

Unemployment and “the gift” in the South African context

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PREAMBLE

Key terms: Unemployment, Neo-liberalism, Neo-Marxism, Deconstruction, John Maynard Keynes, Sustainable Economics

Unemployment is a major problem in South Africa that has the potential to erode the democratic future of this country. In general, the main economic approaches that deal with unemployment are informed by neo-liberal and neo-Marxist perspectives. The problem is that these perspectives are in a dialectical tension with each other and can increase conflict and unemployment. This dialectical tension is reflected in language that can be informed by the reductionist aspects of the ontologies perspectives. The purpose of this study is to inquire whether the deconstruction of Jacques Derrida can provide an alternative perspective for the dialectical tension present between neo-liberal and neo-Marxist approaches that are being used to address the problem of unemployment in the South African context. In this regard, the critique of the language of reductionist ontologies by deconstruction provides a means to move beyond the tension between neo-liberalism and neo-Marxism, because deconstruction uncovers the ambivalence of the language of both perspectives, but without constructing a new synthesis that may result in new reductions of reality. This reduction of reality is evident in the use of “growth momentum”, referred to by Rodrik (2008:3), as a suggestion of a neo-liberal solution to the problem of unemployment. Growth is a reference to natural processes that can become a means to hide the mechanical structure of the economic cycle, which again has the potential to restrict growth through extreme forms of inequality and greed. Neo-Marxist perspectives utilise references to “equality” and “government intervention” to deal with injustice. This can result in extreme forms of control that diminish human dignity.

The role of deconstruction for the language of economic theory is illustrated by Jacques Derrida’s use of the word “Gift”. A gift is ambivalent because it contains a tension between self-interest and justice, which Jacques Derrida refers to as “hospitable narcissism”. It will be argued that this ambivalence is present in the language of the economic theory of John Maynard Keynes, which may provide important sustainable economic perspectives for dealing with unemployment in South Africa, thus providing a practical application of hospitable narcissism. In this regard, deconstruction is helpful to develop sensitivity to the language used and the ontologies that inform the language when addressing unemployment. The gift advances human dignity through responsible governance that is critical of

uncontrolled self-interest, greed and corruption. This happens through engagement with unemployed people – an act of accountability.

In this regard, the study aims at researching the following goals: Firstly, it aims to argue that unemployment in general is perpetuated by the dialectical tension between neo-liberalism and neo-Marxism; secondly, the deconstruction of language provides a critical perspective on reality that opens new perspectives for discussing the possibility of sustainable economic language, with reference to the word “gift”; thirdly, an aspect of “the gift” is present in the economic theory of Keynes that may provide sustainable perspectives for unemployment in the South African context.

In order to reach these goals, a praxis methodology is followed in which the practical reality of unemployment and the dialectical tension between neo-liberalism and neo-Marxism in South Africa are the points of departure. The implication is that the economic reality of unemployment and the political tension between neo-liberalism and neo-Marxism form the basis for further philosophical reflection. To do this, a deconstructive approach is followed as a means to explore the ontology of neo-liberalism and neo-Marxism. This is followed by a deconstructive reading of the economic theory that John Maynard Keynes follows in order to provide alternative perspectives for the problem of unemployment in South Africa.

The following resources were consulted in the research: Library catalogue of the North-West University, research articles through the database of Ebsco-host, statistics of unemployment from Statistics South Africa, and newspaper articles.

This mini-dissertation is presented in the form of an article, in accordance with rule A.7.2.5 of the “General Academic Rules” of the North-West University. The article will be presented for publication in the journal *Acta Academica*, at a later stage. In this regard, the guidelines for publication of this journal are included in the appendix. The article contains the following subdivisions:

1. Introduction
2. Neo-liberalism and neo-Marxism: Contemporary research of unemployment in South Africa
3. Deconstruction and “the gift”
4. John Maynard Keynes and unemployment
5. “The gift” and unemployment in the South African context

6. Conclusion

In the next section, the research article is presented with a bibliography and a summary of the article in English and Afrikaans, in accordance with the prescriptions of *Acta Academica*. In the final sections of the document some general conclusions, the limitations of the study and recommendations for further research, are presented. This is followed by the appendix with prescriptions for research articles submitted to *Acta Academica*.

RESEARCH ARTICLE

UNEMPLOYMENT AND “THE GIFT” IN THE SOUTH AFRICAN CONTEXT

Summary:

Unemployment is a serious problem in South Africa that can be exacerbated by the dialectical tension between neo-liberal and neo-Marxist perspectives that are being used to address this problem. This dialectical tension is reflected in language that can be informed by reductionist aspects of the ontologies of these perspectives. The purpose of this study is to inquire whether the deconstruction of Jacques Derrida can provide an alternative linguistic perspective for the dialectical tension between neo-liberal and neo-Marxist perspectives. The implication of deconstruction for the language of economic theory is illustrated by Jacques Derrida’s use of the word “gift”. “The gift” is ambivalent because it contains a tension between self-interest and justice, which Derrida refers to as “hospitable narcissism”. It will be argued that this ambivalence is present in the language of the economic theory of John Maynard Keynes, which may provide important sustainable economic perspectives for dealing with unemployment. In this regard, deconstruction is helpful to develop sensitivity to the language used and the ontologies that inform the language used when addressing unemployment in South Africa.

Opsomming:

Werkloosheid is ‘n baie ernstige probleem in Suid-Afrika en kan vererger word deur die dialektiese spanning tussen neo-liberale – en neo-Marxistiese perspektiewe wat gebruik word om die probleem aan te spreek. Hierdie dialektiese spanning word gereflekteer in taal, wat moontlike reduksionistiese aspekte van die ontologieë van hierdie perspektiewe as verwysing gebruik. Die doel van hierdie studie is om te ondersoek of die dekonstruksie van Jacques Derrida ‘n alternatiewe linguistieke perspektief kan aanbied vir die dialektiese spanning tussen neo-liberale en neo-Marxistiese perspektiewe. Die gevolg van dekonstruksie vir ekonomiese teorieë word illustreer deur Jacques Derrida se gebruik van die woord “geskenk”. ‘n “Geskenk” is ambivalent aangesien dit spanning tussen self-belang en geregtigheid inhou, wat Derrida “gasvrye narcissisme” noem. Dit word aangevoer dat hierdie ambivalensie teenwoordig is in die taal van die ekonomiese teorie van John Maynard Keynes wat volhoubare perspektiewe mag voorhou om werkloosheid aan te spreek. In die verband, toon dekonstruksie belofte deur die skep van sensitiwiteit vir die taal wat gebruik word en die ontologieë wat die taal ondersteun wat aangewend word wanneer werkloosheid in Suid-Afrika aangespreek word.

1. Introduction

Unemployment is a major problem in South Africa with more than 25% of the economically active population classified as unemployed, according to Statistics South Africa (2011). An unemployed person is someone within the economically active population who wants to work but cannot find employment. Statistics South Africa refined the definition, according to the criteria of the International Labour Organization, by stating that an unemployed person is someone who is part of the economically active population who did not work the seven days prior to the interview, wants to work and can start within a week of the interview, has taken steps to find employment or started some form of self-employment in the four weeks prior to the interview (Todaro 1994:229). Hidden unemployment refers to people who have given up all hope of finding employment and no longer actively seek employment (Todaro 1994:229). Underemployment occurs when a person works less than full time, but wants to work at the current wage rate (Todaro 1994:229).

Rodrik (2008:2) notes that the unemployment rate in South Africa is one of the highest in the world and that it rose from a low of 13% to the current levels after the first democratic election in South Africa. The implication is that this “poor record on employment represents not only an economic tragedy; it poses a significant threat to the stability and eventual health of the South African democracy” (Rodrik 2008:2). To counter the negative effects of unemployment, many studies have tried to determine the reasons and propose possible solutions for unemployment. In general, these studies can be categorised into two main groups in terms of the economic philosophy that underpins the evaluative criteria used to study unemployment, namely: neo-liberalism and neo-Marxism.

Neo-liberalism¹ in general, is an economic philosophy that focuses on liberalisation, free trade, open markets and societies (Browning 2000:176). It is a modern development in *laissez faire* economic theory and classical liberalism characteristic of the work of Locke and Hume (Browning 2000:176). It encourages the privatisation of state-owned enterprises, deregulation of markets and private sector involvement in society. An exception to neo-liberal perspectives is the work of John Rawls, who adapts these perspectives by infusing social justice. Rawls emphasises the importance of social equality and

¹ This philosophy was used during the time of apartheid in South Africa to give primacy to race in the struggle between classes (Emery 2008:409-431). In other words, apartheid policies aimed to align racial and class segregation by limiting the principles of free trade to the white population with economic privileges in terms of access to capital, education and resources.

distributive justice as a means to address increasing poverty, amongst other things (Rawls 2005:8). This highlights the necessity of redistributive policies to bring about social and economic justice. The reason for this is that redistributive government policies in societies with large inequalities do not create greater economic equality. What is needed is to assist these societies “to establish reasonably just basic institutions for a free constitutional democratic society and to secure a social world that makes possible a worthwhile life for all its citizens” (Naude 2011:5). The failure of this perspective was dramatically exposed with the rejection of Thabo Mbeki’s “two economies” strategy to address poverty in South Africa (Bond 2005:197). Another aspect of neo-liberalism, due to the suspicion of universalism and meta-narrative, is the role of anti-foundationalism and indeterminacy in the philosophies of Richard Rorty, Johan Gray and Raz (Browning 2000:176). In general, the value of neo-liberalism and specifically its atomistic ontology is its ability to accommodate individual differences; it encourages progress, growth, creativity and productivity (Goudzwaard 1979:5). However, the focus on individuality and development (informed by an atomistic ontology) can be at the expense of and detrimental to the community and equality.

Neo-Marxism, in general, is a contemporary response to the failure of classical Marxism to address modern questions. It is a broader application of Marxist theory and incorporates elements from other disciplines like critical theory, psychoanalysis and existentialism (e.g. Sartre). The *Frankfurter Schule* follows an interdisciplinary approach aimed at recapturing the full complexity of Marxist ideas and is an influential example of the earlier developments of neo-Marxism. In this regard, Marcuse, Horkheimer, Adorno and Habermas were critical of capitalism and the Soviet style of socialism (Held 1980:14). Erik Olin Wright (2005:1-25), a contemporary neo-Marxist, incorporates Weber’s social theory (with a broader understanding of social inequalities), criminology and anarchism in his work. Neo-Marxism is viewed as the New Left with a shift in focus to address inequalities in general and to expose the negative impact of neo-liberalism and capitalism. Another difference from classical Marxism is its focus on non-violent revolution and the advancement of more peaceful alternatives to bring about change. The value of neo-Marxism and its holistic ontology, in general, is its focus on the community, equality, state intervention in the economy and social justice through structural change. The effect of this focus on community, state controls and equality (rooted in a holistic ontology) can be that individuality is sacrificed and that totalitarianism² may emerge.

² Totalitarianism is not exclusively linked to neo-Marxism. It is, amongst other things, the result of a movement by the masses that acquire the appetite for political organisation. Hitler and Nazism is another example. For a discussion of the development and ideological nature of totalitarianism see Arendt (1966). The danger of the development of totalitarianism

The purpose of this study is to inquire whether the deconstruction of Jacques Derrida can provide an alternative perspective for the dialectical tension between neo-liberal and neo-Marxist approaches to unemployment in the South African context. In this regard, the critique of the language of reductionist ontologies (present in the atomism of neo-liberalism and holism of neo-Marxism, in general) by deconstruction provides a means to move beyond the tension between neo-liberalism and neo-Marxism. This is possible because deconstruction uncovers the ambivalence that informs the language of both perspectives, but without constructing a new synthesis that may have the potential to contain new reductionist aspects. The reductionism in the neo-liberal text of Rodrik (2008:3) is evident in the reference to “growth momentum” as a solution to unemployment. “Growth momentum” refers to natural biological processes associated with the growth of living organisms and plants. This reference to nature can become a means to hide the unnatural enclosed (or mechanical) processes associated with the economic cycle that can reduce and restrict growth through extreme forms of inequality and greed. Neo-Marxism uses references to equality and government intervention to deal with injustice. This can result in extreme forms of control that diminishes human dignity. Deconstruction provides an alternative for this dialectical tension by emphasising the ambivalence and dichotomous nature of the ontologies of economic theories as is reflected in the words that are used in texts informed by this perspective. The importance of deconstruction for economic language is illustrated by Jacques Derrida’s use of the word “gift”. “The gift” is ambivalent because it contains a tension between self-interest and justice, which Derrida refers to as “hospitable narcissism”. On the one hand, “the gift” is an act of communality and hospitality – giving without reciprocity. At the same time, it is an act of self-love that builds dignity through reciprocity. “The gift” accommodates a tension between holism and atomism, community and individuality, hospitality and narcissism. It will be argued that this ambivalence is present in the language of the economic theory of John Maynard Keynes, which may provide important sustainable economic perspectives for dealing with unemployment in South Africa.

