹⁹

Addressing inequalities through the leverage of the “first economy” AsgiSA suggested intervention into the so-called second economy.⁴²⁰ For this they proposed increased public expenditure and a focus on Small and Medium Enterprises (SMEs) and broad-based empowerment.⁴²¹ Included in this approach was also a focus on women and youth. Fast tracking women out of the second economy would emphasise areas such as training and development, participation in Small and Medium Enterprises (SMEs), agriculture and creative industries, access to services, and access to finance.⁴²² Support for the youth in communities through advisory centres and programmes of different kinds was envisaged.⁴²³

The logic behind AsgiSA was that as job creation and skills development led to more people sharing in wealth, more people would enter the first economy and neutralise the growing

⁴¹⁷ Pres. Thabo Mbeki quoted in Gelb (2007), “Macroeconomic Policy in South Africa,” 26. The concept of two economies had been much debated. Gelb argued that decreasing the inequality gap between the rich and the poor, and economic freedom of the poor could be enhanced by a more prominent role by middle-class groups in the processes of economic planning and decision making.

⁴¹⁸ Mlambo-Ngcuka (2006), Asgisa, 1.

⁴¹⁹ Mlambo-Ngcuka (2006), Asgisa, 2.

⁴²⁰ AsgiSA was launched in a context of „two disconnected economies“ that existed side by side. See: Gelb (2007), “Macroeconomic Policy in South Africa, From RDP through GEAR to ASGISA” in *At the End of the Rainbow? Social Identity and Welfare State in the New South Africa*, 26-7.

⁴²¹ Mlambo-Ngcuka (2006), Asgisa, 8.

⁴²² Mlambo-Ngcuka (2006), Asgisa, 8.

⁴²³ Mlambo-Ngcuka (2006), Asgisa, 8.

imbalances which resulted from GEAR.⁴²⁴ Announcing the strategy, Mlambo-Ngcuka identified six constraints to the economy's ability to create jobs and redistribute wealth. These were (1) the volatility of the Rand, (2) the cost and efficiency of logistics (distribution), (3) the shortage and cost of labour, (4) barriers to entry and limits to competition and investment opportunities, (5) the regulatory environment restraining the formation, performance, and thus contribution to GDP of SMEs, and (6) deficiencies in State organisation and leadership.⁴²⁵ The response to these constraints was organised in six programmes, i.e. (1) macroeconomic issues, (2) infrastructure programmes, (3) sector investment strategies (or industrial strategies), (4) skills and education initiatives, (5) second economy interventions; and (6) public administration issues.⁴²⁶

The plan was to "boost employment by prioritising tourism and business process outsourcing sectors. Both are labour intensive export sectors with opportunities for small and medium-sized businesses."⁴²⁷ This would be accompanied by a massive expansion of infrastructure and skills development. The planned spending on infrastructure amounted to nearly five percent of GDP per annum over the next 5 years, with a parallel increase in the scale of human resources allocated to skills development and education.⁴²⁸ If job creation was important, developing key skills and education initiatives needed to receive specific attention. The skills needed included professional skills such as engineers and scientists, managers such as financial, personnel and project managers; and skilled technical employees such as artisans and IT technicians.

A new institution foreseen was the Joint Initiative for Priority Skills Acquisition (JIPSA).⁴²⁹ JIPSA's task was described, "to identify urgent skills needs and quick and effective solutions. These solutions may include special training programmes, bringing back retirees or South Africans and Africans working out of Africa, and drawing in new immigrants where necessary."⁴³⁰ JIPSA identified "five priority areas for job creation: engineering (transport, communications, water, energy), urban and regional planning and engineering, artisanal and

⁴²⁴ Batyi (2009), *The Link between Economic Development and Poverty Reduction*, 27.

⁴²⁵ ASGISA (2006), 4-6; Mlambo-Ngcuka (2006), *Asgisa*. 2-4.

⁴²⁶ ASGISA (2006), 6.

⁴²⁷ Gelb (2007), "Macroeconomic Policy in South Africa," 27.

⁴²⁸ Gelb (2007), "Macroeconomic Policy in South Africa," 27.

⁴²⁹ Mlambo-Ngcuka (2006), *Asgisa*. 7.

⁴³⁰ Mlambo-Ngcuka (2006), *Asgisa*, 7-8.

technical skills, notably in infrastructure development, management and planning skills in health and education and finally, mathematics, science and languages in public schooling.”⁴³¹

According to Mlambo-Ngcuka, “The shortfall is due to the policies of the *apartheid* era and the slowness of our education and skills development institutions to catch up with the current acceleration of economic growth.”⁴³² Key measures to address the skills challenge in the educational sphere were: (1) high levels of literacy and numeracy in the lowest grades, (2) double maths and science high school graduates to 50 000 by 2008, (3) an upgraded career guidance programme, (4) extending skills-based education opportunities by upgrading the Further Education and Training colleges, and (5) improving and extending the Adult Basic and Education Training programme.⁴³³

Alberto Behar raised the question whether, “equipping some people with skills will also allow those who remain unskilled to participate in the economy.”⁴³⁴ He argued that while those receiving skills might benefit, unskilled could remain poor and might not be invited to share in “accelerated growth.”⁴³⁵ If the aim was to replace unskilled labour, skills development and training could further marginalise the poor, or those excluded from the training and development opportunities.⁴³⁶ Behar wrote,

Finding that social returns to schooling exceed the private returns, would suggest the poor would benefit from human capital acquisition, even if it’s not them acquiring it. If, on the other hand, education is merely used as a signal of ability, not a generator of it, then there are no productivity effects from schooling. The only people to benefit are those enjoying higher earnings, not the broader economy.⁴³⁷

⁴³¹ Lundahl and Petersson, "Post-Apartheid South Africa: An Economic Success Story?" 20

⁴³² Mlambo-Ngcuka (2006), *Asgisa*, 7.

⁴³³ Mlambo-Ngcuka (2006), *Asgisa*. 7-8.

⁴³⁴ Alberto Behar, “Asgisa and Jipsa: Will Those Who Remain Unskilled Also Get to Share?” in *Accelerated and Shared Growth in South Africa: Determinants, Constraints and Opportunities* (Johannesburg: DPRU/TIPS, 2006), 20.

⁴³⁵ Behar (2006), “Asgisa and Jipsa,” 20.

⁴³⁶ Behar (2006), “Asgisa and Jipsa,” 20-1.

⁴³⁷ Behar (2006), “Asgisa and Jipsa,” 3.

The exclusion would play out in the way the workplace is structured and organised for the skilled workers. Behar wrote,

the directed technical change literature says skills make it profitable to develop technologies that benefit skilled workers and not the unskilled. This suggests the poor might be harmed by a rise in skill supply.⁴³⁸

He identifies three areas in the betterment of skills which can have positive or negative employment and/or wage implications for those who remain unskilled.

The first is potential complementarities in a given production process. The second is positive schooling externalities, which could manifest themselves as improvements in total factor productivity. The third is the directed technical change literature, where a rise in the skill supply can foster skill-biased technological change.⁴³⁹

While Behar offered a valid critique, the solution for the government was to recommit to a socially responsible economy within the global economy. In this commitment, State intervention to promote business activities that could lead to employment and public spending, had to play an important role.⁴⁴⁰

2.4.6 The road travelled since 1994

The RDP had a clear understanding that the economy should serve the realisation of the social wants and needs of the poor and to consolidate freedom. The RDP was set up as a people driven development project (see RDP paragraph 7.1) Consequently the plan created a number of public and social institutions to assist in managing the economy and social structures in South Africa to facilitate labour and community participation (see section 2.4.2). Growth was to be achieved by redistribution. However, the initial social vision of the RDP was quickly compromised in an effort to create an economic plan to support the implementation of the social vision the RDP cast. The RDP-WP tried to steer away from both centralised management of the economy and unfettered liberalised economic activity (see section 2.4.3). In the process the participatory role

⁴³⁸ Behar (2006), "Asgisa and Jipsa," 3.

⁴³⁹ Behar (2006), "Asgisa and Jipsa," 3.

⁴⁴⁰ Lundahl and Petersson, "Post-Apartheid South Africa: An Economic Success Story?" 23

of the poor was sacrificed. GEAR, which followed shortly after the publication of the RDP-WP was an effort to implement capitalist strategies to realise the social vision (see section 2.4.4). The result was a move towards neo-liberalism. AsgiSA attempted to return to the participatory model by focusing on job creation and education (see section 2.4.5).

Neither GEAR, nor AsgiSA could support the new socio-economic vision that was formulated in the RDP. In 2011 AsgiSA was followed by the National Development plan (NDP) with the aim to eradicate poverty and reduce inequality by 2030.⁴⁴¹ The aim was to reduce the number of households with an income of less than R419.00 per month (2009 prices) to 0%, and a fall of the GINI-coefficient from 0, 69 to 0, 6.⁴⁴² In the conclusion executive summary the aim of the plan was summarised as follows.

To make meaningful, rapid and sustained progress in reducing poverty and inequality over the next two decades, South Africa needs to fix the future, starting today. This plan outlines a new development approach that seeks to involve communities, youth, workers, the unemployed and business in partnership with a capable State. The aim is to develop the capabilities of individuals and of the country, creating opportunities for all. Critically, the plan emphasises the urgent need to make faster progress on several fronts to sustainably reduce poverty and inequality.⁴⁴³

This goal did not differ fundamentally from any of the previous programmes. Through both GEAR and AsgiSA the post-*apartheid* government attempted to facilitate redistribution through job creation, and then positioned job creation in the context of an economy structured according to neo-liberal principles. The reason for this, I propose, was the implicit acceptance that growth would lead to development, and that acquiring material means would lead to the satisfaction of social wants of the people.

⁴⁴¹ National Planning Commission, *National Development Plan 2030 - Executive Summary*, ed. Department of the Presidency (Pretoria 2011), 24.

⁴⁴² National Development Plan, (2011), 24.

⁴⁴³ National Development Plan, (2011), 51.

2.5 Conclusion

This chapter attempts to contextualise the study within South African economic history. The development of a modern capitalist economy in South Africa began with the discovery of minerals in Kimberley, the Witwatersrand and elsewhere (see section 2.2). It led to the loss of land and the commodification of labour. The loss of land and the commodification of labour were fundamentally linked, as discussed in section 2.2, to the impact of the Native Land Act Law 27 of 1913. It was as much a strategy to consolidate African land and manage landownership by blacks as to ensure cheap labour. The era was characterised by the monopoly of British capital associated with the mines and the support they received from governments who took on the responsibility of supplying cheap labour.⁴⁴⁴ This era ended with conflict and industrial action on the mines. To ensure the freedom of the white workers, the State intervened with legislated job reservation and the creation of State enterprises to provide jobs for white workers. These discriminatory strategies subjected blacks to whites and led to the economic development of whites through black labour.⁴⁴⁵

During the 1930s the AB in partnership with the Afrikaner churches and the support of the government accepted the challenge to develop the poor white population (see section 2.3.1). The first phase was the social development of the poor. In this phase education, training, job creation and urban housing were key strategies. The second phase was economic development whereby capitalist strategies were employed such as savings and investment programmes by the government (see section 2.3.2) The two aspects were closely linked and there is evidence that this only began to change during the late 1960s and 1970. Eventually, from the 1970s the Nationalist project was subjected to financial and economic interests. A strong business elite developed that was able to negotiate political transfer of power, while the middle-class was left with the responsibility for the poor and upholding Afrikaner culture (see section 2.3.3).

After political freedom was won in 1994, the new ANC government developed a social vision for the country. It was immediately followed by a series of economic plans to achieve this goal.

⁴⁴⁴ J Nattrass (1981), *The South African Economy, Its Growth and Change*, 67.

⁴⁴⁵ Marais (1998), *Limits to Change*. 10.

These, however, were built on neo-liberal strategies of structural adjustments while social development such as education and training, housing, and social services were being neglected (see section 2.4.6). As a result, a black elite developed and the gap between the rich and the poor grew.⁴⁴⁶ This led to increased unemployment and poverty, and since 2008, widespread political unrest.

Thus, the feeling of being treated in an unjust way and not being free is still a reality for many black South Africans. The post-*apartheid* government had to achieve a sense of freedom by creating a more equal and just distribution of livelihoods and opportunities for black communities and citizens. They had to mediate the expectations of the black communities, the need for economic growth, and the realities of global markets. Their task was to consolidate both political and economic freedom (see section 2.4.1).

The next chapter will explore the relationship between freedom and the economy through the work of economic historian, Karl Polanyi, outlining his quest for freedom in the face of rising fascism during the 1940s. The economic roots of the loss of freedom through the separation of community from the economy will be discussed as well as his theory concerning the upholding of freedom through an alternative understanding of what “economic” means.

⁴⁴⁶ Moeletsi Mbeki, *Architects of Poverty. Why African Capitalism Needs Changing*. (Johannesburg: Picador Africa, 2009), 98-100.

Chapter 3

Freedom and socially-embedded economics

3.1 Introduction

Karl Polanyi's deep concern for human beings and human life took him on a journey to understand freedom in a complex society. Polanyi argued that freedom is not primarily economic, but moral and religious.⁴⁴⁷ His point of departure was that the supreme aim of human beings is not, "economic progress and welfare, but peace and freedom."⁴⁴⁸ This does not regard economic activity as unimportant, but requires that the economy is subjected to institutions that protect society and social relations. Freedom could be lost if the economic rationality focused on scarcity and not on abundance, on competition and not distribution, material ends and not social wants.⁴⁴⁹ Freedom, Polanyi would argue, hinges on the relationship between the economy and human life, or economy and community. Jens Beckert wrote,

In *The Great Transformation* Polanyi did not aim to understand the functioning of market exchange in order to explain the social preconditions for market efficiency; he was concerned with what happens to social order and political freedom when economic exchange is organized chiefly through self-regulating markets. This unease is evident throughout *The Great Transformation*, but is most directly stated in the last chapter of the book.⁴⁵⁰

Polanyi described the relationship between the economy and human life in ancient societies as embedded. He argued that until the beginning of the nineteenth century the economy was embedded in the social relations of the time. In these societies the primary objective, that

⁴⁴⁷ Polanyi (1944), *The Great Transformation*, 267.

⁴⁴⁸ Polanyi (1977), *The Livelihood of Man*, xlv.

⁴⁴⁹ Polanyi (1977), *The Livelihood of Man*, 13-4.

⁴⁵⁰ Beckert (2006), "Interpenetration versus Embeddedness," 17.

determined behaviour, was not gain but social cohesion.⁴⁵¹ The rise of the self-regulating market during the nineteenth century changed this relationship fundamentally. He argued that the self-regulating market subjected society to impersonal market processes, and thus disembedded the economy from social relations.⁴⁵² At the beginning of the twentieth century the world system built on the concept of the self-regulating market collapsed, and in the subsequent turmoil freedom was lost.⁴⁵³

This chapter will describe Polanyi's view of the relationship between the community and the economy, and how freedom was lost, but could be upheld in a complex society. The chapter will also consider two notions that seem fundamental to Polanyi's understanding of the relationship between the economy and community. The first is the concept of "embeddedness". The second is the meaning of the concept "economic."

3.2 The loss of freedom

Polanyi considered the creation of the self-regulating market as an English creation.⁴⁵⁴ Therefore he turned to the economic history of Britain to explain how the economy was disembedded from society and threatened to alienate people from one another and from the environment in which they live. He concluded that the threat to human society had its origins in the commodification of land, labour, and money.⁴⁵⁵ The process began with the land enclosure in England of the Tudor period. That event illustrated the disastrous effects of unregulated economic development on the masses.⁴⁵⁶

The threat was not the enclosure itself but the fact that incorporation of cottage land into the large agricultural units, and the loss of rights in the commons "undermined their social security" and their ability to provide for their own livelihood.⁴⁵⁷ Previously the commoners were

⁴⁵¹ Polanyi (1944), *The Great Transformation*, 48.

⁴⁵² Polanyi (1944), *The Great Transformation*, 72 .

⁴⁵³ Polanyi (1944), *The Great Transformation*, 3.

⁴⁵⁴ Polanyi (1944), *The Great Transformation*, 32.

⁴⁵⁵ Polanyi (1944), *The Great Transformation*, 44. See also 74-5.

⁴⁵⁶ Polanyi (1944), *The Great Transformation*, 36. See Chapter 3 for Polanyi's interpretation of the history of land enclosures in England.

⁴⁵⁷ Polanyi (1944), *The Great Transformation*, 96.

dependent on the “commons” to produce food for themselves through the growing of vegetables and tending to their live-stock on the commons. To ensure the availability of livelihoods for the non-land owning population, landowners and the owners of the means of production had to increase production.⁴⁵⁸

They responded by introducing the machine into production processes. Not only was the machines and tools expensive, but they also had to hire labourers to operate the machines. Processing the raw material to produce products was expensive. The cost of production could only be countered by the increase of production to effect more transactions. That would only be feasible when certain conditions could be met. First, they needed to be certain that the products could be sold (the need for new markets). Second, they needed to be certain that the necessary raw materials and energy sources to drive the machines could be provided without interruption to the production process. To facilitate these transactions, markets for raw material or land, and a market for money was created.⁴⁵⁹ The third factor to ensure on-going production was the availability of labour. The availability of labour was guaranteed by the creation of a labour market.⁴⁶⁰

What followed was a “revolution of the rich against the poor”. It disrupted non-contractual social relations, destroyed habitation, and created poverty.⁴⁶¹ Through industrialisation the skilled labour of crafters, who in the past processed raw material for production, was replaced by the machine, and with it by unschooled labour. While the crafters struggled to maintain their habitation, survival, and ultimately their dignity, the rich landowner could drive development for private gain by employing machines and cheap labour.⁴⁶² With the destruction of habitation the crafters also had to enter the labour market. Skilful artisans and unskilled labour now competed with one another to sell their labour at a price determined by the market. The social security provided to the crafters through social organisation in guilds was lost. The commodification of

⁴⁵⁸ Polanyi (1944), *The Great Transformation*, 96.

⁴⁵⁹ Polanyi (1944), *The Great Transformation*, 75.

⁴⁶⁰ Polanyi (1944), *The Great Transformation*, 43.

⁴⁶¹ Polanyi (1944), *The Great Transformation*, 37.

⁴⁶² Polanyi (1944), *The Great Transformation*, 43-4 (for the impact of the machine on society) and 135 (for the impact of the Industrial Revolution on society).

labour threatened to destroy human life and relations which were based on the Christian notion of responsibility for one another. It caused the phenomenon of poverty, and ultimately increased fear and uncertainty.⁴⁶³ The “almost miraculous improvement in the tools of production was accompanied by a catastrophic dislocation of the lives of the common people.”⁴⁶⁴

At the same time a consumer sector developed as an interdependent network between the merchant and the public. The merchant was dependent on the public to buy the products at a profit to the merchant to enable the merchant to buy new products from the producers. The public, or consumer, was dependent on the merchant for labour and thus wages that would enable them to enter into transactions with the merchants.⁴⁶⁵ The motive for economising behaviour changed from non-economic motives such as honour or the cohesion and safety of the community to the formal economic motive of private gain.⁴⁶⁶

Social relations were now replaced, controlled, regulated, and directed by contracts. The markets determined the contracts through the control of prices, which controlled production through the self-regulating supply and demand mechanism.⁴⁶⁷ The relationship between the economy and human life was fundamentally altered by the establishment of contractual relations as the prime factor that determines behaviour.⁴⁶⁸

Polanyi explains that contractual organisation of human life destroyed the social factors that determined behaviour on the basis of non-contractual relations. Institutions such as kinship, neighbourhood and profession, claimed the allegiance of the individual and is described by Polanyi as non-contractual.⁴⁶⁹ These relationships restrain the freedom of an individual in relationship because these non-contractual relationships determined the distribution process. It also prevented the self-regulating market to determine prices and the distribution of goods

⁴⁶³ Polanyi (1944), *The Great Transformation*, 76. The point was made by Polanyi that human community faced all kinds of peril, and that even capitalist business was not safe against the self-regulating market and its price mechanism.

⁴⁶⁴ Polanyi (1944), *The Great Transformation*, 35.

⁴⁶⁵ Polanyi (1944), *The Great Transformation*, 43.

⁴⁶⁶ Polanyi (1944), *The Great Transformation*, 44.

⁴⁶⁷ Polanyi (1944), *The Great Transformation*, 71.

⁴⁶⁸ Polanyi (1944), *The Great Transformation*, 71.

⁴⁶⁹ Polanyi (1944), *The Great Transformation*, 171.

through a supply and demand mechanism.⁴⁷⁰ In a market society freedom was no longer subjected to social relations; instead freedom was now defined and limited by the self-regulating market, and depended on non-intervention in the price-making processes. The self-regulating market redefined freedom because freedom flows from the expectation that human beings are free to behave in such a way as to achieve maximum material gains.⁴⁷¹

But the real consequence of establishment of a free labour market was the repeal of the so-called Speenhamland laws, when the Reform Poor Laws were introduced in England in 1834.⁴⁷² The Speenhamland laws of 1795 were introduced to protect the poor. The Speenhamland laws institutionalised responsibility towards one another.⁴⁷³ These new laws were enacted to liberate the movement of people to allow them to seek jobs in the industrial towns and cities.⁴⁷⁴ That created an oversupply of labour, removed the protection of social relations and initiated processes that led to increased poverty or the pauperisation of the masses.⁴⁷⁵ For many freedom was lost because they had no other option than to bow to “secular perdition,” or to conform to the self-regulating market.⁴⁷⁶ They had either to risk their own survival or to subject themselves wittingly to unfreedom and to suffering, illness, famine, and a disrupted moral system.⁴⁷⁷ Polanyi describes the consequences of these new laws as “psychological torture” that was “coolly advocated and smoothly put into practice.”⁴⁷⁸

The new laws created a new pattern of behaviour, namely the denial of responsibility on the part of the well-to-do for the condition of their fellows.⁴⁷⁹ This new pattern was driven by a profit

⁴⁷⁰ Polanyi (1944), *The Great Transformation*, 171.

⁴⁷¹ Polanyi (1944), *The Great Transformation*, 257.

⁴⁷² Polanyi (1944), *The Great Transformation*, 86.

⁴⁷³ Polanyi (1944), *The Great Transformation*, 93.

⁴⁷⁴ Polanyi (1944), *The Great Transformation*, 87.

⁴⁷⁵ Polanyi (1944), *The Great Transformation*, 86.

⁴⁷⁶ Polanyi (1944), *The Great Transformation*, 88.

⁴⁷⁷ Polanyi (1944), *The Great Transformation*, 87. Polanyi described the effect of the repealing of the Speenhamland laws as follows: “If Speenhamland had prevented the emergence of a working class, now the labouring poor were being formed into such a class by the pressure of an unfeeling mechanism. If under Speenhamland the people had been taken care of as none too precious beasts deserved to be, now they were expected to take care of themselves with all the odds against them. If Speenhamland meant the snug misery of degradation, now the labouring man was homeless in society.”

⁴⁷⁸ Polanyi (1944), *The Great Transformation*, 87.

⁴⁷⁹ Polanyi (1944), *The Great Transformation*, 106.

motive that brought with it a new form of competition that could only be solved by self-regulating prices. Because production and distribution were determined by the market, through the price-making mechanism, producers could deny any involvement in setting prices, and thus any responsibility towards society or its members. It meant that the producers' responsibility ends when their products reach the market.⁴⁸⁰ Through market forces such as competition and scarcity it was left to the dynamic of the self-regulating markets to accept responsibility for fellow human beings.

Abandoning the (Christian) principle of responsibility for one another and accepting the privilege of economic interests over non-contractual relations meant that human community was redefined in terms of class or two nations.⁴⁸¹ One nation, or class, consisted of landowners and employers. This class was free, since it had the power of influence. This group controlled production and prices for their own benefit, and accumulated wealth at will. Polanyi would argue that this class of landowners and employers had power over the self-regulating market therefore the market was not a natural process.⁴⁸² The other class consisted of workers and the growing number of poor.⁴⁸³ The control of the means of production by the landowners and employers led to a totally new and previously unknown phenomenon: poverty.⁴⁸⁴ Social thinkers were caught off-guard by the extent to which the market society alienated human beings from one another. It was especially puzzling that the greatest number of poor was not in undeveloped countries but in England with its wealth.⁴⁸⁵ The increasing wealth of some had as an inescapable consequence: immense poverty.⁴⁸⁶ For many "[P]overty was nature surviving in society ..."⁴⁸⁷ which underlined the struggle of human beings in society, or in a context where relations were contractual and distant.

⁴⁸⁰ Polanyi (1944), *The Great Transformation*, 106.

⁴⁸¹ Polanyi (1944), *The Great Transformation*, 106.

⁴⁸² Polanyi (1944), *The Great Transformation*, 145.

⁴⁸³ Polanyi (1944), *The Great Transformation*, 145.

⁴⁸⁴ Polanyi (1944), *The Great Transformation*, 108.

⁴⁸⁵ Polanyi (1944), *The Great Transformation*, 108.

⁴⁸⁶ Polanyi (1944), *The Great Transformation*, 106.

⁴⁸⁷ Polanyi (1944), *The Great Transformation*, 88.

Thus, for many their freedom was lost because social protection *via* non-contractual relations and the idea of economic determinism were irreconcilable.⁴⁸⁸ Economic determinism structured freedom as non-interventionist, because it assumed that the market operated in a natural way to determine prices. It is unnecessary, even unjustifiable, to allow any outside factors to influence the operations of the market.⁴⁸⁹ Thus economic relations determined the direction, priorities, and values functioning in society. Through the commodification of land, labour and money those with powerful economic interests, and those who would benefit from these interests, secured the power to control human activity, including the organisation of social relations between human beings.⁴⁹⁰ Economic interests led to the alienation of the members of society, and organised society as contractual relations between two classes, between producers and customers, between owners and workers, and between sellers and buyers.⁴⁹¹ These contractual relations were, however, not equal.⁴⁹² Thus inequality became the new relational pattern that defined community. A similar pattern, with similar results, happened in South Africa after the discovery of minerals (see section 2.2 above).

The new understanding of freedom negated any advantages of social institutions that protected society against economic determinism, and the resultant inequality and unfreedom. Thus, Polanyi argued that the loss of freedom was an economic matter, and therefore only possible if personal liberty was limited and social intervention in the economy was accepted. This discovery represented the paradox of freedom.

3.3 The rediscovery of freedom

The paradox of freedom recognises the complexity of social relations that protect human beings from hunger and exploitation. To create social relations that could protect human beings it is

⁴⁸⁸ Polanyi (1944), *The Great Transformation*, 263.

⁴⁸⁹ Polanyi (1944), *The Great Transformation*, 44 and 263. The latter gave a perspective on the freedom of individual persons and their responsibility towards one another.

⁴⁹⁰ Polanyi (1944), *The Great Transformation*, 47. Polanyi also wrote that part of human life, and of the freedom that was lost due to commodification, was the right to non-conformity, or the “right to follow his conscience without fear.”

⁴⁹¹ Polanyi (1944), *The Great Transformation*, 47.

⁴⁹² Polanyi (1944), *The Great Transformation*, 47.

necessary to accept that power and intervention are instruments in building freedom, not limiting freedom. The acceptance of this reality of society, and the necessity to accept that freedom has limits, provides certainty and thus justice to all.

Polanyi argues that neither unrestricted liberty, nor unrestricted State control of the economy could ensure freedom.⁴⁹³ The notion of the paradox of freedom represents the insight that the tendency to polarise capitalism, on the one hand, and fascism and socialism, on the other hand, as economic opposites is false.⁴⁹⁴ The real differences between economic systems of liberty and of intervention is their understanding of freedom, the rejection or acceptance of the paradoxical contradiction inherent to freedom, and their ability to uphold or not to uphold freedom in the light of the reality of power and compulsion.⁴⁹⁵

The mere idea of a society without power and compulsion “leaves no alternative but either to remain faithful to an illusionary idea of freedom and deny the reality of power and compulsion, or to accept that reality and reject the idea of freedom. The first is the liberal's conclusion; the latter the fascist's.”⁴⁹⁶ Socialism and fascism both accept the reality of society and the existence of power and compulsion.⁴⁹⁷ However, fascism rejects freedom and upholds control, while socialism finds the solution to uphold freedom and to justify intervention by embedding freedom in the social relations of a community.⁴⁹⁸ Therefore Polanyi can speak of socialism as a religious and moral necessity that alone provides for a kind of freedom that leads to the fulfilment of the destiny of humankind and of society.⁴⁹⁹ Persons living together in community could determine

⁴⁹³ Karl Polanyi, “The Paradox of Freedom” no 21/10 (Montreal: Karl Polanyi Institute for Political Economy, 1936), 1. In this paper Polanyi argued that the paradox is that freedom is both the problem and the solution of the present crisis. He wrote “that the crisis has arisen out of past efforts of mankind (sic) to achieve more ample freedom” and “that this crisis can find its solution only in the direction of fuller freedom.”

⁴⁹⁴ Polanyi (1944), *The Great Transformation*, 267.

⁴⁹⁵ Polanyi (1944), *The Great Transformation*, 267.

⁴⁹⁶ Polanyi (1944), *The Great Transformation*, 266.

⁴⁹⁷ Polanyi (1944), *The Great Transformation*, 267.

⁴⁹⁸ Polanyi (1944), *The Great Transformation*, 268; Also: Baum (1996), Karl Polanyi on Ethics and Economics. 33.

⁴⁹⁹ Polanyi (1936), “The Paradox of Freedom,” 3. Polanyi wrote that “Socialism does not come by economic or physical necessity. It comes by spiritual necessity (alone). Mankind (sic) may fail (economic or social laws do not exclude this). But then it will perish physically and morally because it has failed spiritually - it has sacrificed its freedom,”

the context of economic activity because the economy is an instituted, and not a natural process. Thus, true freedom is expressed by Polanyi in the concept of person in community.⁵⁰⁰

For Polanyi, the economy is a humanitarian process that manages trading, ensures access to livelihoods, and values labour and creativity as expressions of social relations and of social conscience.⁵⁰¹ It is only community between free individuals that can protect freedom from the powerful influence of the self-regulating market.⁵⁰²

To understand freedom requires answers on two similar but important questions. The first is a choice between liberty and intervention.⁵⁰³ In a world of rapid change the challenge posed is not merely a choice between “freedom and centralisation,” or between “initiative and planning.”⁵⁰⁴ What was at stake was the priority of human interest above a self-regulating market to determine the character and content of economic activity. An economic system built on the premise of profit and wealth, which is obtained through a claim to the liberty to act in self-interest, can never institutionalise freedom, peace or justice.⁵⁰⁵ Such freedom eventually degenerates into a mere advocacy of free enterprise and non-interventionism.⁵⁰⁶ Economic reform requires some kind of intervention in the functioning of the market in order to ensure freedom. This remains one of the challenges of the post-*apartheid* government in South Africa. The need for

⁵⁰⁰ See: Christopher Lind, "How Karl Polanyi's Moral Economy Can Help Religious and Other Social Critics," in *Humanity, Society, and Commitment. On Karl Polanyi*, ed. Kenneth McRobbie (Montreal: Black Rose Books, 1994), 158. Lind, writing on the moral economy of Polanyi, made an important point regarding freedom. He referred to John Macmurray, the philosophical voice of the Christian left that Polanyi joined in Britain. Macmurray, said Lind, preferred the expression “persons in community” above “individual in community” because it emphasises the relational aspect of our existence together above liberal individualism. We can only be free in a network of relations. The term also foregrounds individual responsibility for the community, and the impact of individual choice and ethics on the freedom of others. Politicians, pastors, managers, parents cannot shed the responsibility for the freedom of the community in their private domain. We all have to cope with ethical choices that affect humanity. Piet. J. Naudé, "In Defence of Partisan Justice. What Can African Business Ethics Learn from John Rawls?," in *Sixth Annual Conference of BEN-Africa, Bellville* (BEN-Africa, 2006), 1.

⁵⁰¹ Abraham Rotstein, "Weekend Notes: Conversations with Karl Polanyi," in *Humanity, Society and Commitment: On Karl Polanyi*, ed. Kenneth McRobbie (Montreal: Black Rose Books, 1994), 138.

⁵⁰² See: Karl Polanyi, “Community and Society” No 21/10 (Montreal: Karl Polanyi Institute for Political Economy, 1937), 2.

⁵⁰³ Polanyi (1944), *The Great Transformation*, 267.

⁵⁰⁴ Polanyi (1977), *The Livelihood of Man*, xli.

⁵⁰⁵ Polanyi (1944), *The Great Transformation*, 263.

⁵⁰⁶ Polanyi (1944), *The Great Transformation*, 265.

intervention is an established need, but they were under pressure to liberalise the economy under the promise of greater wealth to redistribute amongst the poor (see section 2.4.6)

The second choice is a choice between understanding being human, as either an economic individual (in the case of liberal capitalism) or as persons in community, which is the socialist proposal.⁵⁰⁷ Polanyi's answer to this question was that the economy should be embedded in social relations because being human means to be a person in community. Persons in community could determine the context of economic activity because the economy is an instituted process that manages trading, ensures access to livelihood, and values labour and creativity as expressions of social relations and of social conscience.⁵⁰⁸

According to Polanyi it is necessary for human beings to understand and accept their own unfreedom in order to respond to their own freedom.⁵⁰⁹ Once "revealed", this burden of conscience cannot be denied. It has to be accepted and it is only in this acceptance that man can begin to reconstruct his life, and initiate the "removal of all removable injustice and unfreedom."⁵¹⁰ Living in community requires the awareness and acceptance of the finiteness and precariousness of human life. To be aware of this reality is to accept responsibility for society and to exercise agency on behalf of the members of society.⁵¹¹ Responsibility and agency allow human beings to not only live in freedom amongst others, but to create "more abundant freedom for all"⁵¹². That, however, requires the acceptance of the existence of power and compulsion, and therefore intervention as the reality of the economy.⁵¹³ Thus freedom is a commitment to a way of life by a society, "who know what the price is and can pay it".⁵¹⁴ Freedom as persons in

⁵⁰⁷ Karl Polanyi, "On Belief in Economic Determinism," in *The Sociological Review* 39, no. 1 (s.a.), 96 and 102. Also: Baum (1996), *Karl Polanyi on Ethics and Economics*. 33.

⁵⁰⁸ See Lind (1994), "Karl Polanyi's Moral Economy," 160.

⁵⁰⁹ Rotstein (1994), "Weekend Notes," 138. According to Rotstein, it was specifically the Lutheran dogma of the Christian Freedom that played a part in the development of Polanyi's ideas concerning freedom. However, Polanyi's understanding of freedom is much closer to that of Reformed theology. Polanyi's early Christian roots are indeed found in the Reformed Church.

⁵¹⁰ Polanyi (1944), *The Great Transformation*, 268.

⁵¹¹ Karl Polanyi, "Economics and Freedom to Shape our World," no 37/04 (Montreal: Karl Polanyi Institute for Political Economy, s.a), 7.

⁵¹² Polanyi (1944), *The Great Transformation*, 268.

⁵¹³ Polanyi (1944), *The Great Transformation*, 268.

⁵¹⁴ See: Polanyi (1936), "The Paradox of Freedom," 3.

community is not merely a group of individuals who live together and on an *ad hoc* basis and shows benevolence to their fellow human beings.⁵¹⁵

For Polanyi there are similarities between the threat to freedom caused by the industrial and technological revolutions. Both contributed to the development of the livelihoods of human beings, yet both let destructive forces loose on human beings and the community.⁵¹⁶ Through the mechanism of the free-market the big corporations would control technology, and would be in a position to promote averageism and conformity.⁵¹⁷ It would not only mean the loss of freedom, but also abandoning individual responsibility towards their community. While technological development keeps the growth of society going, it also brings about the disintegration of the inner-life, and the breakdown of community between human beings.⁵¹⁸ Both threats were about a coercive and compelling power that took over the mind of people.⁵¹⁹ Polanyi described this power as a technical agency, which brings a “type of uncertainty which combines total helplessness with extreme anxiety.”⁵²⁰ Fear is the compelling element in the mind that compels the mind to respond in a prescribed (or conformist) way.⁵²¹ He wrote, “There is no split between those whose freedom is endangered and those [who] endanger it; ... There is no outside enemy. The freedom to be free is undermined from within.”⁵²² Polanyi’s answer to the challenge of technological control was that non-conformity should be institutionalised in order to protect creativity in expressing the wants and feelings of communities, and the courage to challenge

⁵¹⁵ See: Karl Polanyi, “The Auxiliary and Politics,” no 20/22 (Montreal: Karl Polanyi Institute for Political Economy, 1936), 1. In *The Livelihood of Man*, Polanyi wrote, “It is not true, however, that individual acts and attitudes simply add up to create the institutional structures that support the forms of integration”; Polanyi (1977), *The Livelihood of Man*, 37.

⁵¹⁶ Karl Polanyi, “Freedom and Technology,” No 36/09 (Montreal: Karl Polanyi Institute for Political Economy, 1957), 4.

⁵¹⁷ Karl Polanyi, “Freedom in a Complex Society,” No. 37/03. (Montreal: Karl Polanyi Institute for Political Economy, 1957), 7.

⁵¹⁸ Polanyi (1955), “Freedom and Technology,” 8.

⁵¹⁹ Polanyi (1955), “Freedom and Technology,” 3.

⁵²⁰ Polanyi (1955), “Freedom and Technology,” 9.

⁵²¹ Polanyi (1955), “Freedom and Technology,” 4.

⁵²² Polanyi (1955), “Freedom and Technology,” 3.

prevailing ideologies.⁵²³ This answer to challenge prevailing ideologies of unbounded freedom or total dominance is the same – living as persons in relationship.⁵²⁴

The paradox of freedom then is seen in response to two dangers. First there is the danger of political unfreedom caused by the power invested in the elite through industrialisation that promotes an unrestricted rate of progress driven by the price-making markets.⁵²⁵ Second, there is the danger of social disintegration.⁵²⁶ It is part of the paradox of freedom, that freedom requires intervention to control the rate of progress and protect society against disintegration. It is for this reason that socialism is not merely a moral choice, but a religious necessity.⁵²⁷ These threats can only be met by embedding the economy into society, and thus subject the economy to social principles of integration. Thus, embeddedness is the key concept in Polanyi's argument.

3.3.1 Embeddedness as protection against unfreedom

It could be argued that Polanyi's proposal for the economy as a socially-embedded economy is contested because Polanyi did not use the term to describe the economy. Polanyi did, however, refer five times to the notion of "embedded" in *The Great Transformation*, and once in the notes. In this section I will consider these five references in order to gain some insight into the meaning Polanyi attached to embeddedness and how embeddedness could protect humanity against unregulated growth and social disintegration. It will become clear that embeddedness, when correctly understood, represents a key theme in Polanyi's thoughts.

I will begin with the fifth reference. It is one of a series of eight statements that Polanyi made to summarise chapter 4, which dealt with societies and economic systems. With these eight statements Polanyi wanted to illustrate how the economy was previously embedded in social

⁵²³ Polanyi (1955), "Freedom in a Complex Society," 7.

⁵²⁴ Polanyi (1955), "Freedom and Technology," 9.

⁵²⁵ Allen Morris Sievers, *Has Market Capitalism Collapsed? A Critique of Karl Polanyi's New Economics*, Studies in History, Economics and Public Law (New York: AMS Press, 1949 (1968), 354.

⁵²⁶ Sievers (1949), *Has Market Capitalism Collapsed?* 354.

⁵²⁷ Polanyi (1936), "Paradox of Freedom," 3.

relations.⁵²⁸ The eight statements served to illustrate how social sciences had refuted the philosophy of economic liberalism.⁵²⁹ The first four statements dealt with the assertion that the motive of gain is not a natural motive to human beings. The incentive for labour was not gain, but “reciprocity, competition, joy of work, and social approbation.”⁵³⁰ In the fifth statement he stated that human beings are “the same down the ages”.⁵³¹ He made two points. First, he argued that personality development across cultures are fundamentally the same. Second, he argued that there is no reason to assume the motives of nineteenth century human beings were different from people who lived in earlier times.⁵³²

In the sixth of these statements he referred to embeddedness. It read, “Economic systems, as a rule, are embedded in social relations; distribution of material goods is ensured by non-economic motives”.⁵³³ This statement summarised Thurnwald’s description of economic as “a social affair, dealing with a number of persons as parts of an interlocking whole.”⁵³⁴ This is also true for economic activity and the fruit of these activities. Thurnwald was again quoted as saying, “Primitive wealth is not of an economic but of a social nature.”⁵³⁵ Because reciprocity and storage-cum-redistribution form the main principles regulating economic behaviour, Polanyi stated in the seventh statement that “individual food collection for the use of his own person and family does not form part of early man’s life.”⁵³⁶ In the last statement Polanyi concluded that these social modes of economic behaviour apply to both small and primitive, and to large and wealthy empires.⁵³⁷

Polanyi argued that an embedded economy is not built on the biological argument suggesting that it is natural for human beings to barter and to engage in gainful behaviour. An embedded

⁵²⁸ Polanyi (1944), *The Great Transformation*, 279. As support he referred to leading 19th century anthropologists such as Thurnwald, *Economics in Primitive Society*, Oxford University Press (1932), and Mallinowsky, *Agronauts of the Western Pacific*, London, Routledge (1932).

⁵²⁹ Polanyi (1944), *The Great Transformation*, 277.

⁵³⁰ Polanyi (1944), *The Great Transformation*, 277.

⁵³¹ Polanyi (1944), *The Great Transformation*, 278.

⁵³² Polanyi (1944), *The Great Transformation*, 278-9.

⁵³³ Polanyi (1944), *The Great Transformation*, 279.

⁵³⁴ Polanyi (1944), *The Great Transformation*, 279.

⁵³⁵ Polanyi (1944), *The Great Transformation*, 279.

⁵³⁶ Polanyi (1944), *The Great Transformation*, 279.

⁵³⁷ Polanyi (1944), *The Great Transformation*, 280.

economy is built on relational principles such as fairness and accepting responsibility for one another. The drive to act fairly and to accept responsibility is non-economic motives such as honour, the avoidance of shame, and the importance of generosity.⁵³⁸ The economy is a humanitarian process.

The terms embed or embedded also occur in chapter 5 dealing with the evolution of the market pattern. Polanyi described the market pattern as an economic system separate from social relations and principles, which would include responsibility.⁵³⁹ He then stated that this separation between the economic and the political means no less than “the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system.”⁵⁴⁰ Further in the chapter Polanyi argued that economic activity embedded in social relations does not exclude exchange, barter and negotiation.⁵⁴¹ Importantly, in some cultures “truck, barter and exchange” do not apply in economic activities with respect to the “necessities of life” as in the case of food.⁵⁴² It expresses tribal solidarity.⁵⁴³

In the next chapter in *The Great Transformation*, dealing with the self-regulating market and fictitious commodities such as land, labour and money, the term “embedded” was used to describe the motive and structure of labour and productive behaviour as embedded in the general organisation of society. He compared it with the status of land under feudalism during which times land was not part of the organisation of buying and selling. Land was subjected to different rules and regulations that regulated the status of ownership, the use, and the transference of land.⁵⁴⁴ Labour was organised in guilds that regulated production and transactions.⁵⁴⁵

In the last paragraph of chapter 10 in *The Great Transformation* Polanyi concluded that the economic existence of human beings was embedded in human’s social environment, community,

⁵³⁸ Polanyi (1944), *The Great Transformation*, 48-9.

⁵³⁹ Polanyi (1944), *The Great Transformation*, 60

⁵⁴⁰ Polanyi (1944), *The Great Transformation*, 60.

⁵⁴¹ Smith (1776), *The Wealth of Nations*, 15.

⁵⁴² Polanyi (1977), *The Livelihood of Man*, 60 and 66.

⁵⁴³ Polanyi (1977), *The Livelihood of Man*, 60.

⁵⁴⁴ Polanyi (1944), *The Great Transformation*, 73.

⁵⁴⁵ Polanyi (1944), *The Great Transformation*, 73.

and his work.⁵⁴⁶ With the increasing institutionalisation of the division between the economic and the social, these social relations were destroyed. With the advent of a market society, social relations could only be rectified through interference through legislature and policies.⁵⁴⁷

Jens Beckert explained that for Polanyi himself the core meaning of embeddedness was twofold: First, he accepted that intervention through institutional regulations to protect the moral fabric of society against the motive of unrestricted competition and gain was unavoidable.⁵⁴⁸ This institutional anchoring of the economy is characteristic of the types of economic behaviour distinguished by Polanyi: reciprocity, redistribution, house holding, and exchange.⁵⁴⁹ Second, institutional regulations of the economic system should establish a democratic society. Beckert concluded that the reference point of embeddedness is not the economy as such, but “the larger social systems in which all economies are located”.⁵⁵⁰

Since social systems differ from one society to another, embeddedness should not be seen as an economic model or system. Embeddedness provides an analytical framework to answer questions of the impact of economic systems on communities.⁵⁵¹ An analysis through the lens of embeddedness reveals the danger and destructive force of unregulated markets, and emphasises the necessity of social intervention in the economy.⁵⁵² In the Polanyian understanding of embeddedness, the notion protects society against unregulated markets which is not only dangerous and destructive, but also a utopian vision.⁵⁵³

⁵⁴⁶ Polanyi (1944), *The Great Transformation*, 79.

