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The 21st century relevance of Albert Hirschman's 'tunnel effect': The Case of South Africa

In the 1970s, Albert Hirschman wrote two seminal papers in response to Latin America's economic and political turmoil, and turn to authoritarianism. The proposed paper will explore the contemporary relevance of two of the core ideas in these papers, illustrating with the example of democratic South Africa.

The first idea (laid out in the 1973 paper) comprises the 'tunnel effect' – Hirschman's metaphor for capturing how tolerance for inequality changes over time. The first fifteen years or so of South African democracy offers a powerful illustration of the 'benign' phase of the tunnel effect in action. A surge of optimism followed the 1994 accession of Nelson Mandela to the presidency, and the electorally victorious African National Congress's promise of 'a better life for all'. However, the ANC's (left-of-center) approach to addressing South Africa's challenges was 'neo-liberal'; it did not grapple systematically with the deeply-rooted structural patterns of inequality which the ANC government had inherited. The result was an accelerating shift in the latter 2000s to the 'malign' phase of the tunnel effect, with South African politics becoming increasingly polarized, and governance increasingly predatory.

The second idea (explored in the 1979 contribution) comprises the interplay between a growth-oriented 'entrepreneurial function' and a distribution-oriented 'reform function'. As Hirschman emphasizes, the two functions are complements over the longer-run - but the protagonists of each are all-too-often sworn enemies. This interplay suggests the following interpretation of recent political events in South Africa: The dysfunctions and conflicts of the past decade reflect growing social awareness of the 'imbalances' associated with a de facto pre-occupation in the first decade+ of ANC rule with the 'entrepreneurial function'. While the years since 2010 saw a rise of Gramscian 'morbid symptoms', the accession of Cyril Ramaphosa to South Africa's presidency in early 2018 offers the prospect of a systematic embrace of the 'reform function' in a way which can facilitate a rebalancing and a new 'entrepreneurial' phase.

Considered together, the above two ideas point to both a challenge and a hopeful possibility for contemporary South African policymakers. The challenge is to provide a framework for reform which citizens will perceive as a sufficiently-credible response to the inequities which continue to be pervasive. As long as this reform framework is credible, a new benign and dynamic phase of the tunnel effect can be set in motion. In today's troubled times, this essentially optimistic framing of the possibility of turnaround is relevant not only in South Africa, but far more broadly.