To accomplish the abovementioned purpose, the following argument will be constructed. Firstly, the practical reality of unemployment and the dialectical tension between neo-liberalism and neo-Marxism in South Africa comprise the point of departure. It will be argued that neo-liberal and neo-Marxist language used to deal with unemployment is based on a reduction of reality. The implication is that the economic reality of unemployment and the political tension between neo-liberalism and neo-Marxism in

from Marxism remains a problem that must be kept in mind to avoid the repeat of atrocities. An extreme example of this is found in Leninism and Stalinism (Walzer 2002).

contemporary research in South Africa form the basis for further philosophical reflection. In the second section, the deconstruction of Jacques Derrida will be discussed with its implication for the unravelling of the reduction of reality by neo-liberalism and neo-Marxism. The relevance of deconstruction for economic theory is discussed with reference to the word “gift”, as discussed by Jacques Derrida. In section three, a deconstructive reading of the economic theory of John Maynard Keynes follows to argue that the ambivalence of the gift is present in the language of this theory and that it may provide alternative perspectives for the problem of unemployment in South Africa. Finally, the implications of deconstruction as reflected in the theory of Keynes for unemployment in South Africa will be evaluated.

2. Neo-liberalism and neo-Marxism: Contemporary research of unemployment in South Africa

In this section two approaches to address unemployment in the South African context are discussed. Firstly, the approach of Rodrik (2008) that is generally influenced by neo-liberalism is discussed. Secondly, follows the approach of Bond (2005) that uses aspects of a neo-Marxism frame of reference.

Rodrik (2008:2) distinguishes between surface and depth causes³ of unemployment in South Africa. On the surface, he states that current money wages are too high compared to real wage levels⁴ at full employment. This conclusion is reached on the basis of a comparison of wages across a wide range of countries. This comparison revealed that “South African wages (in the formal sector) are quite high by the standards of countries at similar income levels” (Rodrik 2008:2). The irony, according to Rodrik (2008:3), is that real wages have not raised much since democracy. The implication is that the role of trade unions like Cosatu is simply to prevent the real wages of their members from falling (Rodrik 2008:3).

The depth cause of unemployment, according to Rodrik (2008:3), is the inability of the South African economy to have created “growth momentum”⁵ since the dawn of democracy. This is the result of the shrinkage of the non-mineral sector of the economy that is responsible for growth through the export of

³ In general for the Neo-liberal the causes of unemployed are often the following: Frictional (movement between jobs), seasonal (employment limited to particular seasons e.g. agriculture), cyclical/demand-deficiency (related to changing business cycles), structural (limited to particular industries where skills mismatch) (Mohr 2010:159-160).

⁴ Real wage levels refer to the balance of supply and demand in the employment market and the impact of inflation.

⁵ Economic growth, according to Mohr (2010:91), is the increase in the total production or real income (taking inflation into account) of a country.

manufactured goods (Rodrik 2008:3). The reference to manufacturing is based in the fact that these industries employ low-skilled labour that forms the largest group of the employment market. It is also this group which is hardest hit by a downturn in the economy. In other words, the erosion of the manufacturing of goods resulted in the current low level of demand for relatively unskilled labour. This situation could have been averted if there had been a large enough decline in real wages at the low end of the skill distribution when the demand for labour declined. The reason for this situation, according to Rodrik (2008:3), is that this was unrealistic given the social expectations and the political climate since the shift to democracy. Another aspect, is the low levels of informal employment which is a legacy of the apartheid regime that made it illegal and then difficult for blacks to move to urban areas if they did not have a certified job (Rodrik 2008:4). In the absence of sufficient real wage adjustment and informal sector⁶ growth, the decline in the demand for low skilled workers has resulted in high unemployment (Rodrik 2008:3-4). The remedy for unemployment in South Africa, according to Rodrik (2008:4), is an export economic strategy to stimulate growth. In other words, exports will increase profit and create demand for low-skilled labour.

To summarise, the neo-liberal perspective of Rodrik relates unemployment to market forces of free and profitable trade. In this regard, high wages lead to lower employment levels to maximise profit. At a depth level, unemployment is linked to poor economic growth and export of manufactured goods. This situation of stagnation and decline was perpetuated, in some cases, by apartheid that focussed on low-skilled labour and resisted the growth of informal labour. The solution for unemployment, according to Rodrik, is an export strategy that stimulates “growth momentum”. This will result in higher capital investment and the utilisation of the large population of low-skilled labour. In this regard, “growth momentum” reflects an approach to deal with unemployment that is influenced by the atomistic ontology of neo-liberalism. In this case aspects like self-interest in the pursuit of profitability and unrestricted trade are viewed as a solution for unemployment. The atomistic ontology of neo-liberalism focuses the search for possible solutions for unemployment based on differentiation. The implication is that people have different levels of individual creativity, interests and potential for development. This results in different levels of income and wealth.

⁶ Informal employment in this context refers to part-time and low wage employment that requires low levels of skills.

The neo-Marxist⁷ perspective takes the opposite view of neo-liberalism by arguing that unhindered and unregulated market forces are directly responsible for economic “inequalities” and rising unemployment (Bond 2005:198). This situation is being exasperated by globalisation making unemployment and the exploitation of labour a global problem. As Marx and Engels (1848:8) states: “It is the very nature of the capitalist mode of production to overwork some workers while keeping the rest as a reserve army of unemployed paupers”. The result is that equality is sacrificed for economic growth and self-interest of the wealthy.

According to Bond (2005:198), “globalisation disempowered anyone advocating anything remotely progressive in terms of social policy, workers’ rights, and gender equality”. In other words, the link between globalisation and neo-liberalism resists any policy interference in the market that promotes equality. The result is the rise of global inequality which “is simply an unfortunate side effect of the broader prosperity and inevitability associated with globalisation”. In other words, goods must be produced as cheaply as possible through the reduction of production costs. This is done by cutting the wages and benefits of labourers and increasing part-time or more flexible employment options in order to stimulate higher productivity, but at lower wages and loss of employment security for labourers, thus perpetuating inequality. Another aspect that increases unemployment is technological development that results in the replacement of workers by machines. Positively, globalisation increases the gross domestic product⁸ (GDP) of the economy; it also raises the inflow of capital and brings about exposure to new technologies for more efficient production. The problem, according to neo-Marxism, is that the liberalisation of markets on a global scale only perpetuates unemployment and increases the gap between rich and poor⁹.

In this regard Keri Day (2011:14) states that “economic outcomes that benefit elite communities are reinforced by neo-liberal values, which dismiss how structural constraints perpetuate poverty among disadvantaged communities”. The solution for a “preferable future”, according to Day, is to entrust governments with the capital resources to ensure equal distribution of wealth (Day 2011:32). This is

⁷ In South Africa many non-government organisations, civil institution and religious groups follow this line of argument because of their focus on socio-economic issues in society and specific communities e.g. Diakonia Council of Churches.

⁸ Mohr (2010:17) states the following: “The gross domestic product (GDP) is the total value of all final goods and services produced within the boundaries of the country in a particular period (usually a year)”. The surplus of these goods that are exported increases the wealth of a country.

⁹ Two instruments to measure inequality are the Lorenz curve and the Gini coefficient. According to the Gini coefficient, South Africa had the highest economic inequality rate in the world in 2009 (Mohr 2010:169).

echoed in the ecclesiastical document *The Oikos Journey*¹⁰ (2006) stating that the “...myth of ‘unfettered’, ‘unregulated’, ‘uncontrolled’ market capitalism must be directly challenged. The reality is that markets and capital are highly controlled to secure maximum benefits for the owners of capital”¹¹. In this regard, equality and non-equity is the main focus of just economics - “Neoliberalism’s concern with material wealth above human dignity dehumanises the human being and sacrifices life for greed. It is an economy of death”¹². In other words, controlled intervention is required for sustained equality in society, thus reflecting the holistic ontology of neo-Marxism. According to this ontology, reality is interconnected and people are not defined by individual differences but similarity and equality.

These opposing perspectives are reflected in the current debate on the nationalisation of mines¹³ in South Africa. On the one hand, the argument is that it is a just response to the history of colonialism and apartheid. Nationalisation of mines and control by the state, according to this argument, will result in an equitable distribution of the wealth of South Africa’s natural resources. On the other hand, according to neo-liberalism, nationalisation of mines can negatively influence capital investment in South Africa that is necessary for employment. The argument is that state ownership of mines may result in the erosion of profit for shareholders because of the possibility of lower productivity and corruption, amongst other reasons.

The problem is that there is a dialectical tension¹⁴ between neo-liberalism and neo-Marxism because of the reductionist ontologies of these perspectives. Neo-liberalism, in general, is rooted in an atomistic ontology and neo-Marxism, mostly, has a holistic view of reality. These ontologies can result in an absolute view of reality that reduces the complexity of reality and makes the solutions that these perspectives provide impractical. This impracticality may result in an incomplete diagnosis of the problem of unemployment, which in turn, may result in solutions that only addresses an aspect of the larger problem. In other words, by viewing reality from an atomistic perspective priority is given to individuality and differences. This perspective is clearly reflected in the solution for unemployment offered by Rodrik (2008:3) who emphasises that the “growth momentum” of the economy must

¹⁰ Diakonia Council of Churches, *The Oikos Journey: A Theological Reflection on the Economic Crisis in South Africa* (2006). Durban: Diakonia Council of Churches.

¹¹ TOJ 2006:15.

¹² TOJ 2006:16.

¹³ See Nationalisation ‘would be a disaster’ in *Business Report*, February 8, 2012.

¹⁴ This tension reflects the Hegelian dialectic of thesis and antithesis from which an alternative perspective or synthesis develops.

increase. In other words, entrepreneurial activity, capital expenditure, exports and greater profits are required. The problem is that this can result in extreme forms of inequality that can cause tension and instability in society. The implication is that this can also negatively impact on the individual because of the deterioration of social relations. Thus, the solutions provided by neo-liberalism may contain the source of its own destruction when extreme forms of reductionism arise.

The opposite view, provided by holism, is also problematic. When holism informs the view of reality the solutions to unemployment usually focus on strategies that encourage greater equality and policy interference in the economy. The focus on equality and policy intervention is clearly reflected in the work of Bond and Day. The solution for unemployment is located in reducing social inequality and difference. The problem is that this can limit the unique contributions of individuals that can place a strain on the possibility of new developments. This perspective can disregard the freedom, development and dignity of the individual that can result in frustration and malaise. In other words, society and social institutions can steadily deteriorate and implode.

The fact that amplifies the problem of unemployment is that perspectives also form an atomism/holism dichotomy that perpetuates conflict because of their opposing views of reality. Atomism, mostly favours individualism and self-interest. Holism generally focuses on communality and equality. As dialectical positions, present in the South African context, that escalates conflict and do not present sustainable solutions for unemployment. These perspectives are dichotomies and resist each other by making the problem of unemployment even bigger because the one attacks the foundational premises of the other. In other words, the adherents of the divergent positions cling to their philosophy with religious zeal and view the philosophy of the other as the root cause of injustice and suffering of unemployed people.

The question is whether it is advisable that these dialectical perspectives should be accommodated in the South African context? In such a situation, will the presence and acknowledgement of both perspectives, not only exasperate the problem? Is it possible that the presence of this dialectical tension may also provide creative solutions to unemployment? What philosophical perspective can accommodate these conflicting perspectives and be helpful to bring about a movement beyond this self-destructive conflict, in an attempt to address the problem of unemployment?