⁵⁴⁷ Polanyi (1944), *The Great Transformation*, 135.

⁵⁴⁸ Beckert (2006), *Interpenetration versus Embeddedness*, 8.

⁵⁴⁹ Beckert (2006), *Interpenetration versus Embeddedness*, 8.

⁵⁵⁰ Beckert (2006), *Interpenetration versus Embeddedness*, 8. Bernard Barber, "All Economies Are 'Embedded': The Career of a Concept, and Beyond," *Social Research* 62, no. 2 (1995), 406.

⁵⁵¹ Beckert (2006), *Interpenetration versus Embeddedness*, 17-8 wrote, “This reading of *The Great Transformation* as a social theory concerned with the question of social integration under conditions of political freedom is now widely accepted in the new economic sociology. Instead, the embeddedness of economic relations is seen as a constitutive element of all economies that can be taken as fact and is only to be discerned through sociological analysis. To the extent that the embeddedness of market exchange is seen as something to be established deliberately, it is the efficiency perspective that dominates. Embeddedness is then reduced to the optimal design of network structures for economic gain or of efficient economic institutions.”

⁵⁵² Beckert (2006), *Interpenetration versus Embeddedness*, 8.

⁵⁵³ Beckert (2006), *Interpenetration versus Embeddedness*, 8.

Furthermore, embeddedness reveals the limitations which a non-interventionist approach to the economy puts on the economy itself. The term “economic” became ambivalent because the use of the term was restricted to refer to markets and gain, and thus it restricted the concept to the ownership of material goods. Such a restriction led to the exclusion of the non-material, yet essential motives from economy.⁵⁵⁴ In order to correct this exclusion and to stress the economic value of non-material motives Polanyi followed on the work carried out by Carl Menger and Max Weber, and distinguished between the formal and the substantive understanding of economic.⁵⁵⁵ This is pertinent in our research since, as I argued in sections 2.4.6 and 2.5 the government of South Africa attempted to drive a substantive understanding of economy with a strategy based on a formal understanding of the economy.

3.3.2 A new understanding of “economic”

A substantive understanding of the economy allows the inclusion of non-economic and non-material motives and wants in the realm of economic.⁵⁵⁶ In a formal understanding it is not only the means that are material. The ends are also material in that they focus on rent (for land), wages (for labour), and money (for produced commodities and services).⁵⁵⁷ The end is ownership and control of material commodities. Polanyi described the formal understanding of economic as follows,

The formal meaning of economic derives from the logical character of the means-ends relationship, as apparent in such words as “economical” or “economizing.” It refers to a definite situation of choice, namely, that between the different uses of means induced by an insufficiency of those means.⁵⁵⁸

The formal meaning of economic finds its main characteristic in logic, and implies a set of rules relating insufficient means to desired ends.⁵⁵⁹ Insufficient means, or the scarcity principle,

⁵⁵⁴ Polanyi (1977), *The Livelihood of Man*, 19.

⁵⁵⁵ Polanyi (1977), *The Livelihood of Man*, 19.

⁵⁵⁶ Karl Polanyi, “The Economy as Instituted Process,” in *Trade and Market in the Early Empires*, ed. Karl Polanyi, Conrad M. Arensberg, and Harry W. Pearson (Chicago: Free Press, 1957), 244.

⁵⁵⁷ Polanyi (1977), “The Economy as Instituted Process,” 247.

⁵⁵⁸ Polanyi (1957), “The Economy as Instituted Process,” 243.

⁵⁵⁹ Polanyi (1957), “The Economy as Instituted Process,” 245.

implies choice and competition, or a supply and demand mechanism. The idea to limit economic to the relationship between scarce material means and material ends, originates from the notion that human beings shape society according to their own wishes through bartering and exchange.⁵⁶⁰ Bartering and exchange are managed by a contractual agreement of no intervention in the processes of distribution and production. The only form of regulation is the self-regulating market with its premise of scarcity, choice and competition.⁵⁶¹ In such a model utility plays a decisive role in determining value, which means that in a formal economy price is determined by the supply and demand mechanism.

Polanyi described the substantive meaning of economic as follows:

[T]he substantive meaning of economic derives from man's *[sic]* dependence for his living upon nature and his fellows. It refers to the interchange with his *[sic]* natural and social environment, in so far as this results *[sic]* in supplying him *[sic]* with the means of material want satisfaction.⁵⁶²

Polanyi explained that the substantive understanding of economic choice may, or may not become a factor in the distribution of the necessary livelihoods. It is possible that the availability can be limited through factors such as insufficient supply, temporary unavailability etc.⁵⁶³ Scarcity is, however, not induced as a rule as it is in the case of the formal meaning of economic.⁵⁶⁴ Choice and price are not forced upon an individual person because of the scarcity of that which he wants. In situations of temporary scarcity of material things, the problem of choice is not solved by power of possession or the ability to buy, but by principles of reciprocity, redistribution or house holding.⁵⁶⁵

Polanyi explained that a human being "survives by virtue of an institutionalized interaction between himself and his natural surroundings. That process is the economy, which supplies him

⁵⁶⁰Polanyi (1944), *The Great Transformation*, 60.

⁵⁶¹ Polanyi (1957), "The Economy as Instituted Process," 245.

⁵⁶² Polanyi (1957), "The Economy as Instituted Process," 243.

⁵⁶³ Polanyi (1977), *The Livelihood of Man*, 247.

⁵⁶⁴ Polanyi (1977), *The Livelihood of Man*, 27.

⁵⁶⁵ Polanyi (1957), "The Economy as Instituted Process," 243.

with the means of satisfying his material wants.”⁵⁶⁶ A substantive understanding of economic focuses on the availability and movement of material means because economic refers to the elements of human life that can only be satisfied by having the appropriate material means. It is important to remember that it is the means, not the want that is material.⁵⁶⁷ The mother’s devotion to her child is a want because she needs material means to satisfy the want to care for the child. These material means could include food, clothing, shelter and toys. Care becomes a substantive economic motive since it can only exist where there is free access to the necessary material livelihoods.⁵⁶⁸ In the formal understanding of economic, the mother’s need to care is not a primary motive in determining production, distribution or price.

The two concepts of a formal and substantive understanding of the economy are unrelated and independent.⁵⁶⁹ Any understanding of *economic* in which these two meanings are joined the substantive is limited by the formal.⁵⁷⁰ That is because the formal itself is limited to price-regulated movement of material means for the purpose of satisfying material needs. Polanyi wrote,

A market society such as ours must find it hard, if not impossible, justly to gauge the limitations of the significance of the economic. For once man’s everyday activities have been organized through markets of various kinds, based on profit motives, determined by competitive attitudes, and governed by a utilitarian value scale, his society becomes an organism that is, in all essential regards, subservient to gainful purposes.⁵⁷¹

This subordination of human life to the economy is a threat to human community and creates an artificial surrounding that requires human life to adapt to the market. Adapting to the market society also threatens meaning and purpose, freedom of conscience, and norms of social justice.⁵⁷² Under an economic determinist system, society is not only influenced by the economic

⁵⁶⁶ Polanyi (1977), *The Livelihood of Man*, 20.

⁵⁶⁷ Polanyi (1977), *The Livelihood of Man*, 20.

⁵⁶⁸ Polanyi (1977), *The Livelihood of Man*, 20.

⁵⁶⁹ Polanyi (1977), *The Livelihood of Man*, 19.

⁵⁷⁰ Polanyi (1977), *The Livelihood of Man*, 20.

⁵⁷¹ Polanyi (1977), *The Livelihood of Man*, xlvi

⁵⁷² Karl Polanyi, “Freedom to Shape Our Social Destiny,” no 37/04 (Montreal: Karl Polanyi Institute for Political Economy, s.a), 3. See page 7 for Polanyi’s description of how such an economy threatens social relations and values.

system but determined by it. This is illustrated in the definition of classes and their rank and position in terms of income.⁵⁷³ Freedom will disappear with economic determinism, Polanyi argues, because the only way to uphold social justice is at the cost of freedom.⁵⁷⁴

The relevancy of this for South Africa should be clear. The mining and industrial development during the nineteenth century set a process in motion that led to the loss of land, the commodification of labour, the destruction of communities and the alienation of people groups and individual persons from one another (see section 2.2). Responses to rectify this through legislation or development processes brought respite for some, but merely heightened the unfreedom of the majority (see section 2.3.2). It was inevitable that society would respond with a counter-movement. This included war, violent strikes, and civil protest. This counter-movement was called a double movement by Polanyi. Social history, he said, is the result of a double movement.⁵⁷⁵

3.4 Community and the double movement

Polanyi argued that when it became clear that liberalism subjected human beings to the self-regulating market, and that it was a growing threat to society, society would respond to protect itself with a counter-movement.⁵⁷⁶ The counter-movement was essentially an intervention in the economic processes, whether through regulation or the rise of a social movement.⁵⁷⁷ While Polanyi interpreted the counter-movement as a set of protective measures, liberal economists maintained that “shortsighted trade unionists, Marxist intellectuals, greedy manufacturers, and reactionary landlords” prevented the self-regulating market from restoring equilibrium.⁵⁷⁸

There are two factors that are important in the development of protective counter-movements. The first factor is the role of class, and the second is the division between the economy and

⁵⁷³ Polanyi (s.a.), “Freedom to Shape Our Social Destiny,” 5.

⁵⁷⁴ Polanyi (s.a.), “Freedom to Shape Our Social Destiny,” 3.

⁵⁷⁵ Polanyi (1944), *The Great Transformation*, 79.

⁵⁷⁶ Polanyi (1944), *The Great Transformation*, 156. This notion of double movement is not a unique Polanyian concept. Others such as Herbert Spencer and William Sumner, Ludwig von Mises and Walter Lippmann offer similar accounts of the double movement.

⁵⁷⁷ Polanyi (1944), *The Great Transformation*, 139.

⁵⁷⁸ Polanyi (1944), *The Great Transformation*, 157.

politics. Class plays an important role in counter-movements. Each class was awarded a specific role on the basis of being part of society together with the other classes, and the needs from society as a whole, but at “one time or another, each social class stood, even if unconsciously, for interests wider than its own.”⁵⁷⁹ The interests of the middle-class correlated with issues of production and employment because of the impact it can have on operational costs, and thus potential profit.⁵⁸⁰ On the other hand, they had no institution to alert them to the dangers involved in the “exploitation of the physical strength of the worker, the destruction of family life, the devastation of neighbourhoods, the destruction of forests, the pollution of rivers, the deterioration of craft standards, the disruption of folkways, and the general degradation of existence including housing and arts, as well as the innumerable forms of private and public life that do not affect profits.”⁵⁸¹ On the land owning aristocracy and the peasantry fell the task of managing the material resources which continued to depend largely on the availability and usage of land and labour. Together with the middle-class they controlled the economic power. The labourers, to a smaller or greater extent, became representatives of the common human interests, and the poor.⁵⁸² They controlled the political power. They would normally initiate the counter-movement as it is improbable that the privileged classes would willingly extend or share their freedom with the lower classes.⁵⁸³

These differentiated roles of the different classes represent the divide between politics and economics which is also an important factor in the development of the counter-movements. This separation of society into a political and economic sector can produce a form of freedom, but does so at the cost of justice and security.⁵⁸⁴ When the economy and politics are separated, freedom becomes the absence of rules and regulations. It shifts power away from the democratic institutions to individuals based on accumulated wealth. In theory prices are determined by a self-regulating market, but Polanyi argues that no market is free from intervention.⁵⁸⁵ Through

⁵⁷⁹ Polanyi (1944), *The Great Transformation*, 139.

⁵⁸⁰ Polanyi (1944), *The Great Transformation*, 139.

⁵⁸¹ Polanyi (1944), *The Great Transformation*, 139.

⁵⁸² Polanyi (1944), *The Great Transformation*, 139.

⁵⁸³ Polanyi (1944), *The Great Transformation*, 262.

⁵⁸⁴ Polanyi (1944), *The Great Transformation*, 263.

⁵⁸⁵ Polanyi (1944), *The Great Transformation*, 85.

the commodification of land and labour, and the scarcity and/or insufficiency of means prices rise, access to necessary livelihoods becomes impaired, and the freedom of human beings deteriorates.⁵⁸⁶ It either requires a willing re-embedding of the economy into social relations at the expense of the interest of the powerful to restore access to livelihoods for all, or a counter-movement must force the issue for society to shield itself against the threat to freedom and instability.⁵⁸⁷ For Polanyi the double movement is a response to the market society and as such it is not the solution to an economic problem but a response to a social problem that has economic roots.⁵⁸⁸

Polanyi built his argument on four observations that are also applicable to South African history.⁵⁸⁹ First, there is a large variety of matters in which intervention was needed. Many of these problems stem from problems that arose from industrial conditions, or from the “market method of dealing with them.”⁵⁹⁰ Second, the collectivist solutions for many of these problems were often spontaneous and practical.⁵⁹¹ Third, he cited the fact that this support is found in different countries regardless of the difference in prevailing ideologies and the history of governments.⁵⁹² Fourth, he pointed to the fact that it is often the liberals themselves who demand intervention from the State to ensure the space for free trading.⁵⁹³ The support for intervention comes from a community that encompasses people irrespective of their philosophical and theoretical positions regarding the free-market.⁵⁹⁴ It was shown earlier that in the South Africa of the 1970s and 1980s, it was the successful Afrikaans speaking business persons who began to seek for and benefit from more open trade opportunities (see section 2.3.3).

⁵⁸⁶ Polanyi (1944), *The Great Transformation*, 152-6.

⁵⁸⁷ Polanyi (1944), *The Great Transformation*, 138.

⁵⁸⁸ See Polanyi’s argument in Polanyi (s.a.) “Freedom to Shape Our Social Destiny,” 5-7.

⁵⁸⁹ Polanyi (1944), *The Great Transformation*, 152-6.

⁵⁹⁰ Polanyi (1944), *The Great Transformation*, 152-3.

⁵⁹¹ Polanyi (1944), *The Great Transformation*, 153.

⁵⁹² Polanyi (1944), *The Great Transformation*, 153-4.

⁵⁹³ Polanyi (1944), *The Great Transformation*, 154-5.

⁵⁹⁴ Polanyi (1944), *The Great Transformation*, 154-5.

Economic freedom for all requires responsibility, common concern, without antagonistic interests on which standards of life primarily depend.⁵⁹⁵ But freedom is humanitarian in character, and exists only in a community when all members of that community are free to obtain the necessary livelihood, and this freedom is protected by institutions that are based on fairness and mutual responsibility. If these institutions fail, society will protect itself through socially-driven counter-movements which shaped the destiny of human beings.

3.5 Institutions and freedom in a complex society

While recognising and accepting that the limits to the freedom of individuals are important, it is well functioning institutions that provide mechanisms to uphold freedom. Well functioning institutions protect the relationship between economy and community in a society as they embody human meaning and purpose.⁵⁹⁶ Polanyi argued that institutions ensure that, “production and distribution of material goods were embedded in social relations of a non-economic kind.”⁵⁹⁷ Institutional intervention should not be seen as a threat but as protection of the importance of the social relations and the freedom that accompanies it. Polanyi recognised that institutions are always in danger of the abuse of power.⁵⁹⁸ For Polanyi the organisation of power and control was both necessary and dangerous.⁵⁹⁹ The alternative to abuse of power, for Polanyi, was to be found in the understanding of the economy as a process governed by social norms and conventions that are embodied in both formally organised institutions, and in institutionalised behaviour or customs.⁶⁰⁰

The economy implies an instituted process of the movement of the material means either from one location to another, or from one person to another, or a combination for the satisfaction of wants through material means.⁶⁰¹ The fact that the economy is instituted implies that it is not

⁵⁹⁵ Polanyi (s.a.), “Freedom to Shape Our Social Destiny,” 4-5.

⁵⁹⁶ Polanyi (1944), *The Great Transformation*, 262.

⁵⁹⁷ Polanyi (1977), *The Livelihood of Man*, 51.

⁵⁹⁸ Polanyi (1944), *The Great Transformation*, 264.

⁵⁹⁹ Polanyi (1944), *The Great Transformation*, 264.

⁶⁰⁰ Polanyi (1944), *The Great Transformation*, 265.

⁶⁰¹ Polanyi (1977), *The Livelihood of Man*, 31.

natural, and cannot be self-regulating.⁶⁰² Human beings are important role players in this process since it is they who are collectors, growers, carriers, and producers.⁶⁰³ They participate in a sequence of economic and non-economic events that bring the physical, chemical, physiological, psychological and social aspects of being human together.

Institutions should integrate both transaction and appropriation processes according to the social relations and values of the community.⁶⁰⁴ For this integration process Polanyi identified what he called institutional patterns.⁶⁰⁵ These patterns are symmetry, centrality, autarchy, and markets.⁶⁰⁶ It is not always possible to distinguish between these patterns in an economic process because different patterns could function side by side and on different levels and sectors of a social unit.⁶⁰⁷ These institutional patterns depend on specific institutions to be active. Reciprocity correlates with symmetry, and is institutionalised in processes of gift and counter-gift giving between two parties, individuals, or groups.⁶⁰⁸ The principle of reciprocity works in the context of tribal or family sustenance where good behaviour is rewarded by the enhancement of reputation, and bad behaviour punished by exclusion and shame.⁶⁰⁹ Members of a society, or villages in an area, are paired out or organised in dualities.⁶¹⁰ This pairing out contributes to and facilitates a culture of mutual obligation to sustain the family, tribe or village.⁶¹¹ What is important for Polanyi in this regard is that reciprocity depends on the existence of social community.⁶¹²

Redistribution correlates with centrality, which is institutionalised in the bringing of goods to the centre (i.e. chief, ruler, or administrative body), and the redistribution from the centre to

⁶⁰² Polanyi (1957), "The Economy as Instituted Process," 249.

⁶⁰³ Polanyi (1957), "The Economy as Instituted Process," 240.

⁶⁰⁴ Polanyi (1957), "The Economy as Instituted Process," 249-50.

⁶⁰⁵ Polanyi (1957), "The Economy as Instituted Process," 249-50.

⁶⁰⁶ Polanyi (1944), *The Great Transformation*, 51.

⁶⁰⁷ Polanyi (1944), *The Great Transformation*, 57.

⁶⁰⁸ Polanyi (1977), *The Livelihood of Man*, 42.

⁶⁰⁹ Polanyi (1944), *The Great Transformation*, 48.

⁶¹⁰ Polanyi (1944), *The Great Transformation*, 49.

⁶¹¹ Polanyi (1944), *The Great Transformation*, 49.

⁶¹² Polanyi (1977), *The Livelihood of Man*, 39.

community members.⁶¹³ The pattern of redistribution works in the context of communal life where the gatherer delivers a substantial part of his produce to the headman. This produce is stored and used at communal festivities or in long-distance trade. The produce obtained through trade or received as gifts are redistributed according to the rules of an established centre.⁶¹⁴ Central organisation or administration is politically and economically vital to a pattern of centrality.⁶¹⁵ House holding is the pattern based on the principle of autarchy, or providing for one's self (whether a family, group, or city).⁶¹⁶ Essentially house holding consists in producing and storing for the consumption of the own household or group. The institutional pattern is a closed group, or "small family".⁶¹⁷ Exchange is a form of both reciprocity and redistribution between two persons transacting for the gain for each other.⁶¹⁸ It is supported by the institutional structure which we can call a market or a meeting place for trade.⁶¹⁹

Polanyi should not be understood as arguing that ancient economic structures should be introduced into a modern complex society.⁶²⁰ Rather, he illustrated that in the past economic behaviour was subjected to social interests and structures such as reputation, security, and non-contractual relationships.⁶²¹ To structure a social-embedded economy in a modern society Polanyi used concepts from three sources. These were functional premises, equilibrium economics, and an ethical and humanitarian socialism.⁶²² The concept of functional premises he borrowed from Guild Socialism. It represented the socialist notion of a "conscious and formal control of the economy by workers."⁶²³ Equilibrium economics argues for the maximising of

⁶¹³ Polanyi (1977), *The Livelihood of Man*, 40-1.

⁶¹⁴ Polanyi (1944), *The Great Transformation*, 50.

⁶¹⁵ Polanyi (1977), *The Livelihood of Man*, 41.

⁶¹⁶ Polanyi (1944), *The Great Transformation*, 55; Polanyi (1977), *The Livelihood of Man*, 41.

⁶¹⁷ Polanyi (1944), *The Great Transformation*, 39-40.

⁶¹⁸ Polanyi (1944), *The Great Transformation*, 40.

⁶¹⁹ Polanyi (1944), *The Great Transformation*, 42.

⁶²⁰ Claus Thomasberger, "Fictitious Ideas, Social Facts and the Double Movement," paper presented at the Conference on The legacy of Karl Polanyi (Montreal: Karl Polanyi Institute for Political Economy, 2014), 2.

⁶²¹ Polanyi (1944), *The Great Transformation*, 48.

⁶²² Dale (2010), *Limits of the Market*, loc 447.

⁶²³ Dale (2010), *Limits of the Market*, loc 470.

utility to benefit all.⁶²⁴ Ethical and humanitarian socialism represents his commitment to freedom, responsibility, and social justice.⁶²⁵

A fourth important concept is that of oversight.⁶²⁶ Oversight has to ensure that economic decisions made by the workers are based on both human needs and available resources.⁶²⁷ Polanyi's understanding of the notion of oversight was based on his insights in socialist accounting.⁶²⁸ He argued that the capitalist price mechanism cannot accommodate the cost associated with the social effect and consequences of economic transactions. The cost can be minimised by planning, but the lack of a precise calculation of the social costs, including human need and the hardship of labour, would remain.⁶²⁹ He calls for the development of self-organisation to act as a mechanism for overview. Through self-organisation and self-activity workers and leaders will be able to exercise internal oversight and ensure accountability.⁶³⁰

From these four concepts, Polanyi structured the socialist society in three organisations.⁶³¹ These organisations represent the population, the producers, and the consumers. The population is represented in the commune.⁶³² It handles the issues of common interests such as infrastructure. It will also own the means of production and ensure the maximisation of utility.⁶³³ Under the mandate of the commune private firms will act as semi-independent units to execute day-to-day executive control over the economy.⁶³⁴ The commune can take the form of a "*Rechtstaat*", territorial democratic authority, or a congress.⁶³⁵ The producers' association represents trade

⁶²⁴ Dale (2010), *Limits of the Market*, loc 680.

⁶²⁵ Dale (2010), *Limits of the Market*, loc 1161; In another context Polanyi described the aim of socialism as "an endeavour to make society a distinctively human relationship of persons," In Western Europe this process was associated with Christianity. Polanyi, *The Great Transformation*, 242.

⁶²⁶ Dale (2010), *Limits of the Market*, loc 470.

⁶²⁷ Dale (2010), *Limits of the Market*, loc 469.

⁶²⁸ Dale (2010), *Limits of the Market*, loc 701.

⁶²⁹ Dale (2010), *Limits of the Market*, loc 745.

⁶³⁰ Dale (2010), *Limits of the Market*, loc 745.

⁶³¹ Dale (2010), *Limits of the Market*, loc.780.

⁶³² Dale (2010), *Limits of the Market*, loc 780.

⁶³³ Dale (2010), *Limits of the Market*, loc 802.

⁶³⁴ Dale (2010), *Limits of the Market*, loc 790.

⁶³⁵ Dale (2010), *Limits of the Market*, loc 780.

unions, guilds, workers' counsels, production boards, boards representing specific professions, or a composite of these.⁶³⁶ The consumers' association represents individual consumers.⁶³⁷

Dale explained that planning would be negotiated between these institutions within the parameters guiding the interests and responsibilities represented by each institution. The producer's organisation would bear the technical costs, and aim to keep costs low.⁶³⁸ The consumers' organisations would look for low prices, while the commune would bear the social costs, and thus aim to keep social costs down.⁶³⁹ The commune will have the responsibility to facilitate conflict resolution.⁶⁴⁰ Another example is the agreement on wages. The commune determines the average pay, as well as the minimum and maximum levels of pay. The producers' association and trade unions will then calibrate these and determine the pay at each functional level.⁶⁴¹ In this model of functional socialism Polanyi saw the commune, producers', and consumers' associations as institutions organised to plan, direct, and oversee the economic application of specific patterns of integrating social norms and conventions into economic activity.

To protect human society and its freedom, Polanyi argued for the paradoxical limiting of the freedom of an individual, and for participative and functional socialist institutions based on social norms. Internal oversight cannot be a matter of administrative bureaucrats. It requires transparency and responsibility of both workers and representatives to be informed and to ask questions.⁶⁴² Polanyi argued that for economic transactions to validate community, economic decision making had to be based on a substantive understanding of economic, on internal oversight over the fairness of institutional decision making processes and on the just use of material means to address human want. It is important that individuals should adhere to these

⁶³⁶ Dale (2010), *Limits of the Market*, loc 790.

⁶³⁷ Dale (2010), *Limits of the Market*, loc 790.

⁶³⁸ Dale (2010), *Limits of the Market*, loc 802.

⁶³⁹ Dale (2010), *Limits of the Market*, loc 802.

⁶⁴⁰ Dale (2010), *Limits of the Market*, loc 802.

⁶⁴¹ Dale (2010), *Limits of the Market*, loc 801.

⁶⁴² Dale (2010), *Limits of the Market*, loc 751.

institutions in order to protect society and freedom, therefore organisation of power and control is, in spite of the inherent danger, necessary.⁶⁴³

Polanyi wrote that “freedom finds its institutional expression in the price set on personality, integrity, character, and non-conformity. Freedom depends on the valuation set on civil liberties.”⁶⁴⁴ Again, the relevance for South Africa is clear. Both the economic movement of Afrikaner nationalism (section 2.3.2) and the RDP (section 2.4.2) put a high value on social relations and liberties. Polanyi’s references to Christianity provides us with important clues to understand his vision for society, freedom and justice, but also for his criticism of Christianity and its failure to uphold the freedom of all.⁶⁴⁵

3.6 Karl Polanyi and Christianity

There are three themes that are prominent in both the work of Polanyi and in Reformed theology. First is a social vision of freedom and justice. Second is the virtue of a practical anthropology built on the idea of persons in community. Third is a praxis of responsibility towards one another and nature (land). His interpretation of these concepts derives from Polanyi’s hope for the potential of Christianity to shield communities against the dehumanising individualism of market society, against the atheistic individualism of fascism which is based on resistance against any idea of a dualism of individualism-communal life, and against a division in the relationship of humans and the material world.⁶⁴⁶

Polanyi identified a paradox in Christianity of his time in that it focused on community, but showed an indifference towards society and history. He observed that Christianity was primarily concerned with the relationship of man and God, and as such it was concerned with community, not society.⁶⁴⁷ Christianity considered community as a prime concern in both the Jewish heritage of Christianity, the teaching of Jesus (fatherhood, love of the neighbour etc.) and the doctrines of

⁶⁴³ Dale (2010), *Limits of the Market*, loc 773.

⁶⁴⁴ Polanyi (s.a.) “Freedom to Shape Our Social Destiny,” 8.

⁶⁴⁵ Polanyi (1944), *The Great Transformation*, 268.

⁶⁴⁶ Jordan Bishop, "Karl Polanyi and Christian Socialism: Unlikely Identities," in *Humanity, Society, and Commitment. On Karl Polanyi*, ed. Kenneth McRobbie (Montreal: Black Rose Books, 1994). 164-9.

⁶⁴⁷ Karl Polanyi (1937), “Christianity and Economic Life,” 1-3.

the Reformed tradition. For him community was not synonymous with society. Community describes the network of relationships between human beings.⁶⁴⁸ Society is an aggregate of functional institutions conditioned by geo-physical, technological and other environmental factors.⁶⁴⁹ Economics is concerned with society or the social existence, in which man's needs are satisfied with the help of material goods.⁶⁵⁰ Normally the externalities that condition society do not concern Christians leading to a "spirit of unreality and lack of humility".⁶⁵¹ This lack of concern for the historical contributed to the rise of individualism.⁶⁵²

The conviction that society was shaped by the will and wish of humans initiated the structural changes in society that led to the development of individualism. Polanyi wrote, "(t)he promise and postulate of Jewish-Christian religion of the absoluteness of the freedom of the individual's inner freedom ... has yielded step by step to the complex society engendered by the machine."⁶⁵³ The possibility of renewal is maintained only by acceptance or the knowledge of his situation.⁶⁵⁴ He referred to Robert Owen to explain how Westerners came to the knowledge of their situation and the responsibility that comes with it. He identified three constitutive facts in the consciousness of Western culture as knowledge of death, knowledge of freedom, knowledge of society.⁶⁵⁵ The first, according to Jewish legend, was revealed in the Old Testament story. The second was revealed through the discovery of the uniqueness of the person in the teaching of Jesus as recorded in the New Testament. The third revelation came to us through living in an industrial society.⁶⁵⁶ The challenges posed by an industrial society require adaption in order to

⁶⁴⁸ Karl Polanyi (1937), "Christianity and Economic Life," 2.

⁶⁴⁹ Karl Polanyi (1937), "Christianity and Economic Life," 2-3.

⁶⁵⁰ Karl Polanyi (1937), "Christianity and Economic Life," 1.

⁶⁵¹ Karl Polanyi (1934), "The Auxiliary and Politics", 1. Polanyi added that what prayer can do is "to help us to suffer bad institutions without feeling a wish to change them, or it can give us strength to sacrifice our life in the struggle to change them,"

⁶⁵² Influenced by Robert Owen, Polanyi considered this unwillingness to understand the reality of society as the weakness of Christianity. In the process Christianity contributed to the rise of individualism and to establish the division between the social and political relations in a society and the economic life of that society.

⁶⁵³ Karl Polanyi, "Freedom in a Complex Society," no 37/03 (Montreal: Karl Polanyi Institute for Political Economy, 1957).

⁶⁵⁴ Karl Polanyi (1934), "The Auxiliary and Politics", 1.

⁶⁵⁵ Polanyi (1944), *The Great Transformation*, 267-8.

⁶⁵⁶ Polanyi (1944), *The Great Transformation*, 267-8.

protect the freedom of man.⁶⁵⁷ It is only through living in an industrial society that man developed an in-depth knowledge of society.⁶⁵⁸ Christianity's peril was the temptation to ignore the reality of power by ignoring politics. While Polanyi called upon Christians to be social realists and to accept the necessity of politics, he did not argue for a political theology. He called for a type of Christianity that fundamentally understands its work as complementary to politics and economics.

The temptation for Christianity is to ignore the reality of society by either succumbing to the temptation, or to see the religious and personal (community) as the only reality. However, he remarked that, "it is neither serious nor pious to believe that institutions ought to be altered by prayer."⁶⁵⁹ The reason is simple: "You cannot be outside the mechanism which sets up power".⁶⁶⁰ The denial of reality is the unwillingness to address the systemic issues and to reform institutions. This kind of individualistic rationality promoted individualisation and destroyed social relations. It created a vacuum where social relations should have provided care and protection. The denial of reality and the unwillingness to take responsibility contributed to the loss of freedom. Polanyi therefore concludes that Western Christianity together with liberalism and fascism were the forces of individualisation.⁶⁶¹

Later, in 1957, in the context of the fast developing technological threat, he would describe the challenge as "the core of the human situation is loss of freedom. The machine activated the mass as individuals in market, factory, and union, directing their minds towards the institutional realities on which their lives are dependent. Society became more mechanical and more intensely human at the same time."⁶⁶² Industrial and technological development threatens human community in pursuit of individualism. For Polanyi atheist individualism was human beings proclaiming themselves as God and claim for themselves the right and power to control others as

⁶⁵⁷ Polanyi (1944), *The Great Transformation*, 267-8.

⁶⁵⁸ Polanyi (1944), *The Great Transformation*, 267.

⁶⁵⁹ Polanyi (1934), "The Auxiliary and Politics," 1.

⁶⁶⁰ Polanyi (1934), "The Auxiliary and Politics," 1.

⁶⁶¹ Polanyi (1944), *The Great Transformation*, 133.

⁶⁶² Polanyi (1957), "Freedom in a Complex Society", 2.

commodities.⁶⁶³ Christians are called to resist the destruction and control of human beings by both liberalism and fascism.⁶⁶⁴

This call to Christianity towards a social realism is not a denial of individuality.⁶⁶⁵ Christian individualism is essentially “egalitarian”, asserting the infinite value of the individual person.⁶⁶⁶ The vision Christians hold is a vision of a community of equals, where all are included in the network of social relations, and free to creatively participate in the life of that community.

In his many writings about the role of Christianity in the struggle against fascism this was often highlighted. The primary resource was his understanding of the Christian confession that all human beings are equal and that Christians are therefore compelled to act in the interest of society.⁶⁶⁷ This requires accepting responsibility for one another and the seizing of opportunity as virtues of Christian life. Responsibility and opportunity require agency and resistance or at least a new praxis, which he builds on the choice of Jesus to focus on the poor.⁶⁶⁸ He formulated the Christian task as threefold. First it is to understand the signs of the time.⁶⁶⁹ The second task is to give witness to our willingness to serve God’s will to the good.⁶⁷⁰ Finally, the Christian task is a prophetic task.⁶⁷¹ This task is the task of change. “The change must come in economics. The means must be political. We do not know what may depend on us.”⁶⁷² In the 1930s the threat posed to community and society was that of atheist individualism underlying the philosophy of fascism.⁶⁷³ Essentially fascism sees an impersonal society as the only reality, and the individual has only meaning in relation to society. Such a position is atheist because it means that human

⁶⁶³ Polanyi (1936), “Fascism and Christianity, No 20/25 (Montreal:Karl Polanyi Institute for Political Economy)” 3. Karl Polanyi, “The Essence of Facism,” in *Christianity and the Social Revolution*, ed. J. Lewis, K. Polanyi, and D.K. Kitchin (London: Gollanz, 1935). 168-9.

⁶⁶⁴ Jordan Bishop, “Karl Polanyi and Christian Socialism,” 167.

⁶⁶⁵ Polanyi (1934), “The Auxiliary and Politics,” 1.

⁶⁶⁶ Polanyi (1936), “Fascism and Christianity,” 2.

⁶⁶⁷ Polanyi (1934), “The Auxiliary and Politics,” 1.

⁶⁶⁸ Polanyi (1936), “Fascism and Christianity”, 5.

⁶⁶⁹ Polanyi (1936), “Fascism and Christianity,” 3.

⁶⁷⁰ Polanyi (1936), “Fascism and Christianity,” 3.

⁶⁷¹ Polanyi (1936), “Fascism and Christianity,” 3.

⁶⁷² Polanyi (1936), “Fascism and Christianity,” 3.

⁶⁷³ Karl Polanyi, *The Alternatives - Fascism, Communism, and Christianity*, No 20/22 (Montreal: Karl Polanyi Institute for Political Economy, 1934), 2.

life derives its meaning not from God, but from an impersonal society.⁶⁷⁴ Polanyi stressed the individuality of human beings as an individual in community which is personal and relational.⁶⁷⁵ This character of an individual embedded in social relations does not negate individuality, but reveals individuality as the equality of individuals.⁶⁷⁶ This equality binds human beings into one community and compels them to care for one another.

When compared to the thoughts of John Calvin there is a case to argue that Polanyi's association with the Reformed Church did influence his emphasis on freedom and social relations. Freedom and justice had always been a key theme in Reformed theology. Polanyi built his vision of freedom expressed in community around key concepts of Reformed theology such as community and the equality of human beings.

Polanyi, like Calvin, understood that the freedom of the individual cannot be fulfilled outside community. From this follows for Calvin a Christian ethos and spirituality that focuses on godliness and sacrifice in relation to God, and on justice and righteousness in relation to fellow human beings.⁶⁷⁷ We already saw that for Polanyi, responsibility for the community between human beings, and thus for society, becomes the sign of Christianity. He was not unaware of the importance of personal spirituality to move Christians from individualism to socialism.⁶⁷⁸ Polanyi wrote that "socialism does not come by economic or physical necessity. It comes by spiritual necessity (alone). Mankind [*sic*] may fail (economic or social laws do not exclude this).

⁶⁷⁴ Polanyi (1934), "The Alternatives," 2.

⁶⁷⁵ Lind (1994), "Karl Polanyi's Moral Economy," 158 for a discussion on the way the Christian left and John McMurray spoke about the relationship between an individual and the social network the individual lives and functions in. In an insightful discussion of the relationship between Polanyi and Pope Francis I, Gregory Baum linked this relationship to the concept of personalism of Jacques Maritan and Emmanuel Mounier. Gregory Baum, "Tracing the Affinity between the Social Thought of Karl Polanyi and Pope Francis," paper presented at the 13th International Karl Polanyi Conference - The Enduring Legacy of Karl Polanyi, (Montreal: Karl Polanyi Institute for Political Economy, 6-8 November 2014).

⁶⁷⁶ Lind (1994), "Karl Polanyi's Moral Economy Can Help Religious and Other Social Critics," 168-9.

⁶⁷⁷ B.J. Pieters, "Sacrifice, Reformed Theology, and Economic Structures," in *Journal of Theology for Southern Africa*, no. 147 (2013), 28.

⁶⁷⁸ Polanyi (1934), "The Auxiliary and Politics", 1.

But then it (humanity - BJP) will perish physically and morally because it has failed spiritually - it has sacrificed its freedom.⁶⁷⁹

Also Polanyi's challenge to Reformed theology to engage history was deeply instituted in Reformed theology, if not always in Reformed practice. The Christian calling to service begins at the point where the Christian realises that disengagement from history itself is not an option. Engaging history means engaging the wisdom of tradition and community, and the institution of accepting the equality of all human beings.⁶⁸⁰ Together with their understanding of freedom engaging history forms the basis for the responsibility to continuous reforming of institutions and relationship, and to protect and reflect on the content that gives legitimacy to those institutions.

In the following chapter we will look at the texts of three prominent Reformed scholars in South Africa to explore the potential of Reformed theology to engage history and the challenge of freedom in order to provide a vision for community that could embrace the economic as part of social relations, rather than defining social relations as it happens in a market society.

3.7 Conclusion

This chapter attempted to understand Karl Polanyi's concept of a social-embedded economy and how it could assist in resolving the unfreedom that still exists in post-*apartheid* South Africa.

In section 3.2 I argued that for Polanyi unfreedom has economic roots resulting from the self-regulating market. The self-regulating market creates an abyss between economic and social interests. Two important social factors of production such as land and labour were commodified by being made available on markets regulated by the supply and demand mechanism. The consequence of this was that economic interest, the gathering of material means, gained priority whenever economic and social interests came in conflict. The result was the loss of freedom expressed in the physical dislocation and relational displacement of persons who can only be free in community with others.

⁶⁷⁹ Polanyi (1936), "The Paradox of Freedom", 3.

⁶⁸⁰ D.J. Smit, "Freedom in Belonging?," in *Essays on Being Reformed. Collected Essays 3*, ed. Robert Vosloo, (Stellenbosch: SUN MeDIA, 2009), 135.

What is important in this argument is the fact that embeddedness cannot merely refer to relationships in the economy. In section 3.3.1 I showed that embeddedness refers to a structural difference in which the aim of economic activity is the distribution of material means in order to satisfy the needs and wants of individual persons living in community. This requires a new rationality that looks at the economy as substantive, and thus recognises the validity of non-material needs and wants as valid economic aims (see section 3.3.2). Polanyi warns that ignoring this role of the economy will lead to a disruptive counter-movement as society attempts to correct the one-sided distribution of material goods. The counter-movement is essentially an intervention in the economic processes, whether through regulation or the rise of a social movement. Embeddedness requires not only a new economic rationality, but also a new institutional framework based on customs and the institutional patterns of community (see section 3.4 and 3.5).

In the final section of this chapter, section 3.6, I showed some connections between Polanyi's thoughts and Reformed theology. Reformed theological reflection influenced his social vision which included the need to understand human life as community and not merely as a gathering of individuals, as well as the importance of responsibility towards one another.

Now that the contribution of Polanyi has been considered, we can reformulate the economic problem of the South African government in transforming the economy. There were competing rationalities in the social vision outlined in the RDP and the strategies developed to realise this vision. It was not merely a matter of State intervention or not, but also about the origins and goals of the intervention. In the next chapter we will consider the role of Reformed theology in addressing these competing rationalities and will further explore a Reformed rationality about freedom, justice and the economy.

Chapter 4

Reformed theology and economics

4.1 Introduction

As discussed in the previous chapter, Karl Polanyi argues that freedom hinges on the relationship between economy and society. Events during the nineteenth and early twentieth centuries in Europe altered this relationship. He argues that the emergence of the self-regulating market was the key factor in these events and could only develop because land, labour and money were treated as commodities. This led to the alienation of human beings, and the annihilation of societies and communities. Freedom was lost.

In section 3.6 I indicated how Polanyi was influenced by the work of John Calvin and the Calvinist tradition, specifically his understanding of the freedom of the person in community and the notion that a person's freedom is limited by a responsibility towards others. This chapter will consider the work of three Reformed theologians in South Africa namely, John de Gruchy, from an English Reformed background, Piet Naudé from an Afrikaans Reformed background, and Puleng LenkaBula, an African feminist theologian. The purpose is to identify possible concepts that can be employed to formulate a theological response to the economic roots of the loss of freedom and to develop an economic theology that could protect the freedom that human beings seek. In his text on Reformed theology and economic justice Reformed theologian, Dirkie Smit uses the "vision-virtue-praxis"-matrix.⁶⁸¹ I will begin the chapter with a discussion of this and others texts of Smit in order to employ the matrix when engaging the thoughts of de Gruchy, Naudé and LenkaBula.

⁶⁸¹ Smit (2007), "Reformed Ethics and Economic Justice?" 379-98.

4.2 Reformed theology, freedom and justice

4.2.1 Human life rooted in the justice of God⁶⁸²

In employing the vision-virtue-praxis matrix in his text on “Reformed ethics and economic justice” Smit poses three important questions. Vision asks about the kind of society we dream of.⁶⁸³ Virtue focuses on the kind of people that would live and embody the vision.⁶⁸⁴ Praxis deals with the important question of “What are we to do when we are faced with „specific issues“?”⁶⁸⁵

The first question Smit answers is the question about the kind of society we wish to establish and live in. The Reformed tradition confesses the sovereign rule of God, and is committed to place every aspect of human life under the rule of God. John Leith writes that “every human life is rooted in the intention of God.”⁶⁸⁶ It expresses the conviction that every moment of the lives of every human being has to do with the sovereign God.⁶⁸⁷ It requires that Christians “may and can and should reflect and practise God’s being and acting for humanity.”⁶⁸⁸ It should not be possible for Christians from the Reformed tradition and Reformed theology not to engage history as Polanyi accuses Western Christianity of doing.⁶⁸⁹

This means that a Reformed vision for the kind of community we wish to live in cannot be formulated in abstract terms, because while the rule of God is confessed to be free and just, the absence of justice and fairness is at the heart of the daily experience of life for millions all over the world. The experiences of many South Africans are no different. Thus, when Smit writes that the Reformed experience is “interested in both contextuality and catholicity”, in South Africa

⁶⁸² This is an adaption of words of John Leith. See: Leith (1988), *The Reformed Imperative*. 90.

⁶⁸³ Smit (2007), "Reformed Ethics and Economic Justice?" 381.

⁶⁸⁴ Smit (2007), "Reformed Ethics and Economic Justice?" 385.

⁶⁸⁵ Smit (2007), "Reformed Ethics and Economic Justice?" 392.

⁶⁸⁶ Leith (1988), *The Reformed Imperative*. What the Church has to Say That No One Else Can Say (Philadelphia: Westminster Press), 90.

⁶⁸⁷ Leith (1988), *The Reformed Imperative*. 70.

⁶⁸⁸ Smit (2007), ""...The Doing of the Little Righteousness" - on Justice in Barth's View of the Christian Life," 368.

⁶⁸⁹ Naudé (2010), “Sola Gratia and Restorative Justice,” 142.

during the days of *apartheid* it would mean justice and unity, or transformation and collectivity.⁶⁹⁰

We have seen in chapter 2 how the first democratically elected government addressed this experience through the RDP and subsequent policies. In October 1995 Smit, in spite of the danger of a too close association between Church and State, as exposed in the history of *apartheid*, could affirm the excitement of churches and theologians regarding the ANC government's RDP.⁶⁹¹ He interprets the RDP as a "collective attempt" to transform society through empowerment.⁶⁹² Empowerment requires "meeting the basic needs of the poor, the abolishment of discrimination and redressing past inequities and oppression".⁶⁹³ Thus the question arises as to whether the Reformed tradition indeed has the resources to engage history and to uphold freedom and economic justice. To explore these resources it will be necessary to recall the liberating trajectory in Reformed theology.⁶⁹⁴ The background of Smit's affirmation is not an ideological position, but the Confession of Belhar which Smit calls "our deepest convictions about justice."⁶⁹⁵ The confession of Belhar was formulated in 1982 and adopted as the fourth confessional basis at the 1986 Synod of the Uniting Reformed Church of South Africa in Belhar, a coloured suburb near Cape Town. In the accompanying pastoral letter Belhar is described as a declaration of faith in the face of the atrocities committed under the Nationalist government's policies of *apartheid*, and the theological justification of *apartheid* by the NG Kerk⁶⁹⁶. Smit was one of the principal authors of the document. The Confession states,

We believe that God has revealed himself as the One who wishes to bring about justice and true peace among people; that in a world full of injustice and enmity, He is in a special way the God of the destitute, the poor and the wronged and that He calls his Church to follow Him in this; that he brings justice to the oppressed and gives bread to the hungry that he frees the prisoner and restores sight to the blind; that he supports the downtrodden,

⁶⁹⁰ Dirk J. Smit, "No other motives would give us the right" – Reflections on Contextuality from a Reformed Experience," in *Essays in Public Theology*, ed. Ernst M. Conradie (Stellenbosch, SUN Press, 2007), 177.

