Review

ENHANCING WHOSE POWER?

Review of Bashier Vally (1992) - *A Social Contract - The Way Forward? a critical evaluation* (Johannesburg: Pambili Books).

Bettina von Lieres and Stephen Louw

In recent years the idea of the representatives of capital, labour and the state entering into a 'social contract' in order to restructure the post-apartheid economy has increasingly been debated amongst a wide cross-section of interest groups and political parties in South Africa. But what precisely does such a contract entail? How will it work, and what are the necessary preconditions for its effective operation? What consequences will entering into a contract with capital have on the capacity of the proletarian movement to effect a socialist transition?

These are the sorts of questions that are often ignored or bypassed in the increasingly technocratic literature on the subject, and which Bashier Vally, one time education officer for the Commercial Catering and Allied Workers' Union of South Africa, wishes to engage with in his book. By presenting the arguments for and against social contracts in a clear and concise manner, which is accessible to both a general and an academic readership alike, Vally has indeed filled an important gap in the literature. By highlighting the different, and at times contradictory, effects which social contracts are likely to have on the various constituencies and interest groups in South African society, the book is able to locate the debate in an illuminating and thoughtful manner.

However, Vally fails to go beyond a simple identification of the main points at stake in the debate. Falling well short of its claim to be 'short on prescription and speculation' (pix), the book is so marred by the underlying assumption which informs its analysis - that social contracts are by definition based on an 'acceptance of capitalist principles' and a desire to regulate rather than transform the capitalist economy - thus producing benefits which are disproportionately beneficial to capital and the state at the expense of the interests of the proletariat (pp13-15; p36; pp51-55; p61; p64; p75) - that we are left with an endogenous conception of history that makes us wonder why we are considering the debate on options for the future in the first place?

At the heart of Vally's analysis is an economistic definition of 'the logic of capital' from which the political identities and strategies of the various actors in society can be deduced. Even if the social contract reflects the political dominance of labour, we are told, it is ultimately dominated by the economic power of capital. For this reason, it is impossible to fundamentally transform the relationship between capital and labour by entering into a social contract (pp23-28; pp58-64). Central to this

argument, is a belief that the state is little more than an instrument of capital. If the mode of production is capitalist, Vally argues, then it automatically follows that the state is a capitalist state whose main concern it is to regulate the capital-labour relationship (p56).

Although Vally admits that the state is 'relatively autonomous' from particular capitals, this is regarded as nothing more than a necessary pre-condition for the reproduction of capitalism in general. In no way does this separation alter the identity of the state or allow for transformative struggles to be waged within the state apparatus itself. It is thus nonsensical to envisage a situation where the working class (and other actors) are able to transform the state by waging a protracted struggle within its apparatuses: 'The state is neither capable of, nor can it be expected to, usher in a socialist mode of production' (p58). The fact that an ANC-led government is likely to be far more sympathetic to labour than its predecessor, and that the power of the union movement will in all likelihood be considerably enhanced in a post-apartheid state, seem inconsequential to Vally.

The opposition between a value-neutral definition of the state - which Vally falsely identifies as central to any defense of social contracts (p21; p55) - and the instrument of capital definition he himself advances (pp55-58) is a false one. Indeed, it only serves to underscore the scant attention he gives to defining the concept of a social contract in the first place, or even discussing the difference between different forms of social contract. ('Social contract', 'corporatism' (p3) and, at times, 'social democracy' (pp59-60) are used interchangeably). If social contracts are nothing more than an attempt to rescue capitalism from a (cyclical) crisis of profitability, and if the identity of 'the state' can never be transformed, then there can be no purpose in distinguishing between different types of social contract or form of state. But this is not the case. Whilst state theorists should not deny the powerful influence of capitalist concerns (and culture) on the identity of the state, neither should they lose sight of the fact that the composition of the state is never homogeneous or coherent. Like the society from which it emerges, the state is traversed by different interests and conflicting agendas, the balance between which will ultimately determine its identity. We are not, however, arguing for the complete autonomy of the state. Neither are we denying that the choice of accumulation strategies is fundamentally restricted/shaped by the value-form. The economic constraints on political hegemony is, however, a problem which any socialist project would necessarily face, and it is not one which we can even begin to consider if we continue to hold on to an economically reductionist view of the state as ideal collective capitalist. As soon as we acknowledge this, we are forced to concede that the types of social contract entered into by the major actors in society are never as simple as Vally envisages. Indeed, the identity of these actors is often as indeterminate as the form of the contract itself.

As an example of an important area in which social contracts can impact on the productive process (and on the identities and interests of society), we need only refer to the debate on the effects which the increasing internationalisation of capital has on the sovereignty of the nation state. As Vally points out, this process is likely to

mitigate against an effective social contract by allowing capital to bypass (and outgrow) the control of the national state (pp37-40). But this is a problem which affects all states today. Short of opting out of the global economy, the only way in which we can attempt to protect the sovereignty of states, and the only way we can continue to give meaning to the idea of a 'self-governing community', is by attempting to develop ways to publicise, regulate and democratise the flow of capital between (and within) nation states. This is an extremely difficult project, especially when we consider that actors like the World Bank and the IMF are often more powerful than the states in which they operate. But surely the necessity for such control is one of the most compelling arguments in favour of a social contract of sorts?

Perhaps the most glaring shortcoming of Vally's analysis is his failure to specify precisely what is meant by democracy in the first place. At times, Vally treats democracy as necessarily entailing wide-reaching pluralism. Accordingly, social contracts are 'anti-pluralist' because they control and artificially limit the space for the formation of new interests. Whilst pluralism involves the proliferation of different interests, social contracts restrict such 'spontaneous formation' (p38).

For the most part, however, Vally restricts his analysis of the social contract to a consideration of those social actors involved in class struggle in the narrow sense, namely the state, labour and capital. He insists, for instance, that the social contract cannot be disengaged from class struggle and that its existence depends amongst other things on the level of sophistication of the working class in its struggle against capital (p76). This class-centred definition undermines his earlier allusions to the importance of pluralist politics, and once again makes it impossible to examine the role which non-economic factors and interests play in determining the broad contours of social formations.

Although Vally is right to discuss social contracts in the context of struggles over the process of capital accumulation, he is wrong to reduce such contracts to the mediation of interests which are seen to be already established. Whilst the danger of assuming the fixity of interests is clearly present in any social contract, this does not necessarily mean that corporatist forms of democracy prevent the proliferation and emergence of new and diverse interests. Although certain types of social contract may artificially privilege certain groups at the expense of others, this is not necessarily the case. Indeed, social contracts may well act as an important corrective to the problem of declining electoral participation in advanced industrial societies.

In short, many of the concerns Vally expresses are real, and there is indeed a danger that the working class will be forced into entering a social contract which bolsters rather than undermines the power of capital. But in order to rebut the arguments advanced in favour of a social contract, especially from those who believe that it can enhance the power of labour relative to capital, Vally will have to take seriously the breadth of their analysis. As it stands, he has done little more than blow harmlessly at a straw(wo)man.