In the next section, we turn to the deconstruction of Derrida in order to discuss its criticism of the language of reductionist ontologies and to determine whether it can provide an alternative perspective

for the language used by economic theories. This is done to move beyond the destructive tension between neo-liberalism and neo-Marxism¹⁵ as solutions to unemployment in South Africa.

3. Deconstruction and “the gift”

3.1 Deconstruction

The deconstruction of Derrida is critical of the absolutist and reductionist tendencies of Western metaphysics, in general. This is reflected in texts that are structured by exclusive language as a mode of power that excludes oppositional views. The implication is that texts may contain a degree of ambivalence the presence of a particular view is constituted by the absence of oppositional views. In other words, the indebtedness of metaphysics to linguistics destabilizes the possibility of absolute claims. Instead, absolute claims concerning reality is a form of hegemonic reduction and a means to control reality (Derrida 1972:xiv, 1996:218). In this regard, deconstruction is associated with post-structuralism, thus referring to a movement beyond the structure of language and presence¹⁶. Deconstruction is critical of references that claim to contain encompassing knowledge of reality because all reality is mediated by writing and texts. Spivak (1976:66) states: “Writing becomes a term for Derrida (and for which he owes Freud, amongst others, an enormous debt, which he has always

¹⁵ Although classical liberal and Marxist theories continue to function alongside neo-Marxism, they fail to address the complexities of contemporary society that try to deal with issues like globalisation, large scale poverty, unemployment, environmental catastrophes, religious - and cultural diversity.

¹⁶ Structuralism studies the structure of language as a means to understand reality. The notion of Heidegger of *dasein* (“being here”) is the foundation for reflection and meaning that is explored by structuralism (Melchert 2011:700-703). In other words, understanding is not linked to authorial intent or interests. Rather, understanding is dependent on the text that is present. This emphasises the linguistic and grammatical reality that is contained in the text. According to Derrida, this fixation on presence is part of the Western philosophical tradition going as far back as Plato - "...from Plato to Hegel (even including Leibniz) but also...from the pre-Socratic to Heidegger, always assigned the origin of truth in general to the logos: the history of truth, of the truth of truth, has always been...the debasement of writing, and its repression outside ‘full’ speech” (Derrida 1976:3). Derrida refers to this fixation as *logocentrism* or the immediate rational presence of truth in consciousness that is articulated in spoken words (Derrida 1972:xiv, 1976:11, 1996:218). In other words, writing is secondary because it is less trustworthy and more likely to be open to distorted interpretations. This is a fallacy because all reality is structured by language or texts. According to Derrida (1976:11), the priority given to speech is misleading because of the interdependence of speech and writing – speech is writing in oral form and vice versa. In other words, logocentrism disguises the violence of construction and reduction of reality. It serves power and ideology in the name of justice and liberty.

acknowledged) which announces both the structured ('written') condition of all forms of text, including human identity, and also the idea that all such writings are never completely logically coherent or homogeneous, but are in some way marked or traced by what we term alterity or otherness: moments which subvert, contradict the logic, figures, traces, conceptualizations for which we cannot account, which our reading cannot make fit in with the overall structure, and which, because of their heterogeneous nature, announce the structure they inhabit as structure". Thus, deconstruction uncovers what is subverted and absent from a text, but which sustains it.

Deconstruction emphasises that reality is not constituted by presence, or, the *logos*, but by the interplay of presence and absence, or, writing. Reality is complex, inter-textual, ambivalent and hierarchical. Deconstruction exposes the binary oppositional structure of reality like speech and writing revealing what is absent from these constructions, or, structures as the metaphysics of presence (Derrida 1976:3). Structuralism highlights the sign that it views as the moment of presence. In this regard, the signifier refers to a specific signified or mental concept within a specific time and space. This link is constituted by the principle of difference that is contained in the sign and differentiates it from all other signs. In this regard the word "dog" refers to the concept dog because it does not refer to a cat. According to deconstruction, this is misleading because through the binary opposition between speech and text it becomes clear that speech is constituted by what is not present. Thus, the text and phonetic language is the basis of speech and all reality. Absence and not presence constitutes reality. The implication is that the sign "dog" refers to the absence of cat. In other words, all text are hegemonic constructions that create the illusion of presence and truth, something Derrida refers to as the myth of Western¹⁷ metaphysics - "Metaphysics - the white mythology which resembles and reflects the culture of the West: the white man takes his own mythology, Indo-European mythology, his own logos, that is, the mythos of his idiom, for the universal form of that he must still wish to call Reason" (Derrida 1982:213). The link between ethnocentrism and metaphysics is rooted in the fact that, in general, the Western philosophical tradition contains a cultural bias that emphasises absolute and stable ontologies. The problem is that this creates a false sense of reality because absolute assertions are usually based on reductions of reality. In other words, Western metaphysics fails to give adequate attention to the complexity of life and this is rooted in the structure of language that functions within a presence/absence dichotomy.

¹⁷ Derrida (1976:3) states "...the metaphysics of phonetic writing...which was fundamentally...nothing but the most original and powerful ethnocentrism, in the process of imposing itself on the world, controlling in one and the same *order*...".

Deconstruction is therefore a critique of the construction of text and an attempt to uncover the binary oppositions of these constructions. “Deconstruction is not a form of textual vandalism designed to prove that meaning is impossible. In fact, the word ‘de-construction’ is closely related not to the word ‘destruction’ but to the word ‘analysis’, which etymologically means ‘to undo’-a virtual synonym for ‘to de-construct’. The deconstruction of a text does not proceed by random doubt or generalised scepticism, but by the careful teasing out of warring forces of significance within the text itself. If anything is destroyed in a deconstructive reading, it is not meaning but the claim to an unequivocal domination of one mode of signifying over another” (Derrida, 1972:xiv). Thus, deconstruction is not structuralism gone wrong, but a move beyond closed systems and theories (as structuralism itself is) (Derrida 1996:218).

In the next section a deconstructive analysis of the language used by neo-Marxism and neo-liberalism to address unemployment will be explored. It will be argued that the words “growth momentum” are used by Rodrik (2008) to reveal the ambivalence of the atomism of neo-liberalism. A discussion of the words “equality” and “government intervention” by neo-Marxism will uncover the ambivalence of the holism of neo-Marxism.

3.2 Neo-liberalism and neo-Marxism

Rodrik’s (2008) analysis of unemployment in South Africa refers to “growth momentum” as a prerequisite to address the problem of unemployment. Growth is a word generally linked to nature and the natural growth processes of plants and animals. This link to nature goes back to the notion of self-interest of the morality of classical liberalism. In other words, the rational pursuit of self-interest as a natural means of self-preservation is the basis of the economic cycle, production and initiative. Self-interest is part of the natural survival instinct of humanity that must be left unhindered in order to maximise growth. The process is guided by the invisible hand (Smith 1950). The danger of this reference to nature is that it can act as an illusion. It can hide the mechanical cosmology and atomistic ontology of a system that can perpetuate extreme forms of greed and inequality that can suffocate society, like weeds that impede the growth of natural vegetation. The reference to nature is constructed on the basis of the absence of the mechanical and unnatural structure of the economic system that emphasises self-interest. In this context self-interest can be viewed as an unnatural phenomenon because natural growth usually requires a balanced interdependent eco-system. In other

words, in the context of society, growth is a matter of community and holism, thus reflecting neo-Marxist aspects.

The unnatural view of self-interest goes back to the classical liberalism of Locke and Hobbes who viewed self-interest as a rational – and even male pre-disposition. “Interests require cognitive attention, even calculation. Passions, on the other hand, connote impulse and emotion, femininity and heat” (Folbre 2009:44). By bracketing “passions” the full complexity of human-beings are reduced to rationality that is at the service of individual interests. Adam Smith (1950:16) developed his economic theory on this value and stated: “It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages”. The danger is that this may lead to extreme forms of narcissism and therefore natural processes limit unbridled self-interest to reach destructive extremes. Adam Smith (1911:3) states “...there are evidently some principles in his (humanity) nature which interest him in the fortunes of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it”. The implication is that although self-interest is the guiding principle for economics it is kept in check by human nature that is elevated by the moral dimension: “The wise and virtuous man is at all times willing that his own private interest should be sacrificed to the public interest or his own particular order of society” (Smith 1911:346).

The major contribution of Adam Smith was to articulate the natural process that underpins economic activity – self-interest as a natural process. The stoic roots of his moral philosophy emphasise the role of sympathy and self-discipline of humanity as part of the “common wealth of nature” (Sen 1999:22). In this regard, sacrifice and prudence play an important role in his moral philosophy – “Smith saw it in general only as being ‘of all virtues that which is most helpful to the individual’, humanity, justice, generosity, and public spirit, are the qualities most useful to others” (Sen 1999:23). These ethical references have “tended to be so lost in the writings of many economists championing the so-called ‘Smithian’ position on self-interest and its achievements” (Sen 1999:23). Sen states that the reference to self-interest must be read in the context of the “division of labour”. The reference to mutually advantageous trades does not indicate that Adam Smith thought that “self-love alone” is adequate for a good society (Sen 1999:23). The defence of self-interest in contemporary economics is according to Sen a political manoeuvre “related to bureaucratic barriers and other restrictions to economic transactions which made trade difficult and hampered production” (Sen 1999:25). Although Smith was

in support of free trade, he was not opposed to “Poor Laws” in times of crisis. Sen (1999:27-28) states that the lack of references to these aspects is the result of “...misinterpretation of Smith’s complex attitude to motivation and markets, and the neglect of his ethical analysis of sentiments and behaviours, fits well into the distancing of economics from ethics that has occurred with the development of modern economics”. In other words, there are not many references to Smith’s focus on social issues like poverty, the need for sympathy, and the role of “ethical considerations in human behaviour, particularly the use of behaviour norms” (Sen 1999:28). These references have been neglected as a neo-liberal strategy in support of the unrestricted liberalisation of markets, the increase of profits and self-interest. The reference to “growth momentum” by Rodrik (2008), reflects this neo-liberal trend to refrain from references to ethics and the role of justice in order to address social issues like poverty and unemployment. Growth and profit is a function of the self-interest of the individual that reflects the atomistic ontology of neo-liberalism. The problem is that references to ethical considerations are built on the view that rationality constitutes the full complexity of human nature and that it is possible for individuals to prosper without a clear view of interdependence. Sympathy and care for others does not arise as an economic consideration but a form of well-fare.

The other aspect of the word growth is that it must be uninterrupted to be successful. This is reflected in Smith’s (1950) reference to the “invisible hand” that reflects a mechanical cosmology - “...self-interest was a main spring of a well-contrived machine” (Folbre 2009:58). The invisible hand of the market steers the economy to equilibrium. This mechanical cosmology of Hobbs that informs Smith’s ethics has the implication that unrestrained self-interest without any consideration for others can be justified - “he intends only his own gain, and he is in this, as in many other cases, led by an *invisible hand* to promote an end which was no part of his intention” (Smith 1950:134). In response, Jean-Jacques Rousseau argued that “the growth of commerce...would undermine natural benevolence” (Folbre 2009:85). Edmund Burke was of the opinion that the effect of liberalism and the elevation of reason at the expense of tradition are the destruction of the “decent drapery of life” (Folbre 2009:101). Das (2011:128) comments that “Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good for everyone”. The mechanical cosmology has the dangerous potential to perpetuate inequalities in favour of the wealthy as a function of natural processes like weeds suffocating natural vegetation, as referred to earlier. Therefore, even in nature, outside intervention is necessary to stimulate growth, like a forest fire that is followed by new life. It is important to note that this use of the words “growth momentum” is underpinned by the atomistic

ontology of neo-liberalism. In other words, the growth, development and wealth of the individual is imperative.