⁶⁹¹ Smit (2007), "Reformed Ethics and Economic Justice?" 383.

⁶⁹² Smit (2007), "Reformed Ethics and Economic Justice?" 384.

⁶⁹³ Smit (2007), "Reformed Ethics and Economic Justice?" 384-5.

⁶⁹⁴ J. de Gruchy, "Toward a Reformed Theology of Liberation," 109.

⁶⁹⁵ Smit (2007), "Reformed Ethics and Economic Justice?" 383.

⁶⁹⁶ Cloete and Smit (1984), *„n Oomblik van Waarheid*, 11-13.

protects the stranger, helps orphans and widows and blocks the path of the ungodly; that for Him pure and undefiled religion is to visit the orphans and the widows in their suffering; that he wishes to teach His people to do what is good and to seek the right.⁶⁹⁷

This text reveals that Reformed faith considers any form of suffering caused by political oppression and leading to hunger, imprisonment, and exclusion as an injustice directed against humanity and an insult to Godself. The struggle against economic injustice in Reformed tradition requires an awareness of the importance of the nature of sin that is the temptation to replace God as the God of life, and as the “fountain of all good.”⁶⁹⁸

The source of the resistance against sin, also in its structural dimensions, is found in the righteousness of God and the redeeming work of Christ. John Calvin and other reformers explained God’s work in Christ in juridical terms.⁶⁹⁹ This view is often interpreted as a “penal substitutionary view” of justice, but Calvin insists that this doctrine of atonement has a “pastoral function” that could move believers more deeply in order to appreciate how much they owe to the mercy of God for the freedom they received in Christ.⁷⁰⁰ Calvin wrote,

But as the Lord wills not to destroy in us that which is his own, he still finds something in us which in kindness he can love . . . he had created us for life. Thus, mere gratuitous love prompts Him to receive us in favour.⁷⁰¹

This gift of freedom has a humanist dimension enhancing the cause and well-being of humans.⁷⁰² Freedom frees the Christian to resist any form of injustice. Karl Barth emphasises this, when he

⁶⁹⁷ URCSA (1986), "The Confession of Belhar (1986)," paragraph 4. The synod of the Uniting Reformed Church in Southern Africa (URCSA) adopted the draft Confession of Belhar and its accompanying letter in 1982. The final Afrikaans version was adopted at the 1986 Synod. The 2008 synod of the church declared that the 1986 Afrikaans version is the original source document. The same synod also adopted the English translation that I used as the official English version.

⁶⁹⁸ D.J. Smit, "Justification and Divine Justice?" in *Essays on Being Reformed. Collected Essays 3*, ed. Robert Vosloo (Stellenbosch: SUN Press, 2009), 98.

⁶⁹⁹ Smit, "Justification and Divine Justice?" 93.

⁷⁰⁰ Smit, "Justification and Divine Justice?" 96.

⁷⁰¹ John Calvin, *The Institutes of the Christian Religion (Book 2)*. trans. Henry Beveridge, (Grand Rapids, Michigan: WM B Eerdmans Publishing Company, 1559 (1984)). 163. See also: Smit, "Justification and Divine Justice?" 97.

⁷⁰² Smit (2007), "The Doing of the Little Righteousness," 369.

says (with Calvin) that we “may and could and should rise up and accept responsibility to the utmost of their power for the doing of a little righteousness.”⁷⁰³

Thus, Smit argues that Reformed theology insists that freedom and justice are not only matters of political society and of fairness, but are intrinsic to both the identity and the image of God, and therefore core to the reality of being human and being in community.⁷⁰⁴ The Reformed vision of life is rooted in the justice of God that promises and ensures freedom. Our freedom is moulded by our obedience to Christ, our responsibility to one another, and our courage to resist sin and inequity and to accept sacrifice.⁷⁰⁵ Sacrifice is thus both the source and the outcome of a redeemed social responsibility and mission of the Church. The sacrificial mission of Christ, and the call to self-sacrificing discipleship, or the will to responsibly serve the other, can provide a resource to formulate a more nuanced vision of a social-economic life that recognises economic freedom and justice, and to embrace the sacredness of every human being and natural resource.

Underlying the vision of freedom and justice is the question of virtue, or simply what it means to be human. In addressing the issue of virtue Smit argues within the Reformed tradition, “the kind of people needed” are persons who simultaneously celebrate their freedom while intentionally embodying God’s mercy by “living in togetherness for one another”.⁷⁰⁶ Thus, the kind of “good people” every society needs is people who are rooted in mercy and committed to live according to the patterns of being intentionally just.⁷⁰⁷ The Church is free, but not privileged. The Church is a called community whose freedom is limited within the context of its responsibility to answer the call to obey, follow Christ, and to willingly self-sacrifice if necessary. “It was always the passion of Reformed spirituality to live lives according to God’s will, to continuously reform

⁷⁰³ Smit (2007), “The Doing of the Little Righteousness,” 367.

⁷⁰⁴ Smit (2009), “Freedom in Belonging,” 129.

⁷⁰⁵ Smit (2009), “Freedom in Belonging,” 131.

⁷⁰⁶ Smit (2007), “Reformed Ethics and Economic Justice?” 391. In the article Smit quoted Pieper’s definition of virtue as “the intentional habit that enables people to give to each what is his or hers,” J. Pieper, *The Four Cardinal Virtues* (Notre Dame: University of Notre Dame Press, 1966).

⁷⁰⁷ Smit (2007), “Reformed Ethics and Economic Justice?” 391.

society, church and the lives of the individual believers in accordance with God's revealed Word and will."⁷⁰⁸

Smit stresses the role of the Church as a key to the formation of the kind of people we need.⁷⁰⁹ He writes that such a community of people is formed during a process of worship, consisting of listening (and seeing) and praying.⁷¹⁰ The major formative moment in Reformed tradition is the worship service where the preaching of the Word is crucial.⁷¹¹ He quotes Calvin's words about the role of the Bible, "the Scriptures are not something to look at but rather to look through."⁷¹² "Lenses that refocus what we see into an intelligent pattern and it is primarily in the worship service where we listen to, and hear God's Word which helps us to see properly."⁷¹³ But the Reformed tradition also stresses prayer and action. For this Smit refers to the words of Karl Barth who called prayer "the revolt demanded from them against this disorder and human plight."⁷¹⁴ Christians who have the "freedom to pray that God's kingdom, God self in this act, will appear, and come" cannot abstain from acting in accordance to their prayers.⁷¹⁵

In a conference paper Smit identifies three aspects of a Reformed spirituality.⁷¹⁶ These are knowledge of God (*Faciem Dei Contemplari*), prayer (*Sursum Corda*), and importantly the "love for justice" (*Iustitiae Amor*). Through the concept of the "love of justice" Reformed theology opens ways to understand virtue as the willingness to limit one's own freedom, to self-sacrifice, and to take up the struggle against injustice in solidarity with those excluded from society.⁷¹⁷ An important contribution of the Church toward the formation of a "good society" would be a

⁷⁰⁸ Smit (2007), "Reformed Ethics and Economic Justice?" 385.

⁷⁰⁹ Smit (2007), "Reformed Ethics and Economic Justice?" 387.

⁷¹⁰ See: Smit (2007), "Reformed Ethics and Economic Justice?" 387-8. Smit discussed four aspects of Christian worship. These are subversion or liberation, formation, calling, and community.

⁷¹¹ Dirk J. Smit, "On Learning to See? A Reformed Perspective on the Church and the Poor" in *Essays on Being Reformed. Collected Essays 3*, ed. Robert Vosloo (Stellenbosch: SUN Press, 2009), 486.

⁷¹² Dirk J. Smit, "Worship and Civil Society? Perspectives from a Reformed Tradition," in *Essays on Being Reformed. Collected Essays 3*, ed. Robert Vosloo (Stellenbosch: SUN Press, 2009), 465.

⁷¹³ Smit (2009), "Worship and Civil Society?" 466.

⁷¹⁴ Smit (2007), "The Doing of the Little Righteousness," 362.

⁷¹⁵ Smit (2007), "The Doing of the Little Righteousness," 362-3.

⁷¹⁶ D.J. Smit, "Wie Is Ons? - Oor Ons Gereformeerde Identiteit," paper presented at 6th *Excelsus Spring Conference on 20th September 2011* (Pretoria: Excelsus, 2011), 1.

⁷¹⁷ Smit (2011), "Wie is Ons?" 8.

prophetic witness in the name of Christ, and embodying the values of the Reformed tradition, or being who we are.⁷¹⁸

This prophetic witness should assist the church in its different expressions to answer the question of praxis: How do we decide what to do? However, Smit also recognises that action should not be taken for granted.⁷¹⁹ Indifference is one of the most persistent ethical challenges today.⁷²⁰

Calvin's understanding of freedom to be "indifferent to the indifferent" could indeed give rise to the idea that the Reformed tradition could stand indifferent to the plight of the poor, and that the Reformed tradition could support a theology of retribution.⁷²¹ But Smit describes this as follows,

Christians are free to dissociate themselves from whatever cultural and time-bound context in which they may live, whereby they are liberated both from cultural traditions and customs and liberated for the following of God's truth and God's call⁷²²

For Smit, overcoming indifference is a process of asking questions to understand issues, to understand God's Word and will, and to discern a proper response of obedience.⁷²³

This requires a new way of reading the Bible and doing theology. Smit points out that in the Reformed tradition the "seeing" and understanding the need of others, and the insight to respond appropriately is dependent on the hearing of the Word.⁷²⁴ The Biblical revelation of God as Trinity is built on the discovery that a reading of the biblical text from the perspective of the poor reveals God as the God at the side of those who suffer, who are oppressed and poor.⁷²⁵

Smit affirms Calvin and Barth's call for action that is expressed as obedience, discipleship and willing self-sacrifice. He writes,

⁷¹⁸ Smit (2007), "Reformed Ethics and Economic Justice?" 392.

⁷¹⁹ Smit (2007), "Reformed Ethics and Economic Justice?" 395.

⁷²⁰ Smit (2007), "Reformed Ethics and Economic Justice?" 396.

⁷²¹ Smit (2009), "Freedom in Belonging," 134.

⁷²² Smit (2009), "Freedom in Belonging," 134.

⁷²³ Smit (2007), "Reformed Ethics and Economic Justice?" 395.

⁷²⁴ Smit (2007), "Reformed Ethics and Economic Justice?" 394.

⁷²⁵ See also: Naude (2007), "In Defence of Partisan Justice - An Ethical Reflection," 171.

We can learn to see and to accept needs and challenges of economic justice as our own, as challenges to our own faith, identity and *[sic]* integrity. We can listen as closely as possible to informed people ... We can use our imaginations and our love to envision possible ways of action ... We can listen to others ... We can consult with them ... And we can confess our moral indifference and act, doing what is possible for us to do.⁷²⁶

Moral indifference is not an option for the Reformed Christian. Economic justice is in the first place a matter of faith, and of service to God.⁷²⁷ Behind the Reformed understanding of freedom and justice, lay concepts such as grace and mercy, calling forth responsibility, obedience and courage to follow this mission.⁷²⁸ The freedom human beings receive in Christ provides the vision and energy to become prophetic agents for change in their lives, and to see justice amidst poverty, degradation, and destruction.⁷²⁹

We can summarise that Reformed theology is aware that the reality of the general condition of depravity and human sin, humans are able to cause one another unspeakable suffering. But Reformed theology confesses another reality. The reality of human beings redeemed to build communities that are just, fair and life-giving. Since the loss of freedom has, as Polanyi argued, its roots in economic factors, the vision of Reformed theology should also be expressed in transforming the structural causes of economic injustice. In the next section we will consider the work of de Gruchy, Naudé and LenkaBula using a similar matrix of vision-virtue-praxis to explore ways in which Reformed theology can contribute to this restructuring process. Three observations about Reformed theology and economic justice will guide our discussion. First, Reformed theology stresses the righteousness of God as its only inspiration and cause. As humanists, Christians are “not interested in any cause as such, because they always ask, with regard to every cause, whether and how far it will relatively and provisionally serve or hurt the cause of human beings and their right and worth.”⁷³⁰ Second, Reformed “freedom” is always freedom in community and always freedom under the yoke of being called to serve the poor and

⁷²⁶ Smit (2007), “Reformed Ethics and Economic Justice?” 396.

⁷²⁷ Smit (2007), “Reformed Ethics and Economic Justice?” 382.

⁷²⁸ Smit (2009), “Freedom in Belonging,” 131.

⁷²⁹ Smit (2007), “The Doing of the Little Righteousness,” 366.

⁷³⁰ Smit (2007), “The Doing of the Little Righteousness,” 369.

to live in solidarity with them. Third, pursuing the cause of justice is a matter of discipleship and following Christ is a call to self-sacrifice.

4.2.2 Vision: a free and just world

As we have seen in the Belhar Confession, the Reformed tradition acknowledges that service to God requires upholding the freedom of those who are the poor, the vulnerable and the excluded, against systems that cause immense suffering to them. Service to God compels Christians to gracefully and mercifully intervene to bring about life enhancing conditions for one another. The source of the oppression and suffering is an injustice or unfreedom that is described by the three South African theologians respectively as a structural sin (de Gruchy), a loss of identity (Naudé) and as dehumanisation and destruction (LenkaBula).

De Gruchy writes that the main task of theology and church is to struggle for a world that is just and sustainable⁷³¹. De Gruchy identifies three challenges that liberation theology poses to Reformed theology. First, it challenges Reformed theology to engage the struggle and pain of the marginalised and vulnerable.⁷³² Second, it challenges Reformed theology to commit itself to the transformation of society.⁷³³ Third Reformed theology is itself challenged to develop a new way of doing theology.⁷³⁴ Essentially, this is a challenge to engage the public sphere and communicating a new vision for society that arises from the underside, recognising the structural and personal dimensions of injustice.⁷³⁵ For Reformed theology the challenge is to respond to oppression and suffering while still true to the public theology that is part of its heritage.⁷³⁶

De Gruchy argues that the source of structural sin is human ingratitude that lies behind different expressions of idolatry, greed, and exploitation.⁷³⁷ The struggle against injustice requires an awareness that sin has a socio-structural aspect as there is an important interplay between the

⁷³¹ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 104. De Gruchy spoke of "justice, peace and the integrity of creation."

⁷³² J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 106.

⁷³³ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 106-7.

⁷³⁴ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 107.

⁷³⁵ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 108.

⁷³⁶ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 108.

⁷³⁷ J. de Gruchy (1991), *Liberating Reformed Theology*, 152.

public structural expressions of unfreedom and human depravity.⁷³⁸ De Gruchy argues that structural sin has its expression in the tyranny and terror of individualised “bad religion”, and “the will to order”.⁷³⁹ In the centre of this bad religion is a “self-righteous legalism” that has a skewed interpretation of the Reformed symbols of total depravity and election.⁷⁴⁰ De Gruchy explains that the notion of “total depravity” refers to the way sin affects every aspect of human nature and life.⁷⁴¹ This includes the public and social structures. Understanding sin as such becomes, in Reformed theology, one of the theological foundations of understanding justice. De Gruchy infers two important insights from this. First, the social reality of sin calls for the need for a critical attitude towards power and domination which forms the foundation of the prophetic calling that all believers share.⁷⁴² Second, the social reality of sin requires an awareness that the spiritual and psychological liberation is inseparable from both personal repentance and conversion and from political and social liberation.⁷⁴³

Naudé takes the notion of social-structural sin to argue that the prophetic call means believers have to engage in issues relating to economic justice. Discussing the work of Jon Sobrino, Naudé writes: “Justice concerns itself ... not merely with interpersonal relations, but with structural relations as well. As humans are divided into „oppressor and oppressed“ justice must concretely address the sin of structural economic disparity.”⁷⁴⁴ He identifies the roots of economic disparity in historical movements such as slavery, colonialism, and the development of a global monetary system.⁷⁴⁵ The emergence of the global monetary system since 1870 has created a “global basic structure” that consists of a centre and a periphery.⁷⁴⁶ This division between the centre and

⁷³⁸ For the relationship between “total depravity” and structural expressions of sin see: J. de Gruchy (1991), *Liberating Reformed Theology*, 150-6.

⁷³⁹ See: J. de Gruchy (1991), *Liberating Reformed Theology*, 140-5.

⁷⁴⁰ J. de Gruchy (1991), *Liberating Reformed Theology*, 142.

⁷⁴¹ J. de Gruchy (1991), *Liberating Reformed Theology*, 151.

⁷⁴² J. de Gruchy (1991), *Liberating Reformed Theology*, 155.

⁷⁴³ J. de Gruchy (1991), *Liberating Reformed Theology*, 155.

⁷⁴⁴ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 177.

⁷⁴⁵ Piet J. Naudé, “Human Dignity in Africa” in *Scriptura* 104 (2007), 223.

⁷⁴⁶ Naudé (2007), “Human Dignity in Africa,” 228.

periphery is characterised by inequity and raises the key question of self-worth and identity of Africans.⁷⁴⁷

Naudé argues that the loss of a sense of self-worth identity in Africa results from the impact of structural sin, specifically global structural sin.⁷⁴⁸ The loss of identity has its structural roots in the movements of slavery, colonialism and monetary developments.⁷⁴⁹ Thus for Naudé, material poverty and marginalisation should be addressed by an awareness of restorative justice, which entails both distributive and cultural justice.⁷⁵⁰ This challenges Reformed theology to participate in the formation of new social patterns that affirm human dignity and guide the redistribution of material resources.⁷⁵¹ For Naudé the structural transformation of the globalised socio-economic system requires that the poor nations and peoples receive special attention.⁷⁵² Following Jon Sobrino, Naudé argues that God's reign is stretched over the totality of human relations, all of history, and therefore calls for justice in all human relations.⁷⁵³ We can see that for Naudé justice requires the restoration of both material and cultural positions of the oppressed and the marginalised in order to restore their sense of self-worth and dignity.⁷⁵⁴

LenkaBula describes injustice as dehumanisation, which is the violation of "the humanity and dignity of each person."⁷⁵⁵ She defines it as "dehumanisation of humanity which occurs when their lives are made redundant and disposable through slave-like working conditions, trafficking and slavery, exploitation and marginalisation from creative and constructive participation in the governance of their lives and the earth."⁷⁵⁶ First, she relates dehumanisation with the experience

⁷⁴⁷ See: Naudé (2007), "Human Dignity in Africa," 229

⁷⁴⁸ See: Naudé (2007), "Human Dignity in Africa," 223.

⁷⁴⁹ Naudé (2007), "Human Dignity in Africa, 223.

⁷⁵⁰ See: Naudé (2003), "Sola Gratia and Restorative Justice," 143, and Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 544.

⁷⁵¹ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 544.

⁷⁵² Piet J. Naudé, "Fair Global Trade: A Perspective from Africa," in *Fairness in International Trade*, ed. by Geoff Moore (Dordrecht: Springer, 2010), 111-3.

⁷⁵³ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 177.

⁷⁵⁴ Naudé (2010), "Fair Global Trade: A Perspective from Africa," 113. He wrote that success is not "in the first place material wealth accumulation, but the promotion and restoration of vital force, the life-giving spirit that permeates our existence and the cosmos of which we are a part."

⁷⁵⁵ Puleng LenkaBula, "Poverty, Wealth and Ecology," 2.

⁷⁵⁶ LenkaBula (2009), *Choose Life, Act in Hope*, 23.

of domination expressed in the reality of empire.⁷⁵⁷ A Reformed understanding of the concept of empire is summarised by LenkaBula, in her work on the Accra confession, as

(the) Coming together of economic, cultural, political, and military imperial power that constitutes a system of domination led by powerful nations to protect and defend their own interests and networks that seeks to dominate political power and economic wealth.⁷⁵⁸

The second expression of domination is the experience of women.⁷⁵⁹ The dominated or unfree is not a vague impersonal group. It is women and children who have fallen prey to traffickers, and dominating patriarchs, who suffer first and most because of ecological destruction and economic injustice.⁷⁶⁰ The reality of unfreedom for women is a reality of “the rule of emperor/master/lord/father/husband over his subordinates.”⁷⁶¹ The third expression of domination is ecological domination which is expressed in the alienation of human beings from nature.⁷⁶² Dehumanisation is also the consequence of ignoring the close relatedness of being human and creation, because humans are embedded in a web of life which includes creation, humanity and God.⁷⁶³ For LenkaBula injustice, we can say, is not only dehumanisation, but also the degradation of creation. She writes, “Doing justice in the economy and ecology is to be understood as the active participation in the reign of God and its actual realisation in conveying the message that justice cannot be separated from the role of liberation.”⁷⁶⁴

Freedom is a key concept for any change and transformation as it affirms community, and protects life.⁷⁶⁵ For LenkaBula the freedom of an individual cannot be seen as a freedom outside relationships and outside the web of life. In the contexts of domination justice needs reconciliation to restore freedom.⁷⁶⁶ Reconciliation is a process that could never be an impersonal process. Referring to the post-apartheid South African experience the re-establishment of

⁷⁵⁷ LenkaBula (2009a), *Choose Life, Act in Hope*. 94.

⁷⁵⁸ LenkaBula (2009a), *Choose Life, Act in Hope*. 42.

⁷⁵⁹ LenkaBula (2009a), *Choose Life, Act in Hope*. 95.

⁷⁶⁰ LenkaBula (2009a), *Choose Life, Act in Hope*. 96.

⁷⁶¹ LenkaBula (2009a), *Choose Life, Act in Hope*. 89.

⁷⁶² LenkaBula (2009a), *Choose Life, Act in Hope*. 94.

⁷⁶³ LenkaBula (2008), “Beyond Anthropocentricity,” 380 and 383.

⁷⁶⁴ LenkaBula (2008), “Beyond Anthropocentricity,” 392

⁷⁶⁵ LenkaBula (2009a), *Choose Life, Act in Hope*. 47.

⁷⁶⁶ LenkaBula (2009a), *Choose Life, Act in Hope*. 46.

freedom brings a dialectic situation of happiness and fear, hope and disillusionment.⁷⁶⁷ The source of this experience is the alienation and separation caused by the conflict of *apartheid*. This can only be bridged by restorative justice that exists of “contrition and forgiveness”, or responsibility and acceptance, and neither revenge nor shallow restoration.⁷⁶⁸ Both justice and reconciliation is about sharing resources and about relationships and life together.⁷⁶⁹ Thus justice includes not only forgiveness but also addresses structural injustice on the level of psychological scars, social exclusion and of material disadvantage.⁷⁷⁰ Addressing structural injustice therefore calls for reparations which should “improve the quality of lives of the victims” and would therefore include the requirements of economic or distributive justice.⁷⁷¹

It is now necessary to look closer at the concept of justice in order to understand the concept of distributive justice. In the Reformed tradition, the righteousness of God and the redeeming work of Christ are the sources for a commitment to justice. De Gruchy approaches the notion of justice from two related perspectives. The first is the theological perspective of grace.⁷⁷² The theological foundation for a Reformed understanding of justice must, for de Gruchy, be the concept of “justification by grace” alone.⁷⁷³ The notion of grace challenges the notions of power or domination precisely because in both the reality of sin and in the need for salvation human beings are equal.⁷⁷⁴ The second perspective is that of an affirming Christian humanism.⁷⁷⁵ He writes “that our humanity is always and incurably endangered by our own arrogance and actions, and by our dehumanising of the other. There is something tragic about humanity which is of its

⁷⁶⁷ Puleng LenkaBula, "Justice and Reconciliation in Post-Apartheid South Africa: A South African Woman's Perspective," in *International Review of Mission* 94, no. 372 (2005). 103-4.

⁷⁶⁸ LenkaBula (2005) “Justice and Reconciliation in Post-Apartheid South Africa,” 110-1.

⁷⁶⁹ Puleng LenkaBula, "Economic Globalisation, Ecumenical Theologies and Ethics of Justice in the Twenty-First Century," in *Missionalia* 38, no. 1 (2010), 115.

⁷⁷⁰ See: LenkaBula (2005), Justice and Reconciliation in Post-Apartheid South Africa,” 114.

⁷⁷¹ LenkaBula (2010), "Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 113.

⁷⁷² J. de Gruchy (1991), *Liberating Reformed Theology*, 161 (see the whole section from 156-166).

⁷⁷³ J. de Gruchy (1991), *Liberating Reformed Theology*, 165.

⁷⁷⁴ J. de Gruchy (1991), *Liberating Reformed Theology*, 162. De Gruchy mentioned the “dehumanizing power of self-made idolatry.”

⁷⁷⁵ John W. de Gruchy, *Being Human. Confessions of a Christian Humanist* (Minneapolis: Fortress Press, 2006), 31-2.

own making.⁷⁷⁶ A pre-requisite for being human is the experience of justice that affirms the humanity of all, and the recognition of our relatedness to one another.⁷⁷⁷ The proclamation of God's justice which is the root of grace sets people free from sin, renews life, and leads to restored community.⁷⁷⁸

The restored community is established on God's sovereign will which is expressed as a covenant with humanity.⁷⁷⁹ This covenant forms the basis of the Reformed understanding of election which is the ground of human liberation.⁷⁸⁰ The fact that providence and redemption is historical is revealed in the liberation of the slaves from Egypt and the restoration of the people after the exile where God acts on behalf of the powerless and the poor.⁷⁸¹ God's action on behalf of them culminates in the Word becoming flesh in Jesus of Nazareth, which opens the expectation of the ultimate arrival of the Kingdom of God as a socio-historical act.⁷⁸² In Christ the covenant is revealed as a covenant of liberation for the individual and the community.⁷⁸³ Seen from the perspective of the covenant, the doctrine of election is a witness to the historical and contextual character of God's providential and redemptive purposes.⁷⁸⁴ This understanding of election presents a challenge to the Church to position the poor as privileged and to resist any form of domination of the generic poor.⁷⁸⁵

According to Naudé the concept of partisan justice has theological, social and political credence as a principle to an appropriate Reformed understanding of justice and freedom.⁷⁸⁶ The important perspective, for him, is that God's solidarity with the poor requires "priority not exclusion".⁷⁸⁷

⁷⁷⁶ John W. de Gruchy, "John Calvin, Karl Barth and Christian Humanism," *NGTT* 51, no. Supplementum - *Teologie 150+ en Calvyn 500* (2010), 377.

⁷⁷⁷ See J. de Gruchy (2006), *Being Human*, 41-2.

⁷⁷⁸ J. de Gruchy (1991), *Liberating Reformed Theology*, 161.

⁷⁷⁹ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118-9.

⁷⁸⁰ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118. De Gruchy affirmed Barth's choice to locate the doctrine of election within the context of covenant. In this way, Barth managed to focus election on human persons, without capitalising to the pressure of individualism or collectivism.

⁷⁸¹ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 119.

⁷⁸² J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 119.

⁷⁸³ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118.

⁷⁸⁴ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118.

⁷⁸⁵ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118.

⁷⁸⁶ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 186

⁷⁸⁷ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 168.

The priority of the poor implies community which is in the words of Gutiérrez a “voluntary daily involvement” in the world of the poor.⁷⁸⁸ The Church should become essentially a community of the poor in which healing and restoration takes place.⁷⁸⁹ Participation in the process of establishing and sustaining justice, therefore, provides a way in which the option for the poor functions as an inclusive option and an empowering instrument.⁷⁹⁰ Restorative justice is required but “theological and church literature did not put forward a practical measure to guide redistributive policies that will ensure the option for the poor and reduce inequalities.”⁷⁹¹ Naudé comments that, “true restorative justice can only grow from its theological roots in God’s inexplicable mercy.”⁷⁹² The call for restorative justice flows “from an understanding of God’s reconciliation in Christ and the Spirit, exemplified in the church.”⁷⁹³ Naudé finds a biblical dimension underlying the necessity for restorative justice in the structure of Psalm 51.⁷⁹⁴ It is only after one has come before God in guilt and confession that there can be a restoration of joy (Ps 51:12-14), that one could turn away in rededication and, amongst others, “a taking of God’s justice on your lips” (Ps 51: 16b). The inclusion of God’s justice into public dialogue becomes true when human reality is recognised with a contrite heart. Only then it leads to restorative justice.⁷⁹⁵ He concludes that “if you see that you defiled the sacrifice of Christ in your dehumanisation of others, it is before God that you stand.”⁷⁹⁶ Naudé argues that all sin is sins against God and precludes any argument of non-complicity to injustice, and disregard for the responsibility to repair the effects of injustice.⁷⁹⁷ Injustice needs to be dealt with before God through commitment and sacrifice in order to establish restorative justice. Restorative justice,

⁷⁸⁸ Gutiérrez (1973), *A Theology of Liberation. History, Politics and Salvation*, 240, quoted in Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 168.

⁷⁸⁹ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 176.

⁷⁹⁰ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 187.

⁷⁹¹ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 187.

⁷⁹² Naudé (2003), “Sola Gratia and Restorative Justice,” 140.

⁷⁹³ Naudé (2003), “Sola Gratia and Restorative Justice,” 143.

⁷⁹⁴ Naudé (2003), “Sola Gratia and Restorative Justice,” 144.

⁷⁹⁵ Naudé (2003), “Sola Gratia and Restorative Justice,” 143-4.

⁷⁹⁶ Naudé (2003), “Sola Gratia and Restorative Justice,” 144.

⁷⁹⁷ Naudé (2003), “Sola Gratia and Restorative Justice,” 143-5.

therefore, is costly and it includes material justice.⁷⁹⁸ All are called to take part in restoring our communion.

LenkaBula, arguing for the notion of “the integrity of creation”, positions justice within a secure network of life-giving relationships and commitments⁷⁹⁹. Unfreedom and domination exist where the anthropocentric approach of empire disturbs or destroys the interplay between human life (economy) and creation (ecology).⁸⁰⁰ LenkaBula responds to this by employing the theme of fullness of life or “*botho*” which is a Sesotho word which describes “personhood and humaneness.”⁸⁰¹ The ontological dynamic of the concept “explains the relationship of humanity to themselves, as well as the embeddedness of human life to the ecological life, thus highlighting that the self can never fully be without the ecological system within which they exist.”⁸⁰² Respecting this ontological relationship expresses the truth that the choice of God for humanity goes beyond anthropocentricity. LenkaBula writes that “doing justice requires us to overcome the tendency to anthropocentricity, that which sits to overwhelm reality, whilst overlooking the importance of our connectedness with the web of life in its entirety.”⁸⁰³

The essential elements that should guide and direct our actions are “solidarity, cosmic rationality, and the awareness of humanity’s connectedness with creation.”⁸⁰⁴ An economic community that affirms these guiding virtues could never allow an economic system to bring alienation and destruction whether communal or personal. Solidarity as is an attitude and praxis of positioning the self in the place of the other. It cannot stand indifferent to the plight of others or of creation.⁸⁰⁵ Solidarity recognises the relationship that defines not only the self but also

⁷⁹⁸ Naudé (2003), “Sola Gratia and Restorative Justice,” 145.

⁷⁹⁹ LenkaBula (2008), “Beyond Anthropocentricity,” 393.

⁸⁰⁰ LenkaBula (2008), “Beyond Anthropocentricity,” 392.

⁸⁰¹ LenkaBula (2008), “Beyond Anthropocentricity,” 378.

⁸⁰² LenkaBula (2008), “Beyond Anthropocentricity,” 378.

⁸⁰³ LenkaBula (2008), “Beyond Anthropocentricity,” 393.

⁸⁰⁴ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 113.

⁸⁰⁵ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 107. She wrote, “Churches have generally promoted life-giving and liberating theological and ethical principles of charity and justice; the importance of people working in harmony with each other for the common good and the sustainability of the Earth; solidarity with the vulnerable, alienated, women and those marginalised by the intersections and intermingling of systems of oppression, discriminations and injustices in the society and the church, such as

contributes to the identity of the other. LenkaBula describes this relationship as follows, “An individual, according to *botho/ubunthu* is not „the other“, implying she or he does not exist apart from but within, and with individual needs and wants.”⁸⁰⁶ Such an inclusive understanding of human community challenges not only the Western notion of an individual that exists prior to and separate from the community.⁸⁰⁷ The notion also challenges the concept of *homo economicus*, which limits human relations to economic relations.⁸⁰⁸ Being human and part of the created web of life brings with it a communal responsibility to sustain life.⁸⁰⁹ This responsibility highlights the importance of the sharing of resources and of the nurturing of “communities of justice and mutuality.”⁸¹⁰ Life in communities of justice and mutuality will be patterned and guided by compassion, inclusiveness of and attention to the excluded, as well as the suffering and pain of those abused.⁸¹¹

In identifying political oppression, social and cultural injustice and various forms of domination as expressions of structural sin, the three theologians discussed above outline a contextual agenda for Reformed theology in Africa that is based on a Reformed understanding of grace and justification by faith alone. This pattern of grace requires honesty about deed and truth in the context of love and restoration for those who were wronged through injustice. It is incomprehensible for a Reformed Christian not to respond to injustice with obedience and self-sacrificing commitment.⁸¹² Naudé quotes, “this is how we know what love is: Christ gave his life for us. We too then ought to give our lives for our brothers and sisters.”⁸¹³

Restorative justice is obedience and thankfulness born from the inner and irresistible logic of grace facilitated through the priestly sacrifice of Christ. The example of Christ challenges

economic injustices, patriarchal power and abuse, racism and sexism and many other factors that undermine the dignity of human beings and the integrity of creation.”

⁸⁰⁶ LenkaBula (2008), “Beyond Anthropocentricity,” 384.

⁸⁰⁷ LenkaBula (2008), “Beyond Anthropocentricity,” 384.

⁸⁰⁸ LenkaBula (2008), “Beyond Anthropocentricity,” 393.

⁸⁰⁹ LenkaBula (2008), “Beyond Anthropocentricity,” 380-1.

⁸¹⁰ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 107.

⁸¹¹ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 107.

⁸¹² The Heidelberg’s Catechism states that “it is impossible for those who have received the grace in Christ not to bear the fruits of conversion.” See” Question and answer 64.

⁸¹³ 1 John 3:16. See: Naudé (2003),” Sola Gratia and Restorative Justice,” 142.

Christians to follow Him on this path of sacrifice. His cause is indeed the only cause Reformed Christians should be interested in. In the next section we will seek to understand how the Reformed tradition can assist people to willingly follow Christ in sacrificing their privileges in order to uphold freedom and justice for all.

4.2.3 Virtue: understanding togetherness

To speak about virtue is to ask what kind of “good people” we need that will intentionally and responsibly live a life of justice and of prioritising the poor. It is a question of how people are formed into disciples of Christ following Him in his mission of self-sacrifice.

For de Gruchy the concept of Christian humanism helps us to understand what “good people” and “good community” are. Although he does not formulate it in this manner we can deduce that “good people” are focussed on the well being or flourishing of humans.⁸¹⁴ While Christian humanism is much more complex, de Gruchy’s understanding of it can be described as Trinitarian. First, it is covenantal, and thus focussed on God’s action as the foundation of history and thus of free community.⁸¹⁵ Second, he understands humanism as incarnational.⁸¹⁶ And third Christian humanism emphasises the socio-political dimension of the work of the Spirit.⁸¹⁷

We have seen already that for de Gruchy original sin plays itself out in oppressive and alienating social structures.⁸¹⁸ It is in these contexts that the “sovereign providence” and the “redemptive and healing grace” compel the Church to act in order to break the vicious cycles of domination.⁸¹⁹ Domination expresses itself in the self-interest of a few that should be resisted.⁸²⁰ These acts and words of resistance are connected to God’s work because they are born from and inspired by liberative hope and the Eucharist.⁸²¹ In resisting domination and self-interest the

⁸¹⁴ J. de Gruchy (2006), *Being Human*, 31-2.

⁸¹⁵ John W. de Gruchy, *John Calvin. Christian Humanist and Evangelical Reformer* (Wellington: Lux Verbi BM, 2009), 42.

⁸¹⁶ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117.

⁸¹⁷ J. de Gruchy (1991), *Liberating Reformed Theology*, 160-1.

⁸¹⁸ J. de Gruchy (1991), *Liberating Reformed Theology*, 257-64.

⁸¹⁹ J. de Gruchy (1991), *Liberating Reformed Theology*, 155.

⁸²⁰ J. de Gruchy (1991), *Liberating Reformed Theology*, 155.

⁸²¹ J. de Gruchy (1991), *Liberating Reformed Theology*, 230 and 234.

gospel envisions a freedom that fills the poor with hope and compels all human beings to respect and affirm our common humanity.⁸²²

Therefore de Gruchy argues that Christianity insists on a new humanism that recognises that the embeddedness of all humans in a God-created web of life - with one another and with the whole of creation.⁸²³ Faith in Christ is a resource for becoming more fully human.⁸²⁴ This compels us to be “together” with other human beings and to live in the web of life LenkaBula writes about. De Gruchy explains,

What is needed is a community of people amongst whom such values are nurtured and embodied in the life of the world. Obviously this is not something that can or should be confined to the church; it should characterise other faith communities and civil society more broadly. But when the church fails to be such a community it fails to be church.⁸²⁵

De Gruchy qualifies Christian humanism when he writes that liberation is “beyond human achievement.”⁸²⁶ “What the church does is to celebrate liberating grace and hope in Word and sacrament ... and pointing beyond the present to what is yet to be revealed.”⁸²⁷ Yet, “worship without ethical obedience becomes idolatry.”⁸²⁸

De Gruchy describes Christian humanism as ecumenical, humanising and liberating.⁸²⁹ For de Gruchy, this “sense of the transcendent” means that the reign of God and not human achievement, is the foundation of Christian humanism.⁸³⁰ Christian humanism differs from liberal humanism precisely on this point, that it takes faith seriously and in doing so turns the notion of humanism on its head.⁸³¹ Calvin, de Gruchy writes, “reinvented” humanism to put

⁸²² J. de Gruchy (1991), *Liberating Reformed Theology*, 234.

⁸²³ J. de Gruchy (2010), “John Calvin, Karl Barth and Christian Humanist,” 377.

⁸²⁴ J. de Gruchy (2006), *Being Human*, 162-3.

⁸²⁵ J. de Gruchy (2010), “John Calvin, Karl Barth and Christian Humanist,” 378.

⁸²⁶ J. de Gruchy (1991), *Liberating Reformed Theology*, 280.

⁸²⁷ J. de Gruchy (1991), *Liberating Reformed Theology*, 280.

⁸²⁸ J. de Gruchy (1991), *Liberating Reformed Theology*, 235.

⁸²⁹ J. de Gruchy (2009), *John Calvin. Christian Humanist and Evangelical Reformer*, 230.

⁸³⁰ J. de Gruchy (2009), *John Calvin. Christian Humanist and Evangelical Reformer* 42.

⁸³¹ J. de Gruchy (2009), *John Calvin. Christian Humanist and Evangelical Reformer*, 42.

God's providence and work in Jesus Christ central.⁸³² Precisely because our common humanity is grounded in grace, it is in this shared life that we discover God in his presence amongst us.⁸³³ Thus, humanism can be summed up as human beings through grace being together with one another and in their togetherness they are in the presence of their creator God.⁸³⁴

While de Gruchy emphasises Christian humanism as an alternative to human self-centredness, Naudé points out that the concept of the Kingdom of God provides an alternative frame of reference to the claims of globalisation from which to interpret life and reality.⁸³⁵ Through the process of globalisation the free-market claims ultimate loyalty of both individual and corporate expressions of humanity.⁸³⁶ The challenge to the church as an alternative community is to resist "the god of globalisation, its new cosmological narrative, and its call for ultimate loyalty".⁸³⁷ This claim of globalisation should be resisted with an ethic in which God's sovereign rule over all of creation and created and lived life is the decisive factor.⁸³⁸

For Naudé resistance against the power of this new "cosmological narrative" means following Christ and finding "a new consciousness in Christ and his self-donation."⁸³⁹ This reality overcomes division and domination in cultural, gender, and economic relations.⁸⁴⁰ Thus, in Christ, God establishes a new community with a new "consciousness in Christ" and provides us with an alternative narrative. This alternative narrative is one that is built on grace and mercy, and could serve to prevent cultural injustice from both globalisation and nationalisation⁸⁴¹. Thus, the "sovereign providence of God" and the "healing and redemptive grace" should not be seen as

⁸³² J. de Gruchy (2009), *John Calvin. Christian Humanist and Evangelical Reformer*, 42.

⁸³³ J. de Gruchy (1991), *Liberating Reformed Theology*, 162.

⁸³⁴ J. de Gruchy (1991), *Liberating Reformed Theology*, 162.

⁸³⁵ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 544.

⁸³⁶ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 538.

⁸³⁷ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 544.

⁸³⁸ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 545.

⁸³⁹ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 546.

⁸⁴⁰ Gal 3:27-28

⁸⁴¹ Naudé (2005), "The Ethical Challenge of Identity Formation and Cultural Justice," 547.

a foundation for legitimising oppressive systems, as it happened in South Africa with *apartheid*. Rather it inspires the biblical witness of hope for a “radically other world”.⁸⁴²

Thus, both de Gruchy and Naudé position the church as a new or alternative human community. De Gruchy emphasises community as togetherness with God and others.⁸⁴³ Naudé emphasises a new community built on a new “consciousness in Christ and his self-donation”.⁸⁴⁴ This new community upholds freedom, because it can resist power. It is the way of discipleship.⁸⁴⁵

LenkaBula argues that this community embodies justice, which means that justice is the life of community itself.⁸⁴⁶ When injustice destroys community through the alienation of persons from one another, and through the destruction of the web of life this new community is called to model new alternative expressions of justice. It is alternative in that these new expressions of the Kingdom resists “the god of globalisation” and its call for “ultimate loyalty” that Naudé speaks about.⁸⁴⁷ For him, credible alternatives should reflect that justice and Yahweh are one and the same. In Christ this community has messianic, charismatic, and *ecclesial* aspects.⁸⁴⁸ This means that the community can never be an end in itself but rather must be a prophetic sign of the reign of God.⁸⁴⁹

Naudé links community to the notion of identity formation and cultural justice.⁸⁵⁰ He argues that the question behind cultural justice is not so much “what we do”, as “whom we are, and who we are becoming.”⁸⁵¹ It is a question of virtue. Cultural injustice refers to a process where people are excluded from community, so important to both freedom and justice, by eliminating avenues of cultural and artistic expressions of their specific cosmological and local narratives, and thus

⁸⁴² Naudé referred to Rev 7:9, 15 as an illustration of this “radically other world”. See: Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 547.

⁸⁴³ J. de Gruchy (2006), *Being Human*, 32.

⁸⁴⁴ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 547.

⁸⁴⁵ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 546.

⁸⁴⁶ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 115.

⁸⁴⁷ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 544.

⁸⁴⁸ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 116.

⁸⁴⁹ LenkaBula (2010), “Economic Globalisation, Ecumenical Theologies and Ethics of Justice,” 116.

⁸⁵⁰ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 547.

⁸⁵¹ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 539.

blocking the process of communal and personal identity formation.⁸⁵² In this regard Naudé refers to industries such as film-making, drama, theatre, orchestras, choir and other artistic activities.⁸⁵³ Many of these sectors and industries have disappeared or struggle to survive in a neo-liberal economy.⁸⁵⁴ To rebuild these industries and cultural assets would require huge material resources and the way the market economy functions does not allow or promote these “gainless” activities.⁸⁵⁵ The functioning of the market thus impedes identity formation.⁸⁵⁶

Structural loss of identity refers to these formative processes which are often hindered by non-cultural factors. It leads to unfreedom because “human dignity is fundamentally tied up with positive social identity construction.”⁸⁵⁷ The importance of identity for economic justice is that positive social identity in individuals and groups helps to protect against greed and self-justifying individualism.⁸⁵⁸ Naudé challenges Reformed theology to participate in the formation of new social patterns that affirm human dignity and guide socially-embedded distribution.⁸⁵⁹

Pursuing the cause of the righteousness of God is a matter of discipleship and raise the question of how persons are formed for this discipleship. The answer, which all three theologians share, is that discipleship is formed in community. The characteristic of community in the first place is a new or alternative community that has a formative impact on people. For de Gruchy it is humanist in that it fosters a compassionate commitment to justice for the poor.⁸⁶⁰ Members of a community should help one another to see the pain and suffering of the poor and marginalised with insight. Community is inspired by a sense of the transcendental which is an awareness of God’s togetherness with humans.⁸⁶¹ For Naudé community is expressed in self-donating discipleship. Discipleship is fostered in a community that is scripting an alternative narrative

⁸⁵² See the case study of Richard Rodriguez in: Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 542.