At this point it is important to mention John Rawls who attempts to develop a neo-liberal theory of justice¹⁸. He does this by developing a form of egalitarian liberalism with two principles of justice: Firstly, it reflect liberal values in which each “person has an equal claim to a fully adequate scheme of equal basic rights and liberties, which scheme is compatible with the same scheme for all; and in this scheme the equal political liberties, and only those liberties, are to be guaranteed their fair value” (Rawls 2005:5); Secondly, it also contains an egalitarian dimension. Rawls (2005:6) states that “...social and economic inequalities are to satisfy two conditions: firstly, they are to be attached to positions and offices open to all under the conditions of fair equality of opportunity; and secondly, they are to be to the greatest benefit of the least advantaged members of society”. Justice in the context of religious, philosophical and moral pluralism can be attained by the “original position” in which participants ascribe to a veil of ignorance (Rawls 2005:22-28). The original position is an extension of the principle of justice as fairness and refers to the social contract on the basis of equality. No person has greater “bargaining advantages than others” (Rawls 2005:23). In the original position, fairness implies that all people have equal rights and powers. The veil of ignorance accepts that such a position can be compromised because of “cumulative social, historical, and natural tendencies” (Rawls 2005:23). “The veil of ignorance...has no specific metaphysical implications concerning the nature of the self; it does not imply that the self is ontologically prior to the facts about persons that the parties are excluded from knowing” (Rawls 2005:27). It is at this point that the theory becomes problematic. “Liberal neutrality does not guarantee the equal expression of all standpoints. The viewpoints and ways of life of cultural minorities can be overridden by the dominant individualistic perspective of liberalism and liberal neutrality can serve as an alibi or excuse for a lack of direct action to tackle entrenched but unintended forms of racism and sexism” (Browning 2000:157).

Rawls’s egalitarian approach is a subtle combination of neo-liberalism and neo-Marxism. To move beyond this dichotomy his notion of justice is limited to political philosophy and the idea of a “veil of ignorance” is to avoid biases. In this regard, justice remains a function of atomism, individualism and capitalism. Rawls (2005:375) states that the “...central idea is that political liberalism moves within the

¹⁸ The work of Rawls is added to the discussion because it emphasises the role of atomism in his view of justice. Although he attempts to focus on social considerations they remain at the service of his an atomistic ontology that gives priority to individuality and not socio-economic equality.

category of the political and leaves philosophy as it is. It leaves untouched all kinds of doctrines – religious, metaphysical, and moral- with their long traditions of development and interpretations”. The problem of this theory is that it does not engage the ontology complexities of neo-liberalism or neo-Marxism. It is simply an attempt to incorporate holism within an atomistic political system¹⁹. Although Rawls addresses inequalities, his theory remains entrapped in atomism, thus attempting to address the problem with solutions that perpetuate inequalities. The implication is that the reference to growth that also contains a reference to the eco-system, interdependence and community does not come to full expression.

This ambivalence of the word growth highlights the significance of deconstruction as a critical perspective on reality that deals with reduction and, at the same time, it does not destroy these constructions. The constructions are simply dismantled in order to uncover the complexity of writing and the aspects that are absent as a function of the subtle interplay between binary oppositions. In this regard, the reference to interdependence, community and equality of the word “growth” are salient aspects of neo-Marxism. The irony is that it is as a function of intervention. This refers to a process that is beyond the natural instinct of self-preservation, in order to intervene in the extremities of narcissism. This reductionism of reality, according to Goudzwaard, Van der Vennen and Van Heemst (2007:31-45), is a characteristic of the rationality, radicalism and instrumentality of contemporary economic ideologies that perpetuates unemployment in contemporary global society. The failure of neo-liberalism is its inability to address the complexity of reality. This results in simplistic analysis of the problems and impractical solutions.

The danger of totalitarian control is also present in the neo-Marxist perspectives of Bond, Keri Day and *The Oikos Journey*. These approaches address unemployment by referring to words like “equality” and “government intervention” as a means to dismantle the false consciousness constructed by neo-liberalism. The neo-liberalism construction is reflected in the use of words like “growth momentum” that are rooted in atomism, individualism, self-interest and non-intervention by governments in the economy

¹⁹ Habermas is critical of the political liberalism of Rawls that is entrapped in atomism (Rawls 2005:375). The alternative is to move to a more encompassing dialogue on the basis of equality (Habermas 1987:403). To avoid the anarchy of relativism this engagement is constituted by the intervention of rational discourse. The implication is that the possibility of equality is a function of rationalism and not natural instinct. Welch (1985:253) states: “The perspective of Habermas, while critical of domination, is still that of the academic elite....His histories are from the point of view of those standard of rationality that have been institutionalized to some degree”. Rationality in the context of cultural, religious and ideological plurality can function as a form of elitism, control and in extreme cases, the total loss of individuality and dignity.

as the only means to address unemployment. This false consciousness is the result of the social impact of capitalism. Marx (1848:9) states that "...the mode of production of material life conditions the social, political, and intellectual life process in general". The implication of capitalism is that it "...is not the consciousness of men that determines their being, but, on the contrary, it is their social being that determines their consciousness..." (Marx 1848:9). The implication is that in line with Hegel's reference to the *Geist*, the false consciousness will be dismantled through social revolution brought about by the implosion of capitalism and hierarchical class structures (Browning 2000:149). The extremities of this revolution were later demonstrated in the revolutionary intervention of Lenin. In this regard, equality and freedom were exchanged for control and totalitarianism (Arendt 1966). A possible reason for the occurrence of extremities like this is rooted in Karl Marx's reference to nature as a human production - the alienation experienced by the workers from the products they create. This mechanical - and unnatural reference to nature opens the door for direct intervention in society to bring about the necessary goals of Marxism. In other words, nature is produced through human intervention. As a consequence equality can also be produced. The problem is that in the process people are reduced to a system. This reduction may be a possible consequence of the holistic ontology of Marxism that reduces the individual to the community as a function of justice and equality. In the process people lose the dignity of taking responsibility for their own wellbeing and reciprocity. It is this aspect of human nature that neo-liberalism attempts to retain and develop through an atomistic ontology that informs neo-liberal references to self-interest and growth as a means to address unemployment.

In general, neo-liberalism emphasises words like the individual, self-interest, progress, unhindered²⁰ growth and nature. This reflects an atomistic ontology that reduces social interaction to individualism, self-interest and the mechanical environment of non-regulatory economics. On the other hand, neo-Marxism mostly highlights words like equality, community, justice, and government intervention. This constructs a perspective that is cautious of the human nature and self-interests. Nature is something that must be controlled to avoid exploitation of vulnerable people, or, groups, and even the environment. Control may lead to forms of totalitarianism that can compromise human freedom and dignity. These words follow from the holistic ontology of neo-Marxism, which moves in the opposite direction as neo-liberalism, by emphasising social interdependence, communitarianism, egalitarian interests and protectionism. Therefore, the language of neo-liberalism and neo-Marxism perpetuates the reduction of reality that becomes evident through the inconsistency between these perspectives on

²⁰ Interference in economy is unnecessary and even detrimental because it is guided by the "invisible hand", according to Adam Smith (1950).

unemployment and the practical reality of daily life, thus respectively, reflected in extreme forms of greed, or, the loss of dignity as a result of totalitarianism. It is clear that both neo-liberalism and neo-Marxism use reductionist language to address the problem of unemployment. Deconstruction is helpful to understand the dichotomies of these constructions and the play between atomism and holism. In the next section, the word “gift” is explored as an alternative perspective on self-interest and equality to deal with the problem of unemployment.

3.3 “The gift”

The word “gift”²¹, as used by Derrida, has important implications for understanding the relationship between self-interest and equality. Derrida views “the gift” in terms of justice and impossibility. It is something that erases itself and the possibility of justice – “the gift is precisely, and this is what it has in common with justice, something which cannot be reappropriated” (Derrida 1991:18). Justice has the structure of the gift. “The ‘idea of justice’ seems to be irreducible in its affirmative character, in its demand of gift without exchange, without circulation, without recognition of gratitude, without economic circularity, without calculation and without rules, without reason and without rationality” (Derrida 1991:55-56). Justice requires the subject to transgress the boundary of the cycle. It requires “distribution with no expectation of retribution, reciprocity, or reappropriation” (Caputo 1997:144). It means that the giver must forget the act of distribution – embracing the impossible (Derrida 1991:16-17). This is the moment of justice, beginning with the impossible (Derrida 1991:45). The gift as justice is like a “certain beneficent transcendental illusion” (Caputo 1997:145). The gift as economy is presence, science, and the cycle of reappropriation. The subject is entrapped between the two perspectives that represent reality and undecidability (Derrida 1991:46-47). To escape the bind, Derrida argues that the subject starts with justice, the illusion, the impossible, absent gift. “It is the exteriority that set the circle going, it is this exteriority that puts the economy in motion. It is this

²¹ The capitalistic system of supply and demand is one economic system among many other systems like gift -, Barter -, mixed -, participatory economics. The gift does not refer to a gift economy of non-monetary societies where goods and services were provided without explicit agreement on future rewards. The reference to the gift is an example of Derrida’s deconstructive strategy that reveals the ambivalence of words as a critique of metaphysics – post-structuralism. Deconstruction is an analytical strategy that reveals the complexity of signifiers that are present through the absence of other signifiers. It is like untying a knot that holds a text together. This untying of the knot exposes the intimate connections between signifiers, of which the binary oppositions are not present. The gift is therefore a *deconstructive knot* that unravels the system or presence, by revealing the other, the moment it is untied or unpacked. In other words, the ambivalent nature of the gift or words becomes evident.

exteriority that engages in the circle and makes it turn” (Derrida 1991:47). It is the “first mover of the circle” (Derrida 1991:47). In the same way justice calls for a gift – “justice is the welcome given to the other in which I do not, as far as I know, have anything up my sleeve; it is hospitality...” (Caputo 1997:149). The emergence of the other requires a response, but without necessity (Caputo 1997:150). It is beyond duty (deontology). On the other hand, law does not guarantee justice – suspension of justice. It is a “calculated balance of payments, of crime and punishment...a closed circle of paying off and paying back” (Caputo 1997:150). But as it is necessary to give economies of narcissism a chance so must we give law a chance (Caputo 1997:151).

The gift is a double injunctive or double bind, “both to give and to do commerce, to love God and mammon” (Caputo 1997:147). Firstly, we give with the realisation that it is impossible, “the gift” deconstructs itself but it is what we want to make present. It is our passion. We need to protect our gifts from becoming commerce by “emptying and divesting ourselves” to keep it from turning into “bits of self-aggrandizing selfishness meant to show the other what we can do...belonging to the sensible, rational circle of time in which we are not giving to the other but making an exhibit of ourselves” (Caputo 1997:147). At the same time, we need to give economy a chance because the gift is also what drives the economy (Caputo 1997:147). This makes a pure economy impossible - something that would be very uneconomical. It is passion that turns the economy like passion that binds the couple in marriage and not merely a ring. Caputo (1997:148) summarises: “The double bind, the double injunctive is this: give, but know that the gift, alas, inevitably turns back into a circle, and give economy a break, for economics, thank God, turn on the gift”. In other words, the gift and economics are linked, two sides of the same coin. There can be no economics without the gift and the gift erases itself by turning into commerce. This links commerce and justice, self-interest and equality.

Derrida states that there are various degrees of self-love or various economies of narcissism. “There is not narcissism and non-narcissism; there are narcissisms that are more or less comprehensive, generous, open, extended...” (Derrida 1995:199). The more “comprehensive” narcissism is “hospitable narcissism, one that is much more open to the experience of the other as other” (Derrida 1995:199). Caputo (1997:149) refers to “hospitable narcissism” as “interrupted and ruptured narcissism”. The appearance of the other interrupts “uninterrupted narcissism” or contemptible crude self-interest. The point is that all love starts from self-love. It makes love of God and the other possible – “a movement of narcissistic reappropriation” (Derrida 1995:199). Without this reappropriation the relation to the other will be destroyed. What is necessary is “a movement of reappropriation in the image of oneself for love

to be possible....love is narcissistic” (Derrida 1995:199). Therefore, for the gift to remain a gift the narcissism of the cycle must be broken by what is absent – giving without self-interest, a moment of madness or sacrifice when the other enters the cycle and disrupts the narcissism. It is the moment the gift is given without reappropriation – forgetting that a gift was ever given. Derrida refers to this moment as “hospitable narcissism” (Derrida 1995:199).

Hospitable narcissism embraces both the independent and interdependent individualism and communitarianism. In the case of Kant’s deontological position, this ambivalence is not present because the circularity of reciprocity excludes the categorical imperative. This hospitable reciprocity is to a certain extent reflected in Milbank’s “asymmetrical reciprocity” (Milbank 2001b:486). According to Milbank, this does not refer to a fixed circle, because a gift that is reciprocated by exactly the same gift, annuls the gift. The implication is that the gift is returned. The circularity is not enclosed, it is a spiral that is open or “broken circularity” (Milbank 2001a:187). The reciprocated gift is not exactly the same as “the gift” received. It presupposes that there is a temporal dimension, or, time that elapses, and difference. The reciprocated gift always differs from the gift received. Further, reciprocity does not follow immediately on the act of receiving, time elapses. This has important implication for the references to self-interest and growth of neo-liberalism; and equality and intervention of neo-Marxism. The self-interest and natural process of reciprocity are driven by the gift that cannot be reappropriated. It is the appearance or the arrival of the other that initiates this response – justice. It is important to note that justice is not the function of a system that is driven by the goal of producing equality. It is the appearance of the other that engages the giver. It assumes that the giver is responsible for the other. In this regard, the gift accommodates both reciprocity and justice. Teubner (2001:37) emphasises this by stating that “...the continual production of the gift is permanently interrupting economic circulation”. In other words, it highlights that the “irrationality of the gift is indeed transcending economic rationality” (Teubner 2001:37). The implication is that we do not have two perspectives that are in dialectical tension, but rather “two opposite worlds clash in whose opposites can no longer be understood only as the competition of different methods, theories or paradigms” (Teubner 2001:37). Self-interest cannot exclude community and equality. According to Taylor (2003:34), the implication is that individuality and its scope for accommodating diversity and personal development do not have to end in narcissism because we need relationships to fulfil, but not define ourselves. “Relationships are seen as the key to self-discovery and self-confirmation” (Taylor, 2003:49).

The Kantian understanding of the gift, according to Milbank (2001a), emphasises the independent self that gives a gift without reciprocity. It is reflected in the Kantian deontological tradition that views a gift as a sacrificial act that is beyond self-interest (Goosen 2007:179). Goosen (2007:180) notes that this perspective refrains from all forms of reciprocity and interdependence. The gift is a sublime-unilateral event in which the subject becomes a passive recipient (Goosen 2007:181). This Kantian perspective is indeed critical of the narcissism of unbridled self-interest found in classical liberalism and the economic theory of Smith, who was not opposed to legislation to benefit the poor (“Poor Laws”) in times of crisis and role of sympathy (Sen 1999:25-28). The implication is that “gifts” that are given to the poor are instrumental in sustaining the economy because it gives the poor the opportunity to become members of the economic cycle. In this way the gift respects the dignity of people by providing the means to take care of them. Dignity implies that a movement beyond Kant’s deontological perspective is necessary in which the giver engages the recipient. The recipient acknowledges the appearance of the other and responds by providing the life affirming gift – an act of responsibility. It implies a holistic view of reality – the giver and receiver are connected and inter-dependent. In this regard, engagement between giver and receiver is a matter of ontology and not a yoke placed on the shoulders of the giver. Otherwise, the gift may become an annulled gift that is not used by the recipient and returned, thus annulling the giver. This is not mere duty like the deontological perspective of Kant, but in a sense part of what make the economy function because the interruption creates and presupposes, a response, thus resulting in reciprocity or the economic cycle. If the gift is not accepted or used and merely returned to the giver it is annulled and therefore not a gift. When the gift is accepted or used it cannot be exactly the same as the gift received or returned immediately. In other words, gifts are characterised by temporal or differential dimension – delay in response and diverse of the object received. Not a circle, but a spiral or hospitable narcissism.

The problem of neo-liberalism is that the gift can become an annulled gift if self-interest is the only perspective that dominates the giving of gifts. In extreme cases it destroys community and the other. The gift is annulled immediately. On the other hand, the holistic view of the gift, in general, follows the route of interdependence and social cohesion (Mauss 1990). The gift is not a transcendental occurrence, but is located in the interdependence between giver and receiver. In other words, the gift constitutes the community, but this community functions within the logic of the circular economy. The word gift can be understood as an enclosed or reciprocal network that contracts unconscious debt from the recipient to extend gratitude to the giver, or unconscious self-praise of the giver for an unselfish act. The gift is given with the self-interest of the giver in mind – to receive something in exchange for the gift

given; or, praise for altruism. The implication is that the gift annuls itself because the moment the gift is a function of a reciprocal cycle it is no longer a gift (Derrida 1991:11-12). Then the gift turns to poison – *die Gift vergiftet* (Caputo 1997:141). Gifts have the tendency to become a circular economy because gifts are exchanged – entrapped in a narcissistic cycle of supply and demand. At the same time, the gift is beyond presence of the narcissistic cycle. It is also, at the same time, although absent from what is present, something that must not appear to be a gift – “conscious intentionality” (Caputo 1997:143). This is a movement beyond Heidegger’s *dasein* or presence because the subject is in a “paralyzing bind” the moment the intention arises to give a gift because it may become clear that the gift is given with self-interest and reappropriation in mind (Caputo 1997:144).

The implication of this conception of the gift by Derrida is that it does not favour either atomism, or holism. It rather emphasises that the tension between the two views is necessary for justice. In other words, it is a function of self-interest and reciprocity, and at the same time, a moment of justice that occurs with the arrival of the other. It envisions a more human economy in which people engage each other and respect the dignity of the other, thus reflecting the Greek meaning of the word economy as the management of the household (Strauss 2009:98). The implication for the economy is that the gift implies a measure of intervention in the economy as a function of the exaggerated forms of socio-economic inequality. At the same time these acts of intervention are not the rule but the exception as a function of justice. In this regard, destructive forms of narcissism and totalitarian control through mechanical systems are averted by the appearance of the other. Management of the household involves more than a mechanical system of supply and demand. It also includes responsible distribution of goods to ensure the welfare of society. The problem is how the gift can be incorporated in the functioning of the economy and society, in general. In the next section we turn to the economic theory of John Maynard Keynes due to of the important role it played in addressing unemployment during the Great Depression of the 1930s. It will be argued that his reference to “animal spirits” and “government intervention” is important for the practical application of hospitable narcissism.

4. John Maynard Keynes and unemployment

John Maynard Keynes is famous for his work *The General Theory of Employment, Interest and Money* (first published in 1936) in which classical economics and their inability to deal with unemployment during the Great Depression of the 1930s are criticised. Keynes is the father of what is known today as macroeconomics that focuses on large aggregates, explaining unemployment, inflation, exchange rates

and interest rates. This differs from microeconomics that focuses on smaller aspects of reality which focus on individual actions (Hill and Myatt 2010:15). Two references that are synonymous with Keynes in his attempt to deal with unemployment are animal spirits and government intervention.

4.1 Animal spirits

The problem of the classical economic theory, according to Keynes, is the failure of classical economics²² to explain the reason for mass unemployment at market equilibrium (the balance between supply and demand for labour). The view of classical theory²³ is that all unemployment is voluntary (Akerlof & Shiller 2009:2). The rational pursuit of self-interest exhausts all mutual beneficial opportunities for trade, thus resulting in full employment. In other words, reasonable wage demand will result in employment. There will only be temporary unemployment as people search for jobs – frictional unemployment. Classic theory views the economy as the “...meeting of minds, and contracts are negotiated between rational people motivated purely by economic interests” (Akerlof & Shiller 2009:5). According to Keynes (1976:6), there is a third kind of unemployment, namely involuntary unemployment that is a result of a decline in demand for goods and services - “Men are involuntarily

²² A concept invented by Marx to refer to the economic theories of Ricardo and Mill.

²³ The Keynesian challenge of traditional economics does not come as a surprise when taken into account that Keynes was to a large extent influenced by the ethics of Moore who was critical of the “naturalistic fallacy” that emphasises that ethics cannot be reduced to things. Moore’s method of “reflective isolation” and the role of “states of consciousness” helped him to escape the weight of tradition (Baldwin 2006:237-238). In order to steer clear of the reductions of reality he used the notion of goodness as criteria for his ethics, with love and beauty as self-evident truths (Baldwin 2006:237-238). Keynes adopted the perspectives of Brentano to accommodate the shortcomings of Moore, specifically the fundamental view of goodness as indefinable ethical value. Brentano’s view is that goodness is that which is correctly loved (Baldwin 2006:240-241). “The emphasis on correctness here serves to differentiate Brentano’s position from that of a simple subjectivist who holds that being good is simply a matter of being loved (or being preferred), and Brentano compares the concept of correctness employed here with that which occurs in connection with truth” (Baldwin 2006:242). Keynes moves beyond Moore by adding a qualitative dimension arguing that some feelings are “life-affirming” or “life-denying” and relational referring to the “fitness to be loved” (Baldwin 2006:244). In this regard, classical economics and utilitarianism are viewed as a reduction of the economy and people to things. Keynes took a more nuanced view of the economy as a function of social wellbeing and happiness, than a thing in and for itself to create wealth. It was there as a function of life and wellbeing in general, and to “lead a virtuous life when faced with abundance rather than scarcity” (Goodwin 2006:218). Keynes argued that “there was more to life than increasing consumption under consumer sovereignty” (Goodwin 2006:218). This is also reflected by the influence on the Bloomsbury group in which progress in human affairs “included enrichment of both the imaginative and actual life, human progress should witness a steadily increasing proportion of resources devoted to the imaginative life” (Goodwin 2006:221).

unemployed if, in the event of a small rise in the price of wage-goods relatively to the money-wage, both the aggregate supply of labour willing to work for the current money-wage and the aggregate demand for it at that wage would be greater than the existing volume of employment” (Keynes 1976:15). In other words, Keynes rejects the classical argument of Say and Ricardo stating that supply creates its own demand (Keynes 1976:18).

The reason for this is that during the Great Depression unemployment was “not the refusal by labour to accept a reduction of money-wage” (Keynes 1976:9). The reason for the failure of classical theory is that its premises, according to Keynes, are not in check with what happens in society. He states that “classical theory happens not to be those of the economic society in which we actually live, with the result that its teaching is misleading and disastrous if we attempt to apply it to the facts of experience” (Keynes 1976:3). The problem according to Keynes, is that unemployment is not due to normal employment market processes of supply and demand, but rather low levels of investment because of expectations concerning the future demand for goods and services. Therefore, in a monetary economy “changing views about the future are capable of influencing the quantity of employment and not merely its direction” (Keynes 1976:xxii). “The state of long-term expectation, upon which our decisions are based, does not solely depend therefore on the most probable forecast we can make. It also depends on the confidence with which we make this forecast...” (Keynes 1976:148). State of confidence determines the rate of investment because “marginal efficiency of capital” depends on it – “investment demand schedule” (Keynes 1976:149). Decisions depend on actual observation of the markets and business psychology (Keynes 1976:149). Confidence requires trust or full belief, it must go beyond rationalism. It implies that certain information is disregarded or not acted on rationally (Akerlof & Shiller 2009:12-13).

Human nature depends on “spontaneous optimism rather than mathematical expectation, whether moral or hedonistic or economic” (Keynes 1976:161). Decisions are the result of “animal spirits”²⁴ – “a spontaneous urge to action rather than inaction, and not as the outcome of weighted average of

²⁴ Akerlof and Shiller (2009:ix) note that Keynes argues that the “economy is not just governed by rational actors, who ‘as if by an invisible hand’ will engage in any transaction that is to their mutual economic benefit, as the classicists believed”. Keynes appreciated that most economic activity results from rational economic motivations – but also that much economic activity is governed by animal spirits. People have non-economic motives (Akerlof and Shiller 2009:ix). These motives or the irrational “spontaneous urge to action” results, according to Keynes, in the economic fluctuations and unemployment (Akerlof and Shiller 2009:ix).

quantitative benefits multiplied by quantitative probabilities” (Keynes 1976:161). In other words, according to Keynes, enterprise will implode if all that is left is “mathematical expectation”, because it is also a matter of psychology – “fears of loss may have a basis no more reasonable than hopes of profit...” (Keynes 1976:162). The hope stretching into the future benefits the community as a whole due to individual initiative based on reasonable calculation that is “supplemented and supported by animal spirits” (Keynes 1976:162). The implication is that “...the thought of ultimate loss which often overtakes pioneers, as experience undoubtedly tells us and them, is put aside as a healthy man puts aside the expectation of death” (Keynes 1976:162). The point being that decisions cannot only depend on mathematical expectation, but our innate urge to activity creates the flow of capital. Keynes does not surrender to irrationality, but aims to keep it in tension with rational considerations although the cycles of boom and bust are exaggerated by psychological factors (Keynes 1976:162).