⁸⁵³ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 543. He referred to Tony Addy and Jiri Silny, “The Political Economy of Transition,” *The Ecumenical Review* 53, no. 4 (2001).

⁸⁵⁴ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 543.

⁸⁵⁵ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 543.

⁸⁵⁶ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 543.

⁸⁵⁷ Naudé (2010), “Human Dignity in Africa,” 223.

⁸⁵⁸ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 540.

⁸⁵⁹ Naudé (2010), “Human Dignity in Africa,” 229.

⁸⁶⁰ J. de Gruchy (2006), *Being Human*, 31.

⁸⁶¹ J. de Gruchy (2006), *Being Human*, 31.

based on the patterns of grace and an awareness of Christ and his sacrifice.⁸⁶² For LenkaBula justice is the life of the community. Therefore, when economic and political self-centredness alienates human beings from one another and destroys the web of life in which human life is embedded, community is necessary to embody justice. Thus, discipleship is to willingly commit yourself to live under the reign of God which is a life in community that is humanist, centred on the well-being of others, and will embody justice to overcome any form of domination and destruction.⁸⁶³

In the “self-donating love” and the “non-hierarchical community” of God, Son and Spirit the Trinitarian witness about God provides a powerful foundation to critique society’s tendency towards domination and self-centred individualism that is expressed in the socio-cultural structures of societies.⁸⁶⁴ It is in response to this revelation that the Church of Christ should be a “poor church” (not merely church for the poor).⁸⁶⁵ The poor church has “sacramental value” remembering and affirming the dignity and value of the poor.⁸⁶⁶

4.2.4 Economic praxis: incarnational grace⁸⁶⁷

Having good people living in community with one another is not enough. There is also a need for a good praxis and institutions that are good. Good people, a well-founded praxis and institutions can help everyone to experience the space to live and be creative. When we ask what it is that we have to do when we are faced with economic decisions and issues of economic injustice, we address the question: How do we live together? Since living together has concrete historical and structural elements, and because of the focus of this study, it means that we also have to ask: How do we engage history from an economic perspective?

For de Gruchy engaging history requires first an "incarnational understanding of grace".⁸⁶⁸ This means that we as persons are encountered by "grace" in the historical realities of politics and

⁸⁶² Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 546-7.

⁸⁶³ LenkaBula (2010), "Economic Globalisation, Ecumenical Theologies and Ethics of Justice," 116.

⁸⁶⁴ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 547.

⁸⁶⁵ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 175.

⁸⁶⁶ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 176.

⁸⁶⁷ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117.

economics within history.⁸⁶⁹ This new paradigm sees the slaves in the biblical Egypt as the elect and in the New Testament we find the powerless, the poor, and the dominated as those who receive the “promise of good news”, healing and restoration.⁸⁷⁰ De Gruchy alludes to the dimension of the cross in which all human beings, poor and not poor receive an invitation to enter the saving grace and power of God in Christ crucified.⁸⁷¹ “God's purposes in history as revealed in the weakness of the cross, are discerned in his gracious favour to the poor and oppressed, and victims more generally, and thereby the rest of humanity”.⁸⁷² “In this way God is revealed as the God who acts both providentially and redemptively”.⁸⁷³ Thus, against this background of incarnational grace de Gruchy can call for an incarnational or humanist economy.⁸⁷⁴

A humanist economy is an economy that is focussed on the well-being of all human beings, and very specifically the well-being of the poor and the vulnerable.⁸⁷⁵ Structurally a humanist economy will resist notions of depersonalising humans through a universalising concept such as *homo economicus*.⁸⁷⁶ The importance of this for de Gruchy is seen in the first statement of his “preliminary manifesto” for Christian humanism. He states, “Christian humanism affirms the integrity of creation, recognizing that human life is rooted in and dependent on the earth.”⁸⁷⁷ This recognition of our rootedness in the earth and our common humanity should be expressed in our economics.⁸⁷⁸ It is for this reason that de Gruchy argues that the Reformed tradition supports taxation strategies that benefit the poor and redistributes wealth.⁸⁷⁹

⁸⁶⁸ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117.

⁸⁶⁹ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117.

⁸⁷⁰ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 118-9.

⁸⁷¹ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 119.

⁸⁷² J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 119.

⁸⁷³ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 119.

⁸⁷⁴ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117-9.

⁸⁷⁵ J. de Gruchy (1991), *Liberating Reformed Theology*, 251.

⁸⁷⁶ See: J. de Gruchy (2006), *Being Human*, 44.

⁸⁷⁷ See: J. de Gruchy (2006), *Being Human*, 30.

⁸⁷⁸ See: J. de Gruchy (2006), *Being Human*, 30.

⁸⁷⁹ J. de Gruchy (1991), *Liberating Reformed Theology*, 251.

For Naudé language and hermeneutics of the option for the poor has a critical function because it makes the transition from prophetic language to policy language possible.⁸⁸⁰ To develop new ways of doing, which would include new ways of distributing livelihoods, he argues for a new way of reading the Bible, and thus a new hermeneutic that prioritises the experience of the poor.⁸⁸¹ This new hermeneutic is built on the experiences and insights of the poor.⁸⁸² This requires a new hermeneutical approach in which the "justification by faith alone" hermeneutic of the Reformed tradition is replaced by a discussion of the text from the perspective of the poor as reader.⁸⁸³ Naudé refers to the words of James, "Suppose there are brothers and sisters who need clothes and don't have enough to eat. What good is there in your saying to them: God bless you! - if you do not give them the necessities of life".⁸⁸⁴ Providing these "necessities of life" is a sign of the depth and truthfulness of reconciliation and enables a complete healing of the community. It is according to James the sign of "true and genuine religion."⁸⁸⁵ Naudé argues that theologically "knowledge of suffering (truth and memory turned backwards) must lead to strangers (an ethic of hospitality) and taking the suffering of others as your own to signify that the love of God is part of you."⁸⁸⁶

"Truth and memory turned forward" is restorative justice, and requires the acceptance of the privilege of the poor and the destitute.⁸⁸⁷ From this Naudé argues that enabling restorative justice in Africa is a definitive test case for "*sola gratia*".⁸⁸⁸ Referring to the work of the Truth and Reconciliation Committee in South Africa (TRC), Naudé argues that restoration should not only be material, but that Reformed theologians should insist on material compensation to the

⁸⁸⁰ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 188. Naudé wrote that prophetic language is inadequate because it often works with an incomplete and weak moral prophetic analysis. It also finds it difficult to contribute suggestion on transitional matters and critiques the systems it stems from and benefits from. Prophetic language is inadequate when it merely belittles neo-liberal global capitalism, and does not contribute significantly to restorative justice.

⁸⁸¹ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 171.

⁸⁸² See for a discussion on this: Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 170-3.

⁸⁸³ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 172.

⁸⁸⁴ James 2:15-16 – NIV.

⁸⁸⁵ James 1:27. Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 88. See also Naudé (2003), "Sola Gratia and Restorative Justice," 145.

⁸⁸⁶ Naudé (2003), "Sola Gratia and Restorative Justice," 145.

⁸⁸⁷ Naudé (2003), "Sola Gratia and Restorative Justice," 145.

⁸⁸⁸ Naudé (2003), "Sola Gratia and Restorative Justice," 145.

victims of *apartheid*.⁸⁸⁹ He goes on to say that the government should pay financial compensation, the resources of which should come from a material sacrifice in the form of a "restoration tax".⁸⁹⁰

To engage the concept of the "preferential option for the poor" Naudé attaches special value to the eighth of Rawls' principles of the "Law of Peoples" which he quotes as follows, "Peoples have a duty to assist other people's living under unfavourable conditions that prevent them having just and/or decent political and social regime".⁸⁹¹ Rawls develops three guidelines for this "duty".⁸⁹² The first is that assistance is in the first place not aimed at reduction on wealth inequalities *per se*, but in establishing just institutions.⁸⁹³ Reduction in the equality gap should follow on the functioning of institutions. Second, the establishment of a political culture and will is crucial.⁸⁹⁴ Third, the inclusion of the "burdened society in the Society of Peoples".⁸⁹⁵ Naudé writes,

The partisan nature of this justice is expressed unreservedly: "Love in the form of justice has meant historically doing justice to the vast majority of the human race, the poor ... Historically therefore, the concretisations of love as justice is a necessary and effective way of giving flesh to the great Christian truth that God is partial to the poor majority."⁸⁹⁶

Inclusion of the poor into the economic system requires a balance between an effective economy which respects the principles of redistribution and prioritising the poor, and solidarity with the least advantaged.⁸⁹⁷ It implies space for the poor to participate and be given assistance to enter and function efficiently in the economy.⁸⁹⁸ Therefore, Naudé argues that the standard against which any economic system should be measured is whether it promotes an egalitarian view of

⁸⁸⁹ Naudé (2003), "Sola Gratia and Restorative Justice," 145.

⁸⁹⁰ Naudé (2003), "Sola Gratia and Restorative Justice," 145.

⁸⁹¹ John Rawls, *The Law of Peoples*. Cambridge, Massachusetts: Harvard University Press (1999), quoted in Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 180.

⁸⁹² Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 182. See footnote 29 in Naudé's text.

⁸⁹³ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 182.

⁸⁹⁴ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 182.

⁸⁹⁵ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 182.

⁸⁹⁶ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 177.

⁸⁹⁷ Naudé (2010), "Fair Global Trade," 109.

⁸⁹⁸ Naudé (2010), "Fair Global Trade," 109.

human beings, creates the potential for redistribution, and institutionalises distributive practices associated with a preferential option for the poor.⁸⁹⁹ The aim of redistribution should not be equal distribution, but the outcome should not "diminish the fulfilment" of the basic needs of the poorest.⁹⁰⁰ Basic needs refers to those needs that must be met in order to allow the poor to "take advantage of the rights, liberties, and opportunities of their society."⁹⁰¹

LenkaBula, reading the Hebrew Scriptures, the New Testament and early Christian traditions, discerns ethical discourse from the perspective of fullness of life and community.⁹⁰² She concludes that distributive justice is both a requirement of Scripture and the Christian tradition. According to both the prophets Isaiah and Micah, wealth and power begin with the abuse of fields and property.⁹⁰³ She quotes Isaiah prophesising "ah you who join house to house, who add field to field, until there is no room for no one but you, and you are left to live alone in the midst of the land!"⁹⁰⁴ She refers to Micah 2:2 where the prophet condemns those who covet and seize fields and house and oppress the house holder and house people instead of providing justice".⁹⁰⁵ During the 8th century monarchic rule the monarchs and the "dominant and powerful" elite monopolised land ownership.⁹⁰⁶ LenkaBula points out that the monopolisation of land became possible due to the existence of a legal system that left the peasants vulnerable.⁹⁰⁷ She argues that privatisation of land leads to isolation.⁹⁰⁸ Structural sin alienates people from nature and one another and annihilates community.⁹⁰⁹ Restoring justice and community between people required, according to the prophet Micah, the restoration of the right to enjoy the land and to benefit from the resources provided by God.⁹¹⁰ She also finds in Ezekiel demands to the end of

⁸⁹⁹ Naudé (2006), "In Defence of Partisan Justice – Business Ethics," 2.

⁹⁰⁰ Naudé (2006), "In Defence of Partisan Justice – Business Ethics," 5.

⁹⁰¹ Naudé (2006), "In Defence of Partisan Justice – Business Ethics," 5.

⁹⁰² LenkaBula (2007), "Privatizing Property that Belongs to All," in *Lutheran Ethics at the Intersections of God's One World*, edited by K Bloomquist, (Geneva: LWF, 2007), 205.

⁹⁰³ LenkaBula (2007), "Property, Wealth and Ecology," 12.

⁹⁰⁴ LenkaBula (2007), "Property, Wealth and Ecology," 12.

⁹⁰⁵ LenkaBula (2007), "Property, Wealth and Ecology," 12.

⁹⁰⁶ LenkaBula (2007), "Property, Wealth and Ecology," 12.

⁹⁰⁷ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹⁰⁸ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹⁰⁹ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹¹⁰ Micah 4:4 See: LenkaBula (2007), "Property, Wealth and Ecology," 12.

violence and abuse, and an end to the eviction of people from the land.⁹¹¹ This is the task of the rulers (which would include more than just the King) to act in the interest of the poor and needy, and to protect them against oppressors.⁹¹²

The early church tradition, specifically Chrysostom and Ambrose, reflects on the injustice of accumulating wealth.⁹¹³ He would even argue that most wealth was generally created through oppression and injustice.⁹¹⁴ He considers wealth as the result of greed, and writes "so destructive a passion is greed, that to grow rich without injustice is impossible."⁹¹⁵ Ambrose also argues that wealth for one is always at the expense of the other. He writes, "It is the poor who digs for gold, to them gold is denied and they toil in search for what they cannot keep".⁹¹⁶ From her reading of the prophets and Ambrose she deduces three important pointers regarding institutions for distributive justice, and offers a series of proposals.

First a just economic community will institute measures such as legal frameworks that limit accumulation to protect the poor.⁹¹⁷ Her theological argument is that God in Christ is the One who brings *shalom* and therefore protects life means that in God's new community no one has the right to control either other human beings or the "necessities of life".⁹¹⁸ All human beings share in the responsibility to sustain life to the benefit of one another.⁹¹⁹ An understanding of the economy in the context of *botho* emphasises the interconnectedness of humanity with the ecological web of life. *Botho* prevents values, institutions, systems and structures that inhibit active and constructive participation.⁹²⁰ In the light of this, the dependence of human life on nature challenges the notion of private ownership. Ownership and the right to share in the fruit or riches of the land is the foundation of the system of distribution of wealth.⁹²¹ With the right to

⁹¹¹ LenkaBula (2007), "Privatizing Property that Belongs to All," 13.

⁹¹² Psalm 72:4. See: LenkaBula (2007), "Property, Wealth and Ecology," 12.

⁹¹³ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹¹⁴ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹¹⁵ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹¹⁶ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹¹⁷ LenkaBula (2007), "Property, Wealth and Ecology," 14.

⁹¹⁸ LenkaBula (2007), "Property, Wealth and Ecology," 14.

⁹¹⁹ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹²⁰ LenkaBula (2008), "Beyond Anthropocentricity," 383.

⁹²¹ LenkaBula (2007), "Privatizing Property that Belongs to All," 205.

own land comes the right to control how the land is utilised, control of the fruit and riches of that land, and eventually the control of people.⁹²²

Second, it is clear that resources should be shared amongst all. This is linked to the matter of control and ownership. LenkaBula calls for new practices of production and redistribution. These should include the opportunity to produce and sell, require new legal frameworks, and foster anti-competitive behaviour.⁹²³ For the poor to participate in the economy as producers and/or as employees of producers, would require access to resources and protection against competition, and against the manipulative practices associated with competition (i.e. monopoly formation, price fixing and high prices, low wages, and the abuse of labourers and nature).⁹²⁴

Third is the need to educate the wealthy in order to transform their understanding of their own wealth and the responsibility it carries.⁹²⁵ LenkaBula concludes that if wealth is not understood, it becomes questionable whether the many "poverty strategies" to eradicate poverty is helpful without "wealth distribution strategies" to "transform" the wealthy.⁹²⁶ The absence of an understanding of wealth conceals how an institutionalised economic *apartheid* safeguards the interest of the rich in spite of the unfortunate consequences it has for the poor, available natural resources, or the potential for sustainable life.⁹²⁷

While there are similarities in their arguments, there is a subtle difference between Naudé's and LenkaBula's understanding of equality. For Naudé equality does not mean equal distribution, but equal respect and equal opportunity for the fulfilment of the basic needs of the poorest. What determines whether a social system promotes equality or inequality is the situation of the poorest of the poor in that community.⁹²⁸ LenkaBula emphasises shared and equal responsibility towards the resources of the earth and access to them for all. Thus, she emphasises equal distribution. It is important to note, that Naudé does not argue for the protection of the privileged position of the

⁹²² LenkaBula (2007), "Privatizing Property that Belongs to All," 206

⁹²³ LenkaBula (2007), "Privatizing Property that Belongs to All," 207

⁹²⁴ LenkaBula (2007), "Property, Wealth and Ecology," 14..

⁹²⁵ LenkaBula (2007), "Property, Wealth and Ecology," 13.

⁹²⁶ LenkaBula (2007), "Property, Wealth and Ecology," 13-4.

⁹²⁷ LenkaBula (2007), "Privatizing Property that Belongs to All," 14.

⁹²⁸ Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 187.

social, political and economic elite. Indeed, he writes that privileging the rich does not contribute to a community that is prioritising the need and struggle of “the poor, the widows and the orphans.”⁹²⁹ For him empowerment of the poor requires an economic system built on a combination of values that take both growth and sustainability into account.⁹³⁰ LenkaBula sees private ownership and accumulation of wealth as giving the wealthy control over the resources of the earth and the power to exclude the poor from access to these resources.⁹³¹

In the light of the enormous inequality in South Africa, the works of de Gruchy, Naudé and LenkaBula offer important insights into issues of distribution and access. All three argue for an economy that is embedded in the community of the poor with material redistribution as an economic priority. De Gruchy's concept of Christian humanism, Naudé's emphasis on restructuring and identity formation, and LenkaBula's theme of interrelatedness emphasise the fact that human life is rooted in, and dependent on creation and community. Therefore, restoration and the distribution of material means could not only serve to satisfy material ends and needs. We could express this consensus in Polanyian terms: the economy has to be embedded in the ways human beings relate to one another, and the economy has to be understood as substantive because the distribution of material means has non-material and non-economic consequences. In Reformed theology the economy, or distribution of material means, is one aspect of human community that should be directed by the quest for being human, having identity and togetherness.

4.3 Conclusion

This chapter explored the way in which some prominent South African Reformed theologians discuss freedom and justice. In section 4.2.1 three observations were made about Reformed theology and economic justice. First, Reformed theology stresses the righteousness of God as its only inspiration and cause. Second, pursuing the cause of justice is a matter of discipleship and following Christ is a call to self-sacrifice. Third, Reformed “freedom” is always freedom in

⁹²⁹ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 188.

⁹³⁰ Naudé (2007), “In Defence of Partisan Justice – an Ethical Reflection,” 188.

⁹³¹ Naudé (2006), “In Defence of Partisan Justice – Business Ethics,” 6.

community and always freedom under the yoke of being called to serve the poor and to live in solidarity with them. These observations were confirmed by the perspectives of the three South African theologians discussed in sections 4.2.2 to 4.2.4.

In section 4.2.2 it was argued that for Reformed theology, justice is brought into being by the righteousness of God, expressed in God's act of resistance against the unqualified and total sinfulness of humanity. Section 4.2.3 accentuates that in the Reformed tradition this redemptive act of God not only places humanity under the rule of God, but transforms humans into humanists (de Gruchy) whose life is dedicated to following Christ (Naudé), and committed to the "well-being" of humanity and the sustenance of the ecologies of life (LenkaBula). Section 4.2.4 indicated some of the practical implications of a life committed to discipleship and justice for the economy. There is thus a liberating trajectory present in South African Reformed theology, exemplified in the work of Smit, de Gruchy, Naudé and LenkaBula. To be a liberating Reformed theology the tradition needs a new hermeneutic to read the biblical narratives with, and to accept that justice is moral and material justice.

The next chapter will review and analyse a series of interviews with eight white Afrikaans speaking businessmen, all managers in corporate environments, from a Reformed background. Naudé argues that the ethical choices and actions of managers, "operating on a micro- and meso-level, have their value as long as they are embedded in a critical drive for a more equitable system."⁹³² The aim of this field research is to explore the extent to which the exposure of these business persons to the Reformed tradition has prepared them to intentionally and willingly subject their participation in the economy to the well-being of the community in general, and to be partisan to the needs of the poor in particular.

⁹³² Naudé (2006), "In Defence of Partisan Justice – Business Ethics," 6.

Chapter 5

Reformed spiritual formation and economic paradigms

5.1 Introduction

Chapter 4 concluded by indicating a link between the thoughts of Polanyi and Reformed theology. The most important of these included the need for theology to engage with history and economics, the priority of community over economy, the need for a substantive understanding of economic, and the importance of land and labour.

In this chapter I will review and analyse a series of interviews with eight persons engaged in the business sector in South Africa. The aim of this field research is to understand the extent to which their exposure to the Reformed tradition has influenced their work within the economic sphere in South Africa. The interview process further sought to understand how their Reformed tradition prepared them, if at all, to intentionally and willingly subject their participation in the economy through their business dealings and transactions to the interest of the community in general, and to be partisan to the needs of the poor in particular.

I have already dealt with much of the theoretical framework guiding the field work process in section 1.6. In the next section I will only attend to methodological issues that have a specific relevance to this study. Following this, I will introduce the participants and give a summary of each of the interviews. In the final section I will analyse this field research in the light of the important themes of Chapters 3 and 4, before concluding by indicating how the field work met the study objectives.

5.2 Field research process

5.2.1 Objectives and methodology

The field research sought to understand how the faith formation and experience of some Reformed Christians are related to the way they conceptually construct the relationship between “economy” and “community”. The first objective of the interview process was to explore the ways in which participants understood key concepts related to neo-liberal and to Polanyian economics. In chapter 3 I highlighted some of these aspects. It will suffice to mention these without further discussion. Also to note the fact that the loss of freedom during Polanyi’s time had its roots in the failure of self-regulating market capitalism. In response to the crisis that developed, Polanyi emphasised a number of important concepts. These were the concept of social-embeddedness of the economy, a substantive understanding of economic, the role of social and economic institutions and the theory of the double movement.

The second objective was to explore the ways in which Reformed Christian spirituality influenced the worldviews of the participants. In chapter 4 I used the vision-virtue-praxis matrix to describe the theologies of South African Reformed theologians to discover concepts underlying their views on economic justice. Objective two will focus on the ways the participants understand the work of God, the structural expressions of sin and the need for justice, discipleship and stewardship. Another aspect is to learn how the participants participate in the “ministry of social justice”. The third objective, and main focus of the latter part of this chapter, was to explore in which ways the participants conceptually perceive the relationship between “economy” and “community”.

It is important to bear in mind that the purpose of the research was not to determine what Afrikaans speaking businessmen think or understand about the economy, but to determine whether a Reformed upbringing and spirituality critically influenced the participants’ understanding of the relationship between the economy and the community. With this in mind the life-story approach was selected to allow the participants the maximum opportunity to interpret their own life-story against the objectives of the research.

The final decision whether or not to include possible participants was made by the researcher, based on the consideration of religious background and denomination (traditional Reformed Churches), gender (male), culture and language (white Afrikaans speaking), and seniority of position in the business world. Members or persons who were or had been previously members of Fontainebleau Community Church, where the researcher worked as minister, were excluded as possible participants. The number of participants was limited to eight. This means that the findings of the study should not be generalised as representative of white Afrikaans speaking men.

I approached the participants personally to obtain the participants' informed consent (see Appendix 2). I also provided the potential participants with the necessary information on the theme and objective of the interview and study as well as their rights and responsibilities regarding the study. Participants were allowed to determine factors such as language used in the interview, time and location. All the interviews were conducted in Afrikaans. Interviews were conducted in the office or conference room at the place of work of the participants (4), at a restaurant (1), and at home (2). On request of a participant one interview took place in a meeting room at the researcher's place of work.

5.2.2 The content of the interviews

The interviews generally followed the format whereby it began with an introduction to the research project, the informed consent process, and confirmation that the participant indeed grew up in a Reformed context (see Appendix 1). After the participant had stated his name and position in the company, an invitation was given to the participant to share his life-story with a specific focus on those events or periods which he regarded as formational for his current worldview. This question was introduced by an explanation that the researcher works with a presupposition that a person's view regarding faith and the economy is not the result of a decision or event, but is formed over time and by different experiences.

During or after the narrative some questions were asked to probe the interviewee's understanding of the role of the State in the economy, of "being Reformed", and of the relationship between

three key elements of the economy, and typical beliefs held in the Reformed tradition regarding these elements. The three elements are derived from the work of Karl Polanyi, but were expanded for the purpose of the interview. The commodification of land, labour, and money is for Polanyi one of the key developments in the development of the relationship between the economy and communities.⁹³³ Polanyi's statement suggests that restructuring the relationship should therefore make important differences in the role of land, labour and money in the economy. It is for this reason that the specific focus on the three fictitious commodities is important.

Polanyi expands land to mean natural resources.⁹³⁴ It was connected to the expression that "the land and everything on it belongs to the Lord." What does it say about private ownership of land and the ownership of natural resources such as minerals? Labour is expanded to mean nothing less than human life.⁹³⁵ This notion was related to the idea that "we all are created in the image of God, and belong to God." The treatment of workers in neo-liberal capitalism has always been contentious. What does the idea that we are all equal before God imply for the way we treat people as workers and as customers? The concept of money refers to access to economic activity.⁹³⁶ It was related to the notion that "we, humans, are the stewards of that which belongs to God." This question was later changed and focused on the concept of sobriety as a mark of a Christian life-style in a materialist society.

5.2.3 The demography of the participant sample

The final eight participants came from different backgrounds in terms of both the composition of their families of origin, the spatial and demographic contexts they came from, and the economic sector in which they work. Some other demographic characteristics of the sample are their background of origin. Three grew up on farms (participants A, F and G), five grew up in an urban town context (participants B, C, D, E and H), two of which were industrial mining towns (participants C and D). In terms of their careers they work in the following economic sectors:

⁹³³ Polanyi (1944), *The Great Transformation*, 71.

⁹³⁴ Polanyi (1944), *The Great Transformation*, 123.

⁹³⁵ Polanyi (1944), *The Great Transformation*, 267.

⁹³⁶ Polanyi (1944), *The Great Transformation*, 109.

Four work in mining: participant B is a senior legal associate of a transnational mining group, participants D and E are CEOs of mining companies, participant A is involved in the development of an organisational culture in the mining industry. Two are in the insurance industry (participants C and G), and one each in publishing and knowledge (participant B), housing (participant H), and energy (participant A). Also their involvement with church and Christian youth movements during their childhood and adolescent years and as adults differed widely. One participant's father was a minister in a Reformed Church, three others referred to their fathers as being members of the board of the local congregation, and one has no memory of his parents attending church. As adults, the participants relate in different ways to their Reformed theological roots. At least one has formally moved to another protestant community. Three played or had until recently played leadership roles in their local Reformed congregations (participants B, C and E).

5.3 Wealth through relationship and development

5.3.1 Interview 1: Economy embedded in progress

Participant A grew up on a farm in Springbokvlakte in Limpopo province. Both his parents were employed. His father was a teacher and his mother owned and managed the shop on the farm. In 1994 he was in his mid-thirties. He remembers that both his father and grandfather were elders in the local NG Kerk and how he was influenced by a teacher while being a leader of the *Christen Studente Vereniging* [Christian Student's Association] [CSV]. Participant A is currently working as a financial consultant, but has previously worked in both mining and electrical supply industries. He is the Chief Executive Officer (CEO) and a consultant in the mining industry.

The core value participant A lives by is a sense of being called, or doing the will of God. He understands his own life and career as part of an on-going movement of God in the world. He explained it as follows:

*Die afgelope 10 jaar het my beskouing van, my godsbeeld baie verander
Die een afleiding is dat die Here homself openbaar op ander maniere aan
ons oor tye wat geskied. Ek praat nie net persoonlik oor ons eie loopbane
nie, maar ook oor die geskiedenis.*

[The last ten years of my life the image I have of God has changed quite a bit ... The one reason I think is that the Lord reveals himself in different ways to us over the years. And I do not speak only about our own lives and careers, but also in and throughout history.]⁹³⁷

An important aspect of this movement of God is the way God has prepared him through situations of conflict during early working days to play important roles at different times and in different organisations. Participant A creates continuity between this understanding of God and his understanding of life and business through the idea of progress as a key motivator of human behaviour and the business process. It is from this that he identifies being just and fair as an important ethical principle.

Progress requires an understanding that the resources and competencies we receive are to be utilised to create wealth and prosperity with the aim to provide comfort and rest while we live, which, for participant A, is the ultimate search of humanity. He said,

‘n Mens kom eintlik terug na die punt toe van die “ultimate search”, wat is die doel van ekonomiese aktiwiteit? Nou as jy sê dat die doel van ekonomiese aktiwiteit is om mense se tydperk wat hulle hier op die aarde is te vergemaklik, en rykdom en welvaart te skep, dan het ons eintlik net die hulpbronne wat die Here vir ons gegee het. Ons het ons vermoëns, ons verstandelike vermoëns, ons talente, die openbaring wat Hy [sic] in ons almal gelos het, en ons het die natuurlike hulpbronne. En wat die mens doen is om hierdie goed te gebruik tot sy voordeel ten einde vir hom die tydperk hier op aarde, die aarde te ontwikkel en dit te bewerk, en daarmee te woeker ten einde sy eie vreugde en vrede op die aarde te kan bewerkstellig.

[You return to the point of the ultimate search: what is the purpose of economic activity? If you say the purpose of economic activity is to make people’s lives easier while they are on the earth, to create affluence and wealth, then we only have the resources that the Lord has given to us. We have our own abilities, our intellectual ability, our talents, the revelation that He has left in all of us, and our natural resources. And what we do is to use these things to our advantage with the purpose to develop the earth, to do things in order to create joy and peace for ourselves on earth.]⁹³⁸

⁹³⁷ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

⁹³⁸ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

For him, the economy is also driven by progress that is guided by both a personal and an organisational value system. Creating, integrating and sustaining these value systems he sees as the primary tasks of organisational leadership. The absence of authoritative value systems is the root of the main criticism he has against the current economic system. The major short-coming in the economic system is its short-term cyclical character. He explained it as follows:

Nou waar lê die groot dilemma? Nou hier kom ons vir my is een van die grootste falinge in die huidige ekonomiese stelsel die kort-termyn benadering. As jy mooi gaan kyk na die kapitalistiese stelsel en die vorm wat dit huidiglik aanneem, is al ons stelsels, ons regeringstelsels en ons ekonomiese stelsels, kort-termyn siklies gerig. Kwartaal, jaar, maksimum twee-drie jaar, want die toekoms is maar onseker. En dit is dalk een van die dilemmas.

[What, then, is the dilemma? Here we come, for me, to one of the biggest failures in the current economic system ...If you look closely at the capitalist system and the way it works currently, then all our systems, our government systems and our economic systems have short-term cyclic focuses. The system functions in terms of a quarter, a year, or maximum two or three years because the future is uncertain. And currently, that is maybe one of our dilemmas.]⁹³⁹

This short-term cyclical character of the economic system leads to a lack of responsibility and accountability. As a result there is a tendency for shareholders to move their money without consideration of the impact it has on the business and the community in which it operates. There is also a tendency for business leaders to decide on projects that have an impact well beyond their own immediate interests. In the mining sector for instance the current board, which is elected for only a two year term, decides to open a mine that will only be productive and profitable after ten or more years. He gave the following explanation,

Vat 'n maatskappy. Anglo. ... Daar is 'n ou in Amerika wat aandele in Anglo het. Móre besluit hy dit is nie meer lekker nie, hy gaan nou na BHP Billiton toe. So wat doen hy? Hy druk 'n knoppie en bel sy makelaar. Dis gedoen. Anglo as maatskappy se kultuur, en sy waardes, sy bates, implikasies en impak word hanteer en bestuur deur sy raad en deur die CEO ... Die raad het 'n fidusiêre rol. Dit is hy wat die verantwoordelikheid spreek... En hy sit daar, twee jaar dan is hy uit. Hy het geen ander belang nie. Dieselfde met

⁹³⁹ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

die “Chief Executive”. Wat is die lewe van die “Chief Executive” in ’n maatskappy? Vyf tot ses jaar. So hy het ook nie ’n lang-termyn aanspreeklikheid nie ...

[Take a company such as for instance Anglo ... There is the guy in America who has Anglo shares. Tomorrow he decides it is no longer nice and good, he wants to transfer his investment to BHP Billiton. What does he do? He pushes a button, phones his broker, and it is done. The board and the CEO manage the culture of Anglo as a company, its value, and its assets; let us ask what the interest of the board is? They have a fiduciary role. They must speak with responsibility ... The board member sits for two years and then moves on. He has no other interest. The same happens with the Chief Executive. What is the life of the “Chief Executive” in a company? Five to six years. Thus the Chief Executive also does not have a long-term interest in the company ...]⁹⁴⁰

Thus, for participant A, without a sense of a broader responsibility and accountability, justice and fairness suffer, and economic activity is removed from the community. Yet in his opinion, business derives much of its right to exist from its relevance to the surrounding community. When one company in which he was a senior executive ran into financial trouble the questions the leaders of the company asked were how relevant the company was, and to whom? After the restructuring that followed from this investigation, participant A was tasked to lead a project aimed at transforming the organisational culture of the company. Transforming the structure and the culture of the organisation to reflect its sustainability did not mean that the aim of doing business had changed. The aim, he asserted, is still to create shareholder wealth. But, for him, it was important that business should be held accountable for its impact on the community and environment and therefore the culture of companies needed to change. The business-model of the “shareholder first” was replaced by an awareness of the interests of other stakeholders such as the government, other service providers, the community, labour and their families. He is of the opinion that in South Africa much of the legal framework contributes positively to this new awareness of other stakeholders. He explained,

Toe ons daarmee klaar is, het die “CEO” my gevra om te kyk hoe kry ons die organisasie vanuit ’n kulturele oogpunt ook getransformeer sodat wat ons hier implementeer volhoubaar is. Maar tweedens dat ons ook ons reg

⁹⁴⁰ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

om te kan voortbestaan in hierdie Suid-Afrikaanse samelewing kan bevestig. Dit is waar BEE en die mynbou-bedryf noodsaaklik was. Ons moes intern transformeer, ons swart bemagtigingsprosesse in plek plaas. Hoe skuif ons 'n organisasie in daardie rigting wat tradisioneel wit en konserwatief as agtergrond gehad het?

[When that process ended the CEO asked me to look at how we can transform the organisation from a cultural perspective as well, in order to sustain what we had implemented, but also to confirm the right to exist in South African society. For this BEE and the mining industry were essential. We had to transform internally, we had to put black empowerment processes in place. How do we move an organisation that was traditionally white and conservative in that direction?]⁹⁴¹

Responsibility and accountability also guided participant A's thoughts when asked about the theological concept of *imago Dei*, about private ownership, and about the use of money. Commenting on the notion that all human beings are made in the image of God, *imago Dei*, participant A referred to the importance of visiting and caring for the widows and the vulnerable as described in the letter of James.⁹⁴² He concluded that God calls us to open possibilities for the marginalised and the excluded to enter the economy. He acknowledged that the current economic model is built on private ownership which creates a situation where the divide between the rich and poor spirals out of control⁹⁴³.

Participant A links his sense of personal calling, and of being continually guided and formed by God through concrete experiences of transformation to progress. For Participant A the economy should contribute to a person's "ultimate search" for meaning, which is to create wealth, comfort and joy. The economy impacts the community in so far as individuals and communities are stakeholders of the company.

5.3.2 Interview 2: Accepting social responsibility

Participant B is a senior legal adviser for a multi-national company with diversified mining interests. He grew up in the North-west province in a home he describes as a "typical Afrikaner

⁹⁴¹ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

⁹⁴² "Religion that God our Father accepts as pure and faultless is this: to look after orphans and widows in their distress and to keep oneself from being polluted by the world" (James 1:27 - NIV).

⁹⁴³ Participant A interviewed by B.J. Pieters 10 September 2012 in Centurion.

family”. Contra to the Reformed tradition of child baptism, participant B was not baptised as a child, but grew up as a member of a Reformed faith community. By the time of his^s sixteenth birthday participant B had a clear understanding of his relationship with God, Christ and being baptised as a young adult was still hugely significant to him. He remembered,

Ek dink tot vandag toe terug. My voorstelling het 'n besondere betekenis gehad ...So ja, op 'n vroeë stadium het ek myself gereed gemaak vir hierdie proses. En ek kan eerlikwaar sê dat in my hoërskooldae het ek geweet ek is 'n kind van die Here. Teen die tyd dat ek voorgestel is, was dit vir my 'n besonderse oomblik om daai verbondsoomblik te beleef.

[Even today I still think back to that day. My confirmation had a special meaning for me ... At an early stage I had prepared myself for this process, and I can say that I was a child of God in my High School days. At the time of confirmation it was very special to experience that moment of covenant.]⁹⁴⁴

Participant B’s social thoughts were formed during the turbulent times in the 1980s. He studied law at the Randse Afrikaanse Universiteit, now the University of Johannesburg, During the years of conscription into the South African National Defence Force [SANDF], through his years of being a young professional in training, and the first years of his career in investment banking, he was opened to the existence of realities vastly different from the safe and protected environment that he experienced growing up. During the years of sanctions and disinvestments in the 1980s he worked for an investment bank putting together deals to assist overseas companies to withdraw from South Africa. It then became clear to him that change was needed. Though difficult for many, he felt that it was the right thing to do because of the violence, unfairness to the diverse peoples of the country, the effect of sanctions, and from a moral position, which he linked to the changes in the NG Kerk’s position on *apartheid* and unity with the coloured and black Dutch Reformed Churches.

In the professional world where he lives and works today, he is convinced that change is again needed, and that the neo-liberal economic system will eventually not be sustainable. The role of business is to create shareholder wealth. This, participant B asserts, must be done with

⁹⁴⁴ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

responsibility since there are only a finite number of natural resources available. Thus, for him, creating wealth in a finite economy requires the acceptance of a mixed economy model in which business and State act together. In such a mixed economy the role of the State should be to provide certainty to investors and fairness. The State is also the only entity that can provide the infrastructure, but business should collectively accept responsibility to contribute to the reduction of inequality by putting into place mechanisms that narrow the gap between the “haves and the have nots”. This is especially true in the local communities surrounding mines.

Participant B stated that mining companies should aim to develop communities rather than merely invest in communities. One way of doing this, he suggested, is to ensure that both the infrastructure provided and the skills developed by the mining company should be applicable to the community after mining activities have been closed down. He argued,

Daar kom ,n tyd wanneer jou direkte betrokkenheid by daardie operasie verby is. Jy het uitgemyn wat uitgemyn kan word, en die dag as jy jou toerusting oppak en jou mense wegvat, bly daar nog steeds ,n gemeenskap daar agter. Die verantwoordelike ding om te doen, is om daardie lang-termyn visie te hê, om te sê ek moet my “Corporate Social Investment” probeer om so te kanaliseer dat die dag wanneer ek nie meer operasioneel is in daardie area nie, laat ek nog steeds iets agter wat die breëre gemeenskap kan gebruik en hopelik hulle lewenskwaliteit kan bevorder. Derhalwe is die dryf by ons nou om meer betrokke te raak by onderwys- en gesondheidstipe ontwikkeling en breër infra-struktuur ontwikkeling.

[There will come a day when one’s direct involvement with an operation will end, that one has mined what one could, and that one packs up one’s equipment and takes away one’s people. But the community stays, and the responsible thing to do is to have a long-term vision, and to plan one’s Corporate Social Investment [CSI] in such a way that the community could continue to benefit from it, and could hopefully improve the quality of life long after one has left the area. That is why we have changed our focus to education and health development, and to the development of a broader infrastructure]⁹⁴⁵

Further, he argued that it is acceptable, although not the best solution, for the State to own the mineral rights and receive the benefits from the minerals that are mined.

⁹⁴⁵ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

Participant B identified two values that he lives by. The first is the confessional basis of the Reformed tradition as follows: “*Die geloof in die drie-enige God, die feit dat Jesus as Verlosser vir ons gesterf het, dat as jy opreg jou sondes bely uit genade jou sondes vergewe word.*” [It is the faith in the triune God, the fact that Jesus died for us as our Saviour, and that a true confession of sin will lead to the forgiveness of sin through grace.]⁹⁴⁶ From this follows a second value namely a commitment to share what he owns and to care for those closest to him. He spoke about the faith of the Xhosa domestic worker he employs and was able to articulate, with great insight, the challenges faced by her community.

Yet, when asked about concepts from Reformed theology such as the *imago Dei*, and about private ownership, the influence of his legal background became clear.⁹⁴⁷ The *imago Dei* is seen as a spiritual concept, yet co-workers and workers are regarded as being in a contractual relationship with obligations to the company. I asked participant B how he feels about the way workers are of treated in a neo-liberal economy, and the suffering it causes workers and their families. He referred to the “*swaar kry*” [suffering] of individual workers due to work and life conditions (i.e. far from their family and children). He specifically referred to his domestic worker, of whom he says that she suffers because of a lack of a decent income, and of conditions she cannot control (i.e. that she has to work in the city while her children are at home outside the city). He believes her faith sustains her. B did not respond to the idea of suffering caused to workers because of structural problems. For participant B, relations between employees and the company do work for it remains primarily a contractual relationship.

When asked about the theological idea that the earth belongs to God, he at first responded with the language of stewardship, and of calling, thinking in terms of spiritual responsibility to God. He said, “*Dit is hoe ek dit vir myself rasionaliseer. Ek skat ek sien dit nie in ekonomiese terme van streng eiendomsreg aan wie behoort dit nie. Dit is amper wie het die verantwoordelikheid*

⁹⁴⁶ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

⁹⁴⁷ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

om dit te bewerk en sekere dinge te doen.” [“That is how I rationalise it for myself. I do not see it in economic terms of ownership, but rather in terms of responsibility.”]⁹⁴⁸

In his professional life he stressed the need to make “good choices” and stressed the concepts of “right” and “wrong” which, for him, are found in the New Testament. Yet, at the same time he acknowledged that he does not use spiritual resources such as reading the Bible and prayer to find solutions for the problems he faces at work. He is of the opinion that a more regular discipline of “contemplating right and wrong” would eventually also reveal injustices in the community, the wrongful way people are treated, and the consequences of these choices.

Participant B acknowledged that a neo-liberal economic system is not sustainable, and therefore he accepts the need for a mixed economy in which State and business work together. He believes that as part of such a mixed economy businesses should address inequality through the development of local communities.⁹⁴⁹ The combination of a spirituality orientated towards a personal relationship with God, compassion with those who suffer, and experience as a legal practitioner were brought together in the response of participant B primarily in his awareness of the social responsibility of companies in the mining industry.

5.3.3 Interview 3: Neighbourliness in the business village

Participant C is a CEO in the Insurance Industry and sees himself as an enabler and is prepared to take business and reputational risks. In 1994 participant C was in his early thirties.⁹⁵⁰

His father worked on the mines in the Far West Rand. During his career his father, like many Afrikaners of that time, worked his way up into the position of a mining captain. His father also served in the local *kerkraad* [board of the congregation] as the *hoof-ouderling* [chief elder], a prominent position in Afrikaner communities. At school and University participant C was involved in leadership roles in Christian organisations such as the *Afrikaanse Christen Studente*

⁹⁴⁹ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

⁹⁵⁰ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

Verening [Afrikaans Christian Students Association] (ACSV). He feels that the values conveyed to him and his siblings during their childhood years have equipped him to take risks such as he does in his current professional life. The example of his father taught him the value of working hard, and making use of opportunities. Together with the development of their talents and forming their own opinions it prepared him to make himself relevant in society.

Participant C had been involved in the development of a few innovative projects in industry. He argued that he manages the risks and ensures sustainability for these enterprises not only through his commercial acumen, but also through building strategic relationships. His philosophy towards business is influenced by a principle he calls “live and let live” which he links to *medemenslikheid* [compassion for fellow human beings].⁹⁵¹ Although compassion for others is a universal value he finds the example of Christ inspires him to live with *medemenslikheid* as a core value. Also in his commercial activities “*medemenslikheid*” is expressed in relationships and he explained its role as follows,

Ek het „n paar goeie besef. Die een is dat as jy besigheid bedryf waarin jy die “bargain” so hard dryf, en jy loop met „n groot glimlag van die onderhandelings Tafel weg, en die ander ou lyk nie baie gelukkig nie, dan is dit nie volhoubaar nie. Dit is nie “live and let live” nie. Daar moet iets vir albei op die Tafel wees. Ons by [name of company] plaas baie klem op “partnerships”, op verhoudinge met die mense met wie ons besigheid doen. Dit is „n langtermyn-verhouding wat baie op goeie trou gebaseer is. Op voorwaarde dat jy my nie verneuk nie, gaan ek vir jou die voordeel van die twyfel gee.