The solution that Keynes proposes for unemployment is that the demand for goods needs to be increased by increasing employment. Therefore, employment is stimulated by the effective demand that results in the point of maximum profit – “intersection between the aggregate demand function and aggregate supply function” (Keynes 1976:25). The more employment, the more money is available to purchase goods and thus demand will increase. Keynes (1976:27) states that “when employment increases, aggregate real income increases”. This leads to an “increased aggregate consumption”²⁵ of good and services - “community’s propensity to consume” (Keynes 1976:27). In other words, “the propensity to consume and the rate of new investment determine between them the volume of employment, and the volume of employment is uniquely related to a given level of real wages...” (Keynes 1976:30). Investment will increase and hence more employment that drives consumption. “Consumption – to repeat the obvious – is the sole end and object of all economic activity. Opportunities for employment are necessarily limited by the extent of aggregate demand....derived from present consumption” (Keynes 1976:104). In other words, the more consumption will lead to an increase of the demand for labour. This is the basis of the concept of the multiplier²⁶ that proposes that

²⁵ The propensity to consume depends on 1. income; 2. “objective attendant circumstances” like change in net income, capital values, fiscal policy, expectations regarding the future; 3. “subjective needs and the psychological propensities and habits of individuals” like security, retirement, education, enjoyment (Keynes 1976:89-107).

²⁶ Akerlof and Shiller (2009:14) state that the multiplier, although later refined by John R. Hicks, is the basic element of Keynesian economic theory. The money flow from government spending becomes income, of which some fraction is spent – “the marginal propensity to consume” (MPC). This becomes a second round of expenditure, by people. This creates a second round of expenditure with an MPC. The sum of the effects of the initial expenditure, which is not infinite but equal to

higher income drives consumption higher. This represents a fundamental psychological law based on human nature and facts of experience that people increase consumption as their income increases, but not as much as the increase in their income (Keynes 1976:96). Keynes qualifies his view of consumption by adding that the “habitual standard of life usually has the first claim on his income” or “immediate primary needs of a man and his family is usually a stronger motive than the motives towards accumulation...” (Keynes 1976:97). The implication is that every attempt to save more by the reduction of consumption will so affect incomes that the attempt is self-defeating (Keynes 1976:84). The reason for this is that saving effectively reduces investment and the manufacturing of goods. This explains the “paradox of poverty in the midst of plenty”, because the hoarding of capital results in less investment, thus keeping people unemployed (Keynes 1976:30).

The implication of this paradox is that the existence of insufficient effective demand can lead to the increase of unemployment. Therefore, the “richer the community, the wider will tend to be the gap between its actual and its potential production; and therefore the more obvious and outrageous the defects of the economic system” (Keynes 1976:31). The reason is that a poor community will consume a greater part of its output with a modest measure of investment that results in full employment. A wealthy community in which the inducement to invest is weak, reduces the output until the surplus over consumption is diminished. “Not only is the marginal propensity to consume weaker in a wealthy community, but, owing to its accumulation of capital being already larger, the opportunities for further investment are less attractive unless the rate of interest falls at a sufficiently rapid rate...” (Keynes 1976:31). Keynes states that the involuntary unemployment of classical theory and specifically Ricardian theory is elitist and “could explain much social injustice and apparent cruelty as an inevitable incident in the scheme of progress, and an attempt to change such things as likely on the whole to do more harm than good” (Keynes 1976:33). In this regard, classical theory justifies the activities of the wealthy in society – “it afforded a measure of justification to the free activities of the individual capitalist, attracted to it the support of the dominant social force behind authority” (Keynes 1976:33). Therefore, a growing resistance to economists is developing in society because the observations of ordinary people and the unemployed do not accord to the facts that economists present to them (Keynes 1976:33). Classical theory is idealistic and a way “we should like our economy to behave” (Keynes 1976:34).

$1/(1-MPC)$ – the Keynesian multiplier (Akerlof and Shiller 2009:14-15). It explains that a “small dip in expenditure could have greatly magnified effects” because of overreaction due to fear (Akerlof and Shiller 2009:15).

Animal spirits, like the word growth of neo-liberalism, use nature as reference. In this regard, animal spirits refer to the natural human experiences of optimism and pessimism and the action that these experiences initiate. Animal refers to the “basic mental energy and life force” (Akerlof & Shiller 2009:3). It is a human quality that is more primal and not determined by rationality or calculations. Hill and Myatt (2010:15) note that “...whereas Smith emphasised that rational decision-making leads to an efficient outcome, Keynes emphasized that people’s ‘animal spirits’ are driven by waves of spontaneous optimism and pessimism and (implicitly) fuelled by greed, fear and the herd instinct”. Parson (2005:47) notes that a combination of uncertainty and irrationality that drives the notion of the animal instinct – “decision-making in conditions of uncertainty and the limits to rational calculation, is a core theme of the General Theory”. Animal spirits functions at the level of instinct. It is used in the plural, animal spirits, and therefore not an individual characteristic. It reflects a holistic view of what stimulates economic activity. It is a characteristic of the group, community and society. In other words, people influence the optimism or pessimism of others – a herd instinct. At the same time, it is also viewed as non-human, irrational and something associated with animals. It reduced the rational capacity of the individual. This is unfortunate, according to Keynes, because “...we devote our intelligences to anticipating what average opinion expects the average opinion to be” (Keynes 1976:156). He concludes that this is “intolerably boring and over-exacting to anyone who is entirely exempt from the gambling instinct” (Keynes 1976:156). According the Keynes (1976:155), the “...social object of skilled investment should be to defeat the dark forces of time and ignorance which develop our future” (Keynes 1976:155). Backhouse and Bateman (2006:10) note that “Keynes came to believe that the outcomes of investments rested largely on luck; on whether other investors making the same gamble stuck with it. If one’s fellow investors lost confidence, this could easily cause a collapse in the value of one’s own investment”. The problem is that the animal spirits have the ability to influence investment, employment and the capacity of the individual to function with dignity. It must be optimistic for the economic cycle to function. In this regard, Keynes proposes that the government has the responsibility to intervene in the economy to stimulate the animal spirits.

4.2 Government intervention

Keynes (1976:372) states that the government has the responsibility to provide macro-economic policy and invest in the economy to stimulate the animal spirits.²⁷ This principle challenges the foundation of

²⁷ It is important to note that Keynes’s theory drew fierce criticism from liberal economists like Hayek who rejected government intervention based on epistemological grounds (Parson 2005:61). Knowledge, according to Hayek, is

classical liberalism that views government only as institution to provide the means for unrestricted liberalisation of markets and trade – a challenge that is viewed by some as the Keynesian revolution.²⁸ But according to Keynes, this measure is necessary for the economy to function because the self-interest of a few and their wealth will result in social instability and revolution. Keynes notes that the “...outstanding faults of the economic society in which we live are its failure to provide full employment and its arbitrary and inequitable distribution of wealth and incomes” (Keynes 1976:372). The re-establishment of the economy and moneymaking are necessary to channel “dangerous human proclivities” of some people in order to avoid “cruelty, the reckless pursuit of personal power and authority, and other forms of self-aggrandizement” (Keynes 1976:374). In order for liberty to be guarded from the terror of violence, government needs to intervene. Self-interest and individualism that underpin classical theory is a “safeguard of personal liberty” (Keynes 1976:380). It has the effect of widening the “field for the exercise of personal choice” and the “variety of life, which emerges precisely from this extended field of personal choice” (Keynes 1976:380). In other words, the “enlargement of the functions of government” may be viewed as an “encroachment on individualism” but in practice it is a “means of avoiding the destruction of existing economic forms in their entirety and as the condition of the successful functioning of individual initiative” (Keynes 1976:380). This does not imply that Keynes supports the authoritarian state at the expense of efficiency and freedom (Keynes 1976:381). This is clear in his view of the important role of economists in society: “Economists are the trustees, not of civilization, but of the possibility of civilization” (Keynes 1976:381). In the *Economic possibilities for our grandchildren* (1930) he writes that “Avarice and usury and precaution must be our gods for a little

fragmented and only a freemarket can distribute information efficiently. Hayek opts for the price system efficient means to “coordinate all the dispersed localised knowledge in a complex economy” (Parson 2005:61).

²⁸ Some refer to the work of Keynes as revolutionary or the “Keynesian revolution”. This may apply to three salient aspects of his theory: 1. The importance of government intervention in the economy through monetary and fiscal policy in order to control the level of aggregate demand; 2. Keynes’s political philosophy is criticised by both Marxists and free market capitalists; 3. His economic theory that departed from rationalism of classical economics (Backhouse & Bateman 2006:20). Keynes’s theory is critical of the “rational-choice theory” on which “neo-classical synthesis was based” and the “...idea of a body of established truths arrived at chiefly by deduction, based upon certain traits of human nature and familiar observations” (Backhouse & Bateman 2006:26). The implication was that classical theory with its lineage that stretched from Adam Smith, Bentham and John Stuart Mill who argued for minimal state intervention, was also debunked. It was necessary for full employment for the state to “control money and credit” and “determine the appropriate scale of saving” and where it was to be directed (Backhouse & Bateman 2006:26-27). However, the revolution is part of a much larger ideological transformation influenced by the Great Depression, Second World War, international politics, the role of statistics in economics (Backhouse & Bateman 2006:38). “The Keynesian revolution is the name given to one aspect of a much larger intellectual change with many dimensions” (Backhouse & Bateman 2006:37).

longer still. For only they can lead us out of the tunnel of economic necessity into daylight". He is quick to add: "I see us free, therefore to return to some of the most sure and certain principles of religion and traditional virtue – that avarice is a vice...and the love of money is detestable...We shall once more value ends above means and prefer the good to the useful" (Keynes 1976:372). In this regard, capitalism and self-interest are interim means to reach a moral ideal.

Government intervention is not at the expense of liberalism or the free-market economy. It is an instrument to allow the economy to perform as classical economic theory intended it to function. Intervention does not imply that capitalism is traded in for the idealism of Marxism²⁹, or, some aspects of the pessimism of postmodernism³⁰. The development and expression of the individual remain the priority for Keynes. "In practice this meant that government should aim to provide a new institutional environment which could facilitate the growth of individualism and free market" (Parson 2005:49). In other words, the government must "facilitate a transition from laissez-faire individualism and 'economic anarchy' to a 'regime which deliberately aims at controlling and directing economic forces in the interests of social justice and social stability'" (Parson 2005:50). The aim of Keynes was not to "dispose of classical theory, but to show what kind of institutional environment was necessary for the 'free play of market forces' to realise their 'full potentialities'" (Parson 2005:58). In this regard, he is firmly located in the modern³¹ tradition. Keynes believed that classical theory could purify capitalism of its defects and

²⁹ Keynes rejects the Marxist label by emphasising that personal choice and development compromise the only workable system for society as an antidote for totalitarianism. This perspective is also present in the Bloomsbury group who argued that "economic organization is inconsistent with the fundamental tenets of democracy" because of the existence of hierarchical power structures of class and privilege that stands in the way of the common happiness of all (Goodwin 2006:229). The alternative to the Marxist revolutions is "a moderate and constructive alternative that would involve change in ideas, attitudes (communal psychology) and social institutions" (Goodwin 2006:230). One of these ideas is religions – the source of fear and irrationality (Goodwin 2006:233). An interesting aspect of Keynes is that although he subscribes to liberalism and the atomistic ontology, the notion of animal instincts and the role of herd formation contain elements of an holistic ontology. In other words, individual behaviour is not limited to the rational action of individuals, but is also influenced by group perceptions and conditioning.

³⁰ Keynes is viewed as postmodern by some due to his treatment of uncertainty (Klaes 2006:261). This is based on Lyotard's notion of fragmented personal identities, heterogeneity and indeterminacy of knowledge (Klaes 2006:262). Individual agents lack "rational basis of adjudicating between competing identities and knowledge claims" – epistemological uncertainty (Klaes 2006:262). The animal spirit articulates this uncertainty and the focus on irrationality as a motive for decision-making – emphasising psychology and social conventions (Klaes 2006:262).

³¹ Keynes was a firm supporter of Burke's criterion for expediency and empirical rationalism, but the events of the Great Depression transformed these beliefs (Raffaelli 2006:163-175). No-longer is it evident that the human race is rational, "the

abuses, “while holding fast to the principles of personal liberty and freedom of choice...and the survival of liberal democratic institutions and values” (Parson 2005:58).

The link between government intervention³², as a just response to unemployment, and animal spirits is significant. It indicates that for natural spirits of society to be cultivated, the state must intervene so as to ensure justice. This is done so that the victims of the economic cycle (or reciprocity) can once again actively participate in the economy to provide for themselves. Thus, reflecting the ambivalence of the gift in which the arrival of the other (or unemployed) necessitates active involvement of the government as an act of hospitality. Hospitality implies that the demand for good must be created by fiscal policy and fiscal stimulus of the economy by government³³. This is done to benefit society and to protect the dignity of each individual member. The economic cycle and animal spirits are means to advance the well-being of humanity. It is not a matter of growth and profit for the sake of wealth. It touches the fabric of society and the hope for the future. This hope has implications for investment and employment as a means of developing a flourishing economy and sustainable future. In the next section, the implications and evaluation of the economic theory of Keynes as a function of the gift, or hospitable narcissism follow.

4.3 John Maynard Keynes and the gift

In order to address the injustice of this situation of unemployment, Keynes states that a moment of “madness”, according to Derrida (1995:199), is necessary to interrupt the logic of supply and demand. In other words, the absent meaning of the gift must enter the rational cycle in order to reach full employment. The implication is that government intervention in the economy, through investment and policies, is necessitated as an act of justice. In other words, the government has a duty to intervene in

distant future is beyond the reach of human reason” (Raffaelli 2006:175). Klaes (2006:258) states that Keynes was a “modernist in that his work displays the central hallmarks of literary and artistic modernism”. Another indication of the influence of modernism on the work of Keynes is the fact that he was part of the Bloomsbury Group – “the core of the most prominent British modernist movement” (Klaes 2006:258). Although he cannot be viewed as postmodern, his theory does go beyond the narrow definition of modern economics and makes room for psychological and irrational factors in economic processes.

³² Government intervention is a gift that tweaks the economy so that it works efficiently, in order to address the problem of unemployment (Goudzwaard 1979:102).

³³ Government intervention and justice are linked – “...the state’s governmental authority is not private property but a public office which must be exercised exclusively for the common good or the public interest” (Dooyeweerd 1979:56).

the economy through the gift that deconstructs the cycle of narcissism, when the citizens of a society become victims of economic injustice. Therefore, according to Keynes, the economic cycle of supply and demand requires a moment of intervention, moving beyond the rationalism of classical economics that characterises classical economic theory. This is necessary to sustain the economy and not to destroy it. It is at the service of justice, in which the limits and failures of the economic cycle necessitate intervention. The role of government intervention in the economic theory of Keynes uses aspects of neo-Marxism's focus on state control of the economy, but without handing over the assets of a country to the state. In this regard, Keynes rejects totalitarianism because intervention is a deconstructive moment. This does not happen to promote neo-Marxism, but rather to sustain the economy and liberalism (Keynes 1926:52-53). In other words, government intervention is a moment of justice to avert full-scale revolt and make a sustainable future possible. In this regard, the gift reflects what De la Sienna (2001:71) refers to as a "normative function" that forms the basis for responsible economics. The goal of the economic theory of Keynes is the well-being of society and a blossoming future (Goudzwaard 1979). This is reflected in a booklet published in 1926 in which Keynes writes that capitalism provides the best opportunities for the future, in spite of its faulty operations – "I think that Capitalism, wisely managed, can probably be made more efficient for attaining economic ends than any alternative system yet in sight" (Keynes 1926:52-53). What is needed is that capitalism is overhauled to function. This is done in the way a mechanic services an engine (Goudzwaard 1979:102). The statement was not political but the statement of an economic expert. The legacy of Smith's self-interest was problematic due to the constraints of the Great Depression and rampant unemployment (Keynes 1979:103). Keynes was open to the idea that individual behaviour and the public interest can at times be harmonised only by dramatic revisions in the economic system itself (Keynes 1976:103). In this way the arrival of the other (or unemployed) is the moment that the system of narcissism is interrupted by government intervention to stimulate the animal spirits. This does not happen in an attempt to submit to totalitarianism or government control. It happens as a natural function of the economy, a moment of justice so that the economy can function. The gift is the mover of the economy in which the government has a critical function to ensure that the economy is just.

The role of government intervention is one of the aspects of the economic theory of Keynes that may be problematic when practically implemented. The problem is that Keynes has an idealistic view of the government. This is reflected in the following assumptions: Firstly, the government will always act ethically and in the best interest of society. Secondly, the government always has the technical skill to intervene in the economy, specifically in terms of the influence of globalisation that is exasperated by

the influence of multinational companies and the rapid movement of capital³⁴. Thirdly, the government will not take control of national assets resulting in totalitarianism in extreme case. Fourthly, the government won't succumb to personal greed and corruption. Fifth, the government will protect the environment. The abovementioned assumptions can become problematic when governments do not function according to these assumptions. In this regard, "government intervention" could perpetuate unemployment and result in a bleak future.

In the next section, these problematic assumptions will be taken into consideration when evaluating the possible contribution of the economic theory of Keynes to address the problem of unemployment that is perpetuated by the dialectical tension between neo-liberalism and neo-Marxism in the South African context.

5. The gift and unemployment in the South African context

Das (2011:405) states: "Keynes is always the economist for a crisis, providing desperate governments with intellectual basis for massive and dramatic fiscal stimulus". The current unemployment situation in South Africa is indeed a crisis. The economic impact is only part of a larger ideological struggle that has the potential to result in large scale conflict and anarchy. In this situation, creative alternatives must be explored to address unemployment and the ideological perspectives that are currently rivalling for supremacy. In other words, these alternatives need to address unemployment, but at the same time they must bring about stability by accommodating the rival perspectives of neo-liberalism and neo-Marxism. Another aspect is that the challenges of globalisation must be dealt with in a constructive manner.

The gift is indeed a creative alternative perspective for the economy and it does address the ideological conflict in South Africa by incorporating reciprocity and communality – hospitable narcissism. The gift provides a perspective that is critical of references to equality and justice that may erode human dignity. Human dignity can become a secondary matter when the state does not respect individuality. In this regard, the gift refers to a view of justice that requires responsible governing that engages the other in

³⁴ Keynes did reject this practice by stating that speculation on Wall Street as a function of direct, liquid investment into the most "profitable channels in terms of future yield, cannot be claimed as one of the outstanding triumphs of laissez-faire capitalism" (Keynes 1976:159). This is a "contemporary evil" because of the neglect of long-term prospects (Keynes 1976:160).

an attempt to stimulate sustainable economics in a reciprocal system that promotes healthy self-love. Engagement between the government and society is a means to refrain from falling into the trap of unbridled narcissism that may occur with some forms of neo-liberal approaches to the economy. In terms of unemployment in South Africa, it implies that the economic cycle is interrupted when the other (or unemployed) appears. The presence of the other triggers the impulse for hospitality for the system to continue to function. Without hospitality the economic cycle will grind to a halt. Hospitality is given in a technical manner by stimulating demand for goods that will lead to investment and employment. In this way dignity is respected without ending in a totalitarian reduction of reality as may be the case with some forms of neo-Marxist perspectives.

The economic theory of Keynes contains a moment of interruption through government intervention in the economy. This can take place through fiscal policy and fiscal stimulation of the economy to increase demand for goods. Intervention is the moment of hospitality and justice. This moment is a function of the economic cycle that stimulates the animal spirits that move the economy. In other words, communal optimism and individual self-interest function to address the problem of unemployment. The dialectical tension between holism and atomism is used to move the economy to full employment. In this regard, the elements of hospitable narcissism is present in the economic theory of Keynes, thus providing an alternative perspective for the dialectical tension between neo-liberalism and neo-Marxism in South Africa.

The economic theory of Keynes does indeed offer a constructive way to deal with the dialectical tension between neo-liberalism and neo-Marxism. The problem is that the idealistic assumptions of Keynes regarding the government may perpetuate the problem of unemployment. Keynes assumes that government has the technical - and moral resources to intervene in the economy. Friedman (2009:120) notes that technical expertise and accountability are important to allow the South African government to intervene effectively in the economy. Friedman (2009:120) notes: "The more active role for the public sector sought by the left is now the subject of a consensus supported even by business....Thus the issue is not whether the government will intervene – all key interests agree that it must – but whether it will do so effectively". The way forward is for government to engage with the business community and draw from their technical resources in order to intervene in the most effective way and stimulate the animal spirits. This engagement necessitated by the arrival of the other (or unemployed), and generally not the pursuit of wealth, for its own sake. This is important because government must not only know how to intervene, but also how to recover the capital invested in the economy in order to re-invest at a

later stage when intervention is required. If government does not have this ability, intervention will become a burden on society that will increase poverty and unemployment. Therefore, this requires the boldness not to succumb to popular opinion and pressure from factions informed by neo-Marxist ideologies. At the same time it is paramount that the government engages the unemployed and the “needs and concerns of the poor themselves” (Friedman 2009:120). In other words, the economic cycle is moved by the giving of gifts that requires engagement between the giver and recipient. If this is not a firm focus of government intervention, the large inequalities in South Africa will only increase and may cause more instability and unemployment.

Technical expertise is important due to the complexity of globalisation. The effect of globalisation on the functioning of the South African economy was clearly seen with the global economic crisis of 2008³⁵. Akerlof and Shiller (2009:vii) are of the opinion that the economic theory of Keynes provides an illuminating answer to what happened and how to respond to this crisis³⁶. They argue that classical economic theory fails to understand the complexity of the economy or human motivations and the “proper role of government” (Akerlof & Shiller 2009:vii). The bottom line is that complacency and ignorance regarding the economic theory of Keynes due to the rise of the New Classical Economics (with the mantra: “I am a believer in free markets”) of Reaganism and Thatcherism, led to the devastation of the economic crisis³⁷ (Akerlof and Shiller 2009:xi). Although the principles of full

³⁵ Akerlof and Shiller (2009:vii) state that the defining moment for the global economy was September 29, 2008 when the US Congress refused to pass a \$700 billion bail-out plan for the debt stricken US economy. The result was the drop of 778 points of the Dow Jones stock market.

³⁶ It is important to note that the animal spirits and government intervention have global implications because national economics are linked through imports and exports. Stiglitz (2003:196) refers to Keynes as the “intellectual godfather of the IMF”. In order to avoid persistent unemployment, Keynes highlights market failure as a reason why markets could not be left to themselves – a situation that might benefit from “collective action” – “global collective action” because of the interdependence of economics in terms of international imports and exports (Stiglitz 2003:196). The IMF could improve matters by emphasising full employment through government expenditure, thus sustaining “global aggregate demand” (Stiglitz 2003:196).

³⁷ Stiglitz is of the opinion that the strengths of Keynes’s theory need to be embraced to respond to global inequality and poverty. The problem is that the IMF adopted a laissez-faire model – focusing on “contractionary policies” (Stiglitz 2003:196). This is a departure from the Keynesian alignment of the IMF in order to highlight the free market mantra of the 1980s, “part of the new “Washington Consensus – a consensus between the IMF, the World Bank, and the U.S. Treasury about the ‘right’ policies for developing countries” (Stiglitz 2003:16). The problem is that the neo-liberal policies have not provided growth, but increased poverty and dependence (Stiglitz 2003:17).

employment based on the theory of Keynes were written into law in America (with the Employment Act of 1946 that ensured full employment as a federal responsibility) it was simply ignored (Akerlof & Shiller 2009:viii). The failure of “creditworthy governments to borrow and spend to put the unemployed back to work” and the establishment of responsible fiscal policy resulted in narcissism reaching explosive levels (Akerlof & Shiller 2009:vii). The implication today is that this crisis has led to a situation where governments like Greece, Spain and Ireland are effectively bankrupt and unable to intervene responsibly in the economy to create employment. Das (2011:422) notes that this crisis can be described as the exchange of religion for economics - “Religion focuses on sacrifice of the present for future reward. Economics sacrificed the future for present pleasures through extreme money pollution – debt”. In this regard, the financial crisis was fuelled by extreme forms of greed that sacrificed sustainable economics on the altars of narcissism.