[I realised a few things. The one is this. If you do business in a style where you fight for a bargain and walk away from the negotiations with a smile, but the other guy is not happy, then your business will not be sustainable. That is not live and let live. There must be something in it for both parties. We value partnerships and relationships with people with whom we do business. It is a long-term relationship built on good faith. The condition is that if you are honest I will give you the benefit of the doubt.]⁹⁵²

⁹⁵¹ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁵² Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

Participant C values free-market capitalism while recognising the inherent threats. For him, free-market capitalism contributes to progress, increased wealth, and the provision of livelihoods for more people. He sees the task of the insurance industry as making it possible for individuals and groups to take the risk of doing business and creating wealth in order to benefit as many people as possible. Participant C is aware of the ambiguities of the free-market and is particularly concerned about the impact of greed and the fear of choices by business leaders. It causes a loss of perspective. He asserts that greed leads to dishonesty amongst many of those in management, and desperateness amongst many of the poor. He attributes the events of August 2012 at Marikana in the North-West province of South Africa to the desperateness of workers who experienced themselves as abused by so-called “loan sharks”. He said,

Die “gap” is net te groot. Hulle het niks om te verloor nie. Gaan net in die strate in. Dit is seker die gevaarlikste ding wat daar is. Gooi my in die tronk, dan is ek beter af. Daar kry ek darem kos ... Ek dink baie keer dit gaan daaroor om hoop te hê. Die oomblik as mense hoop verloor, jy weet as daar nie meer „nervaring is van dit kan beter wees nie, in die “sense” van „n bœer toekoms, dan lei dit tot anargie.

[The gap is just too wide. They have nothing to lose. They went into the streets. I think it is the most dangerous situation when you can say, Put me in jail. There I will be better off. At least I will have something to eat ...often I think it is about hope. The moment you have lost hope, when you believe there is no expectation that it could be better in the sense of a better future: then it leads to anarchy.]⁹⁵³

Fear on the other hand, he claims, leads to unlimited accumulation by the wealthy and the loss of perspective. Participant C cites two examples of where this perspective was lost. The first example was realising that his daughter’s wedding would cost him as much as it would cost him to build a small house for his domestic worker. The second example was that the average insured value of mountain bikes is the same amount as the average insurance of a small car. To regain perspective he asked two questions. The first is, “when is enough enough” and “what is the minimum I need?”⁹⁵⁴ He felt it is this second question that drives economic activity. The problem with a general answer to these questions, he asserts, is the complexity of the globalised economy

⁹⁵³ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁵⁴ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

in which shareholders expect huge profits while competition undercuts the profitability of the enterprise. He said,

Die “global village” maak dit gekompliseerd, want jy moet kompeteer, Jy het kompetisies van of dit realisties is dat die aandeelhouer en die belegger verwag dat jy ,n 25% “return on capital” moet maak. Is dit nodig?

[The global village makes it complex. It creates competition. You have to compete against the expectations of the investors who want a 25% return on their capital. Is it really necessary?]⁹⁵⁵

For him, this scenario contributes to the inability of businesses to make a meaningful contribution towards social justice and forms of equality. He continued,

En dan kom die Chinese nog wat die goed omtrent verniet doen, en nog goedkoper as al die ander ouens. Dit is amper nie die moeite werd om ,n klerefabriek in Suid-Afrika te begin nie. En jy kan sê ek kan nie my mense so min betaal nie, dit is onmenslik, en dis nie christelik nie, of enige “angle” wat jy wil vat, die humanistiese of wat ook al. Niemand gaan jou klere koop nie, want dit is te duur.

[And then you have the Chinese who do things almost for free, and cheaper than everyone else. It is not worth the trouble to open a textile factory in South Africa. You can say I cannot pay my people such small wages. You can say it is inhumane, or it is not the Christian way, or take any other angle you want, a humanist angle or whatever. Nobody will buy your clothes because they are too expensive.]⁹⁵⁶

His willingness to take reputational risks with the aim of creating wealth, led him on a spiritual journey in which he questioned much of the church and Christianity in general to the point “*waar ek meer vrae as antwoorde het*” [where I have more questions than answers]⁹⁵⁷ and “*’n bietjie alternatief van wat gereformeerd is*” [a bit of an alternative to that which is considered to be Reformed.]⁹⁵⁸ Realising that this journey led him into a vacuum he opted to build his value system on the values of Christ.

⁹⁵⁵ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁵⁶ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁵⁷ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁵⁸ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

Ek het deur „n tydperk in my lewe gegaan waar ek deur baie dinge ontnugter was. Toe vra ek: waar los dit my? In „n vakuum? Ek wil nie anders leef nie. Ek wil nie sonder integriteit leef nie. Ek wil nie sonder menswaardigheid leef nie. Dit het my miskien by die punt gebring van die waardestelsel, wat in my geval op Christelike beginsels gebaseer is. Jesus se voorbeeld het vir my amper die sentrum geword. Van daardie waardes, die meeste van hulle, kan baie goed tuishoort in ander godsdienste. Ek dink nie dit is eksklusief nie. Maar vir my, ek kan nooit met Ramadaan of die Loofhuttefees ... Van my Joodse kollegas het dit nou gehad, ek kan nie daarmee “relate” nie, maar as ek Kersliedere hoor rondom Kersfees dan is daar „n aanflank. Amper „n tradisionele christen sou ek sê.

[I went through a time in my life during which I was disillusioned about many things, and asked myself where this leaves me? In a vacuum? I did not want to live differently. I did not want to live without integrity. I did not want to live without dignity. That brought me to the point of value systems which, in my case was built on Christian principles. For me the example of Jesus became almost the central point. Many of those values could be part of other religions. I do not think it is exclusive, but I cannot identify with Ramadan or the Feast of the Tabernacles. Some of my Jewish colleagues celebrated it recently, but I cannot relate with this. But when I hear Christmas carols at Christmas then there is a connection. Almost a traditional Christian I would say!]⁹⁵⁹

Towards the end of the interview participant C, speaking on private ownership of land, repeated this conviction that free-market capitalism on the one hand contributed to progress which impacts everyone, not only the rich, but on the other hand has a tendency to increase the inequality gap. This, he asserted, is what leads to desperation and desperate action.⁹⁶⁰

Maar daar is niks fout daarmee dat iemand wat kundig is, sê: ek gaan hierdie stuk van die aarde vat en daarmee iets doen nie. Ek gaan daarby baat, maar as ek die enigste ou is wat daarby baat, dink ek nie dit is reg nie. Dit is daardie kwessie van balans. Dit gaan oor “sustainability”. Jy dink op die ou end nie sustainable as die vrye-mark te ver gedruk word nie. Dan is daar te veel weners en te veel verloorders. Dan kom ons terug by daardie punt waaroor ons netnou gepraat het. Die sisteem rebelleer en dan kry jy „n rewolusie “set-up”. Ons het niks om meer te verloor nie. Dit is wat by Marikana gebeur het. Dit wys hoe desperaat jy is. Jy storm. Jy weet hierdie ouens het gewere. “Not a pretty picture.”

⁹⁵⁹ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁶⁰ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

[There is nothing wrong when a capable person says, I will take this piece of land and do something with it. I will benefit from it. But if he is the only one that benefits from it, then it is wrong. It is a matter of balance. It is about sustainability. If you push the free-market system too far you do not think in terms of sustainability, because that creates too many winners and losers. Then we return to the point that we talked about earlier. The system rebels and what you get is a revolutionary set up. We have nothing to lose. That is what happened at Marikana. It shows the desperation. You run. You know these guys have guns, but you run. That is not a pretty picture.]⁹⁶¹

The concept of “*imago Dei*” refers for participant C to what could be termed as a common humanity. It refers to the fact that all of us share something common, which endows us with a responsibility towards one another. He explained,

Ons is beelddraers van God. Ons almal het dit in ons. En iets wat ek al meer besef, is daar is iets gemeenskapliks in ons. Of jy dit nou terugvat na die evolusieteorie wat alles terugvat na „n “single thought”. Ek dink ons dra almal iets van mekaar, gedeelde gene of iets. Ons almal het „n gemeenskaplike belang in die welvaart van ons almal.

[We are the image bearers of God. We all have it in us. I realise now that we share something with everyone else. Whether you want to take it back to evolution which takes us back to a single thought, but I think we all carry something of one another, a shared gene of something. Thus, we all have an interest in the wealth of everyone else.]⁹⁶²

Participant C acknowledged that the way business is carried out causes suffering and harm. He attributes that to greed, not the structure of the economic system which should remain free from external intervention. It is *medemenslikheid* that should compel business to value business relationships and to engage the needs and interests of the “business village”. It also challenges the individual to act with benevolence. For participant C, this sense of responsibility for *medemenslikheid* has its roots in his upbringing in a Reformed household.

⁹⁶¹ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

⁹⁶² Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

5.3.4 Interview 4: Relationship and responsibility

Participant D is a CEO in the mining industry. Participant D was interviewed on a day on which his company was involved in negotiations with strikers at some of their mines. He came into the interview having been at a meeting with the CEO of the company where they had just discussed the impact of the on-going strikes on the stock exchange where their company was listed. In 1994 he was in his mid-thirties.

Participant D was the eldest child in his family. His father worked as a contractor on the mines which meant the family moved often and this resulted in him seldom having time to develop deep relationships with either friends or communities. He remarked that since his mother could not drive a motor car he often had to enrol his siblings in new schools. Participant D studied engineering at the University of Pretoria and after completion of his studies he began to work as a miner on a mine in Mpumalanga. He moved through the ranks of the mine until he was appointed to his current position. His parents were members of the NG Kerk but he does not recall them being regular attendees of worship services although he and his siblings were expected to attend services and Sunday School. He indicated that he went through “the drill” (referring to the process of attending Sunday School from grade one to grade ten, and then the confirmation class before becoming a confessing member of the Church at age 16), until he made a commitment to Christ at the end of his first year at university through the witness of a miner in Welkom, Free State. He and his wife were both actively involved in church activities in the NG Kerk until 1982 when they resigned and joined the Hatfield Christian Centre-movement.

The interview with participant D was different from the other interviews in that he focused in his response on personal finances. He emphasised savings, entrepreneurship, and responsible management of your budget – both personal and at work. This in itself is an important indicator of his thoughts about both faith and economy. Faith, for him, is about a personal morality and about making sound decisions with little reference to the critical role of faith in the public sphere.

The core values for participant D are respect and integrity and his sense of right and wrong developed through the relationship with his parents as he grew up. For him, it is right to treat people with respect.⁹⁶³ Showing respect for authority was embedded into his life at a young age and this was confirmed through his Sunday School teachers, the preaching in church and eventually his own study of the Bible.

Respect and integrity were integrated into his world of work *via* his relationship with fellow-employees. A recurring theme during the interview was the importance of the living conditions of the workers on the mines. Participant D considers it his responsibility as CEO to create conditions in which everyone can make a decent living. He expressed this commitment in strong language calling life in the mine hostels inhumane. He argued,

Ons het nie meer sulke goed soos hostelle nie. Ek sal nie eers daaraan dink om weer so „n myn te begin met so iets nie. Dit is net onmenslik. Die punt is ek moet hom in die oë kan kyk. Ek gaan ondergronds en ek praat as CEO met die mense. Daardie ou moet my nie in die oë kan kyk en vir my sê: “Meneer ek werk hier vir jou. Ek kry nie „n ordentlike salaris om my gesin aan die gang te hou nie.” Dit is onmenslik.

[We do not have things such as hostels anymore. I will not even think of starting a new mine with hostels. It is inhumane. The point is I want to be able to look him in his eyes. I want to go underground and talk to people as CEO. He must not be able to look me in the eyes and say, “Sir I work at this mine, but I do not receive a proper salary to keep my family.” That is inhumane.]⁹⁶⁴

Furthermore, for him to be able to live a good life, it is essential that you have time to be with your family and therefore as soon as he was in a position to do it, he worked to convert hostels into family quarters. His Masters in Business Leadership-dissertation (MBL) was on how to convert mine hostels to family quarters.⁹⁶⁵

Participant D’s understanding of the economy follows a typical capitalist stance where the economy is understood to be driven by supply and demand. He argued that business reacts to

⁹⁶³ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton .

⁹⁶⁴ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

⁹⁶⁵ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

events in the socio-political or natural world which either creates a surplus supply or a shortage and thus market prices are seen to yield the best financial results. He argued,

Ek beseft dit is „n baiebrose stelsel, maar jy is deel van die sisteem. Ek praat nou van op „n besigheidsvlak moet jy kyk en seker maak hoe ons hierdie goed “manage”, en seker maak dat kostes so laag as moontlik is, en dit maak nie saak wat die prys is nie ... Dit gaan oor “supply” en “demand” aan die einde van die dag.

[I realise it is a sensitive system, but you are part of this system. On the level of business you must be aware and ensure that you manage things, and to ensure that you keep costs as low as possible. It does not matter what the price is ... It is all about supply and demand.]⁹⁶⁶

For participant D, there are two economies. The first he calls the “real economy” where monetary value is supported by physical commodities. The other he calls an “artificial economy” or “paper trade”. In this market commodities are bought and sold on the basis of a promise or estimation of production before the coal is mined. The same batch of coal is traded up to ten times without any physical coal to back up the transaction. For participant D such an economy is unsustainable and ultimately abusive of people because the driving forces within the economic system such as greed, fear and risk-taking behaviour is to maximise profits.⁹⁶⁷

The greed that motivates people to act in ways that maximise profits, puts a strain on the economic system. As a business leader he has to manage the need for profit and at the same time “operational” issues which include the working and living conditions of all employees. He argues that to do this effectively the State needs to provide an economic foundation by attending to the long-term needs of the country. Rather than intervening with social spending strategies the State should look for ways to promote entrepreneurship. While he recognises the inequality in the country and believes that it justifies the system of social grants, he warns that too much intervention “makes people lazy to work out their own future”. He questions the motives for

⁹⁶⁶ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

⁹⁶⁷ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

much of the unrest in communities, asking whether it is not merely a matter of “*Ek wil hê wat jy het*” [I want that which is yours.]⁹⁶⁸

Participant D’s response to the issue of private ownership versus the concept that the earth belongs to God was ambiguous. He felt that private ownership on the one hand, is important and used Mozambique as an example. He argued that land development in a country without private ownership consists of cheap buildings with little money spent on maintenance and this amounts to wastage. When it comes to mining, he also argued in favour of private ownership and the right to mine the land. He, however, agreed with the idea that the minerals belong to everyone, and that everybody should benefit from the licensing and fees which mining companies have to pay. Participant D explained,

Ja, ons besef dit [minerale] wat ons het behoort aan die mense van Suid-Afrika. Dit is iets waarmee selfs die politici mee sukkel. Die ou wat hier langs my myn, dink hierdie myn is syne. Maar dit is nie waar nie. Die ou wat in Springs bly, en die ou wat in Noord-Kaap bly het ook „n stukkie aandeel aan die myn wat ek hier het. Maar hulle sukkel met daardie idee. Op die ou einde van die dag behoort dit aan die staat en aan die mense van Suid-Afrika. So ek moet dit uithaal dat dit tot voordeel is van Suid-Afrika, tot voordeel van die “community” en met die werksgeleenthede wat daarmee gepaard gaan. Maar dit is „n lönsep wat hulle nie verstaan nie, wat ons mense in Suid-Afrika nog ernstig besig moet hou.

[Yes, we realise that what we have belongs to the people of South Africa. That is something that even the politicians struggle with. The guy next to me thinks this mine is his, but it is not true. The guy who lives in Springs and the one in the Northern Cape also have a share in the mine that I have. But they struggle to understand this. At the end of the day the minerals belong to South Africa and I must mine it to the benefit of South Africa, to the benefit of the community together with the job opportunities the mine creates. But they do not understand the concept and the people in South Africa must think about this.]⁹⁶⁹

Participant D has a pragmatic approach to the economy, which he sees as a natural process that needs to be left to function according to its own laws. For him, it is a sensitive system that could be adversely influenced by externalities such as natural disaster, politics or even greedy

⁹⁶⁸ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

⁹⁶⁹ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

behaviour of an individual. In this context of an exchange and market, accepting individual responsibility and acting with integrity is the key to facilitating growth. Yet, in the South African context some intervention and an acceptance of responsibility for social housing is required and should be regulated.

For participant D it has been a personal experience of a relationship with God and being formed in the family, church and his personal devotion that taught him the value of respect. In his world of work it is translated into responsibility towards the employees of his company. However, apart from recognising the need for better housing and working conditions this sense of responsibility goes no further and is not translated into a fundamental critique of the economic system.

5.3.5 Interview 5: Servitude and development

Participant E is also a senior executive in the coal mining sector, working for a division of a South African company with international reputation and interests.⁹⁷⁰ He studied to be a mining engineer at the University of Pretoria. In 1994 participant E was thirty-three years old.

Participant E grew up in the Eastern Cape where his father was a farmer. He remembers his mother as especially active in the community and is still serving senior people in an old age home [*sic*] at the age of seventy-nine. But she held similar socio-political views regarding the black persons as most members of the Afrikaner communities in the 1960s and 1970s held as illustrated by the following,

*Sy het grootgeword in „n boeregemeenskap waar sy nie eintlik vir die swartes noodwendig wou gee nie ... Hulle sal „n skap gee vir die ouetehuis, en hulle sal daar gaan bak en vir daardie mense moet sorg maar as dit vir die lokasie gaan het hulle gesê hulle moet darem vir hulle self sorg. Wat „n bietjie teenstrydig is. Ek en my ma het baie gesprekke daaroor gehad. Ek kon in tagtig [*sic*] jaar haar nie verander kry nie. Dit is hoe sy grootgeword het.*

[She grew up in a farming community where she did not give much to blacks ... They would give a sheep to the old age home, and they would go and prepare food and care for those people. But when it concerned the

⁹⁷⁰ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

black township she said they must care for themselves. It was a bit contradictory. My mother and I had many discussion about this. But I could not change her in eighty [*sic*] years. This is how she grew up.]⁹⁷¹

For participant E, involvement was an important theme in the interview. He saw it as important to be involved in the church which provides him with a sense of security. He said,

Daarom hou ek nog steeds van daardie amper geborgenheid, of jy voel ... Dit is lekker om deel te wees daarvan, want jy het „n spæsifieke struktuur, en jy weet die goed gaan op „n skere manier gebeur ... Ek wil nog steeds NG Kerk toe gaan. Ek wil Sondae kerk toe gaan, en ek help hulle met „n paar aksies daar.

[But I like the secure feeling. It is nice to be part of it [the congregation] because there is a structure and you know what to expect ... I want to be part of the NG Kerk. I want to go to Church on a Sunday, and I help them with some of their activities.]⁹⁷²

He also uses the concept of involvement when he speaks about his time as a junior officer in the SANDF responsible for training of young men from diverse communities.

Participant E is committed to the transformation process in the country and here too he is involved at different levels. He said,

Ek kan dit net maak werk in my omgewing. So ek kan dit maak werk in die universiteit waar ek betrokke is, by die mynbou departement. Daar is ek betrokke. Ek kan seker maak dat hulle transformeer. Hulle het dit klaar gedoen. En ek kan dit maak werk in maatskappy omgewing. Daar is ek betrokke ... Daar is ek betrokke by enige mense ontwikkeling. En ek het seker gemaak ek bly op daardie komitee. Dit is vir my lekker. Dit is die goed wat ek dink vir ons „n suksesvolle land sal maak op die ou einde van die dag.

[I can only make it work in my own environment. I can do it at the university where I am involved at the department of mining. I can ensure that they transform. I can do it in my company. There I am involved ... There I am involved in anything that has to do with the development of human beings. I made sure that I stay on that committee. This I enjoy.

⁹⁷¹ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

⁹⁷² Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

These, I think, are the things that at the end of the day will make us a successful country]⁹⁷³

The stories participant E shared during the interview, whether related to his work environment or his involvement in his local congregation, were all told with sensitivity to the human emotion behind the stories. As he related stories about congregational conflict and disappointment, or about the situation of a sole black team member who is accused of not pulling his weight in a team of whites, or about offering a job to a young black engineer, it was clear that participant E understood the humanity of the persons and their community that lay behind the story.

He went on to say that the economy is a system of networks [flow of information] that has to be co-ordinated in order to maximise the value of an amount of input or investment by different stakeholders in order to yield a value added product that makes a profit. For him, the State plays an important role in this flow of information. He relates how a project in Limpopo failed because the State did not have the knowledge and capacity to co-ordinate support for the project. So, participant E argued, the role of the State should be to create an environment that is investment-friendly, to manage mining licensing, to build infrastructure and to support projects. When the State fails to provide this service it leads to uncertainty and disappointment, which means that investors are reluctant to invest in the country.

Participant E suggested that for business to play its part in this network it needs a drive towards excellence in the normal operational issues such as security and safety, sales and client relations. For him this search for excellence is best addressed from the perspective of treating people with respect and by creating sustainable work, in a social and natural environment.

Participant E's approach to his work in leading the mining company revolves around two interrelated concepts namely treating people with respect and dignity, and sustainability. He asserted that sustainability without dignity for human beings is incomprehensible as much as is dignity for human beings in an unsustainable environment. He described treating persons with dignity as follows,

⁹⁷³ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

So menswaardigheid sien ek as „n persoon as jy jou in daardie omstandighede sou plaas, sou jy daar wou bly? As jy nie daar wou bly nie dan behandel jy nie daardie persoon menswaardig nie. Dit is hoe ek menswaardigheid sien.

[Treating someone with dignity is, as I see it, to ask yourself whether you would have been prepared to stay in the same conditions. If you are not prepared to do this and you expect of another person to live there then you do not treat that person with respect and dignity.]⁹⁷⁴

During the interview, participant E mentioned four elements in treating people with dignity. First, is to acknowledge the persons by listening to their needs and thus to respect them. Second, is to provide a healthy environment to work in and one that is conducive to building positive relationships with family, children and grandchildren. Third, is to build an empowering workplace that encourages participation by all team members. An empowering workplace requires more than training for the employee but also good management of the operations of the mine with the necessary systems and processes in place in order to ensure that it functions well. Fourth, is to provide the employee with hope for the future including good health which is so important in the mining industry. Participant E said,

Ons dink nie meer dit is aanvaarbaar dat jy die ou siek gaan maak as hy ondergronds werk nie, dat hy nou aan pneumoconiosis gaan ly of dat hy longsiekte gaan hê of dat sy gehoor aangetas word nie. Jy kan mos nie vir „n ou vir 20 of 30 jaar werk gee en as hy aftree kan hy dit nie geniet nie omdat hy nie meer gehoor het nie of sy longe werk nie meer nie ... As jy die stof kan sien dan gaan jy die ou se liggaam aftakel. Ons is nou op daardie plek waar ons sê ons wil nie meer „n ou xermaak nie, ons wil nie meer „n ou siek maak nie. Ons wil seker maak dat hy rustig eendag saam met sy kleinkinders kan gaan aftree en hy gaan „ngesonde lewe leef. Dit is waar ons is. Dit is hoe ons dit doen.

[We do not think that it is acceptable that working underground in mines should lead to illness, that he suffers from pneumoconiosis or a disease of the lungs, or that his ability to hear is compromised. You cannot give a person a job for twenty or thirty years, and when he retires he cannot enjoy retirement because he cannot hear or his lungs cannot function properly ... If you can see the dust then you will bring harm to the person's body. We are at a point where we say that we do not want to hurt

⁹⁷⁴ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

a person, or cause him illness. We want to make sure that he can retire with his grandchildren and live a healthy life. This is where we are. This is how we do it now.]⁹⁷⁵

Dignity is also enhanced by strategies such as the provision of infrastructure to the community, the protection and restoration of the environment of the community, and the provision of quality education and opportunities for young people.

Participant E often used narratives during the interview. In these narratives need, opportunity, and a sense of responsibility to assist in making things work out for others were common themes. His stories underlined the need for a growing economy, the responsibility to treat people with respect, and the call to “make a real difference”. He also emphasised the responsibility to care for the environment for future generations. He understood this as the essence of living according to the Bible He said,

Ek dink dit is die regte ding. Dit kos jou geld, maar jy kan nie net die voordeel daar uithaal en dit dan los vir die nageslag om reg te maak as hulle nie meer geld het nie. So terwyl jy die voordeel uithaal, sit geld weg. Dit is wat hulle jou nou verplig om te doen ... Dan leef jy soos ek dink ook die Bybel staan dat jy moet leef. Dan kyk na jou kinders. Hulle moet ook die aarde kan bewoon en bewerk.

[I think it is the correct thing to do. It will cost you money, but you cannot enjoy the advantage of the minerals and then leave the land for the next generation to rehabilitate. Thus, while you enjoy the advantage, put money away to rehabilitate the environment ... Then, I think, you will live as the Bible prescribes. Then you look after your children. They too must be able to live on the earth and to work it.]⁹⁷⁶

Participant E related his business ethic and value system through the lens of involvement, relationships, and opportunity. By sharing his mother’s *diensbaarheid* [attitude of service] he built a foundation of his own, *albeit* more inclusive, focused on a commitment to people. He understands the social responsibility of business to communities and to future generations. He also acknowledges that business poses a danger to people and the environment and therefore has

⁹⁷⁵ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

⁹⁷⁶ Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

to accept the responsibility of repairing the damage done to the environment through mining activities.

5.3.6 Interview 6: Progress through knowledge ensures fairness

Participant F is the CEO of a company that specialises in making business knowledge available through distribution and publishing of books, as well as workshops and seminars for business people.⁹⁷⁷ Participant F grew up in Caledon and Hermanus as the son of a merchant. In 1994 he was in his early forties.

Participant F gave the *regverdigheidsbeginsel* [principle of fairness]⁹⁷⁸ as a core value. This, he stated, he had learnt from his father but could identify numerous events and people who had influenced him in forming this principle. This included well-known persons in the Afrikaner intelligentsia in the 1970s such as social scientists Erika Theron and SP Cilliers and economist Sampie Terreblanche. His relationship with the NG Kerk also played a part in the formation of his *regverdigheidsbeginsel*. He uses emotive language such as “disappointment” and “anger” to describe this relationship with the NG Kerk. His anger was caused by the silence of the church and theologians of the church on the unjust removal of people in the winter. Eventually he found a way back to the church through reading a book by William Barclay, and a minister who faithfully “witnessed about the mystery of God”.⁹⁷⁹

Participant F is involved in politics and political themes were evident throughout the interview. As a student he held left leaning political convictions and as manager of the Institute for Personnel Management he has addressed Parliamentary agencies on topics such as inequality in education and the need for skills development. He also had early contact with the ANC in Lusaka. He claims that leaders in the ANC told him that aspects of his work on skills development contributed to policies the government developed in the RDP. However, ideologically he identified himself as a supporter of the free-market system. He commented,

⁹⁷⁷ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁷⁸ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁷⁹ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

Ek is nie ,n kommunis nie. Ek was ook nooit ,n sosialis nie. Ek is ,n vryemark ou. Ek glo in die vrye-mark stelsel. Met die regte ,checks and balances“ is dit nog by verre die regte stelsel.

[I am not a communist. I have never been a socialist. I am a free-market man. I believe in the free-market system. With the proper checks and balances it is still the best system by far.]⁹⁸⁰

It is thus no surprise that participant F holds on to important tenets of the free-market ideology, but in very distinctive ways.

First, he feels strongly about the need to grow the “economic cake”⁹⁸¹ and the infinite possibility for growth. He illustrates this by referring to the availability of iron and the incredible technological advances which mean that in future we can manufacture our own steel and mine minerals undersea. He explained,

Ek wil net vir jou ,n idee gee van hierdie beperktheid van minerale. As ons teen dieselfde tempo as vandag ystererts verbruik, is daar genoeg ystererts vir die volgende 3000 jaar op die aarde. Hulle het nog nie begin om onder water onder die seebedding te begin myn nie ... Dit is die een deel. Die ander deel is dat ons dit gaan vervaardig. Ons gaan ystererts vervaardig. Die prototipes is klaar daar.

[Let me give you an idea about the finiteness of minerals. If we use iron ore at the current speed then we still have enough ore for the next 3000 years. And they have not yet started to mine under water under the seabed ... That is one part of it. The other part is that we will manufacture iron ore. Again the prototypes do exist already.]⁹⁸²

Second, he states that knowledge is the new commodity that will ensure innovation and eventually growth of the economy. He is of the opinion that countries such as Germany, Taiwan, and Korea are the countries with the most scientists. They are also the most entrepreneurial countries with growing economies. He said,

Vandag lê die geheim van ,n land se ekonomie dink ek, tot watter mate kan hy innoveer. Tot watter mate kan hy waarde toevoeg tot dit waarmee hy

⁹⁸⁰ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁸¹ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁸² Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

besig is? Kan hy op „nander manier die sterkpunte wat die land het ontwikkel?

[I think the secret for any country's economy is innovation. To what extent can they add value to what is being done? Can it help to develop the strengths of the country in new ways?]⁹⁸³

The principle of fairness makes him aware of the ethical questions raised by the ownership of the key commodity of knowledge. On the one hand there is the right to market products resulting from innovation such as new cell phone technology. On the other hand and at a more fundamental level there is, for him, an issue about life itself. It is about medical knowledge and resources [commodities] that are controlled by a smaller and smaller group of people with huge restrictions to access for the majority of people – even people with the backing of medical aid funds. He explained it as follows,

As ons kyk na die mediese wetenskap en die ontwikkeling wat daar plaasvind. Ek kan „npil drink vir „n skere soort kanker. Eerstens kan hulle my diagnoseer met nuwe tegnieke ses maande vroeër. Hulle kan dit met „n scan pinpoint en my gesond maak. Dit maak my kans om te “survive” 10 keer hoër. Dit kos my R5 000 000. Die ander ou wat dit nie het nie; hy word aan homself oorgelaat. Eintlik aan die Here se genade. Daai is vir my moreel-eties geweldige goed. Dit gaan oor die toekomshoop. Dat basiese gesondheid al hoe meer in „n al hoe kleiner groepie se hande beland. “Smart drugs”? My mediese fonds kan dit nie bekostig nie. Dan kan ek dit ook nie bekostig nie.

[If we look at medical science and the way it has developed. I can use a pill for a certain kind of cancer. First, with new techniques they can diagnose me six months earlier. With a scan they can pinpoint the cancer and heal me. My chances of survival increased ten times. It will cost me R5 000 000. But another person does not have that kind of money; he is left to himself. Actually he is left to the grace of God. For me, these are huge moral and ethical issues. It is about hope for the future. It is an issue that basic health care is in the hands of a decreasing group of people. So-called smart drugs? My medical fund cannot afford it, neither can I.]⁹⁸⁴

For participant F the availability of knowledge and information challenges abusive consumerism and enables people to decide for themselves whether claims in advertising are authentic or not.

⁹⁸³ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁸⁴ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

Thus, the economy is knowledge based and if you do not have the knowledge then you are in danger of being fooled. He referred to knowledge in the context of the Marikana incident when he said,

As jy nie die kennis het nie, dan sê die sangoma vir jou ek spreik jou hierdie goedjies oor jou en niks sal met jou gebeur nie en jy sal jou geld kry.

[If you do not have the knowledge, then a traditional healer could convince you that if he sprays something over you, nothing will happen to you, and you will receive your money.]⁹⁸⁵

Third, participant F is convinced that State interference in the economy should be kept to a minimum. For him the State should provide the services that the poor need, implement the constitution, and leave the economy to regulate itself. He argued,

Ek dink „n staat moet infrastruktuur skep, die staat moet sorg dat daar veiligheid en sekuriteit is. Die staat moet fasiliteite skep vir die meerderheid van die mense wat arms is soos bv. gesondheidsorg, onderwysstelsel. Hulle moet sorg dat daar goeie verhoudinge met die res van die wêreld is. Dit is „n baie eenvoudige siening van die rol van die staat. Eintlik moet die staat maar net daardie grondwet wat ons het implementeer. Verder moet die staat so min as moontlik doen.

[I think the State should provide the infrastructure, and take care of safety and security. The State should create facilities such as health care and an educational system for the majority of the poor. They must look after relationships with the rest of the world. That is a very simplistic view of the role of the State. All that the State must do is to implement the constitution. Apart from that, the State should do as little as possible.]⁹⁸⁶

Clearly, he sees it as the government's role to provide health care and educational facilities for the poor. It is also the State's responsibility to implement a system that prevents the abuse of workers and provides opportunities for training through Further Education and Training (FET) centres. However, for this to be viable, he asserts that the economy needs to grow. Participant F is critical of business for not taking up their responsibility for the national economy. He, himself, makes efforts to motivate business to participate in the development of the country and its

⁹⁸⁵ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁸⁶ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

people. For him a commitment to the free-market does not mean "no responsibility," but it rather means "a responsible free-market".

The notions of the principle of fairness, a responsible free-market, and his conviction about innovation are core values to participant F. He refuses to distribute books and material that promote investment models which constitute a "rip off". He explained,

Die wins is seker belangrik, maar ek maak nie wins nie. Daar is altyd iets waarin ons die geld investeer of ontwikkel. Die besigheid waarin ek op die oomblik is, die ding waarmee ek op die oomblik besig is, is my passie. Dit is "tough", maar dit is my passie. Dit is kennis, besigheidkennis. Ons leer nie vir „n ou ... Dit was nog voor die "credit crunch". Hierdie investeringsmodelle wat ouens "rip off", en jy kry baie sulke goed. Ons hou dit nie aan nie, en ons sal dit ook nie kry vir iemand as hy dit wil hê nie.

[I suppose profit is important, but we do not make much profit. There is always an investment or development project into which we put our money. The business that I am in, what I am doing now, is my passion. It is tough, but for me it is a passion. It is about knowledge, knowledge of doing business. We do not teach someone ... Even before the credit crunch we do not keep material on investment models where people are ripped off. There are a lot of those kinds of things. We do not keep them, and we will not order such for someone if he wants it.]⁹⁸⁷

Fourth, the free-market system can lead to individuals "being sacrificed for the sake of the whole".⁹⁸⁸ Participant F stresses the need to train people in order to function properly in a world dominated by technology, and to use and create opportunities for growth since we are moving into an era where technological development will leave no room for unskilled or even semi-skilled workers. This is possible because everybody has the potential to be trained. If this does not happen they will become redundant in the system. He explained,

Ek is glad nie „n wetenskaplike nie, maar wat ek wel weet is dat hierdie hele konsep van "additive manufacturing", waarmee jy drie-dimensionele goed mee gaan druk, wat al klaar gedoen word. Dan is daar nie meer plek vir die semi-skilled persoon in die werkplek nie.

⁹⁸⁷ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁸⁸ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

[I am not a scientist, but what I do know is the concept of “additive manufacturing”, with which you can produce three-dimensional products ... then there will not be a place for a semi-skilled person in the workplace.]⁹⁸⁹

Referring to the impact of technological development on people, he accepts that it is an inevitable part of the system, but he does not condone it in any way. His strong commitment to the free-market is tempered in some important ways by his sense of fairness, a commitment to free association and to human rights

Recognising people as image bearers of God means that you must “give them an opportunity to develop”, asserts participant F who sees no tension between theology and economics. Much of his work is dedicated to the development of people with the aim of becoming effective participants in the economy. For him the economy, just as with faith, is a way of “bringing life” *albeit* in a flawed social system.

5.3.7 Interview 7: Responsibility and sustainability

Participant G works in the insurance industry as the Chief Operating Officer of the company’s emerging markets division.⁹⁹⁰ He studied part-time through UNISA. In 1994 he was thirty-eight years old.

His parents farmed in the Eastern Free State and during his entire schooling career he was a weekly boarder in a school hostel in a small town. He saw this experience as having a huge influence on his life as it gave him both independence and the security to know that when necessary, he could phone his parents who were always supportive. After school he did his national service in the SANDF before returning to the farm for a year. He began to study during his years in the SANDF and continued while working on the farm. After a year on the farm he left to “develop his potential”, which he saw as a Christian duty.

He grew up in a milieu of, “*Weet jy wat? Jy moet besluit!*” [Do you know what? You have to decide.] This, together with growing up in school hostels, created a sense of individuality and

⁹⁸⁹ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

⁹⁹⁰ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

responsibility that formed the foundation of participant G's value system. The value of responsibility was also important to integrating a world view, which was strongly influenced by his parents and his own Christian beliefs, into his views on the economy and economic behaviour. He expressed his father's influence as follows,

Dit [Christenskap] is nie veroordelende uitsprake nie. "Jy moet so maak" of "Die Here wil hê jy moet so maak" nie. Dit is eerder om te sê dit is hoe ek verkies om te leef as christen. Dit kom uit my basis uit. Dit was die groot ding.

[It [Christianity] is not judgemental, not "you must do this" or "the Lord wants you to do this". Rather, it is to say: this is how I choose to live as a Christian. This conviction comes from my base. That was the big thing.]⁹⁹¹

Responsibility, for him has important implications for how you live your life and do business. He sees responsibility as being able to make your decisions based on the knowledge you have and to accept the consequences of your decisions.

But, "to live in the past is unproductive".⁹⁹² This is evident in the interview as he asserts a strong feeling that redistribution based on past events is "not right" and "is unhelpful".⁹⁹³ Speaking of his father, he stated, *"Hy het my absoluut geleer moenie in die verlede leef nie, vat die omstandighede neem jou besluit en gaan aan. Moenie terugkyk en wonder as ek .. dan .. . Dit is onproduktief."* [He absolutely taught me not to live in the past. Accept responsibility for your circumstances and move forward. Do not look back and ponder on what could have been. That is not productive.]⁹⁹⁴

Thus for participant G, living responsibly is to accept responsibility for the future. First, there is an ethical responsibility. His father taught him to find a balance "between today and tomorrow" implying that your behaviour today should be controlled by an awareness of the need to live tomorrow. *"Ek doen besigheid, want ek wil môre nog besigheid doen"*. [I do business because

⁹⁹¹ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹² Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹³ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹⁴ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

tomorrow I want to do more business].⁹⁹⁵ This implies that you need to treat your workers [in his father's case the farm workers] with fairness and dignity, because in future you could need the person to work an hour longer to complete an important task. So his philosophy is that if you treat the worker well now, it will be easier to ask for an extra hour later. He argued that as a result his father's workers were paid better than the norm in the district. Furthermore, his father's policy was that when there was not much work the workers could leave early, but when it was time to sow or reap everybody, farmer, sons, and workers, needed to work long hours in order complete the job.

For participant G, there is also a responsibility to the next generation to ensure they can also live on earth and thus sustainability is another expression of his value system. This forms the basis for his thoughts on the relationship between the economy and community. For him, sustainability requires three conditions. First, you must realise that you are part of a global system. "*Ek is deel van 'n global village, of deel van 'n provinsie, of deel van 'n land of 'n groter ekonomie.*" [I am part of a global village, or of a province, or part of a country or a bigger economy.]⁹⁹⁶ Second, you need to play a role that will leave a positive heritage behind. Third, this cannot happen over the short-term because if you chase short-term results on the balance sheet you will not be sustainable as a business in the long-term.⁹⁹⁷

This short-term orientation is one of four weaknesses of capitalism that participant G pointed out during the interview. A second weakness of capitalism is the drive for ever increasing growth.⁹⁹⁸ It means that role players are replaced every few years in order for there to be innovative strategies. Because you have only short-term interests you do not care for a heritage, for the environment or the communities that you leave behind, he asserted. This links to the third weakness namely, the policy of supply and demand which prevents a reasonable division of resources either because labour becomes too expensive or it becomes so cheap that it cannot be factored into the economy.⁹⁹⁹ The fourth weakness of capitalism according to participant G is the

⁹⁹⁵ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹⁶ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹⁷ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹⁸ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

⁹⁹⁹ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

tendency to ignore the people and their development in the economic system.¹⁰⁰⁰ He feels strongly that the employer should create a window of opportunity for workers and employees to develop and to improve their own sense of dignity and value. Providing employment with the benefit of a small salary but no opportunity for them to live with dignity and to help their children to move forward is neither enough, nor fair to the employee. If employees are treated in an unfair manner, he feels an attitude of dependence or entitlement will develop, which will inhibit potential for development and growth.¹⁰⁰¹

So for participant G, the development of people and of communities is about sustainability, and sustainability is all about self-respect and dignity. For him development requires clear goals and clear plans. If not, it is a waste of time and resources. He feels the other important condition for developing people or communities is that you employ individuals with the right potential and capacity. As an example of this argument he asserted that if you can help an emerging farmer to farm with success you have developed that person and the person will have self-respect. For this success to occur, it is necessary to monitor the progress and production of the person. For participant G, the same argument applies to farm workers. If you treat them with fairness and dignity and you allow them to have cattle, this would enable them to have money to send their children to school or to give them a wedding. This in turn builds dignity and self-respect in the children as well. For this reason, he is critical of social grants because he feels they do not teach responsibility and is not sustainable. While, he claims that he is not indifferent to persons in need of food and shelter, he sees almsgiving and charitable donations as generally not sustainable.

His view of the State is that it can play an important role in the development of people and communities. But, in order to play that role the State should not politicise development. Also, the State should employ professional corps of people to develop and implement programmes. He feels that the State failed in this role because it has not been sufficiently involved in skills training.

¹⁰⁰⁰ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

¹⁰⁰¹ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

Participant G's thoughts on economy and community were formed by responsibility and a sense of creating the possibility for a sustainable and dignified life for individuals. This is strongly influenced by his understanding of the Reformed notion of the image of God [*imago Dei*]. For him being created in the image of God affects how you behave and treat others. It should not simply be a dogma about being human, or about the value the other person has for you. He said,

Ek dink binne enige politieke bestel, binne enige werksbestel moet „n mens versigtig wees om die beeld van God te sien as net hoeveel ek die persoon betaal. Die beeld van God beteken ek het „n verantwoordelikheid vir hoe ek optree.

[I think in any political system, in any environment of work, you must be careful not to identify the image of God with how much you pay a person. The image of God places a responsibility on me to act in a certain way.]¹⁰⁰²

To understand this we should read this together with an earlier remark that it is not enough to pay a person a salary. Employers need to create a “window of opportunity” for the employees to move forward.¹⁰⁰³ By saying that we should not identify the image of God with how much you pay a person, he wanted to emphasise that respect for a person is more than the salary or wage a person earns. You should pay a person a fair wage or salary, but you should *also* treat a person with respect.

Furthermore for participant G, responsibility requires that if we confess that the earth belongs to the Lord then we have to accept that the environment is God's creation and that it should be protected and cared for. We have to do this because we are God's representatives. In addition, he suggested that because we are part of the global village and community, we have the responsibility to be stewards of what is God's. For him a life-style of sobriety means that you are a steward who uses the resources entrusted to you in a responsible manner. In the past the idea of a sober life-style was used to refer to a life-style of hard work and not spending money on unnecessary items. But for Participant G sobriety does not mean to work overtime for a meagre

¹⁰⁰² Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

¹⁰⁰³ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg..

salary or wage, and with minimum leave. That notion was an abuse of the concept of sobriety in Afrikaner culture and resulted in a consumerist society. He explained,

Ons het harde werk na die ekstreme toe gevat. Nie omdat ons glo in soberheid nie maar omdat ons die monetêre voordeel vir die wil kry. Ek dink dit is waar die goed uitmekaargegaan het. Die oorbeklemtoning van die resultate eerder as die beginsel. Wat nou gebeur in die verbruikersmentaliteit is „n aversie teen die goeie soberheidsbeginsels weens die toepassing daarvan.

[We took the idea of working hard to the extreme. Not because we believed in sobriety, but because we wanted the monetary advantage. I think that is where things fell apart: this overemphasis on results, rather than on the principle. What is happening now with the consumer mentality is an aversion to the principle of sobriety because of the way it was applied in the past.]¹⁰⁰⁴

Participant G critiques the church's role in public life. For him the Reformed Churches, specifically the NG Kerk, has a negative influence because of its lack of integrity as a result of *apartheid* and the implications it had on the dignity of the majority of people. He calls for the church to “crucify itself, its own dogmas and its own preferences”. Because the church does not do this, he is convinced that it is no longer being truly “Reformed”. In spite of this he believes the church can play a role in public life and contribute to development if it can do it non-denominationally and in a way that allows everyone in the community to participate and contribute.

Participant G integrates faith and economy through the values of responsibility and sustainability. These values are indeed deeply embedded in his understanding of being Reformed. Sustainability means taking responsibility for others, for the environment, and for a life-style of sobriety. This, for him, is how you should live because we are created in the image of God and are God's representative on earth.

¹⁰⁰⁴ Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

5.3.8 Interview 8: Contribution and empowerment

The interview with participant H was unique in two aspects. The first was that he was the son of a NG Kerk minister in Johannesburg which meant that the values of “involvement and contribution” were important in the home. He asserted that involvement, responsibility and entrepreneurship are the core values according to which he lives. Second, in telling his life-story he gave little biographical information and rather focused on his career in the housing and property development sector, and on the new landscape and the challenges of business in the new South Africa. He studied architecture at the University of the Free State in Bloemfontein. In 1994 he was in his early thirties and already a successful business person.

As young adult participant G committed himself to the Christian Nationalist ideology and became “enthusiastic to contribute to the country”.¹⁰⁰⁵ The church he attended as a student played an important role in his life because of the preaching and leadership. They highlighted Christian Nationalism, which enthused him to play a part in the future of “our” country.¹⁰⁰⁶ He was prepared to give his life for the country and during conscription into the SANDF he served in Angola as a member of the Special Forces. He commented,

Ek was bereid om my lewe vir hierdie land op te offer. Ek was so entoesiasies om ,n bydrae tot hierdie land te lewer. Ek het in die weermag by die spesiale magte betrokke geraak. Ek was bereid om my lewe op te offer. Ek het die hele Angola vol gehardloop. Dit is hoe ek gevoel het oor Suid-Afrika.