The moral resource for successful government intervention is the ability to look beyond the self-interest of individual members of the government in order to truly service society. This resource is compromised by corruption – “...the abuse of entrusted power for private gain” (Lewis 2011:465). According to Lewis (2011:465), corruption leads to underdevelopment, disasters and environmental damage. It is most acutely present in the construction industry (Lewis 2011:466). This seriously reduces the ability of government to stimulate the economy and create employment because corruption depletes the funds for projects. Another implication is that the infrastructure constructions, amongst others, that are funded by government are also compromised because less money is available for construction itself, thus leading to lower quality infrastructure that will be vulnerable to disasters. This only increases the financial burden on government and society. In this regard, corruption diminishes the ability of government to govern. The problem of corruption is that it fails to respond to the appearance of the other (poor and unemployed). Corruption implies that the appearance of the other becomes the moment that the greed and self-interest of individual members of the government are triggered. This also has direct implication for the environment, because sensitive areas are developed without regard of future damage. Das (2011:113) states that growth for the sake of growth is the “ideology of a cancer cell”. This is nowhere more clearly reflected than the escalating environmental cost of growth.

“The gift” and the role of “government intervention” can play an important role in addressing unemployment in South Africa. The problem is that globalisation, the lack of technical expertise and corruption can seriously disrupt the process. In this regard, the arrival of the other necessitates

government to engage the relevant stakeholders in such a manner that the problem of unemployment is addressed and people retain their dignity. The arrival of the other (poor and unemployed) triggers “the gift” that becomes the mover of the economy.

6. Conclusion

In this article deconstruction was explored to uncover the reductionist language in reference to unemployment and the dialectical tension between neo-liberalism and neo-Marxism. These reductions are clear in the language used by neo-liberalism and neo-Marxism in order to address the problem of unemployment. The atomistic ontology of neo-liberalism refers to words like growth momentum that is informed by notions of self-interest and the liberalisation of markets. The holism of neo-Marxism uses words like government intervention and equality that highlight communality and justice. The ambivalence of the word “gift” was instructive to provide an alternative perspective of the economy and the dialectical tension between neo-liberalism and neo-Marxism. This is done by the fact that the gift incorporates elements of reciprocity and justice. Derrida refers to the tension between these perspectives as “hospitable narcissism”. It embraces equality that respects dignity. In other words, state control of the individual is averted because the cycle of the gift is initiated with the arrival of the other – the gift moves the economy.

The practical implication of hospitable narcissism is demonstrated by the reference to animal spirits and government intervention used in the economic theory of Keynes in which intervention of the government is a function of the animal spirits that stimulates the community to function with hope. The appearance of the other is triggered by decline in demand for goods that effects investment and leads to decline in employment, thus negatively affecting the well-being of society and individual citizens to live with the dignity of employment. The gift is the mover of the economy in which the government has a critical function to ensure that the economy is just. This is also one of the problems associated with the theory of Keynes and that is his idealistic view of the government. In other words, Keynes assumes that government has the technical - and moral resources to intervene in the economy. This has direct implications for the gift and the economic theory of Keynes in the South African context.

In conclusion, the study returned to the South African context to explore the implications of the gift and government intervention. The gift and the role of government intervention can play an important role in addressing unemployment in South Africa. The problem is that globalisation, the lack of technical

expertise and corruption can seriously disrupt the process. Another effect of corruption is its implication for the environment, because sensitive areas are developed without consideration of the potential impact. The implication is that the arrival of the other necessitates government to engage the other. This must be done in such a manner that the ideological influence that is associated with an exclusive reliance on either neo-Marxism or neo-liberalism, does not reduce reality to excessive greed, or totalitarian control, respectively. Thus, the gift of government intervention that stimulates the animal spirits (communal optimism) drives the economy. This happens so that the economy is not reduced to a deceptive mechanical system of oppression through excessive and uncontrolled greed. The economy rather becomes the means to build the dignity of people by providing full employment.

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CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

1. Purpose of the study and conclusions

The purpose of the research was to explore deconstruction as a means to deal with the reductionist language and dialectical tension between neo-liberalism and neo-Marxism when addressing unemployment in South Africa. This was clearly demonstrated by the use of the word “growth” of neo-liberalism and equality by neo-Marxism. The ambivalence of the word “gift” was instructive to provide an alternative perspective of the economy and the dialectical tension between neo-liberalism and neo-Marxism, due to the fact that it incorporates reciprocity and justice. Jacques Derrida refers to the tension between these perspectives as hospitable narcissism. It embraces equality that respects dignity. In other words, state control of the individual is averted because the cycle of the gift is initiated with the arrival of the other – the gift moves the economy.

The practical implication of hospitable narcissism is demonstrated by the reference to animal spirits and government intervention used in the economic theory of John Maynard Keynes in which intervention of the government is a function of the animal spirits that stimulates the community to function with hope. Animal spirits or, the natural instincts of people refer to the optimism (or, pessimism) of people regarding the future that influences investment, thus having an effect on the rate of employment. Government intervention refers to the role of the state to intervene in the economy through fiscal stimulation and/or economic policies in order to increase optimism that will lead to full employment. Keynes argued that unemployment, with the labour market at equilibrium, may be possible due to a decline in demand for goods. In this regard, intervention in the economic cycle by the government is required for full employment to be reached. The government intervention is triggered by a decline in the demand for goods that affects investment and leads to decline in employment, thus negatively affecting the wellbeing of society and individual citizens to live with the dignity of employment. The gift is the mover of the economy in which the government has a critical function to ensure that the economy is just. This is also one of the problems associated with the theory of Keynes and that is his idealistic view of the government. In this regard, Keynes assumes that government has the technical - and moral resources to intervene in the economy. This has direct implications for the gift and the economic theory of Keynes in the South African context.

In conclusion, the study returned to the South African context to explore the implications of the gift and government intervention. The gift and the role of government intervention can impact severely on addressing unemployment in South Africa. Unfortunately, the problem is that Keynes has an idealistic view of the government. He assumes that the government has the technical and moral resources to constructively intervene in the economy. In the South African context, these assumptions of Keynes regarding the government provide problems in terms of the implementation of fiscal stimulus and policy. Another assumption that is creating problems in South Africa is that members of the government do not act out of personal greed and self-interest. In other words, corruption is perpetuating the problem of unemployment by depleting resources that are supposed to stimulate the economy. This also has implication for the environment, because sensitive areas are developed without regard for future damage. The implication is that the arrival of the other (poor and unemployment) necessitates government to address the actual needs of people. This must happen in order not to succumb to the ideological influence of either neo-Marxism or neo-liberalism that may perpetuate the problem of unemployment.

2. Limitations of this research

The obvious limitation of this research is that it only explored deconstruction as alternative and the theory of Keynes as methodological basis. This can definitely be expanded in new research by including other meta-theories and economic methodologies.

3. Contributions of this study

Firstly, the contribution of the study is to provide some perspective on the problem of unemployment, in general, by arguing that unemployment may be exasperated by the dialectical tension of neo-liberalism and neo-Marxism in the South African context. An aspect of this dialect is the possible reductionist ontologies that inform these perspectives. These reductions are clear in the language used by neo-liberalism and neo-Marxism in order to address the problem of unemployment. The atomistic ontology of neo-liberalism refers to words like “growth momentum” that are informed by notions of self-interest and the liberalisation of markets. The holism of neo-Marxism uses words like “government intervention” and “equality” that highlight communality and justice.

Secondly, the study contributes by suggesting that the deconstruction of Jacques Derrida may provide new perspectives to study the reductionist language and the dialectical tension between neo-liberalism and neo-Marxism. The word gift is ambivalent, containing communal and individual references as a function of justice.

Thirdly, it contributes to the understanding of the economic theory of Keynes, by suggesting that a deconstructive moment or gift may be present in the language used to deal with unemployment during the Great Depression and that this may provide practical alternatives to deal with unemployment in the South African context. The main contribution of this theory is that it accommodates individuality or economic self-interest, and at the same time, concedes that communal aspects like the “animal spirits” can stimulate the economy through government intervention.

Fourthly, it provides alternative linguistic perspectives provided by the word gift as reflected in the economic theory of Keynes for further discussion of the problem of unemployment in the midst of the dialectical tension between neo-liberalism and neo-Marxism. It also provides perspective on the unique challenges of globalisation, technical expertise of the economy, and corruption in the South African context.

4. Recommendations for future research

Further research can be done on the following:

1. This study can be enriched by exploring other meta-theories that address the unique problems associated with South Africa. In this regard, post-colonial theory may provide more in-depth perspectives on the history and current dynamics of South Africa.
2. Indigenous economic systems can also be explored to provide more comprehensive and contextual perspective on the economics of South Africa.
3. Technical research of unemployment and the labour market in South Africa ought to be explored.
4. In general, the role of globalisation, politics and social dynamics can be helpful to broaden the research.

APPENDIX

Prescriptions for research articles submitted to *Acta Academica*

1. *Acta Academica* publishes articles in Afrikaans or English. The preferred length is about 7000 words; 4500 words is regarded as a minimum and 11 000 as a maximum.
2. Two printouts of the text as well as a file on computer disc, in MS-Word for Windows, should be submitted. Articles may also be submitted by e-mail to rene.bib@ufs.ac.za .
3. Articles are to be submitted ready for the press: finally edited, stylistically polished and carefully proofread. Readability, fluency of style and clarity of exposition are essential. In the case of articles deemed by the editorial staff to require extensive language editing, the page fees payable by authors will be doubled.
4. The Editor reserves the right to make such alterations as he sees fit to accommodate the style and presentation of articles to the house style. Where major changes are necessary the text may be returned to the author for correction or approval. Copyright is transferred to *Acta Academica* on acceptance for publication.
5. Titles should be short and concise. Suitable headings and subheadings should be provided, with sections and subsections indicated by means of Arabic figures and full stops, i.e. 3. being followed by 3.1 and 3.1.1 (at most).
6. Source references in the text should be in the Harvard style, using the author's surname only, e.g.: (Coetzee 1986: 234-45).
7. Only genuine footnotes should be used, i.e. notes containing relevant elucidation of the text. Footnotes should be kept to a minimum. Numbered footnotes should appear at the bottom of the page. The position of the note should be indicated in the text in superscript Arabic figures without brackets.
8. A complete bibliography in the Harvard style must be provided, giving all relevant details. All sources must be listed alphabetically by authors' surnames, in the following format: - Coetzee H J, 1977. Inflation in South Africa. *Acta Economica* 27(3): 17-36. - Snyman A L, 1986. Human rights in political reform. Van Rensburg (ed) 1986: 1-34. - Van Rensburg C D (ed) 1986. *Human rights in South Africa*. 2nd ed. Pretoria: HAUM.
9. Abbreviations and acronyms should be avoided (except where an acronym, e.g. SABC, is current parlance).
10. Italics should not be over-used for emphasis. Latin phrases such as *per se* must be italicised. Words in languages other than that of the manuscript should be given in quotation marks.

11. Statistical and other tables should be labelled. Tables, as well as mathematical or similar symbols and expressions should be kept to a minimum.
12. Diagrams, sketches and graphs must be submitted in camera-ready copy on separate sheets of paper. Laser-printed computer graphics are also acceptable. Each diagram must have a short explanatory label.
13. If applicable, full details of the origin of the article must be provided (e.g. a paper delivered at a congress).
14. Two summaries of between 100 and 120 words, in English and Afrikaans, must be included.
15. Refereeing is always anonymous. Authors are invited to submit the names and addresses of up to three persons (from institutions other than their own) as referees. Where possible, at least one of them will be used.
16. Articles will only be refereed if accompanied by a declaration that the text has not been published or submitted for publication elsewhere.
17. The author of a published article will receive one free copy of the relevant issue of the journal and 10 reprints.
18. More detailed instructions and advice to authors are available from the Editor on application. If a specific field of study requires a style of reference other than the Harvard style, a special request may be addressed to the Editor.
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