[I was prepared to give my life for this country. I was eager to contribute to the country. I joined the Special Forces in the army. I was prepared to sacrifice my life. I ran through Angola. That is how I felt about South Africa.]¹⁰⁰⁷

After the birth of the new South Africa and an initial period of despondency and anger, this “enthusiasm to contribute to the country” became a “socialist” conviction. He explained it,

¹⁰⁰⁵ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

¹⁰⁰⁶ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

¹⁰⁰⁷ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

Ek sal sê ek is so „n bietjie van „nsosialis, want ek het gevoel vir hierdie mense. Ek dink daar is 15 miljoen mense in ons land wat nog steeds in sinkstrukture woon, wat vir my ’n skande is. Dit in „n raelik welvarende land soos Suid-Afrika. Aan die eenkant het ons duikbote en bote op die see en honderd en tien goed wat geld vreet, maar daar bly vyftien miljoen mense in krotte. Die sosio-eonomiese omstandighede van daardie mense bepaal eintlik ons toekoms.

[I must say that I am a bit of a socialist because I feel for these people. I think there are fifteen million people living in zinc structures, which to me is scandalous. On the one hand we have submarines and ships in the sea and a hundred and one things that eat our capital, yet fifteen million people live in shacks. The socio-economic circumstances of those people determine our future.]¹⁰⁰⁸

The transition to an open society and economy after 1994 had another important impact on him. He referred to it as a liberating experience because he was “liberated from racial prejudice”, became open to work with black empowerment groups, and began to focus on the development of young black persons as entrepreneurs. It also liberated him to behave *varkerig* [behave like a hog] in order to reach his goals. For him that is unfortunate but necessary to survive in the new business *milieu*.

Participant H described the new business *milieu* as a space where everyone is concerned only about themselves and where small businesses are exposed to the power of the banks and corporations. Because of the effects of the recession in 2008, the change in banking rules, and black economic empowerment [BEE] it became difficult to get access to capital. He emphasised that BEE does not guarantee access for black business persons, and he spoke about a former BEE partner and highly successful CEO who failed in business because he could not raise the capital needed for a business venture. This man now lives with his family in the Eastern Cape in conditions of poverty. What BEE does do, he claimed, is that it emphasises the importance of being well connected in order to progress in the world of business.¹⁰⁰⁹

Participant H is not negative about the changing landscape because he understands the need for restorative justice, and he sees the potential of a new generation of South African business

¹⁰⁰⁸ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

¹⁰⁰⁹ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

leaders coming to the fore to take leadership. He asserts that in an ideal world the role of the State is solely to provide an economic infrastructure. As means they have taxation which should be used to create a good business environment and institutions that serve as building blocks for economic growth.

But, for him, the key to economic growth is entrepreneurship which qualifies his “socialist” leanings and his understanding of the current political context in important ways. So while entrepreneurship requires freedom from regulations and support from both the public and private sectors, in the current context he understands the need for more State intervention and even suggests strong central control, such as existed in China. He argued,

Ons word amper soos die Chinese. Hier is redelike sterk staatsinmenging. Hier is redelike sosialistiese reëls wat geld soos swart bemagtiging al is dit partykeer gratis. Ek dink vir Suid-Afrika is dit die regte ding, maar nou sit ons met hierdie vlak van korrupsie.

[We have almost become like the Chinese. We have a measure of State intervention. Here are a few socialist rules, such as Black Empowerment ... I think in South Africa it is the right thing to do, but now we sit with this level of corruption.]¹⁰¹⁰

So while accepting the need for State intervention, participant H complained that this opens the door to corruption which kills all initiatives and efforts to create new businesses and business models. For this reason the focus on greater access for young black persons to participate in the economy excites him. He argues that the State, churches, schools and universities should attend to the development of entrepreneurial skills in young people because they will have to be trained to compete and survive in a harsh capitalist environment.

When asked about the conflict between the confession that all human beings are created in the image of God [*imago Dei*] while there is abusive treatment of persons in the economy, participant H responded by talking about corruption and greed. “The image of God means that as a Christian I should act and be successful in business. For the Christian the challenge is to be

¹⁰¹⁰ Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

ethical”.¹⁰¹¹ For this reason he begins his day by reading Scripture and meditation of five to ten minutes which provides him with direction for the day.

Participant H integrates faith and economy through the concepts of responsibility and contributing to society. But to work in business and be socially responsible is a struggle for him. He argues that the challenge to survive the limitations of a new economic landscape and the lack of access to capital contributes to making proper integration and the development of ethical principles difficult.

5.4 Reformed faith, the economy and the community

5.4.1 Disembedded, yet socially aware

For purposes of this study it is important to assess the participants’ views on the dominant economic model, to identify in what ways they differ from it and to what extent they use Polanyian concepts or concepts similar to his. The focus in this section is on themes related to embeddedness, substantive understanding, institutions, and the double movement or transformation. This section will also introduce key concepts from a neo-liberal understanding of the economy such as the scarcity principle, the supply and demand mechanism, and the resistance against State interference.

All the participants adhere to a qualified conventionalist position that can be described as a mixed economy in which State and business work together.¹⁰¹² In spite of the recognition of the need to work together all participants feel it is important that the free-market has as little State interference as possible. The State’s role is seen to be to create infrastructure that is too expensive for business companies or which needs wide coordination (participants B, C and E). The State’s role is further seen to create an investment-friendly environment (participant E), and to offer institutions that provide support to business (participant H). Only participant F sees the role of the State to provide services to the poor and to uphold the constitution. For him, services

¹⁰¹¹ Participant H interviewed by B.J. Pieters on 23 May 2013 in Sandton.

¹⁰¹² See N Nattrass’ distinction between conventionalist and structural revisionists in section 2.4.1.

to the poor include health, education, the protection of workers, and creating opportunities for all through training. Participant F has clearly been influenced by socialist thinkers, but nevertheless is a supporter of the capitalist free-market. Participant H, who calls himself a “bit of a socialist”, is the exception since he accepts the need for a larger central authority. However, he sees a free-market as the ideal type of economic system and centralisation as a temporary strategy to redress inequality.

All participants, with the exception of participant C, felt that business should play an active role in development. Economic institutions should, according to participant E, be humane and at the same time be effective in their operations. Participant H agreed as he pleads for an environment that is supportive of small businesses and the development of entrepreneurs. Participants B and E expressed the belief that as part of such a mixed economy business should address inequality through the development of local communities. Participant F criticised business for the lack of commitment to change in South Africa.

The disembeddedness of the economy from social relations, or the separation between politics and economics was for Polanyi one of the main dangers of a market society (see section 3.2) Polanyi argued that some political intervention is necessary because the affluent classes will not share their privileges with the less well-off classes (see section 3.2). From an analysis of the field research, participants seem to prove Polanyi correct. There seems to be a lack of understanding of the lived reality of the poor amongst the participants. With the exception of participant C who visited the house he and his wife built for their domestic worker and the comments of participant B about their domestic worker, there were no other acknowledged personal encounters with poor people. However, it should be noted that participants did speak of encounters with the workers in their business environment. This was true of participants D and E who related stories of these encounters, participants A and F related incidences where they had to negotiate labour deals with angry workers and participants D, E and H shared examples of working relationships with black businessmen, one of which was given as a negative example of the attitudes of black businessmen (participant D). Yet, Reformed theology addresses the issue of restoration through the concept of a “poor church” and emphasises reading the Bible through the eyes of the poor (see section 4.2.2).

Another pre-requisite for embeddedness, according to Polanyi, is that the economy should be understood as substantive which means that human beings are dependent for their survival on both material and relational means. The natural and social contexts are linked in the processes that provide access to livelihoods.¹⁰¹³ Neither a call for a mixed economy, nor being aware of the social responsibility and the need for sustainability is the same as embedding the economy in social relations. A social-embedded economy is characterised by its aim, structures and institutions. The purpose of economic activity in a social-embedded economy is freedom and justice. Polanyi argues, as discussed in section 3.3.1, that societies where the economy was embedded in social relations that relationship was maintained *via* principles such as redistribution, reciprocity and self-sustainability. The preferred principle of organisation is exchange with the self-regulating market as an institutionalised pattern. Although some participants acknowledged the need for redistribution and intervention to increase access to the economy for those who were excluded, they felt that it should neither intervene with normal market processes, nor should it become a long-term strategy. The focus should rather be on training (participants D, E and F), entrepreneurship (participant H), and the development of infrastructure for communities (participant B).

The focus of the economic process is described by the participants as the creation of wealth and affluence (participant A), profit (participant E), growth (participant F) and sustainability (participants B and F). These are all essentially strategies of using available material means to achieve material ends namely growth, wealth and profit. Participant A went further and argued that increased means will allow for progress towards greater joy and peace. Participants C and F argued that the free-market contributes to “progress”, but did acknowledge that it also increases inequality. Thus, a free-market drives development and progress, increases wealth, and provides access to livelihoods, but these sentiments do not represent a substantive understanding of the economy. As indicated in section 3.3.2, Polanyi argued that a substantive understanding includes the whole community and requires distribution processes that are inclusive of all of its members. Wealth gathered through the free-market will be individualised resources and again as previously stated it is difficult for those who have gathered wealth to voluntarily share with the poor. This

¹⁰¹³ Polanyi (1957), “The Economy as Instituted Process,” 243.

lack of a substantive understanding of the economy is illustrated by the argument of participants D, E and G who all stated that material wealth will allow a person to own a house which brings ultimate dignity and creates the possibility of satisfying non-material needs. The underlying assumption is that non-economic needs can only be satisfied by those who have control over material means. Thus, those who do not control material means are excluded from a dignified and meaningful life. Once again Reformed theology provides an important correction by emphasising the interrelatedness of humans with one another and with creation as argued by LenkaBula in section 4.2.2. Polanyi's theory of the double movement discussed in section 3.4 states that societies will protect themselves when under threat. Polanyi is of the view that free-market economics can become a threat to the freedom of society (see section 3.2). The participants did acknowledge the existence of weaknesses in the free-market system. Therefore, participant F acknowledged that checks and balances are necessary.

Participants C, D and F identified greed and fear as weaknesses within a capitalist system. For participant C, greed leads to dishonesty. Participant D described greed as the cause for risky behaviour such as trading in coal that cannot be supported by sufficient existing stockpiles of coal. Participant A pointed to risk-taking behaviour such as where CEOs and boards of corporations are not accountable for the decisions they take, because they only serve for terms of two to five years. Thus the short-term orientation of the economy leads to speculation and irresponsibility (participants A and G).

It was further argued that greed leads to desperation amongst the poor. Referring to the 2012 events at Marikana in the North-West province of South Africa participant C saw greed and fear within management and desperation in the case of the mine-workers creating a situation of inhumanity. He argued that anarchy is inherent to situations of hopelessness and desperateness. Participant F also linked the events at Marikana with a sense of desperation when he referred to the role of "loan sharks" and the terms for credit at furniture shops which is the everyday reality of the miners.

Another key weakness identified in the capitalist system is the short-term orientation of the supply and demand chain (participants A, D and G). Participant G argued that the system of

supply and demand prevents a reasonable distribution of resources because labour either becomes either too expensive or too cheap. Participant F also recognises this danger. However, both participant F and participant G spoke about the value of individual persons as they recognised the tendency to ignore (participant H) or even sacrifice (participant G] the individual person in the capitalist system. Participant G also pointed out that the drive for more and more growth means that even managers and leaders in the economy become unimportant and have to be replaced at regular intervals. This is a direct result of the short-term orientation of the capitalist economy. For Polanyi the scarcity principle, competition and the supply and demand mechanism are at the heart of a formal understanding of the economy as discussed in section 3.3.2. It is this mechanism that gives the self-regulating market its hegemonic control. During the interviews it was only participant D who referred to the themes of scarcity and/or competition. As discussed in section 4.3 Naudé warns against this “god-like” tendency and calls Reformed Churches to rediscover the meaning of the provision of livelihoods by God to all.

Polanyi also argued that for an economy to be social-embedded, social and economic institutions need to embody the vision and values of a community (see section 3.5). As has already been suggested earlier, partnership between the public and private sectors in South Africa are needed. In section 2.4.3 we saw how critically important State-business partnerships had become in an effort to achieve development goals for the country. It must be noted that the capitalist stance of the participants is qualified by their awareness of the social responsibility of business. They see this responsibility as more than financial sponsorship with the exception of participant C who did speak of sponsorship in these terms. There is recognition that social responsibility is about setting aside material resources for the development of people, for building sustainability, and for creating an environment that enhances the dignity of workers and communities. Participant G referred to a contribution made to projects run by churches or other Non-government Organisations [NGOs]. The important criteria for him are whether involvement in social responsibility projects makes a sustainable difference to the individuals who are helped and supported. He understands being humane to mean that business looks for fairness and respect. This will, for participant G, bring justice, peace and freedom to all.

All the participants understand and accept that a free-market economy can become a threat to communities and individual persons. For this reason they understand and accept that a partnership between the State and private sector is necessary. The basis of this partnership should still be to create growth in the belief that through growth privileges, opportunity and wealth will trickle down to the poor. There are important themes within Reformed theology, such as the priority of the poor and the interrelatedness of humans with one another and with the ecological webs of life that contribute to a more substantive understanding of the economy. However these themes did not appear to influence the participants' view of the economy in any significant way. The next section will explore this further as well as whether there are elements in their understanding of Reformed theology that could bridge the gap between the economy and community.

5.4.2 A Reformed theological surplus: sovereignty and calling

The question that I wish to attempt to answer in this section is whether there are any explicit or implicit linkages in the responses between themes from the Reformed tradition and the economic views of the participants. An initial hypothesis was that these would be more implicit than explicit and this view was strengthened by the discovery that none of the participants could refer to sermons that dealt with themes related to the political economy. In analysing the field research, three themes related to the work of God, i.e. structural sin and justice (vision), discipleship (virtue), and the role of the Church (praxis) were explored.

Before we look more closely at these themes it is necessary to understand the ways the participants have been formed within the Reformed tradition. The participants identified three important sources for spiritual formation. In practice they are often related to the covenant theology that undergirds baptism in the Reformed tradition. The first source is their parents which, given the life-story approach, is hardly surprising. The other two are the Bible, and the Reformed Church. It corresponds with the three main agents of growth in the Reformed tradition. This is best described by participant D when he said,

Ook om respek te hê. Ek dink is ook „n beginsel wat ek by my ouers geleer het, is om respek te hê vir grootmense. Hulle het dit natuurlik afgedwing.

Dit is hoe dit werk. Dit was die aanvaarde ding om te doen. Jy het respek vir jou ouers. Jy het respek vir grootmense. En respek in die algemeen. Respek vir gesag as ek dit so kan stel. So ek dink dit is maar elemente. En dan natuurlik soos „n ou maar uit die Bybel uit gelees het en agtergekom het wat is die regte ding om te doen ... Ek dink deur „n ouse Sondagskool dae en blootstelling aan die kerk het jy nou maar agtergekom wat is reg en wat is verkeerd ... En ja, natuurlik soos wat „n mens gegroei het en later tot bekering gekom het en werklik die Woord begin bestudeer het en agtergekom het “Ha, die waardestelsel gaan baie verder as dit!” Dit gaan oor liefde.

[Also to have respect. That is a principle that I received from my parents, to respect adults. Naturally they enforced it. That was how things worked and it was the right thing to do. You have respect for your parents. You have respect for adults and for people in general. You have respect for authority. I think this is one element. And then as you read the Bible you discover what is the correct thing to do ... I think that your exposure to the Sunday School and the Church help you to discover what is right and what is not ... And yes, as we grow and turn to Christ, and studied the Word you realised that the value system is about much more than being right. It is about love.]¹⁰¹⁴

According to Smit worship is the key moment of spiritual formation in the Reformed tradition (see section 4.2.1). In this context of worship the formative function of the Biblical narrative is that it assists the Christian to look at the world differently. Hence the interplay between hearing and seeing found in the following quote from Smit. “In hearing we learn to see. Through sermons, we learn to see differently.”¹⁰¹⁵ But both Naudé and de Gruchy argue that in order to be a liberating Reformed faith a new hermeneutic is needed (see section 4.2.2 and 4.2.4). This “new hermeneutic” would require reading the Bible through the eyes of the poor. There are a number of references in the interviews about the extent to which the Bible has influenced the formation of values such as in the case of participant D (see quote above). In his case the Bible helped to define the notion of respect as an expression of love. Participants A, B and E similarly refer to the influence of the Bible.

The example of parents is another important source of spiritual formation in the Reformed tradition. It is closely linked to the covenant baptism in which parents promise to bring up their

¹⁰¹⁴ Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

¹⁰¹⁵ Smit (2009), *Worship and Civil Society*, 465.

children according to the teachings of Scripture and in the congregation and community. Participant B related his baptism and confirmation as a unique experience amongst the participants. It gave him an early and more concrete experience of a personal relationship with God. For those who referred to the role of their parents, their parents in particular modelled an ethos of hard work, and a sense of respect and dignity towards others (participants A, C, D and F). Parents were also mentioned as sources of inspiration for work in order to make progress and “move up” in life (participants B and C). Values such as working hard, developing your talents, and utilising opportunities as gifts of God were emphasised. These values play an important role in the protestant understanding of calling and in Max Weber’s evaluation of the influence of the protestant tradition on capitalism.¹⁰¹⁶ The active community engagement of parents through church activities (participants A, B, C, E, F and H), in benevolence work (participants E and H), or merely in the way they treated people (participants E and F) were also referred to. How influential parents were is better understood when you take into account, as we will see later, that human dignity is an important notion that links faith and economic activity.

The role of the Church or local congregation in the upbringing of young people was to affirm the education of the parents through Sunday School (participants A and B), church activities and worship (participants D, E and F). Participant B referred to the practice of *huisbesoek* [home visitation by the minister and an elder], which used to be an important ministry activity in the Reformed Churches. Participants B, D, E and F mentioned ministers by name as influential.

But the role of the Church was not always positive. The Church contributed to disillusionment through its public role in supporting *apartheid* and the consequences of this support after 1990 (participants B, E, F and G). Participant G said that the church has a negative influence on public life because it lacks integrity. For him the lack of integrity has to do with not protecting the dignity of people. Participant F mentioned that the church played a role in the development of a “*regverdighedsbeginsel*” [principle of fairness] which his father taught him. But, when talking about the role of the NG Kerk he used emotive language such as “disappointment” and “anger”

¹⁰¹⁶ See for instance in Chapter 5 where Weber described “waste of time” as the “deadliest sin” and the “continually repeated, and often almost passionate preaching of hard, continuous bodily or mental labour,” Weber (1958), *The Protestant Ethic and the Spirit of Capitalism*, 104-5.

to describe his relationship with the church during his years as a student in Stellenbosch. He described the silence of the church and theologians regarding the forced removal of non-white communities in the winter as the source of this anger. He only found a way back to the church through, what he called a minister who “faithfully witnessed about the mystery of God”. This helped him to deal with the contradiction in life from a position of faith.

The kind of world the participants envisioned is a world where people can live free and dignified lives. Dignity has a range of meanings for the participants but generally it is practical and has to do with the way people treat one another and the conditions people live in. This is clearly illustrated by participants D and E, both executives in the mining industry, who both linked human dignity to the way workers are treated in the mining industry – specifically with reference to working conditions and housing for mine-workers. Neither the unacceptable housing and living conditions, nor the unhealthy and discriminatory working environment, that they resolved to change were theologically linked to or identified with structural injustice. For them improving the living and working conditions of the workers was simply a matter of having the institutional [managers] and moral [individuals] responsibility to create circumstances that would enhance the dignity of the workers. Similarly participant C discovered the impact on the dignity of a person and community in building a “proper” house for his domestic worker, and concluded that many people had lost their perspective on what should be prioritised. For him, respecting the dignity of people resists the consumerist values of his wealthy friends. Participant G provided another example. He related how his father treated his farm workers with dignity by allowing them to stay on the farm after retirement and pay them a small pension on retirement. In assisting them in this way he enabled one family to have a decent wedding for their child. For participant G this act increased the sense of self-worth for these parents.

In Reformed theology resisting structural sin and injustice is linked to the sovereign rule or the Kingdom of God, which we have seen is the key aspect in understanding justice and freedom (see section 4.2.2). God rules over all aspects of life, and believers are called to subject themselves to the rule of God through obedient and sacrificial discipleship. It was only participants A, D and E that explicitly referred to concepts related to the rule of God when they spoke about the “will of God” or the “calling of God”. In general these were related to the

personal world and personal responsibility. For instance, from the interview with Participant A we can deduce that he understands that the rule of God is expressed in the movement and progress of history. Both participants D and E referred to God's will in relation to functions in the local congregation to which they belong. These include being an elder serving on the board of the congregation or teaching Sunday School classes. Neither of the two referred to the existence of, or involvement with, social justice ministries.

The concept of structural sin and justice was completely absent in the responses of all the participants. This is important since structural sin and justice, together with the concept of total depravity, provides an important understanding of justice within the liberating trajectory of Reformed theology discussed in chapter 4. It removes sin from the personal realm and into the public, which means that nobody can rationalise their lack of commitment to establish justice and resist injustice in practical ways. Participant B was the only participant who explained a concept such as "sin." His initial explanation refers to sin as a personal transgression that requires a personal confession of sin for absolution of sin. Only after further probing, he linked the notion of sin to "right and wrong", and then went on to refer to sin as "justice and injustice" in the broader society. He asserted that the ability to identify justice and injustice will develop as the ability to discern "right and wrong" develops.

This brings us to the important question of virtue, which is a question of how people are formed into disciples of Christ following Him in his mission of self-sacrifice. To speak about virtue is to ask what kind of "good people" we need who will intentionally and responsibly live a life of justice and prioritising the poor. Within the Reformed tradition pursuing the cause of justice is a matter of discipleship and following Christ. It is a call to self-sacrifice. In section 4.2.3 I accentuate the fact that God's act of redemption not only places humanity under the rule of God but transforms humans into Christian humanists whose lives are dedicated to following Christ, and are committed to the "well-being" of humanity and to sustaining all forms of life. According to Naudé they live with a new consciousness and from a new basic narrative as indicated earlier.

I outlined the process of spiritual formation in more general terms at the beginning of this section. Here I will highlight some experiences related to me by participants that made them

aware of the social impact of the gospel. Participants D and G related their awareness of the social impact of the gospel to the example of their parents in caring for the aged and needy in the community. This cannot be traced to a discovery of injustices, but rather to an awareness of humans' responsibility towards others. Participant D referred to his mother's attitude towards blacks as typical "of the time", but did not offer an explanation for his more progressive stand. Presumably this change of attitude occurred through his exposure to black people in his work situation. He admitted that much of the transformation and restoration of the environment was "forced" upon business by South African law. Significantly, he added that it was the right thing to do. Participant D together with participant E relate events that exposed them to the living and working conditions of workers as important experiences that transformed their awareness of their responsibility towards others. Participant F became aware of the unjust social structures in South Africa when he was first confronted with the discrimination against two "coloured" athletes, and second when he began to read the Cape Argus in order to improve his mastery of English in high school. However, it was only at Stellenbosch University that he began to make connections between the social relevance of the gospel and his faith convictions and became politically progressive.

Participant A provided another example of how Christians are formed within the Reformed tradition by interpreting life events as part of God's involvement and work. He spoke of progress as God's movement in history and calling (vocation). This movement represents for him the call from God. The call is not a specific call to the ministry but one that is associated with how God prepared him for events which become clear in retrospect. Progressing from one event that prepares one for another is what participant A calls, "the movement of God in your life". God prepares one to be committed to God's will and God's values, in responding to new situations.

An important indicator of the impact of the Reformed tradition on the participants is the values they hold and live by. In the interview process, participants were asked how they related to the theme of the *imago Dei* and the notion that the earth and everything on it belongs to God. "Accepting responsibility" was an important theme in the responses. Responsibility is linked to both the concept of *imago Dei* and the notion of stewardship of the land. In Reformed theology the concept of responsibility is linked to the sovereign rule of God over all aspects of life and to

the concept of all believers being called to be a King-Priest-Prophet (see section 4.2.4).

Christian life is seen as a calling to obedience, service and to self-sacrifice. It is interesting to note how Participant E referred to his role in the church as “God’s will”. Other themes linked to responsibility are the “willingness to share” (participant B), “to live and let live” (participant C), “involvement with others” and “*diensbaarheid*” (participants E and H), and “creating sustainability” (participants E, F and G). Even though not all the participants were able to describe what it means to be Reformed, there is sufficient evidence to suggest that they were impacted by the practices and content associated with the Reformed tradition. Being Reformed seemed to be different from being able to recite or argue certain beliefs and dogmas. Rather, their responses suggested that they had been deeply influenced by the Reformed tradition to the point where it influences the way they accessed the world and responded to it.

Given the way the Reformed tradition was framed to justify *apartheid* it is necessary to question the extent to which their values were formed by their exposure to the ideological apparatus of the South African Nationalist government. This is particularly important, given that several participants referred to being conscripted into the SANDF (participants A, B, D, E, G and H). This experience influenced the career choice of participants A and G, while participant D merely mentioned this in passing. For participant B the experience made him aware of the difference between “the world he knew” and the reality of many other young men. Participant H had already made a commitment “to serve the country” as a student. This commitment drove him to apply for the elite unit known as the Reconnaissance Unit that was at the forefront of the SANDF activities in the Angolan war.

Thus, the claim here is not that the formation of virtue is exclusively the result of the exposure to the Reformed tradition but merely that the tradition contributed to the formation of the participants’ world view and thus their vision for society.

When we consider praxis we address the question: How do we live together? Since living together has concrete historical and structural elements, and because of the focus of this study, it means that we also have to ask: How do we engage history from an economic perspective? In section 4.2.4 I indicated some of the practical implications of a life committed to discipleship

and justice for the economy. In that section, I also highlighted the importance of reading the biblical narrative in a liberating and transformative manner as well as the importance of distributive justice.

There were not many suggestions from the participants about developing a Reformed praxis. Participant A referred to the role of leaders in a business as, “upholding the organisational and individual values of the organisation”. In his case the values were closely linked to the transformation agenda of the company to include workers and other employees as stakeholders of the company. Participants D and E also referred to the role of business leaders and said they should focus on human dignity and sustainability, while participant G emphasised that sustainability is about self-respect and dignity. Based on these values participant F argued that the church should focus on training and development. Participant E suggested a more prophetic role for the Church in terms of the formation of relevant values, but did not make any concrete suggestions. Participant D referred to the equipping of believers in order to make good personal financial decisions.

In addition the participants did offer some suggestions as to how the local congregation could enable the reading of the Bible and so contribute to decision making. Participant A referred to the Bible as an important source of guidance. Participant B discussed the parable of the rich young man.¹⁰¹⁷ He interpreted the passage as follows.

Vir my sê dit: wees dankbaar oor die geleenthede wat jy gekry het, wees dankbaar vir dit wat na jou kant toe kom, en jy het „n verantwoordelikheid om dit wat jy gekry het te deel – te deel op baie vlakke.

[For me this means that we should be grateful for the opportunities that we had, be grateful for that which comes to you, and you have a responsibility to share that which you have received – to share on many different levels.]¹⁰¹⁸

Participants D and E referred to participating in Bible studies. However, it is noteworthy that there is an absence of any reference to a sermon or other forms of guidance from the church on

¹⁰¹⁷ Luke 18:18-30.

¹⁰¹⁸ Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

how to relate issues of faith and the economy. Almost none of the participants could recall hearing a sermon addressing the responsibility of Christians with regard to macroeconomic matters. The exception is participant D who himself is involved in presenting a course on personal finance.

In this section I have described the influence of the Bible, parents and the church on the formation of a social vision and on virtues of the participants. I have suggested that there is sufficient evidence that both the practices and content associated with the Reformed tradition impacted their formation. What has also become clear, however, is that they were either not exposed to the liberating trajectory within Reformed theology, or did not integrate this into their social vision. This is the case despite the fact that there are themes such as responsibility, dignity and sustainability that can contribute towards strengthening the liberating trajectory of the Reformed tradition amongst white middle-class male Christians. This is the subject of discussion of the next section.

5.4.3 Economy and community: Sustainability and dignity

In the previous two sections I first of all concluded, that the participants understand and accept that a free-market economy can become a threat to communities and therefore they accepted that a partnership between the State and private sector is necessary. Second, I concluded that the Reformed tradition contributed to the participants' vision and priorities for society, but they could not make proposals for alternative economic practices or economic systems. The third objective of the field research was to explore ways in which the participants conceptually perceive the relationship between "economy" and "community". Polanyi argued that in separating the economic from social relations that tie communities together, the market society disembedded the economic from social relations within a community, and the economy gained almost hegemonic power threatening to alienate community between human beings and to annihilate their environment (see section 3.2). Thus, bridging this separation and restructuring the relationship between the social and economic becomes important. The question I wish to explore in this section is whether, and if so, how the Reformed tradition assisted the participants in resisting the risks associated with a free-market economy.

Given what was said in the interviews, at the level of critical-rationalism, there is only one notion that provides a possible link between the thoughts of the participants and the Reformed tradition. This is the notion of “responsibility”. As we have seen in section 5.4.2 concepts such as the sovereignty of God, Kingdom of God, the justice or righteousness of God, structural sin, the option for the poor, a calling and others that were important concepts discussed in section 4.2, were not mentioned extensively by the participants.

Generally, they understood that everyone has a responsibility towards fellow human beings and towards the future. “Responsibility” was often used to describe the meaning of the notion of *imago Dei* and as an explanation for the role of justifying private ownership of land. This is important to our study since for Karl Polanyi one of the dire consequences of the establishment of a labour market was the loss of the “Christian responsibility towards the other”.¹⁰¹⁹

The responsibility towards others was described in terms of “being accountable” (participant B), “compassion” (participant C), “respect and integrity” (participants D and E), and “opportunity to develop” (participant F). When linked to the notion of *imago Dei* responsibility becomes the foundation of human dignity. On a practical level dignity is linked to the responsibility of providing decent and healthy living and working conditions (participants D and E), housing (participant C), family life (participant D), retirement planning (participants D and F), and self-respect (participants C and F). Participant A linked dignity to the willingness to work or find a reason to live. He refers to the beggars on the street corner or those who attempt to sell goods in the traffic to illustrate his point.

Responsibility was also an important theme in the participants responses to my enquiry into the link between private ownership and the idea that “the earth and everything on it belongs to the Lord.” It was important to assess whether they understood private ownership as an excuse to accumulate wealth without regard for nature and other human beings. However, especially participants B, D and E emphasised the importance of sustainability. Sustainability was seen as a means of reparation of the land that was mined (participant E), was referred to in terms of mining and farming as a way in which future generations were secured (participants E and G), as

¹⁰¹⁹ Polanyi (1944), *The Great Transformation*, 106.

adapting life-styles (participants C and E), and managing the impact of the “short-term cyclic character” of the economic system (participants A, F and G).

When this discussion is related to the thoughts of Polanyi at the relational level of critical-rationalism, it was his argument that the commodification of land, labour and money threatens dignity and sustainability. He argued that the building of a free society is not achievable by disembedding the social from the economic as is happening in a free-market capitalist economic system (see section 3.2). Unless a paradigmatic change happens in the understanding of the economy, Polanyi argued, non-economic factors such as dignity and ecological sustainability will never become important desires that receive the necessary material means dedicated to create for instance decent living and working conditions for workers or protect the environment against poisonous gas (see section 3.3.2). The limitations of the rationality behind a formal understanding of economic promote concepts such as scarcity and competition which feed the supply and demand mechanism of the self-regulating market. This means that these scarce means are utilised at the point where they will have the biggest impact on material growth. Polanyi’s concept of a substantive understanding of the economy allows for the distribution of material means to satisfy the needs of dignity and meaning and ecological conservation. It will also require the acceptance of the need for outside intervention in the market processes for the well-being of all the members of a community (see section 3.3.2 and 3.5).

Thus, understanding of concepts of dignity and sustainability needs to translate into a paradigmatic shift in the understanding of how the economy functions, and more precisely in what motivates the distribution of the available means. Participants A, C and E all referred to the tensions they experience between the need [personal and social] to transform the socio-economic system and the expectations of shareholders to receive high dividends on their investment in the companies they lead. Making this conceptual shift in the current economic system is clearly difficult for the participants. Further, in spite of the stated importance of the notions of human dignity and sustainability, an awareness of the need for social responsibility within business, and some critique against the dominant economic system, there is little evidence that they make a connection between the structure of the free-market economic system and the enormous suffering experienced by large sectors of the South African population. For them, it seems that

the fundamental cause of suffering, the disintegration of communities, and the degradation of nature is not the economic system *per se* but the application of the “system” which creates the problem (participants A, B, C, F, G and H).

But Polanyi argued that it is fundamentally impossible to prevent or eradicate poverty, to protect the dignity of all, and to ensure a future for all unless the economy is re-embedded into a social system that is built on the primacy of non-contractual relationships (see section 3.2). In a social-embedded and substantive understanding of the economy, the Reformed focus on the sovereignty and righteousness of God and the relatedness of life could potentially ensure that the most vulnerable will be cared for on a basis of providing for the substantive needs and equal dignity of all. While the participants have not taken this vital step, they do link dignity and sustainability, or community and economy, through the concept of responsibility to others which they see as fundamentally a commitment to the poor. But this commitment in practice is much more a commitment to the well-being of all and the opportunity for all to create for themselves a “dignified life”.

5.5 Conclusion

This chapter described and analysed the field research carried out amongst a group of eight Afrikaans speaking businessmen from a Reformed background. The sample group was too small to generalise the findings to the wider white Afrikaans speaking community. Yet, some tentative conclusions can be drawn from the responses of the participant sample which suggest key themes that are important to them regarding economy and community. It is also possible to critically identify thought systems and structures undergirding the way these themes relate to one another.

For the purpose of this study we looked at the evidence of two themes. The first, addressed in section 5.4.1 above, is the theme related to the type of economy embraced by the participants. The participants understand and accept the risks associated with a free-market economy and accept that some form of State intervention to address inequality is necessary. However, behind this acceptance, they still give priority to the aims and dynamics of a free-market economy. They accept that the basis should still be to create economic growth in the belief that through growth,

privileges, opportunity and wealth will trickle down to the poor. The role of the State is to make a free-market economy effective by creating the necessary infrastructure and opportunities in order for business to grow.

Section 5.4.2 addressed a second theme, namely the relationship between the economic views of the participants and their Reformed background. There is sufficient evidence to suggest that both the practices and content associated with the Reformed tradition impacted their formation. What became clear, however, is that the participants were either not exposed to the liberating trajectory in Reformed theology, or did not integrate it into their social vision. The mere fact that it was not possible to identify a sermon or programme that addressed political economic issues suggests that their exposure to a liberating Reformed theological framework was extremely limited.

Section 5.4.3 described how the participants had a sense of responsibility derived from their upbringing and which was expressed in an awareness of the importance of human dignity and the need for a sustainable future. Responsibility and an awareness of human dignity do seem to temper both greed and fear as driving forces for accumulation in their lives. However, undergirding this responsibility and commitment is not a theology that prioritised the poor, or what Polanyi would call “non-contractual relationships” between members of a community. Rather, they felt that they ought to help others to progress up the social ladder prescribed and defined by economic factors. In this sense the economy is disembbed from the important social relations that, from the Reformed tradition, should be a priority.

The chapter concluded that a tempered, but still essentially a capitalist point of view, upholds the way the participants relate to the economy and the community. This is derived from their priority of material ends and competition without which, they argue, no development or progress is possible. For the participants, development and progress is essential to well-being, peace and joy.

Having said this, the participants do emphasise themes such as responsibility, dignity and sustainability for the future which provide opportunities to strengthen the liberating trajectory in the Reformed tradition. These themes could help overcome both the over-personalised and reductionist tendencies in Reformed theology, and the power that a capitalist and materialist

world view have. The next chapter will focus on concepts from liberating Reformed theology that uphold the notion of a responsibility towards one another and towards the future. Through this analysis, the conceptual contribution Reformed theology can make to the national discourse on the structural relationship between the economy and community will be outlined.

Chapter 6:

Towards a Reformed economic theology

6.1 Introduction

The previous chapter concluded that the Reformed tradition has had a limited impact on the formation of eight Afrikaans speaking businessmen's vision for socio-economic justice. Despite this, Reformed theological themes were identified in their discourse that provided potential opportunities for them to resist the effects of market capitalism, the need for growth and purpose, and nationalism on their spiritual formation. These themes include responsibility, human dignity, and sustainability which do provide opportunities to strengthen the liberating trajectory in the Reformed tradition and overcome the individualist and reductionist tendencies of a modern capitalist society. This chapter will address how these three themes can assist in formulating a Reformed economic theology that is relevant to the context of South Africa.

The first task will be to establish an appropriate methodology that will enable theological reflection on socio-economic issues. This will be carried out within the context of a Polanyian understanding of a social-embedded economy as a response to market capitalism. To do this it will be necessary to establish whether Reformed theology can either propose a new, or re-interpret existing patterns and principles that will guide the embeddedness of the economy in social relations. I will then proceed to argue first, that these patterns and principles are appropriate concepts that could assist in solving some of the challenges identified in chapter 3, and in the final section of chapter I will explore the challenges Reformed Christians have to overcome in order to reframe their understanding of economics and the relationship between the economy and community.

6.2 Covenant and embeddedness

6.2.1 Power and responsibility: a Polanyian methodology

In section 3.5 two important Polanyian concepts for institutionalising a social-embedded economy were discussed. The first is institutionalised patterns. The second is principles of behaviour. Institutionalised patterns refer to the way responsibility and power is organised in a society. Polanyi did this by analysing the patterns of symmetry, centricity, autarchy and self-regulation in different societies through the centuries.¹⁰²⁰ Societies have a complex set of rules that determine the way food and other goods are produced and distributed to members. One model is that products are exchanged between two individuals or agents for products of similar usefulness. This is the pattern of symmetry.¹⁰²¹ Alternatively the produce is brought to the central authority, i.e. the tribal chief, a King or an administrative body. This central authority then has the power and responsibility to distribute the products through gifts or exchange for the benefit of the whole community. This is the pattern of centricity.¹⁰²² These patterns are institutionalised forms of social relations of a social unit. They also determine the principles for the distribution of goods, or economic activity. Each pattern has a correlating principle of behaviour. Reciprocity correlates with symmetry. Redistribution correlates with centricity, similarly householding correlates with autarchy and exchange with the self-regulating market.¹⁰²³

Important for our purpose is that these patterns are established on the exercise of power and confirm the principles of accepting responsibility. The power to ensure that all members of the social unit uphold their responsibility, and to distribute goods is vested in members of society that enforce the responsibility through shaming the non-compliant individual or rewarding the contributing persons through honour.¹⁰²⁴ Alternatively the power to coerce members into accepting responsibility and to control, utilise and distribute goods lies with a central authority

¹⁰²⁰ Polanyi (1944), *The Great Transformation*, 45-58; Polanyi (1977), *The Livelihood of Man*, 38-43; and Polanyi (1957), "The Economy as Instituted Process", 250-6.

¹⁰²¹ Polanyi (1944), *The Livelihood of Man*, 38-9.

¹⁰²² Polanyi (1944), *The Livelihood of Man*, 40-2.

¹⁰²³ Polanyi (1944), *The Great Transformation*, 50-1.

¹⁰²⁴ Polanyi (1944), *The Great Transformation*, 48.

such as the chieftain or King.¹⁰²⁵ The central authority could use the produce for trade, to pay officials such as military persons, as gifts to visitors or as food during communal events or festivals. Thus, embedding the economy in social relations means that power is shifted from an impersonal market to a centre of power that has been institutionalised by societies over centuries.¹⁰²⁶

Thus, to build a theology of social-embedded economy it is necessary to identify an institutionalising pattern that can determine where power is vested and how responsibility is located in the community.

6.2.2 A methodology for a theology of economy

For Reformed theology power is not vested in human structures but in the reality and authority of God.¹⁰²⁷ From this commitment to subject yourself to God, follows the responsibility to resist all forms of injustice, including unjust social structures. This is based on two themes discussed in chapter 4. The first is the vision of a free and just community that resists structural sin and is founded on the righteousness of God. The second is the virtue of togetherness that has been established on the sovereign providence of God which can only function as a resource for togetherness when redemptive and healing grace is incarnated grace.¹⁰²⁸ In Reformed theology this is realised in history through the concept of a covenant in which God commits Godself to humanity, and calls human beings to follow God in this commitment.¹⁰²⁹

One of the core concepts of Reformed theology that explains the source of this covenant is the notion of grace, or more specific *sola gratia*.¹⁰³⁰ Grace emphasises the initiative of God in establishing community between God and human beings. God elects or calls a people out of a

¹⁰²⁵ Polanyi (1944), *The Great Transformation*, 51.

¹⁰²⁶ Oliver E. Williamson, "The New Institutional Economics: Taking Stock, Looking Ahead," *Journal of Economic Literature* 38 September (2000), 597.

¹⁰²⁷ Leith (1988), *The Reformed Imperative*, 70.

¹⁰²⁸ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 117.

¹⁰²⁹ Smit (2007), "Reformed Ethics and Economic Justice?" 382.

¹⁰³⁰ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 116.

population of undeserving and unworthy persons to enter into community with God.¹⁰³¹ The unique attribute of grace is that grace does not require a counter-action that constitutes election or community. God enters freely and completely into a covenant with all of humanity, creating a unique community.¹⁰³² It is not accurate to say that God does not expect a response from human beings. God places a responsibility, not a condition, on human beings to enter into this community. Because God is righteous and just the appropriate response by human beings to the election of God, is by being just and fair themselves.¹⁰³³

The pattern for “being just and fair” is the sacrifice of Christ through which he resists sin and structures that threaten God’s covenant with humankind. This sacrifice of Christ provides the unique principle of behaviour that correlates with covenant. The word sacrifice comes from the Latin word *sacrifices*, which is related to the word *sacer*. *Sacer* means holy. Holy carries the meaning of being set apart for, or pledged to. In the Oxford Dictionary, sacrifice is defined as “an act of giving up something valued for the sake of something else regarded as more important or worthy.”¹⁰³⁴ The notion of sacrifice provides us with some important perspectives on the way God relates to human beings, and human beings could relate to one another.¹⁰³⁵ Thus, the theological notion of sacrifice carries the meaning of relatedness and restoration. First it is a relatedness in which new life and opportunity are given.¹⁰³⁶ The second is that sacrifice carries in it the concepts of restoration and of justice.¹⁰³⁷ In a world of inequality, and suffering and destruction caused by economic activity and motives such as greed and fear, some restoration is non-negotiable. The third is that sacrifice calls for a response from the receiver to emulate the Giver.¹⁰³⁸ From a Reformed theological stance sacrifice is a life-giving and affirming action on

¹⁰³¹ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 117.

¹⁰³² J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 119.

¹⁰³³ Naude (2003), “Sola Gratia and Restorative Justice,” 139-146. See specifically 145.

¹⁰³⁴ “Sacrifice,” <http://www.oxforddictionaries.com/definition/english/sacrifice>. Accessed on 6 August 2016.

¹⁰³⁵ Karl Hand, “Covenant and Myth: Can Reformed Theology Survive without Adam and Eve,” *Australian eJournal of Theology* 19.1 (April 2012) 19, no. 1 (2012), 66.

¹⁰³⁶ Naude (2003), “Sola Gratia and Restorative Justice,” 140. This relatedness is rooted in the mercy of God.

¹⁰³⁷ Naude (2003), “Sola Gratia and Restorative Justice,” 141.

¹⁰³⁸ Naude (2003), “Sola Gratia and Restorative Justice,” 145. Old Testament theologian Walther Zimmerli also emphasised relatedness and restoration. He identified three elements facilitated by the notion of sacrifice. These are communion with God, tribute to God, and reconciliation. Walther Zimmerli, *Old Testament in Outline* (Edinburgh: T&T Clark, 1978), 150.

behalf of the poor. Therefore, the appropriate response to the economic problem of justice and freedom is a liberating commitment to the poor inspired by receiving the gift of grace in Christ and lived in a covenant community that includes all.

The covenant community brings people together on the basis of grace and not class. Grace, which forms the basis for covenant, requires no response that constitutes the relationship between humanity and God. It means there is no distinction between people. God does not discriminate between people on the basis of their contribution or success. Rather than create a basis for discriminating merits, receiving grace creates a community in which the “poor are not the objects of the rich people’s diakonia, but are their partners.”¹⁰³⁹ Since the poor are, as Polanyi argues in chapter 3, those who suffer most under the structural changes in society brought about by the establishment of the self-regulating market it follows that in a covenant community of equal persons the poor should receive special attention in expressing the sovereign providence and the redemptive and healing grace of God.

This provides a theological case to understand community as covenant which is institutionalised through the principle of sacrifice. The next section will first consider whether the notion of covenant is a starting point for theology to enter into economic discourse. Thereafter, the implications of covenant for a Reformed vision of the economy, the kind of person needed as citizens and the praxis that Reformed theology could propose as just economic behaviour will be considered.

6.2.3 The appropriateness of covenant in economic discourse

The appropriateness of covenant as a pattern for a Reformed social-embedded economic theology can be contested on several grounds. The first is the risk of legalism, and the danger of theocracy, founded on perception of the way Calvinism applied covenant theology to civil society. Second, there is an on-going perception that covenant language undergirded the justification of *apartheid*. The third ground on which the appropriateness of the concept could be

¹⁰³⁹ Matthias Freudenberg, "Economic and Social Ethics in the Work of John Calvin," *HTS Teologiese Studies/Theological Studies* 65 no. 1. <http://www.hts.org.za> (2009), 7. Accessed on 8 October 2016.

challenged is the observation of Smit that covenant is an unfamiliar concept and language in the public life of South Africa. This third observation seems to be supported by the field research in that there was only one reference to covenant in the personal interviews (see section 5.3.2).

Smit identifies four “covenant discourses”.¹⁰⁴⁰ These were “a doctrinal discourse, an ecclesiological discourse, an ecumenical discourse, and a political-ethical discourse”.¹⁰⁴¹ The ecclesiological and political-ethical discourses are particularly relevant for our question. He states that the ecclesiological discourse is the “dominant form of covenant discourse” known to “ordinary South African Christians”¹⁰⁴² This discourse is expressed in the explanation of the true church as the covenant people, which are both the receivers of the promises, but also the carriers of the calling of God.¹⁰⁴³ It calls for an ethic of responsibility. A call for an ethics of responsibility is not new. Smit refers to the work of Barney Pityana, Charles Villa-Vicencio, and Denise Ackermann in this regard.¹⁰⁴⁴ Naudé discusses the work of Etienne de Viliers under the notion of “virtue and responsibility.”¹⁰⁴⁵ There are also a number of churches that aligned themselves with the *Masekane* campaign, and much is made of the concept of *ubuntu* as an important ethical virtue.¹⁰⁴⁶ In section 5.4.3 we also saw that responsibility is a key aspect of the social vision of the participants.

In the political, economic and social life covenant became a synonym for a federal social system.¹⁰⁴⁷ Referring to the negotiation of a new constitution, at that time, Smit expressed surprise that the concept of a federal system was not prominent in the discussions.¹⁰⁴⁸ He concluded that “neither covenant nor federal theology” is part of the theological and faith tradition in South Africa, and therefore also absent in the public discourse in South Africa.¹⁰⁴⁹ He

¹⁰⁴⁰ Smit (2007), “Covenant and Ethics?” 215-23.

¹⁰⁴¹ Smit (2007), “Covenant and Ethics?” 215.

¹⁰⁴² Smit (2007), “Covenant and Ethics?” 217.

¹⁰⁴³ Smit (2007), “Covenant and Ethics?” 217.

¹⁰⁴⁴ Smit (2007), “Covenant and Ethics?” 224.

¹⁰⁴⁵ P. J. Naudé, "Virtue and Responsibility: Economic-Ethical Perspectives in the Work of Etienne De Viliers," *Verbum Et Ecclesia* 33, no. 2 (2012), 1- 6.

¹⁰⁴⁶ Smit (2007), “Covenant and Ethics?” 224.

¹⁰⁴⁷ Smit (2007), “Covenant and Ethics?” 222.

¹⁰⁴⁸ Smit (2007), “Covenant and Ethics?” 227.

¹⁰⁴⁹ Smit (2007), “Covenant and Ethics?” 227.

points to de Gruchy as the only South African theologian who deals with the covenant metaphor and language in the political-ethical discourse.¹⁰⁵⁰ In the light of this Smit asked whether a symbol such as covenant is appropriate when those participating in the discourses are not “used to that kind of language”.¹⁰⁵¹ The absence or unfamiliarity of covenant in the public space calls the church to an ethic of being “a public church in civil society”.¹⁰⁵² In other words Smit does consider covenant as an appropriate concept for public discourse. Since the economy is part of this public life, covenant could also be considered as an appropriate concept.

As stated earlier the relevance of Smit’s question becomes more pertinent when we look at the interviews. Participant B referred to the moment of his baptism at the age of sixteen as a “covenant moment.”¹⁰⁵³ The absence of similar experiences, together with the unfamiliarity of covenant in the public space, means that introducing covenant into the economic discourse with white Afrikaans speaking businessmen is indeed to introduce an unfamiliar but potentially liberating concept to them.

In public space concepts associated with the idea of covenant, such as social contract or the activity of covenanting, is not unfamiliar. Neidleman referred to modernist philosophers such as Hobbes and Locke in this regard.¹⁰⁵⁴ He added that the notion of a social contract was employed to consider the issues of the boundaries and the mandate of those in power.¹⁰⁵⁵ John Rawls is a modern exponent of this movement which has influenced the thinking of Naudé. He theorised that two parties enter into a contract from an “original position.”¹⁰⁵⁶ I understand this as the parties who entered into a contract came from a position of equalness, without any

¹⁰⁵⁰ Smit (2007), “Covenant and Ethics?” 222-3.

¹⁰⁵¹ Smit (2007), “Covenant and Ethics?” 227.

¹⁰⁵² Smit (2007), “Covenant and Ethics?” 226

¹⁰⁵³ Participant B. In that context covenant had a relational dimension which he related directly to his experience of being in a relationship with Christ. Being not baptised in a rural Reformed congregation at that time signified being marginalised. He told me that nobody, except his parents and one or two others knew that he had not been baptised as a young boy.

¹⁰⁵⁴ Jason Neidleman, "The Social Contract Theory in a Global Context," <http://www.e-ir.info/2012/10/09/the-social-contract-theory-in-a-global-context> (2012), 1. Accessed on 12 August 2016.

¹⁰⁵⁵ Neidleman (2012), “The Social Contract Theory,” 1.

¹⁰⁵⁶ Neidleman (2012), “The Social Contract Theory,” 1.

discriminating influence of society on their relationship.¹⁰⁵⁷ We saw in chapter 4 that de Gruchy recognised that throughout history a myriad of events had contributed to the creation of sinful structures. The Reformed conviction of original sin means that no human beings can enter the covenant from an “original position”.¹⁰⁵⁸ This reality means that some enter the relationship as privileged and others as disadvantaged. This also means that human beings enter into a covenant with God and one another, are called to accept responsibilities that differ, but that does not exclude some.¹⁰⁵⁹ de Gruchy wrote that “in covenant everyone is equal by virtue of being both created in the image of God and being sinful.”¹⁰⁶⁰

The implication of this is that covenant can have a critical function in the public discourse highlighting the essential equality of all human beings, and the reality of alienation based on power in society. Freudentberg used covenant as a foundational basis for the specific relationship between the rich and the poor. He used the gifts of liberty, justice and koinonia as markers for a Reformed emphasises on the “option for the poor”.¹⁰⁶¹ Freudentberg wrote, “Keeping the covenant means respecting the right of the poor – an obligation that is expressly founded on God’s liberating work in the exodus – and always keeping the poor in mind.”¹⁰⁶² The gift of liberty, for him, is further confirmed in the ministry of Jesus that is based on the proclamation of the good news to the poor and announcement of the jubilee year.¹⁰⁶³ Justice refers to the gift of righteousness the Church receives in Christ who identifies himself with the poor.¹⁰⁶⁴ The implications of God’s righteousness are articulated by Freudentberg when he says that God encounters his church through Jesus in the “guise of such poor and miserable people”.¹⁰⁶⁵ He then adds, “In this way, poverty virtually becomes the purpose of God’s advent in the world – with the consequence that Jesus gives himself as a sacrifice on the cross, as the Christ for the rich

¹⁰⁵⁷ Neidleman (2012), “The Social Contract Theory,” 1.

¹⁰⁵⁸ Neidleman (2012), “The Social Contract Theory,” 1.

¹⁰⁵⁹ Neidleman (2012), “The Social Contract Theory,” 1.

¹⁰⁶⁰ J. de Gruchy (2009), *John Calvin: Christian Humanist and Evangelical Reformer*, 215.

¹⁰⁶¹ Freudentberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 6.

¹⁰⁶² Freudentberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 6.

¹⁰⁶³ Freudentberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 6-7. Freudentberg referred to Isaiah 61:1-2.

¹⁰⁶⁴ Freudentberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 7.

¹⁰⁶⁵ Freudentberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 7.

and the poor.”¹⁰⁶⁶ With this interpretation of Christ’s mission the covenant receives a distinct economic character. The gift of *koinonia* highlights the covenantal relationship as a relationship in which the poor is not “the receivers of the rich people’s *diakonia* but their partners”.¹⁰⁶⁷

Jean Lee also emphasised community, but in a structural rather than an ethical function. She proposed that contract and covenant are two pillars on which an alternative economy could be built.¹⁰⁶⁸ She argued that in order to reduce the impact of contract on human life, a less “instrumental” concept is necessary to balance contract.¹⁰⁶⁹ For this she employed the notion of covenant, and emphasised the role of covenant as a relational basis for society.¹⁰⁷⁰ She identified different “levels of commonality” such as marriage, family, religious organisation, political associations, and business.¹⁰⁷¹ All are “penetrated” by the covenant of polity.¹⁰⁷² She then wrote,

Such a covenantal society provides the guidance and boundaries for a covenantal exchange of goods and services in the economic market. This gives rise to a universal marketplace that promotes genuine human relationship, individual freedom, communal living and economic justice.¹⁰⁷³

Lee distinguished between covenant, which is relational and non-contractual and thus the basis for community, and contract which forms the basis of the market.¹⁰⁷⁴ In unfolding her argument she focused on “relational order, freedom, morality and personal agency”.¹⁰⁷⁵ She wrote that covenant represents the “intended relational order” that provides the basis for authentic communal relationships. She then concluded that “Christian participation in the economic

¹⁰⁶⁶ Freudenberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 7.

¹⁰⁶⁷ Freudenberg (2009), “Economic and Social Ethics in the Work of John Calvin,” 7.

¹⁰⁶⁸ Eve Poole, “The Two Pillars of the Market: A Paradigm for Dialogue between Theology and Economics,” in *Faith in Business Quarterly Journal* 14, no. 2.

¹⁰⁶⁹ Poole (2010), “The Two Pillars of the Market”, 12.

¹⁰⁷⁰ Jean Lee, *The Two Pillars Paradigm: Covenant as a Theological and Relational Concept in Response to the Contract-Based Economic Market* (Edinburgh: University of Edinburgh, 2010), 54.

¹⁰⁷¹ Lee (2010), *The Two Pillars Paradigm*, 54.

¹⁰⁷² Lee (2010), *The Two Pillars Paradigm*, 54.

¹⁰⁷³ Lee (2010), *The Two Pillars Paradigm*, 54.

¹⁰⁷⁴ Lee (2010), *The Two Pillars Paradigm*, 59.

¹⁰⁷⁵ Lee (2010), *The Two Pillars Paradigm*, 55.

household of this world is a participation in Christ. The covenantal economic agent is the ecclesiastic community”¹⁰⁷⁶

Both Lee and Freudenberg employed covenant as a way to justify the notion that economic activity finds its meaning in theological activity. It however, as Eve Poole argued, does not reckon with the difference in the status of economics, which is generally recognised as an authoritative voice in the world, and theology, which is often built on “disputed narratives” and continuously has to state its case to be heard.¹⁰⁷⁷ Poole merely confirmed Smit’s notion that non-theologians are not familiar with covenant language.¹⁰⁷⁸ Thus to employ covenant as a concept to assist us in formulating a social-embedded economy does provide challenges within the context of a discourse with the businessmen interviewed, and possibly many others.

In spite of these challenges I propose that the unfamiliarity of the concept of covenant as a “disputed narrative”, remains an appropriate concept around which to develop a Reformed theological contribution to the discourse about the relationship between the economy and the community.¹⁰⁷⁹ The notions of social contract or social agreement provide a point of familiarity with the idea of covenant in such a way. Also, a “people’s contract” had often been suggested as a possible solution to bridge the inequality gap amongst South Africans. Notably, the suggestion was made in the AsgiSA briefing.¹⁰⁸⁰

I intend to use the concept structurally, rather than ethically. In other words, I use covenant as a theological description of an inclusive historical community, with specific ways of institutional expression and behaviour principles. Just as symmetry has a circular distribution process, and centricity has a one-directional distribution process, covenant is unique in that it introduces a gift

¹⁰⁷⁶ Lee (2010), *The Two Pillars Paradigm*, 93.

¹⁰⁷⁷ Poole (2010), “The Two Pillars of the Market,” 12.

¹⁰⁷⁸ Smit (2009), “Covenant and Ethics?” 227-8.

¹⁰⁷⁹ Poole (2010), “The Two Pillars of the Market,” It is outside the scope of this project and therefore I will not go into the detail of the argument. But for covenant to overcome the isolation of theology, requires that the concept should be re-interpreted as a myth, rather than an historical or a-historical event. Karl Hand argued that a mythical interpretation focuses the understanding of covenant on its meaning as a way in which God relates to creation and to human beings, and its function as interpreting the relationships between people. He concluded that reinterpretation of Genesis 1-11 could assist theology to bridge the divide between theology and natural (and social) sciences. Hand (2012), “Covenant and Myth,” 66.

¹⁰⁸⁰ Mlambo-Ngcuka (2006), *Asgisa*, 12

economy in which the counter-gift is neither expected, nor compared to the value of the original gift. Also, it recognises the existing inequality which would render some, the poor incapable of responding materially. The responsibility of responding is entirely on the other party and they can respond in either a material or non-material manner. In this sense it reinterprets the concepts of power and responsibility to be shared amongst all humans and to be utilised to the benefit of that which is part of the web of life.

6.3 An economy embedded in covenantal relations

6.3.1 The challenge of Freedom

Polanyi's freedom "hinges on the relationship between the economy and human life." (see section 3.1) In section 6.2.2. I concluded that the economy is embedded in the relations through the pattern of grace which is institutionalised in covenant through sacrificial behaviour. While freedom is not primarily economic, economic circumstances and dynamics can limit the freedom of whole societies or groups of people.¹⁰⁸¹ The protection of society against the hegemonic power of economy requires the priority of social justice.¹⁰⁸² This means that the primary aim of economic activity should not be individual gain but provision of livelihood to all members in order to prevent the disruption of social cohesion.

The disruption of social cohesion, the establishment of classes, and the neglect of responsibility for one another is the fruit of competition for the available means which is never adequate to satisfy the needs of community members, that is individuals in a community. It is a competition that is based on power which is measured in terms of the ownership of the means to obtain livelihoods (see chapter 3). An economy embedded in a covenant community resists competition which leads to disempowering the poor because it is based on the principle of providence or abundance, and the principle of justice. The abundance principle rather refers to the theological confession that God is the provider of life to all, and to the responsibility and opportunity created by the combination of sovereign providence and redemptive and healing grace (see section

¹⁰⁸¹ Polanyi (s.a.), "Freedom to Shape Our Social Destiny," 1.

¹⁰⁸² Polanyi (s.a.), "Freedom to Shape Our Social Destiny," 1.

4.2.3). Sharing abundance is only possible in a community of justice, where through willing sacrifice livelihoods are distributed on the basis of need, where some would forsake means in order that others will have access to sufficient basic livelihoods.

The most important commitment for a covenant community is thus the responsibility for and accountability to the poor and the economically and socially excluded. The confession of God as provider is a call to resist structural sin that is geared towards those who have and can afford, and to restructure the economy and society to provide “the certainty and safety we are looking for.”¹⁰⁸³ Power is replaced by sovereignty and providence, which calls forth responsibility. This responsibility is not reciprocal in that it expects something back. Neither is it redistribution that aims at equality. Responsibility is an action of affirming the dignity and the identity of the other.¹⁰⁸⁴ Privileging the poor does not exclude the non-poor since covenant emphasises persons as part of a community, not because of their birth or any social determinants, but purely because they are accepted and respond with gratitude and an awareness of their responsibility to be just and to act in fairness.¹⁰⁸⁵ Covenant relations, therefore, are deeply humanistic and not individualistic. It focusses on the well-being of human community and the environment.

However, the challenge of the call to freedom is the recognition of what Polanyi would call the reality of society.¹⁰⁸⁶ This is the recognition of the inevitability of power and of the existence of structural advantage and disadvantage amongst human beings who are interdependent on one another. With the inevitability of power comes the dark possibility of the abuse of power. In proposing covenant as the pattern according to which the economy should be institutionalised an important risk should be mentioned. That is the risk of a theocracy, or the risk that a powerful individual or group could claim the authority of speaking on behalf of God. We have seen in chapter 2 how this happened during the *apartheid* years and that there are signs of this happening increasingly since 2008.¹⁰⁸⁷ But covenantal community does not imply that all members of a

¹⁰⁸³ Polanyi (1944), *The Great Transformation*, 268.

¹⁰⁸⁴ Naude (2007), “Human Dignity in Africa”, 229.

¹⁰⁸⁵ Naude (2007), “In Defence of Partisan Justice – An Ethical Reflection,” 182.

¹⁰⁸⁶ Polanyi (1944), *The Great Transformation*, 133.

¹⁰⁸⁷ See for instance the repeated message that the ANC will govern “till Christ returns”, suggesting that this is God’s will.

community should be a Christian or even accept the existence of a being such as that which Christians call God. It is patterned according to the covenant premises that whatever a human being or community have, they have received with it responsibility to and for others. We can thus say that power lies not in a sense of calling or spiritual privilege, but in the acceptance of responsibility, which also means that freedom can only be claimed through responsibility.

In a context of inequality covenant and sacrifice underline personal involvement and responsibility to resist greed and to resist the tendency to surrender the responsibility to redress inequality to a centralised authority such as the government. To restore equality, and thus freedom, the economy must be understood as substantive and opportunity and means to obtain livelihoods should be equal, fictitious commodities need to be restored as gifts to all, and governance needs to be established. In the next three sections we will look at these issues.

6.3.2 The challenge of substantive economics

In section 3.3.2 I argued in order to understand the relationship between community and the economy, and thus freedom, is it necessary to understand the economy as substantive. A substantive understanding derives its meaning from the fact that human beings need both community and nature to survive, thus non-material and material ends are important.¹⁰⁸⁸ The challenge is to move economics out of the accepted formal understanding that measures and compares, to respect the nature of being human.¹⁰⁸⁹ Thus substantive understanding will not prioritise material ends, whether measured in material things, ownership or accumulated monetary resources. Polanyi, we have seen in section 3.2.2, said that the two concepts are unrelated and independent.¹⁰⁹⁰

The challenge of a substantive understanding of economic, and of making the paradigm shift from a formal understanding to a substantive understanding is illustrated in chapter 2. Both case studies, the economic development of the *Afrikaner* (section 2.3) and the *post-apartheid*

¹⁰⁸⁸ Polanyi (1957), "The Economy as Instituted Process," 243.

¹⁰⁸⁹ Polanyi (1957), "The Economy as Instituted Process," 245. Polanyi wrote, "The three institutions of trade, money and market will provide a test case ... Their treatment in substantive terms should then bring us nearer to the desired universal frame of reference."

¹⁰⁹⁰ Polanyi (1977), *The Livelihood of Man*, 19.

economic development (section 2.4) show how the formal understanding tends to dominate the substantive understanding and eventually subject community relations and priorities to the economy. It confirms Polanyi's observation that the two understandings not only exclude each other, but when an attempt is made to join the two ways of understanding economy, the formal understanding will always subject the substantive to its demands.¹⁰⁹¹ It is also illustrated in chapter 5 where I concluded that in spite of the influence of the Reformed tradition with its relational focus the market mentality remained the most important force influencing the social vision and virtues of the participants (section 5.4.3).

This discontinuity between their real life experience and the Reformed tradition they were exposed to (see section 5.5) could be ascribed to a lack of exposure to the liberating trajectory of Reformed theology. In chapter 4 we argued that the vision of a liberating Reformed theology is built on the righteousness of God, or God's sense for justice and the providential rule of God, or God's sense for community (see section 4.2.2 and 4.2.3). We also argued that this social vision could only be embodied by followers of Christ who are humanists, that is persons who are prepared to work for the well-being of the poor, the marginalised, and vulnerable persons and groups in society (see section 4.3.3). Finally, in section 4.2.4 we argued that a liberating Reformed praxis will commit itself to at least two aspects. The first is a new hermeneutic principle in "looking to the world through the lenses of Scripture", which is reading and interpreting Scripture from the perspective of and by the poor. The second is a commitment to redistribution in a world of existing inequalities. Not being exposed to this trajectory meant the participants uncritically followed the tenets of neo-liberalism and free-market as solution for social problems.

But the actual challenge is not merely to formulate new priorities or aims for economic activities. The paradigm shift that is needed challenges the kind of society that we live in. The kind of society that is dominated by economic consideration and interests, is illustrated by a parable told by Steve de Gruchy about an alcoholic widower and a loving widow. The widower earns fifteen coins, but spends ten on alcohol and gambling. He is left with one coin each to spend on himself and his four children. The loving widow earns ten coins, and spends two coins each on herself

¹⁰⁹¹ Polanyi (1977), *The Livelihood of Man*, 20.

and on her four children. Formal economics consider the household as a unit which means the alcoholic widower to be more valuable.¹⁰⁹² The story makes a few important points. First, a formal economy cannot accommodate relationships and responsibility, and thus build social cohesion.¹⁰⁹³ Second, formal economics also cannot evaluate the contribution of a transaction to the community. Alcohol, gambling and guns are treated as just as valuable as bread and clothes, in spite of the damage alcohol, gambling and violence do to the community. In this parable these are even treated as more valuable than the care of a mother for her children. Third, formal economics can measure equality, but it cannot recognise or create justice.¹⁰⁹⁴ Thus, the paradigmatic shift that is needed is a shift away from a materialistic approach to a substantive approach that is rooted in covenant relations and practices.

Covenantal practices recognise receiving and giving as the distribution process. Giving as the substance of covenant is not the same as giving away or sharing. The focus is on affirming dignity and identity, and thus on empowerment. For that reason a substantive understanding of distribution is not focused on accumulation, profit and price, but on re-investing in people. Such a distribution process would resist the tendency to accumulate or to consume and would rather function to enable responsibility, to encourage creative contribution, and to build on the premise of justice to all people. Polanyi wrote, “The substantive understanding of the economy identifies the economy with industry rather than business; with technology rather than ceremonialism; with means of production rather than title to property; with productive capital rather than finance; with capital goods rather than capital - in short, with the economic substance rather than its market form and terminology.”¹⁰⁹⁵ In short, with a substantive understanding of the economy the focus will move from profit to the promotion of work, and from accumulation to investment that would create work. Social cohesion and empowerment becomes the focus of the economy.

On a deeper level the challenge of freedom is the structural unwillingness to focus on the substance of the economy, which is to engage the real needs of the poor. With this came an unwillingness to accept responsibility for the poor and thus the relinquishing of power to the

¹⁰⁹² S. de Gruchy (s.a.), “What Economists Don’t See,” 22.

¹⁰⁹³ S. de Gruchy (s.a.), “What Economists Don’t See,” 22.

¹⁰⁹⁴ S. de Gruchy (s.a.), “What Economists Don’t See,” 22.

¹⁰⁹⁵ Polanyi (1977), *The Livelihood of Man*, 6.

market. Relinquishing responsibility is not only the result of distorted distribution processes, but also of a theology that has limited its anthropology to *homo economicus*, and has abandoned its social responsibility.¹⁰⁹⁶ As long as we can limit theology to the spiritual and economy to the formal understanding thereof, we can ignore the real human drama of poverty, suffering and injustice and we need not resist the greed of the rich and with it their domination of the poor.¹⁰⁹⁷ The absence of the liberating trajectory creates Christians for whom personal faith remains individualistic, and never becomes truly social and committed to the whole community. Within this liberating context covenant focuses the community on the poor and vulnerable.¹⁰⁹⁸

6.3.3 The problem of commodification of labour and land

The complexity of the commodification of land and labour is illustrated in section 2.2-2.4, and from the field research described section 3.4.1. Commodification of land and labour refers to the process through which land and labour became commodities for sale on markets designed for trade in land, and utilisation of labour through the supply and demand mechanism (section 3.2). It could be owned even though it was not created to be owned.¹⁰⁹⁹

The modern economy in South Africa was built on the commodification of land and labour. Land and labour became commodities in South Africa during the 19th century after the discovery of diamonds, gold and other minerals (see section 2.2). Many black workers and failed white farmers were coerced to work in the cities with little consideration of and at great price for the social network they were part of (see section 2.2). Blacks and whites competed for the same jobs, while mining and commercial agriculture competed for the same workers. Fearing a shortage of workers the mine bosses created bodies to “import” workers from Southern Africa, India, and China (see section 2.2). The economy was dominated by British mining capitalists who owned

¹⁰⁹⁶ There are two directions into which theology can abandon its social responsibility. The first is the refusal to engage the reality of society that Polanyi wrote about (see: *The Great Transformation*, 133), the other is engaging history in an exclusive way to benefit the own group as it happened in the theological justification of apartheid. The source of both, in my opinion is found in what de Gruchy calls the legalistic “bad religion” and the will to order. See chapter 4 of J. de Gruchy (1991), *Liberating Reformed Theology*, 140-150.

¹⁰⁹⁷ See: S. de Gruchy (s.a.), “What Economists Don’t See”, 22.

¹⁰⁹⁸ J. de Gruchy (1999), “Toward a Reformed Theology of Liberation,” 118.

¹⁰⁹⁹ Polanyi (1944), *The Great Transformation*, 76.

the mineral resources, and to a lesser extent commercial agriculture who owned the land. The commodification of land and labour went hand in hand with industrialisation and urbanisation.

A poor white class developed from this industrialisation and urbanisation process. During the 1930s strategies were developed to finally extricate development and poverty amongst both urbanised whites and underdeveloped whites in the rural areas. These strategies emphasised the restoration of social relationships, job creation, and the productive use of land (see section 2.3.2). Priority was given to ethnic relations, in combination with education and capitalist strategies (see the remarks of du Plessis in section 2.3.2). These efforts did contribute to eradicate white poverty, and the development of the *Afrikaner* into the dominant class in the late twentieth century.

The economic development of the poor black class only received attention after the end of *apartheid* in 1994. The challenge of transforming the economy was a choice between growth through development, or development through growth (see section 2.5.1). In the initial growth through development strategies job creation as well as land and labour reforms played a key role (see section 2.4.2). There are three noteworthy aspects to the implementation of the RDP. First, the RDP and subsequent policies also favoured ethnic relations through programmes such as affirmative action and BB-BEE.¹¹⁰⁰ Second, education was prioritised but never developed into a concise strategy aimed at the development of the youth.¹¹⁰¹ Third, the ANC government did almost immediately after the launch of the RDP deviate towards neo-liberal strategies to implement the socialist vision of the RDP (see section 2.4). The result was that a strong black middle-class developed, but poverty remained, unemployment and urbanisation remained high.¹¹⁰²

The opinions expressed by the participants in the field research on the transformation of the economy favoured development through growth (see section 5.4.1). As explained previously in

¹¹⁰⁰ Moeletsi Mbeki and Nobantu Mbeki, *A Manifesto For Social Change* (Johannesburg: Picador Africa, 2016), 98-100.

¹¹⁰¹ For the theory of the “State vs the Poor”, which addresses the political role of low education see: Mbeki and Mbeki (2016), *A Manifesto for Social Change*, 12-15.

¹¹⁰² Mbeki and Mbeki (2016), *A Manifesto for Social Change*, 33-46.

section 1.6 and in section 5.2 the interviews had questions that were a direct response to the problem of commodification of land, labour and money. In their responses both land and money were linked to responsible use and dignity, while labour was discussed in the context of labour relations. It is noteworthy that, while labour costs were not discussed in the interviews, aspects such as stability, habitation and safety or well-being were discussed in connection with land. The point of the participants was that land should benefit the community and cannot benefit only the owner of the land (see section 5.4.3). Thus, while there was some importance given to non-economic factors such as community building and development, land and labour should benefit the community by facilitating growth.

For Polanyi labour and land went together. He wrote that “labour formed part of life, land remains part of nature, life and nature form an articulate whole.”¹¹⁰³ He then argued that land and labour were previously closely related to non-contractual relations and that their economic function was merely one of a number of functions it had in the community (see section 3.2). He listed the role of land as providing stability, habitation, physical safety and “it is the landscape and seasons.”¹¹⁰⁴ While land enclosure led to huge scale dislocation, the self-regulating market with its hegemonic hold on society, finally came into being with the establishment of a market for labour.¹¹⁰⁵ Enacting the Poor Reform Acts in 1834 removed the social protection against pauperism and left many families without security, shelter and safety.¹¹⁰⁶ The combination of the two events denied many access to livelihoods unless they went to the cities to work in factories or mines, and left them in a state of poverty. This is the origin of Polanyi’s famous expression that poverty is “nature surviving in society.”¹¹⁰⁷

Polanyi argued that in primitive and pre-capitalist economic societies the response to poverty was to embed land and labour in the general organisation of the town, village, or society.¹¹⁰⁸ The status and function of land were determined by legal and customary rules. Aspects such as

¹¹⁰³ Polanyi (1944), *The Great Transformation*, 187.

¹¹⁰⁴ Polanyi (1944), *The Great Transformation*, 187.

¹¹⁰⁵ Polanyi (1944), *The Great Transformation*, 225.

¹¹⁰⁶ Polanyi (1944), *The Great Transformation*, 86.

¹¹⁰⁷ Polanyi (1944), *The Great Transformation*, 88.

¹¹⁰⁸ Polanyi (1944), *The Great Transformation*, 73.

ownership and zoning were removed from the activities of buying and selling, and subjected to an entirely different set of institutions.¹¹⁰⁹ In feudal France labour was organised through custom and the rule of the guild.¹¹¹⁰ Individualistic decision making was limited by the community both through the regulations it could enforce and the social principles of shame and honour. Markets existed, but prices were not determined by an impersonal institution, but through centralised administration.¹¹¹¹ Regulation and markets grew up together.¹¹¹² It was only after the creation of separate markets for land, labour, and money that the need for reciprocating attitudes of mutuality, concern for the needy, and the satisfaction and pride associated with the exercise of skill and trade were abolished as motivational forces in economic behaviour.¹¹¹³ The creation of the markets meant that land, labour and money became commodities which had to produce income in the form of rent, wages and interest.¹¹¹⁴

The problem of commodification as described above should be understood as the result of concentration of power through ownership of land and the domination of labour. Owning land and labour implies having it is also having power.¹¹¹⁵ M. Douglas Meeks, in respect to land but it could be expanded to include labour, made the point that property can be both a means to freedom, and a cause for domination.¹¹¹⁶ He expanded the concept of land to property, and defined property as the *claim on* objects such as land, equipment, apparatus, and contracts.¹¹¹⁷ Meeks further categorised property as personal or productive, as well as active or passive.¹¹¹⁸ Active property is connected to human will. This combination of claim and human will allows the possessor of property to use the property as the person sees necessary which he links to liberty and to justice. Meeks wrote, “Property begins to become excruciatingly complicated when it signifies (1) the liberty one needs to be himself or herself over against external powers,

¹¹⁰⁹ Polanyi (1944), *The Great Transformation*, 72-3.

¹¹¹⁰ Polanyi (1944), *The Great Transformation*, 73.

¹¹¹¹ Polanyi (1944), *The Great Transformation*, 73.

¹¹¹² Polanyi (1944), *The Great Transformation*, 71.

¹¹¹³ Polanyi (1944), *The Great Transformation*, 77.

¹¹¹⁴ Polanyi (1944), *The Great Transformation*, 77.

¹¹¹⁵ Polanyi (1944), *The Great Transformation*, 77.

¹¹¹⁶ Meeks (1989), *God the Economist*, 100-9.

¹¹¹⁷ Meeks (1989), *God the Economist*, 100.

¹¹¹⁸ Meeks (1989), *God the Economist*, 100.

or (2) the justice by which what one needs for life and life abundant is distributed.”¹¹¹⁹ Thus, property gives rise to the deeper problem of commodity the conflict between liberty and equality, or as Meeks put it, between liberty and domination.

The Reformed tradition considers both labour and land as a witness to the goodness of God, and should thus benefit the community. We have already seen in section 6.2.1 that these themes of providence and interrelatedness are important covenantal themes. John Calvin has a strong liberating position regarding the importance and goal of work. André Biéler summarised his position by referring to notions such as that work is “a blessing of God”,¹¹²⁰ a “sign of the coming Kingdom”,¹¹²¹ and the “fundamental equality of all human beings and the dignity of manual labour,”¹¹²² that unemployment affronts God, and likewise should human beings be affronted by unemployment.¹¹²³ That is affronted by the phenomenon of unemployment, not the unemployed. Therefore, Biéler wrote, “the Bible severely condemns those who, being financially able to give work to others, deprives them of it if they can do otherwise.”¹¹²⁴ Work, for Calvin, is clearly not a commodity and workers should not be exploited.¹¹²⁵ The value of work is that it must lead to human self-fulfilment¹¹²⁶ and benefit the community.¹¹²⁷ Referring specifically to peasant agriculture and because agriculture involves work with nature should also be valued as a witness to the providing goodness of God.¹¹²⁸

Reconsidering the commodification of labour and land in the light of covenant poses three important questions about the prevailing concepts of redistributive and restorative justice. Again, first and foremost, redistribution and restoration can focus on material redistribution to the extent that it excludes the importance of non-contractual relationships and human life as factors in the economy (see section 3.2). It is for this reason that Naudé’s concept of cultural justice and the

¹¹¹⁹ Meeks (1989), *God the Economist*, 100.

¹¹²⁰ Biéler (1961), *Calvin’s Economic and Social Thought*, 355.

¹¹²¹ Biéler (1961), *Calvin’s Economic and Social Thought*, 355.

¹¹²² Biéler (1961), *Calvin’s Economic and Social Thought*, 365.

¹¹²³ Biéler (1961), *Calvin’s Economic and Social Thought*, 361.

¹¹²⁴ Biéler (1961), *Calvin’s Economic and Social Thought*, 361.

¹¹²⁵ Biéler (1961), *Calvin’s Economic and Social Thought*, 362-3 and 370.

¹¹²⁶ Biéler (1961), *Calvin’s Economic and Social Thought*, 353

¹¹²⁷ Biéler (1961), *Calvin’s Economic and Social Thought*, 363

¹¹²⁸ Biéler (1961), *Calvin’s Economic and Social Thought*, 381

focus in the Reformed tradition on dignity is important.¹¹²⁹ Second, and to an extent exactly the opposite is that by emphasising the non-contractual relationships and by focusing on the restoration of old privileges on the ownership of land, it can fail to reckon with the economic use of land and labour and its role in production and distribution processes in modern societies. Third, in a modern society with its complexities of urbanisation, displacement of large groups of people through global immigration, the power of the media, increasing anarchy and chaos, and the loss of cultural identity, it is complex to identify who has the right to ownership, and who has the responsibility for the neighbour. I suggest that the relationship between the community and economy is a dialectical relationship because it intersects on communal issues of identity and survival, and on the individual level on the aims of greed and fear.

While the concept of covenant cannot resolve these tensions, it can assist in developing liberating perspectives and strategies through its emphasis on responsibility and relationship. In determining the contribution that the concept of covenant can make to the economy it is first necessary to note that Reformed theology should, and through its liberating trajectory indeed does, engage history and thus also matters of labour and land.¹¹³⁰ While a stance of indifference toward socio-economic structures could be justifiable in certain contexts, it is less so in the complex world of inequality and injustice. Second, covenant with its focus on providence and relations underlines the value of work and thus the dignity of workers. The substance of the economy should be job creation and employment. Technological development should promote employment not supplant employment.¹¹³¹ Third, access to livelihoods should affirm the dignity and value of people. When Calvin argued against speculation in negotiating with a poor person, the implication is that prices, and thus the supply and demand mechanism of the market economy, should not determine wages.¹¹³² It would mean that the privilege of the poor could include differentiation in prices and negotiation of prices and profit margins. In this way social need could be prioritised above economic aims (see 6.4.3 below). Fourth, land, and nature in general, is a symbol of God's providence. God does not only provide food, but also security and

¹¹²⁹ Naudé (2010), "Human Dignity in Africa," 229.

¹¹³⁰ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation", 119.

¹¹³¹ Polanyi (1977), *The Livelihood of Man*, 6.

¹¹³² Biéler (1961), *Calvin's Economic and Social Thought*, 371.

habitation, or safety and creative space. Access to land is more than ownership. It also speaks to the location of land a person occupies in relation to the person's place of work, and the way in which people are allowed to live in the space they occupy.¹¹³³ In the complex nature of modern society it is probably unavoidable that some workers would be required to live at their place of work. You can think of domestic workers, security guards, overseers at school residences, but also of miners, military personnel and many others. Preventing a mother working as a domestic worker to have her children with her, or to limit the space of the children to the immediate area of the room or flat they occupy, is not respecting her (or her children's) dignity. Fifth, and probably the most important, is that covenant precludes any notion of individualism and therefore apathy towards the needs and wants of others. The all-inclusive character of covenant binds human beings together and creates a shared responsibility for human life and environment.¹¹³⁴ I propose that a covenant economy will begin with the recognition that what we have is not ours, but a blessing. That should be whether human beings are religious or non-religious. Because whatever we have received we have the responsibility to extend the provision that was made for us to the poor.

Thus, institutions for broad participation and institutions to protect participation become necessary. Participation requires good education, health and space to be creative. This is one reason why governance and oversight is important. Since responsibility cannot be legalised institutions of governance and oversight cannot be limited to organisational structures with clearly defined representation and mandates. Governance and oversight should also function on the level of virtue and interpersonal relationships, a context in which religious community could contribute much.

6.3.4 The problem of governance and oversight

The problem of governance and oversight turns around questions of intervention and how freedom is understood. Suggestions that a more interventionist economic system, where external

¹¹³³ Polanyi (1944), *The Great Transformation*, 75. Polanyi wrote that to include land (and labour) in the market mechanism is to "subordinate the substance of society itself to the laws of the market."

¹¹³⁴ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 118.

bodies intervene in the process of distribution, should be pursued are often met with the contention that in such an interventionist economy people will not be motivated to be productive and it will stem economic growth. This argument is based on the theory of the *homo economicus* which proposes that it is a natural tendency for humans to barter and negotiate for self gain.¹¹³⁵ This is an obvious position to hold if the economy is considered from the position of a self-regulating market. However, this is not necessarily true if the economy is considered as embedded in social relations and understood as substantive. Together with institutionalised mechanisms of punishment and reward, social responses such as inclusion and exclusion, psychological dynamics such as honour and shame could all play a role in motivating participation.¹¹³⁶ But the first challenge of oversight and governance is whether human beings are able to act willingly in the interests of the community, and not only in self-interest. The kind of institutions needed in a society should build community, should embody the vision of freedom and justice, and should promote virtues of humanism and social cohesion.¹¹³⁷

During the late nineteenth century in South Africa there were a number of organised institutions established to regulate the environment for trade in diamonds, gold and other minerals. I will highlight three. The first is the State. A second organised institution was the mine-owners. A third was the organised, and segregated, structures of the workers (see section 2.2). This included grass-roots structures such as work teams, or crews, organised under the leadership of foreign mine-workers.¹¹³⁸ An important trait was that these institutions worked for narrow self-interest and created many, and eventually, deadly conflicts. The behaviour principles that guided the economy were the accumulation of capital on the side of the owners, and self-protection on behalf of the white workers and their leadership. An important factor was the disintegration of social values amongst the urbanised populations which meant that self-interest became the dominating principle (see section 2.2 and 2.3.2).

¹¹³⁵ Smith (1776), *Wealth of Nations*, 15.

¹¹³⁶ Polanyi (1944), *The Great Transformation*, 48.

¹¹³⁷ Polanyi (1944), *The Great Transformation*, 262.

¹¹³⁸ See Hyslop (1999), "White Labourism," 5.

The fourth decade of the twentieth century was the beginning of a protracted period of economic growth in South Africa.¹¹³⁹ It is in this context that Afrikaner organisations began to work for the development of the Afrikaners. Apart from a network of social support services, ethnic business and investment mechanisms were created and promoted as channels for economic growth. After 1948, when the Nationalist government came to power, they began to promulgate *apartheid* laws. The State also began to organise the economy into sectoral boards to promote, not exclusively but mostly ethnic interests.¹¹⁴⁰ Self-interest remained the dominating principle.

The post-*apartheid* government's initial policies advocated a socialist government with high levels of participation by the people (see section 2.4.2). A vast number of organised institutions were created to oversee transformation on all levels and sectors of society. As we have seen in section 2.4.3 the ability of the "people" to participate in economic decision making was quickly questioned and already in the RDP-WP a movement towards centralised decision making increasingly based on neo-liberal principles was initiated. This did not change in the other policy documents discussed in section 2.4. The dominating principle associated with institutions such as BB-BEE and Article 9 institutions such as that of the public protector was the redressing of past injustices.

In section 5.4.1 it was argued that the study participants hold to a "mixed economy" position in which State and private sector worked together. The State had to provide and co-ordinate an infrastructure development that could benefit numerous stakeholders, since this was too big for a private company to create for themselves. It should also attend to the needs of the poor in aspects such as health care, housing and training. It should create an investment-friendly environment, and in general an environment that would benefit business. Apart from this State intervention should be limited. Apart from the State the participants did not suggest other institutions, either organised or behavioural.

In a context where claims and demands are one-sided it tends to feed entitlement, which undermines the acceptance of responsibility, creates distrust and breaks down in community.

¹¹³⁹ Giliomee (2003), *The Afrikaners*, 410.

¹¹⁴⁰ See also the article of Herman Giliomee. Giliomee (2008), "Ethnic Business and Economic Empowerment," 779.

Oversight is especially important to establish responsibility amongst all members of society.¹¹⁴¹ It is for this reason that Polanyi argued for a functional socialism.¹¹⁴² He expanded decision making, and involved different stakeholders in determining the well-being and priorities of communities and the environment, planning the distribution of the material means to all members of society according to their need and to utilise the elements of production to satisfy those needs.¹¹⁴³ He also introduced oversight and governance, which for him follows on “self-organisation.”¹¹⁴⁴ In section 3.5 I argued that for Polanyi oversight is especially important to determine and manage the social costs of projects or functions.

There are two kinds of institutions needed, both of which should embody the principle of oversight and governance (see section 3.5). The first will be an organised institution. It refers to institutions such as the State, but also bodies that represent producers and workers, the consumer, and citizens. An important aspect of this is the separation of politics and economics, which for Polanyi is one of the most important contributing factors to the power of the market.¹¹⁴⁵ What Polanyi meant, I argued in section 3.3.1, is that politics as the organisation of social relations and life of a community should not be separated from the economy. Politics, thus, does not refer to ideological driven party politics which often is controlled by the market and the interests of the elite that controls the market, but to social organisation and leadership. The second aspect of institutions is that of behaviour or customs (see section 3.5). Without adherence to the correlating principles of behaviour or customs of a community no organised institution would be able to ensure compliance with the decisions taken in the interest of the community. Oversight and governance, thus, is a matter of the kind of society we dream of and of the kind of people we need (see section 3.5).

Covenantal concepts such as sovereignty, providence, election, and calling are able to inform an economic vision to embed the economy in community and through this uphold the freedom of all. Sovereignty confirms that economics does not fall outside the rule of God. The theological

¹¹⁴¹ Mbeki (2009), *Architects of Poverty*, 69-73.

¹¹⁴² Dale (2010), *Limits of the Market*, loc 769.

¹¹⁴³ Dale (2010), *Limits of the Market*, loc 769.

¹¹⁴⁴ Dale (2010), *Limits of the Market*, loc 747.

¹¹⁴⁵ Polanyi (1944), *The Great Transformation*, 263.

perspective of providence underlines the notion that human beings receive in order to share. Election underlines the importance of the poor, while calling highlights responsibility and commitment to justice and freedom. It refers to a deeply held conviction in the Reformed tradition that God calls God's people for different offices in the community, and that God prepares them for the work they are called for (see for instance the conviction of participant one in section 5.3.1). This correlates with a positive attitude towards experiential and scientific knowledge which are related to the doctrine of the general revelation of God, and to the responsibility towards the community or society.¹¹⁴⁶ Being an engineer, economist, a leader or worker in civil society could all be considered as vocations. In the context of covenant calling and vocation lays the ground for an ethic of responsibility because calling can never be separated from sovereignty and thus the commitment to human beings.

One expression of the covenant is the community of those who are called, the *ekklesiae*, or the Church. The church is built on concepts of the body of Christ, which is inclusive of all members of the community as equals, and spiritual gifts, which underlines the unique contribution of each member to society. Governance and oversight in the covenant community is built on participation and specialisation. This is directed towards the fulfilment of the vision of future freedom and justice, which should be understood from the perspective of the poor (see section 4.2.2 and 4.2.4). This indeed challenges customs of democracy which includes many in the voting process, but often limits participation in actual decision making and contribution to members of the governing party or alliance. The poor are the victims of this exclusivity. We saw this with the acceptance of GEAR by the South African government. At that point the poor were excluded from the economic decision making on the grounds of inability to understand the economy (see section 2.4.3). This tendency to exclude, or governing by "like minded individuals," raises the question of who should manage the economy.

Irrespective of the organisational institutions that are tasked with managing the affairs of the community and its economy, there is a need for an ethic of responsibility. The behavioural

¹¹⁴⁶ Roelf Haan, *Theology and Economics* (Wellington: Lux Verbi BM, 2012), 83. Haan wrote here about Calvin's attitude towards science and technology, underlining the point that for Calvin human knowledge was a gift. Also Biéler (1961), *Calvin's Economic and Social Thought*, 389.

principle in the covenant economy is that of sacrifice, which is an extension of the biblical command of love for God and for the neighbour.¹¹⁴⁷ Sacrifice requires a virtue of humanism which is grounded in the principle of the privileged position of the poor and their interest. In a world of inequality sacrifice indeed raises the question of redistribution (see section 4.2.4). But the concept of covenant adds an important perspective to the search for strategies for redistribution. The behaviour behind redistribution should be an attitude of sacrifice, of willingly giving away of both material and non-material privilege. This willingness should be a deed of contrite based on our shared humanity, and not one of retribution based on past experiences of colonialism, oppression or discrimination. In this world of unequal distribution and often institutionalised injustice (structural sin) redistribution will never be realised without the acceptance of the need for sacrifice. For this reason I would argue that sacrifice, not redistribution is the principle that should inform an ethic of responsibility.¹¹⁴⁸

6.3.5 The covenantal society

Suggesting institutions based on covenant and sacrifice is not a call for a new theocracy, but a call to consider the implications of the convictions of a specific Christian tradition to the economic sphere. First, the task I undertook was to question whether Reformed theology could conceptually contribute to the discourse on restructuring the relationship between economy and community. Thus, this is not a blueprint for society or an evangelistic call to non-Christians. Reformed Christians live with a specific God concept, that of a gracious and forgiving God. They are convinced that we live in relationship with God that was constituted on grace and forgiveness based on the sacrifice of Christ, which out of sheer gratitude should be expressed in just behaviour. The point is that as a Reformed Christian one should approach and contribute to the restructuring process from a unique, but valid, vantage point.

¹¹⁴⁷ Naudé (2003), "Sola Gratia and Restorative Justice," 142.

¹¹⁴⁸ Naudé (2003), "Sola Gratia and Restorative Justice," 146. Naudé argued that Reformed Christians should insist that measures of restorative justice be implemented.

There is a need to translate this conviction to a language that is accessible for the public.¹¹⁴⁹ Poole's remark about the disruptive narrative that forms the basis of theology, and how this narrative isolates theology is important. Wolbert pointed out that language need to be accessible and respectful.¹¹⁵⁰ This means that language should be contextualised, appropriate, and reasonable.¹¹⁵¹ I would propose that concepts such as our shared humanity and being human, the priority of inclusive community, sharing of resources, an ethic of responsibility based on the right to live, ecological interrelatedness, and contribution to and participation in both decision making and the process of distribution in society all have the ability to express this contribution. But all this would mean nothing if there is not a willingness to part from material and non-material privileges. In pursuing the appropriation of these concepts Reformed theology can contribute to develop an economic praxis that is related to socially-embedded economics, and that can resist some of the dangers of a free-market system. It could also open possibilities to engage others honouring their dignity, and respecting their efforts for their own development and for building their future. Reformed theology calls upon human beings to be first and foremost humanists. Humanists have to rid themselves of the exclusive social identities, which include political economical identities such as nationalist or communist, that alienate people. These identities lead to forms of injustice and exclusion, and thus to a lack of freedom.¹¹⁵²

For the Reformed tradition to conceptually contribute to the restructuring of the relationship between the economy and the community it should equip members and others to resist the power of these exclusive identities. This contribution requires from Reformed theology to overcome five challenges. These are first, the challenge to broaden the understanding of the concept of salvation to resist structural sin. Further it has to overcome the individualistic tendency, to overcome anthropocentric tendencies, to overcome a Western middle-class economic paradigm, and to enter into a contra cultural or liberating life-style.

¹¹⁴⁹ Werner Wolbert, "Religious Voices in Public," in *Christian in Public* (Stellenbosch: Beyers Naudé Centre for Public Theology, 2007), 57-8.

¹¹⁵⁰ Wolbert (2007), "Religious Voices in Public," 57.

¹¹⁵¹ Wolbert (2007), "Religious Voices in Public," 57-8.

¹¹⁵² Since Polanyi argued that the economy is not separated from politics these identities would also include what are often considered as political identities such as nationalism and fascism, as it would include economic identities such as capitalism and socialism.

Rieger uses the word “surplus” to indicate that, in spite of the Church through the centuries siding with the empire, there were always aspects of their message that allowed believers to resist and subvert empire.¹¹⁵³ I will use the concept in a similar way to endorse those elements in the Reformed tradition that could encourage believers to overcome these challenges.

6.4 Five challenges to Reformed theology

6.4.1 Substantive salvation resists structural sin and total depravity

Structural sin refers to a structured concentration of power in an elite few persons (natural or corporate) that manipulate processes of decision making to benefit and consolidate power through the control of social attitudes and procedures.¹¹⁵⁴ Fundamentally, sin is the choice to withdraw from the *missio Dei*, and thus to serve interests other than that of the covenant community even if it is under the illusion of serving the covenant community. This withdrawal is often caused, not by a voluntary choice, but by choices made within the rationality of the manipulated social and economic structures. This rationality of social and economic structures is deeply rooted in both individualism and anthropocentricity. The concepts of total depravity and of original sin refer to this rootedness. De Gruchy quoted Albert Nolan, who wrote that

the system [i.e., apartheid] begins to affect us from the day we are born ... We are socialised into this false value of racism, individualism, selfishness, competition, possessiveness, and money as measure of all value. From the beginning the system tries to cut us off from other human beings and to divide us against ourselves. We are socially conditioned into alienation. This is what the Christian tradition calls original sin.¹¹⁵⁵

Boer wrote that the concept of total depravity is deeply democratic since it erases all forms of pretence and emphasises that “utter sinfulness is universal.”¹¹⁵⁶ This means that not one human being is fundamentally more innocent than others, and therefore less responsible for the

¹¹⁵³ Joerg Rieger, *Christ and Empire. From Paul to Postcolonial Times*, 1st ed. (Minneapolis: Fortress Press, 2007), 9.

¹¹⁵⁴ Rieger (2007), *Christ and Empire*, 2.

¹¹⁵⁵ Albert Nolan, *God in South Africa* quoted by de Gruchy in: J. de Gruchy (1991), *Liberating Reformed Theology*, 155.

¹¹⁵⁶ Ronald Boer, *Political Grace. The Revolutionary Theology of John Calvin* (Louisville: Westminster John Knox Press, 2009), 123.

existence and power of sinful structures than the other. Salvation frees human beings to exercise choice, to act responsibly and to establish communities of freedom and justice. This requires that salvation should be understood as substantive and personal, and not as formal and individualistic. Freedom and justice do not exist without the agency of people acting responsibly towards others. Freedom understood as individual in community requires that the economy could not function on the premise of scarcity which promotes individualism and competition. Resistance to structural sin is nothing else than the practical application of salvation as substantive.

Substantive salvation is the restoration of human community expressed in hope, through processes of healing, rehabilitation, freedom and in the creating of a new future. I propose that the principle of sacrifice can express this substantive salvation in the social realities of communities. In the Reformed mind, sacrifice on behalf of the poor is not a sacrifice in their place, but submission to Christ. It is only in submission to Christ who is constantly and continuously revealing himself as the compassionate Priest that we can speak about sacrifice in solidarity with the poor.¹¹⁵⁷ In Christ sacrifice is also submission to the God who is according to Reformed confession in a very specific way the liberating King of the poor.¹¹⁵⁸ Structural sin is associated with unfreedom and therefore requires submission to the Prophet who stands in solidarity with the poor against the commodification of human life and destruction of the ecological networks of life. In this sense hope and life are restored and sustained through the sacrifice of Christ, and of his followers.¹¹⁵⁹ This means that participation in the redistribution of that which everyone needs to live with dignity is not merely an economic matter – it is essentially and in a very profound way a matter of “love for justice” and of recognising the reality of the covenantal interrelatedness of all human beings.¹¹⁶⁰

¹¹⁵⁷ Pieters (2013), "Sacrifice, Reformed Theology, and Economic Structures," 30

¹¹⁵⁸ Pieters (2013), "Sacrifice, Reformed Theology, and Economic Structures," 30.

¹¹⁵⁹ See: Jurgen Moltmann, *The Crucified God* (London: SCM Press). 335.

¹¹⁶⁰ Smit (2011), "Wie is Ons?" 16.

6.4.2 Covenant Community resists Individualism

The focus of covenant is the sovereign rule of God, in which God is free to create community with whomever God chooses. Brueggemann wrote,

Biblical faith is an invitation away from autonomy to covenantal existence that binds the self to the holy, faithful God and to neighbours who are members in a common economy. The biblical construal of reality concerns a covenantal infrastructure whereby one lives from the mercy of God and in turn responds in obedience to the will and purpose of that God.¹¹⁶¹

Therefore a Reformed theology can never be truly Reformed and individualistic. The unique covenant structure of Reformed theology emphasises the personal character of the relationship between God and human beings and of the saving work of Christ. Thus the tradition emphasises that covenant brings us into community with one another. Hendrikus Berkhof wrote, “Speaking of covenant we speak of community. In that community we are as individuals joined both to god (*sic*) and to other people.”¹¹⁶²

Thus, the second challenge is to express the power and responsibility of the personal and relational character as a resistance against individualism and self-centredness associated with liberal capitalism. In an individualistic world relationships between human people are organised by contract, rather than according to non-contractual relations such as family, kinship, and tribe. Adam Smith wrote further, “It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contracts.”¹¹⁶³

For Polanyi freedom has a paradoxical character and is something totally different from the libertarian notion of the absence of rules and intervention, or responsibility.¹¹⁶⁴ *Homo*

¹¹⁶¹ W Brueggemann, "From Anxiety and Greed to Milk and Honey. Biblical Faith Invites Us out of Self-Destruction toward God's Generosity and Abundance," (2009). <http://www.stpaulsbeaconsfield.org.au/groups/DG-FaithandFinance.pdf>. Accessed on 12 September 2016.

¹¹⁶² Hendrikus Berkhof, *Christian Faith - an Introduction to the Study of the Faith* (Grand Rapids: Eerdmans, 1979), 339.

¹¹⁶³ Smith (1776), *The Wealth of Nations*, 15.

¹¹⁶⁴ See Karl Polanyi "Jean Jacques Rousseau: Or Is a Free Society Possible?" no 18/24 no 21/10 (Montreal: Karl Polanyi Institute for Political, 1943) Polanyi's essay provides a thorough discussion on the "contract social" and "social tie" from his perspective.

economicus requires freedom that is unlimited in order to negotiate the best contractual terms, which in an ideal world will be the point where an optimal price is agreed upon. This is the rationale that the neo-liberal policies want to restructure the economy independent of the State. Polanyi wrote that Christianity allowed, and even participated, in a process of individualisation of Western thought structures and in doing so failed itself and society.¹¹⁶⁵ Disarming self-justification brings the realisation that we are not on our own.¹¹⁶⁶

The shared awareness of our humanity provides a solid theological ground for the use of *botho* / *ubuntu*. According to Russel Botman the notion has an integrative aspect that enables us to overcome the idea of “competition between God and humanity.”¹¹⁶⁷ I propose that covenant emphasises God’s initiative that, according to the Abrahamic covenant, identifies us with the “other”. Covenant is a graceful act of God that disarms any notion of self-justification and – isolation.

Thus covenant breaks through individualism and resists reducing relationships to a contractual relationship because we are all human beings, called to enter into a relationship with God. On the basis of this relationship we are to enter into a special relationship with the poor, responding to their needs through self-sacrificing grace in the face of the needs of others.

6.4.3 The Providence of God resists Anthropocentrism

An anthropocentric worldview contributes to and drives the ecological devastation that we have witnessed over past centuries. Not only the ecological devastation, but also colonialism and neo-liberal economic restructuring are expressions of greed, the need to accumulate, fear and the need to secure the unreachable standard of “enough.” Puleng LenkaBula opened our eyes for the interrelatedness of natural life, and that a world centred on human beings cannot be sustainable.¹¹⁶⁸ A truly Reformed theology is not only a confession of God as creator, but confesses God as the providential God giving the fruit of the land and providing all with

¹¹⁶⁵ Polanyi (1944), *The Great Transformation*, 268.

¹¹⁶⁶ John Calvin, *The Institutes of the Christian Religion (Book 3)*. trans. Henry Beveridge, 2 vols. (Grand Rapids, Michigan: WM B Eerdmans Publishing Company, 1845 (1559)). 7.1.

¹¹⁶⁷ LenkaBula (2009a), *Choose Life, Act in Hope*. 38.

¹¹⁶⁸ LenkaBula (2008), “Beyond Anthropocentricity.” 383.

livelihoods to sustain and protect all forms of life.¹¹⁶⁹ The Reformed concept of providence can assist us in resisting forms of anthropocentrism.

Durand highlights three aspects of the Reformed understanding of the doctrine of the providence of God.¹¹⁷⁰ The doctrine of the providence of God is both practical and existential.¹¹⁷¹ On the one hand God provides on a practical level to the point that everything that happens could be ascribed to the work and the will of God.¹¹⁷² Therefore, receiving from God is at the same time a call to no less than sacrifice. There is also an existential element in providence that is deeply eschatological. A Reformed eschatology orientates history to the future which opens possibilities to understand history as a process in which human beings participate with responsibility. Acceptance of God's providence includes humans in the current and future work of God, or what David Bosch calls the *missio Dei*.¹¹⁷³ It compels human beings to work towards every form of justice and freedom. The *missio Dei* expresses the freedom of God to create a future for those with whom God enters into a covenantal community in which all humans live together in Christian solidarity.¹¹⁷⁴ Gutiérrez wrote about solidarity,

[T]he very term preference obviously precludes any exclusivity; it simply points to who ought to be first – not to the only – objects of our solidarity ... [it] is the free commitment of a decision. The option for the poor is not optional in the sense that a Christian need not necessarily make it, any more than the love we owe every human being, without exception, is not optional. It is a matter of a deep, ongoing solidarity, a voluntary daily involvement with the world of the poor.¹¹⁷⁵

This challenges believers from the ranks of the non-poor, that is the economic elite and middle-class, to seek God's will, and to respond in a transforming manner in both the personal and

¹¹⁶⁹ LenkaBula (2008), "Beyond Anthropocentricity," 393.

¹¹⁷⁰ J.J.F. Durand, *Skepping, Mens, Voorsienigheid*, Wegwysers in Die Dogmatiek (Pretoria: NG Kerkboekhandel, 1982), 63-67.

¹¹⁷¹ J.J.F. Durand, *Skepping, Mens, Voorsienigheid*, 63.

¹¹⁷² J.J.F. Durand, *Skepping, Mens, Voorsienigheid*, 64.

¹¹⁷³ J.J.F. Durand, *Skepping, Mens, Voorsienigheid*, 65.

¹¹⁷⁴ David J. Bosch, *Transforming Mission. Paradigm Shifts in Theology of Mission*, American Society of Missionology Series, No 16 (Maryknoll, New York: Orbis Books, 1991), 389-393.

¹¹⁷⁵ G Gutiérrez, "Option for the Poor," in *Mysterium Liberationis. Fundamental Concepts of Liberation Theology*, ed. I Ellacurcia and Jon Sobrino (New York: Orbis, 1993), 240, quoted in Naudé (2007), "In Defence of Partisan Justice – an Ethical Reflection," 168.

public spaces through a continuous practical witness about God's providing love.¹¹⁷⁶ It requires an honest look at their own greed, and the role of greed in consoling them in the face of existential fears.

6.4.4 Sacrifice resists Middle-class Comforts

John de Gruchy points out that a middle-class economic paradigm tends to follow the Reformed tradition – at least in the Western world.¹¹⁷⁷ In spite of having its roots in communities of alienation and oppression, the Reformed tradition has become for the most part rooted in an environment of comfort, education, upper to middle-class income and alignment with the dominant political powers.¹¹⁷⁸ The middle-class worldview is essentially individualistic and justifies, not only consumerism, but also anthropocentrism, colonialism and neo-liberalism. Middle-class comforts resist the voluntary daily involvement with the world of the poor Gutiérrez speaks about.¹¹⁷⁹

The responses of the participants in the interviews illustrate the power and the hold a middle-class existence can have on an individual or a group of individuals. When participant C warned that we should not lose perspective in the way we prioritise all should heed this warning. He related to me the surprise of his friends on hearing how much he spent to build a house for their domestic worker.¹¹⁸⁰ Spending R200 000 on a house for a domestic worker is just not done, while spending as much and more on a daughter's wedding is acceptable.¹¹⁸¹ Also Participant F shared how he and his wife struggle to rid themselves of a comfortable life-style, from luxury that binds them.¹¹⁸²

¹¹⁷⁶ Durand (1982), *Skepping, Mens, Voorsienigheid*, 65

¹¹⁷⁷ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 107.

¹¹⁷⁸ J. de Gruchy (1999), "Toward a Reformed Theology of Liberation," 107.

¹¹⁷⁹ Gutiérrez (1993), "Option for the Poor" quoted in Naudé (2007), "In Defence of Partisan Justice – An Ethical Reflection", 168.

¹¹⁸⁰ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

¹¹⁸¹ Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

¹¹⁸² Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

Naudé positions the Church as a member of civic society that is both a sign and an expression of community freed from the comfortable middle-class existence.¹¹⁸³ He then refers to the resources of the church, such as networks of expertise and infrastructure, to address issues of education, health care and care for the vulnerable.¹¹⁸⁴ The Church could be more than a member of civic society. It could provide a revolutionary vision. Such a revolutionary vision will create discomfort and disturbance to the middle-class. It is a discomfort anchored in community with Christ, since following Christ means restoring justice for the poor so that they can be free, and restoring the freedom of the rich so that they can be just.¹¹⁸⁵ This commitment should inform principles of behaviour, the application of old customs, and the formation of identity. The church could then insist that economic transformation is only possible if it will embed the distribution and usage of available material means in the network of social relationships.

From the interviews two relevant themes emerged. The first links to consumerism and comfort. Participant E talked about the excesses of consumerism and the lack of sobriety.¹¹⁸⁶ Participant C talked about the desperateness caused by poverty and being part of an underclass.¹¹⁸⁷ Participant F provided another theme when referring to the inability or unwillingness of businesses to contribute to transformation.¹¹⁸⁸ This is a theme of indifference, which is one of the most persistent ethical challenges to the Christian life and vocation.¹¹⁸⁹

Naudé uses the concept of sacrifice to explain the dynamics of this transaction between “the oppressor or oppressed, advantaged or disadvantaged”. He argues from the completeness of Christ’s sacrifice that sacrifice to remember and redeem sin is no longer necessary. Christ’s death led to a situation where His self-donation is an offering in the place and on behalf of us all. This places Christ’s sacrifice, “both before and outside” our knowledge of sin, its effects on us and others and even our confession. “Any talk of restorative justice must therefore begin in the

¹¹⁸³ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 545-7..

¹¹⁸⁴ Naudé (2005), “The Ethical Challenge of Identity Formation and Cultural Justice,” 547

¹¹⁸⁵ LenkaBula (2007), "Poverty, Wealth, and Ecology Viewed from African Feminist, Christian Political and Economic Ethics," 18.

¹¹⁸⁶ Participant E interviewed by B.J. Pieters on 5 October 2012 in Sandton.

¹¹⁸⁷ Participant C interviewed by B.J. Pieters on 3 October 2012 in Pretoria.

¹¹⁸⁸ Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

¹¹⁸⁹ Smit (2007), “Reformed Ethics and Economic Justice?” 396.

proclamation of God's gracious non-retributive justice in Christ who carried South Africa's past injustices while we were still both helpless and wicked."¹¹⁹⁰ Restorative justice should be modelled after the pattern of grace, and should be an act of gratitude and not vengeance.

6.4.5 True Reformed spirituality overcomes indifference

Overcoming the middle-class paradigms by Reformed theology is especially important as it faces the fifth challenge that is the challenge to enter into a counter-cultural life-style in order to overcome indifference. There is a range of concepts used to describe the transformative social challenge for the church as a sign of a new community. According to Walter Brueggemann the Church should provide a counter narrative to the dominant script of "technological, therapeutic, consumer militarism that socializes us all, liberal and conservative."¹¹⁹¹ This counter narrative is rooted in the Bible, is enacted through the tradition of the Church, and has the God of the Bible as its key character.¹¹⁹²

A concept that is linked to the Christian life and vocation is the threefold calling of the Christian to be Prophet, Priest, and King.¹¹⁹³ Rieger showed that these concepts can easily be claimed for empire. However, properly understood these concepts compel Reformed theology to resist empire and domination.¹¹⁹⁴ Rieger considered the ethics of Friedrich Schleiermacher and concluded that the threefold calling opens perspectives of community and care.¹¹⁹⁵ The Christian life is action that is purifying, broadening and representing action.¹¹⁹⁶ Linked to the three offices this means that the Church and community, are never complete but always challenged to imitate

¹¹⁹⁰ Naudé (2003), "Sola Gratia and Restorative Justice," 141.

¹¹⁹¹ W Brueggemann, "19 Theses," in Emergent Theological Conversation with Walter Brueggemann (Decatur, GA 2004), http://miketodd.typepad.com/waving_or_drowning/files/WalterBrueggemanns19Theses.PDF. Accessed 12 September 2016

¹¹⁹² Rieger (2007), *Christ and Empire*, 197.

¹¹⁹³ Rieger (2007), *Christ and Empire*, 197-236.

¹¹⁹⁴ Rieger (2007), *Christ and Empire*, 197-236.

¹¹⁹⁵ Rieger (2007), *Christ and Empire*, 216-225.

¹¹⁹⁶ Rieger (2007), *Christ and Empire*. 219.

Christ and to represent the rule of God in all circumstances.¹¹⁹⁷ Indifference is indeed not an option.

For Calvin, indifference has to do with freedom. His understanding of freedom as “indifference to the indifferent” could indeed give rise to the idea that the Reformed tradition could stand indifferent to the plight of the poor, and even support a theology of retribution.¹¹⁹⁸ Smit countered this danger by emphasising “freedom in belonging”, and in the process he emphasises spirituality as formation, solidarity and awareness. He wrote,

We can learn to see and to accept needs and challenges of economic justice as our own, as challenges to our own faith, identity and *[sic]* integrity. We can listen as closely as possible to informed people ... We can use our imaginations and our love to envision possible ways of action ... We can listen to others ... We can consult with them ... And we can confess our moral indifference and act, doing what is possible for us to do.¹¹⁹⁹

The love for justice is an important part of Reformed spirituality. Smit identified three important Reformed spiritual practices.¹²⁰⁰ The first is the contemplation of the face of God (*Faciem Dei Contemplari*). It refers to the image the believer has of God. The second is lifting your heart to God (*Sursum Corda*), and the third is the love of justice (*Iustitiae Amor*). Christian life has its purpose and end, be it in concord and harmony with the righteousness of God.¹²⁰¹

While Reformed Christians have often been regarded as activists, for them it is in the final analysis Christ who is constantly renewing his world through his praying body, exposing injustice through his forgiveness, and through the combined action of his body.¹²⁰² He changes policies, affirms and equips the church to let go of the desire to possess, and casts a vision of abundant life. Through service, obedience and self-sacrifice, Christians participate in his life-giving sacrifice.¹²⁰³

¹¹⁹⁷ Rieger (2007), *Christ and Empire*. 228.

¹¹⁹⁸ Smit (2007), “Reformed Ethics and Economic Justice?” 134.

¹¹⁹⁹ Smit (2007), “Reformed Ethics and Economic Justice?” 396.

¹²⁰⁰ Smit (2011), “Wie is Ons?” 1.

¹²⁰¹ Calvin, *The Institutes of the Christian Religion* (Book 3), 6.1.

¹²⁰² Smit (2007), “Reformed Ethics and Economic Justice?” 395.

¹²⁰³ Pieters (2013), “Reformed Theology, Sacrifice and Economic Structures,” 30.

6.5 Conclusion - A Reformed Church is always reforming

In chapter 3 I argued that Polanyi's contribution is one that stretches back to the work and thoughts of John Calvin, which positions Polanyi to assist Reformed theology in contributing to a discourse which is deeply spiritual, i.e. the discourse on the healing and well-being of communities. In this chapter I argued that by developing and interpreting the economic relevance of covenant and sacrifice Reformed theology can contribute much to the discourse on the restructuring of the economy and its relationship with the community. In doing so the conviction that God is the sovereign ruler should convince Reformed Christians that the economy is but one expression of human community and not the determinant of human community. The economy is one of the arenas in which the providing God brings healing and restores justice. It is one of the arenas of human life where God calls believers to sacrifice their own privileges and comforts to live in solidarity with the poor.

While discourses about the important issues of inequality, hegemony, colonialism, resistance and degradation are active in the world of theology, there is also the need to ask what the implication of change and transformation is for those contexts where transformation did occur *albeit* not yet comprehensive. For Reformed theology Christians live with the tension between the not yet and the already, because freedom and justice will never be complete and perfect. But a truly Reformed eschatology should orientate history to the future and recognise the historical signs of that future in the present. On a structural level much of this tension has to do with power, but for Christians to respond to this reality is what it means to be in Christ.

Reformed Christians are called to be activists.¹²⁰⁴ Yet, it is Christ who is constantly renewing his world through his praying body, exposing injustice through his forgiveness, and through the combined action of his body. Through them he changes policies, affirms and frees them to let go of the desire to possess, and casts before them a vision of abundant life. Through service, obedience and self-sacrifice, and through economic activity that is for the benefit of the poor and the environment, Christians participate in his life-giving sacrifice for the sake of the poor. The substantive character of salvation and the relational focus of covenant, together with notions such

¹²⁰⁴ Smit (2007), "Reformed Ethics and Economic Justice?" 395.

as responsibility, sacrifice and solidarity points Reformed Christians beyond mere awareness of the liberating Reformed tradition. It allows Christians to resist and subvert the strategies of empire and the state theology that undergirds it.

Chapter 7

Conclusion

7.1 Introduction

A Reformed theology can never be satisfied because life is never static, new circumstances invite new responses and thus new reformation. To engage history and participate in a new reformation is to accept responsibility for a changing world. In addition, Reformed theology cannot limit itself to what it calls “the special revelation”. It fully acknowledges the general revelation that is present in creation and through the insight of and discoveries made by human beings.¹²⁰⁵ This is the motivation for this inter-disciplinary study which engages economics and its sub-disciplines in an attempt to formulate a Reformed economic theology. Theology is often in discussion with disciplines such as philosophy, sociology, business studies, and psychology. However, to participate meaningfully in the debate on society, Reformed theology should also critically engage geography, to gain insight into the role of land in production and space in community formation; with anthropology, to understand the dynamic and organisation of community; and with legal studies to explore ways to build institutions that have authority. Two fields that are equally important are the fields of economic sociology and economic psychology.

The limitations of such an inter-disciplinary study have led to many questions that have not been addressed. In the final section of the chapter, I will identify some of these which sets an agenda for future research.

¹²⁰⁵ Biéler (1961), *Calvin's Economic and Social Thought*, 389.

7.2 The contribution of a Reformed economic theology

The social vision of post-*apartheid* South Africa was a focus on redistribution in order to build an inclusive and more just society. However, this initial social vision of the RDP was quickly compromised by the power of neo-liberal economic principles. This compromise represents an important challenge that faced all governments as well as civil society who wish to eradicate poverty and establish communities of equality and justice (see section 2.4.6). They have to discern between the conventional economic rationality of a free-market economy, and the rationality of structural revisionist.¹²⁰⁶

The South African experience of the power of economic determinism is one of destruction. It destroys not only human community and dignity, but in many cases human life. Initially both black and white workers were physically and emotionally displaced by its power (see section 2.3). The economic movement of the Afrikaners was in part a response to economic determinism. In their response they gave priority to meeting the interests and needs of the poor white. Their response had two aspects. There was an initial focus on social development that was later linked to an economic movement.¹²⁰⁷ In section 2.4 I argued that this focus on capitalism has eventually replaced the interests of the *volk* as the beneficiary of economic activity.¹²⁰⁸ The strong Afrikaans speaking middle-class that developed after WW2 disguised this process to an extent. However, the impact it had on those outside the social unit was destructive and continued the process of dehumanisation and displacement.

The challenge faced by the new government after 1994 had both an ideological and a practical aspect in order to consolidate the political freedom through economic means (see section 2.4.1). On the level of ideology, they had to choose between a conventionalist or liberal, and a socialist

¹²⁰⁶ N. Nattrass (1991), "Controversies about Capitalism and Apartheid. An Economic Perspective," 655.

¹²⁰⁷ See Giliomee (2008), "Ethnic Business and Economic Empowerment", 771.

¹²⁰⁸ Lester *et al* (200), *South Africa Past, Present and Future*, 188.

approach. On a practical level, the challenge was a choice between two paths towards redistribution and equality.¹²⁰⁹

For Karl Polanyi the solution for this tension lies in the concept of social-embeddedness, which requires a new understanding of what the concept of “economy” means (see section 3.3.1 and 3.3.2). For Polanyi, freedom is the deepest need of human beings. This new understanding of the concept “economy” requires the recognition that the loss of freedom and justice have economic roots. Justice can only be achieved by limiting freedom itself, and by accepting external intervention in the economic processes (see section 3.3). Polanyi showed that a society without freedom and justice will protect itself in order to restore a sense of justice. This double movement, as he calls this self-protection mechanism, is essentially a disruptive, sometimes violent, counter-movement (see section 3.4) This was illustrated in South Africa during the mining strikes of the 1920s (see section 2.2), the rise of Afrikaner Nationalism (section 2.3.1. and 2.3.2), and of African Nationalism and trade unionism since the 1970s. The double movement could also shed light on the social unrest throughout the world since 2008.¹²¹⁰

Polanyi and Reformed theology agree on many aspects. The most important for purposes of this study are their understanding of freedom as “persons in community”, the need for justice to achieve freedom and the paradoxical character of freedom (see section 3.6). In the liberating trajectory of Reformed theology, freedom is limited by a focus on and by privileging the poor (see section 4.2.2). The focus on the righteousness of God as its only inspiration and cause, creates not only an ethical responsibility towards the poor, but also reframes concepts such as sin, salvation and grace within the context of community (see section 4.2.2, especially the work of de Gruchy). Pursuing the cause of justice is a matter of discipleship and following Christ is a call to self-sacrifice. In section 4.2.3 the redemptive act of God makes humans into humanists

¹²⁰⁹ See the debate on this between Natrass, Kaplinsky and Sender in the *Journal of Southern African Studies during the early 1990s*.

¹²¹⁰ For two recent examples of interpretation of unrest through a Polanyian framework see: Gökçer Özgür and Hüseyin Özel, "The Double Movement, Global Crisis, and Reclaiming Humanity: The “Gezi” Resistance in Turkey" paper presented at the Conference on The Legacy of Karl Polanyi, (Montreal: Karl Polanyi Institute for Political Economy, 6-8 November 2014); Brittany H. Young, "Class Conflict and Competing Visions of the Future in a Polanyian Counter movement: The Case of Mbombela Stadium, South Africa" (paper presented at the Conference on The Legacy of Karl Polanyi, (Montreal: Karl Polanyi Institute for Political Economy, 6-8 November 2014).

dedicated to following Christ and committed to the “well-being” of humanity and the ecologies of life. This provides a powerful new principle of behaviour.

The question that should occupy South African Reformed theology is why a tradition with such a strong liberating trajectory failed to support efforts of redistribution in post-*apartheid* South Africa. To understand this conundrum eight prominent Afrikaans businessmen from a Reformed background were interviewed (see chapter 5).

This field research had three goal aims. The first, addressed in section 5.4.1 above, showed some critical viewpoints on the current economic system. Some acknowledged that there are risks involved in pursuing an undiluted form of capitalism, and that some form of State intervention is necessary. However, the conclusion was that it does not represent an ideological choice for socialism or acceptance that growth is even possible through redistribution (see section 5.4.3). While there is clear indication of the formative influence of the Reformed tradition on the participants they were not exposed to the liberating trajectory in Reformed theology, and consequently did not integrate it into their faith or social vision (see section 5.4.2). However, a remnant of the Reformed tradition that could open the possibility to strengthen the liberating trajectory was evident. All the participants identified responsibility towards others as important. For them the notions of dignity and sustainability give content to the responsibility (see section 5.4.3).

Drawing from Polanyi, Reformed theology and the field research the concepts of grace, covenant and sacrifice can serve as building blocks for a Reformed economic theology that could contribute, not prescribe, to a discourse on restructuring the economy in South Africa. Polanyi showed that for an economy to be truly and effectively embedded in social relations should have a clear institutional pattern and principle of behaviour. Polanyi referred amongst others to the combination of symmetry and reciprocity or centricity and redistribution as examples (see section 3.5). Three South African Reformed theologians demonstrated that Reformed theology emphasises justice as a necessary condition for freedom in our current context. The source of justice is the righteousness of God and the doctrine of election (see section 4.2.2). They, and here I should mention specifically de Gruchy in *Liberating Reformed Theology*, re-interpret the

doctrine of election to refer to God's righteous act on behalf of the poor, and sin as the structural oppression and exclusion of the poor.¹²¹¹ It opens the possibility to talk about covenant as a pattern for human community and sacrifice as principles of behaviour (see section 6.3). Covenant carries the notion of the rule of God and the interrelatedness of life, or of sovereignty and community. It includes the economy in the realm of the Kingdom and provides the basis to associate responsibility for Christian life. The essence of Christian life is discipleship and the following of Christ. Following Christ means following Christ as the crucified to bring life in a society marked by the dehumanisation of the other, and the suffering associated with exclusion (see section 6.2.1). For a Reformed economic theology of covenant and sacrifice to contribute to the discourse in the community, it should show itself as both practical and transformative. To be practical it should address four problematic areas (see section 6.3). These are, the problem of the paradox of freedom, the problem of understanding the economy as substantive and not reduced to materialist ends, the problem of commodification and the dignity of human beings and the values of land, and finally the problem of governance and oversight. To be a formative influence a Reformed economic theology faces five challenges (see section 6.4). The first is resisting structural sin and total depravity through grace. In the Western world, structural sin is expressed in patterns of exclusion and of individualism. Therefore, the other challenges are all associated with self-interest. These are resisting individualism, anthropocentrism, middle-class comforts and materialism, and indifference.

7.3 Areas for future research

7.3.1 Witness-being and being Reformed

Dutch theologian Gerrit C. Berkouwer wrote about the theology of Karl Barth as follows:

He speaks of the elect being destined for salvation ... It is therefore a salvation which leads to gratitude and in this gratitude to a „representation

¹²¹¹ J. de Gruchy (1991), *Liberating Reformed Theology*, 117-9.

and portrayal of the glory of God and of His work." In short: the destiny of the Church lies in its witness-being.¹²¹²

"Witness-being" is the responsibility of those who are members of the worldwide Reformed community to address these issues, but indeed to the whole of humanity and creation. It should work towards "reformation" as a Reformed Church is always reforming and transforming in order to be a clearer witness to the God of covenant, who became the crucified God.¹²¹³ For this, a Reformed economic theology also has a theological responsibility to address areas not dealt with in this limited study.

7.3.2 A theological interpretation of the South African economic history

There should be little doubt that colonialism and nationalism fundamentally formed South African economic history. There is to my knowledge no comprehensive theological analysis on the impact of South African economic history on the development of poverty in South Africa. A study of this could challenge Christian theology to reconsider its role and response to economic systems and developments in South Africa. There are also the economies of the indigenous peoples who lived in South Africa before the arrival of Europeans. Bundy's work on peasantry in South Africa indicates the existence of vibrant economic systems.¹²¹⁴ Co-operation between economic theology and economic anthropology and sociology could help theology to further develop the notion of covenant and sacrifice as patterns for embedding the economic life in social relations.

7.3.3 Theology and Karl Polanyi's understanding of Christianity

In section 3.6 I introduced the notion that Polanyi had been influenced by the Reformed tradition. Abraham Rotstein's notes on his weekend conversations with Polanyi reveal some aspects of the religious Polanyi.¹²¹⁵ This aspect of Polanyi's life could be further explored,

¹²¹² Gerrit C. Berkouwer, *The Triumph of Grace in the Theology of Karl Barth*. (London: Paternoster Press, 1956), 108.

¹²¹³ Moltmann (1999), "Theologia Reformata et Semper Reformanda", 135.

¹²¹⁴ Colin Bundy, "The Emergence and Decline of a South African Peasantry," *African Affairs* 71, no. 285 (1972), 370.

¹²¹⁵ Rotstein (1994), "Weekend Notes: Conversations with Karl Polanyi," 135-40.

specifically his understanding of concepts of God and of the revolutionary Christ. It is known that Polanyi considered Christ as a true revolutionary.¹²¹⁶ It is possible that the Reformed trajectory that influenced him was indeed a liberating trajectory. In addition Polanyi's speeches at conferences of the SCM could provide insight into his resistance to fascism which is especially relevant in the light of the re-emergence of the political right in both Europe and the United States.¹²¹⁷ Polanyi Levitt and Mendell indicate a close relation between Polanyi's work with the Christian left in Britain and the writing of *The Great Transformation*.¹²¹⁸ This could also further help to develop and redefine ways to introduce the liberating trajectory of Reformed theology to Christians in the world of business *via* the work and concepts of an economist.

7.3.4 Black Reformed perspectives and colonialism

The re-emergence of the political right and the incomplete social transformation in South Africa reveal another important area for further work. A study on the way South African black theologians speak about economic justice could contribute significantly to economic discourses in South Africa. Naudé indicated the important influence and impact of colonialisation on African societies.¹²¹⁹ Black Reformed theology could assist with decolonising processes of governance. The work of LenkaBula suggests that African Feminism is another important voice to be heard. Therefore, the critical voices of theologians such as Allan Boesak, Russel Botman, Takatso Mofokeng, and others are necessary to interpret covenant as a pattern for social systems.

7.4 A Reformed economic theology of covenant and sacrifice

The results of the field research challenge practical theology to consider ways in which the liberating trajectory of Reformed theology could be introduced into the preaching and practice of

¹²¹⁶ Kari Polanyi Levitt and Marguerite Mendell, "Karl Polanyi: His Life and Times," *Studies in Political Economy* 22, no. Spring (1987), 17.

¹²¹⁷ Polanyi's religious arguments in response to Fascism can be traced in documents such as: Karl Polanyi, "The Alternatives - Fascism, Communism, and Christianity," in *Conference on The Auxiliary Movement* no 22/20 (Montreal: Karl Polanyi Institute for Political Economy, 1934); "Fascism and Christian Ideals in Europe," no 12/3 (Asheville (sic), Karl Polanyi Institute for Political Economy, 1935); Karl Polanyi, "Church and State on the Continent," no 21/9 (Newark: Karl Polanyi Institute for Political Economy, 1937); "Community and Society," no 19/22 (Belfast: Karl Polanyi Institute for Political Economy, 1937).

¹²¹⁸ Polanyi Levitt and Mendell (1987), "Karl Polanyi – His Life and Times," 14.

¹²¹⁹ Naudé (2007), "Human Dignity in Africa," 229.

local congregations, especially in the Afrikaans speaking churches. This requires critical discussion on the economic relevance of themes such as grace, the inclusiveness of covenant, and the practical application of sacrifice in the context of social and economic inequality as experienced in South Africa.

7.5 Conclusion

A Reformed economic theology built on concepts of grace, covenant, and sacrifice will always be linked to our identity in Christ. Our identity as Reformed Christians allows us to be critical about the freedoms we embrace. It allows us to adapt Polanyi's concluding words in *The Great Transformation* because being in Christ "gives us the indomitable courage and strength to remove all removable injustice and unfreedom ... this is the meaning of freedom in a complex society; it gives us all the certainty that we need."¹²²⁰

¹²²⁰Polanyi (1944), *The Great Transformation*, 268.

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Interviews

Participant A interviewed by B.J. Pieters on 10 September 2012 in Centurion.

Participant B interviewed by B.J. Pieters on 19 September 2012 in Johannesburg.

Participant C interviewed by B.J. Pieters on 4 October 2012 in Pretoria.

Participant D interviewed by B.J. Pieters on 5 October 2012 in Sandton.

Participant E interviewed by B.J. Pieters on 25 March 2013 in Randburg.

Participant F interviewed by B.J. Pieters on 2 May 2013 in Randburg.

Participant G interviewed by B.J. Pieters on 22 May 2013 in Johannesburg.

Participant H interviewed by B.J. Pieters on 23 May 2015 in Sandton.

Appendix 1

Questions for and structures of the semi-structured interviews

The research question for the qualitative research interviews is:

How is faith formation and experience of some Reformed Christians related to the way the participants conceptually construct the relationship between “economy” and “community”?

Section 1: Biographic information

1. For the purpose of identification of the interview, will you please state your name, age and the date.
2. What is your current position in the company?
3. In what sector of the economy does the company operate?

Section 2: Understanding of the relationship of „economy” and “community”

1. I would like you to begin by summarising your professional career. Please focus on those events, experiences and relationships that shaped your understanding of what “economy” is, and how “economy” relates to “community”. Since University years have such a big influence on our conceptual formation, I suggest that you start when you left school.
2. In post-*apartheid* South Africa we have been through a number of policy changes during the past 20 years. From your understanding, what are the roles of the State and of the business community in the economy?
3. Some of the big challenge is post-*apartheid* South Africa is the alleviation of poverty, land reform and labour rights. In your opinion, what economic strategies should be adopted to address poverty reduction effectively?

Section 3: Spiritual formation as a Reformed Christian

1. Let us now move to the section of the interview where we could talk about your life as a Christian. What are those texts, events, experiences and relationships that shaped your understanding of concept of “God”, and attributes of God such as grace, mercy, justice etc. Since our faith is formed from childhood, I suggest that you begin as far back as you can remember.
2. As a Christian, what kind of society are you dreaming of?
3. Who are we, Christians, called to be in South Africa?

Section 4: Bringing faith, economy and community together

1. To what extent did the convictions of faith you hold, influence your perceptions about labour and labourers?
2. To what extent did the convictions of faith you hold, influence your perceptions about the ownership and control of land and natural resources?
3. To what extent did the convictions of faith you hold, influence your perceptions about the meaning of money?
4. Do you have any other comments you would like to make?

Appendix 2

Date

Sir

I am a doctoral student in the Theology and Development Programme in the School of Religion, Philosophy and Classics at the University of KwaZulu-Natal, Pietermaritzburg.

My research study seeks to determine in what ways Reformed Theology could contribute to the conceptual restructuring of the relationship between “economy” and “community”. As part of this study I am interviewing Afrikaans speaking Reformed Christian male business leaders to understand the role that their religious upbringing played in their current views on the relationship between “economy” and “community”. The importance of the research project is linked to the on-going debate by our political and business leaders, and in society at large, on key issues such as the nationalisation of mines and land, as well as the importance of white Afrikaans speaking Christian business people, and Christian Churches to participate in nation-building and development projects.

Your participation will include being interviewed once for between 60-90 minutes. I will also invite you to participate in a focus group discussion of 60-90 minutes with other participants in the final phase of the project. The interview and group discussion will be recorded on a digital audio-recorder for the purpose of accuracy and to make a transcript of the interviews.

The data gathered will be handled with specific care to protect your identity by using pseudonyms in all written works as well as any other persons mentioned by name or any locality that could lead to you being identified with the study. After the interview a transcript of the interview will be made, and you will be asked to read through it and confirm that it is a fair rendering of the interview, and to sign the original copy.

After this process you will receive a hard copy of the interview for your own purposes.

The anonymous data will be shared with my supervisor at the University of KwaZulu-Natal in Pietermaritzburg, and other appropriate persons in the research community. After completion early in 2015, the dissertation will be published in a hard copy that will be stored at the Cecil

Renaud Library of KwaZulu-Natal in Pietermaritzburg, and in electronic format on the website of the University of KwaZulu-Natal. I will also give a digital copy to participants in the interview who wish to receive one.

After completion any digital copies will be destroyed and the original recordings and hard copies of interviews will be stored at the University of KwaZulu-Natal in Pietermaritzburg for safe-keeping. We are required to store the copies and any related material for 5 years after completion.

Your participation in this study is voluntary and you have the right to withdraw at any stage.

Practical arrangements for the interview will be made at your convenience. This will include arrangements concerning time, language and location of the interview.

You are required to sign the attached consent form and send it back to me via e-mail or fax.

My contact details are:

Postal address; PO Box 75, Fontainebleau, Randburg 2032

Telephone numbers: (h) 011 792 5959; (o) 011 796 6800; (c) 083 708 3405; (f) 011 796 6810

E-mail: johanp@fgk.co.za.

You are welcome to contact my supervisor at the University of KwaZulu-Natal, Dr Beverley Haddad at Haddad@ukzn.ac.za.

Yours sincerely

BJ Pieters

(UKZN – School of Religion, Philosophy and Classics)

DECLARATION

I _____ (full names of participant)
hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT	DATE
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SIGNATURE OF RESEARCHER	DATE
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