Capabilities and false needs: A philosophical analysis of the influence of neoliberalism on economic inequality in South Africa

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“Here I am. Send me.” Isaiah 6:8

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KEYTERMS

Capability approach, economic inequality, false needs, governmentality, memory, neoliberalism, political rationality, well-being.

ABSTRACT

A neoliberal global economic system is driven by a political rationality that creates and/or exaggerates socio-economic challenges such as economic inequality. South Africa has adopted some of the neoliberal characteristics and implemented a political rationality that is reflected in its policies and reaction to socio-economic crises. Economic challenges are often approached from quantitatively relying on economic figures and measures to understand and overcome these challenges. This approach oversimplifies socio-economic problems and often leads to the escalation of these problems. In response to this, a more dynamic, multi-dimensional approach is needed. Amartya Sen's capability approach is one avenue of a multi-dimensional approach that will address this. Sen's capability approach provides a multi-dimensional understanding of economic inequality. Sen is also critical of the utilitarian approach to understanding economic development and socio-economic challenges. However, Sen's capability approach still tries to work from within the neoliberal economic system to change its economic and political approaches and policies. I argue that Herbert Marcuse's concept of false needs not only demonstrates why a new rationality is required to overcome challenges such as economic inequality, but also supplements Sen by giving us an alternative rationality to develop a more dynamic approach to an economy that services the concerns, inequalities and needs of all citizens. A revolution of the quantitative understanding of well-being within neoliberalism is necessary to develop a new economic system that is directed towards a multi-dimensional human development that promotes a qualitative approach to well-being. I argue that a new generation in South Africa is inspired though art and memory to challenge and transform the current neoliberal rationality. Moreover, South Africans are in search of a new rationality and Marcuse's theories offer the alternative.

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INTRODUCTION

1.1 Introduction

Economic inequality's escalating prominence is a direct result of the hegemony imposed upon societies who must adhere to a global, neoliberal socio-economic standard (Harvey, 2007:28-29; Piketty, 2013:21). South Africa is just one example of a country that must adapt to this neoliberal standard to remain competitive in the global marketplace. However, rather than boosting its overall wealth, one finds a country with economic inequality and unemployment (Stats SA, 2019). In the next chapter of this dissertation, I argue that the politics of governmentality in neoliberal societies developed from a utilitarian misinterpretation and misappropriation of Adam Smith's concept of self-interest in classical economic theory. Smith understands self-interest as a natural instinct that guides human behavior to promote public interest, whether they intend to or not (Smith, 1776:456). Amartya Sen is especially critical of this misinterpretation and misappropriation of Smith's theories in the utilitarian approaches that became more prominent within neoliberalism (Sen, 1999a:124-125).

In support of this, I rely on Wendy Brown's interpretation and appropriation of Michel Foucault's concept of governmentality as political rationality to develop a philosophical understanding of contemporary neoliberalism. Foucault describes the concept of governmentality as a way of governing that favors market regulation and is often understood as a natural occurring and developing mechanism (Foucault *et al*., 2008:20). Brown's concept of a political rationality uses Foucault's concept of governmentality as a steppingstone to argue that all spheres of human existence are subjected to and understood in terms of an economic or market rationality (Brown, 2005:40). The rationality within the neoliberal economy emphasizes a quantitative approach to well-being that creates a false one-dimensional understanding of socio-economic problems that favors market mechanism over and against a more person-centered approach that takes individual circumstances into consideration.

Furthermore, the so-called politics of governmentality as an approach to addressing the issue of economic inequality is counter-productive, mainly due to this approach lacking a fundamental understanding of the problems within neoliberalism. Neoliberal political rationality is fundamental to creating a contemporary understanding of neoliberalism as it developed from Smith's classic economic theories and utilitarianism and gives us a way to analyze and understand the influences of a global neoliberal economic system on South Africa's economic inequality. Furthermore, I argue that economic inequality has become prevalent in most countries due to the neoliberal

political rationality that creates mechanisms of control and that gives select groups enormous economic, social, and political power through institutions and policies.

In Chapter 4, on Sen's capability theory and economic inequality, I state that understanding the concept of economic inequality is often approached from a quantitative perspective particularly with a neoliberal political rationality. A country's economic development and economic inequality is often measured in quantifiable statistics of economic values such as Gross Domestic Product (GDP) figures and inflation etc. This quantitative approach to understanding economic inequality as a measurement is based on the presumption that maximum utility or well-being should be understood in terms of economic values, i.e., commodities sold or owned (Sen, 1984:513). Sen's capability approach signifies a radical ontological shift in understanding economic development and economic inequality. His capability approach takes economic values and factors into consideration; however, the primary focus is on the enhancement of well-being through capabilities (Sen, 1984:515). Sen describes capabilities as the opportunities which a person has to enhance well-being (Sen, 1987a:29).

Sen's capability approach also takes into consideration different aspects and factors that influence general well-being, including social relationships and mental and physical health, etc. The term *well-being* specifically refers to Sen's Aristotelian appropriation of the term *eudaimonia*. "*Eudaimonia* is usually translated as happiness or well-being, but it has some of the same connotations as 'success', since in addition to living well it includes doing well" (Oxford Dictionary of Philosophy, 2008:122). Sen's appropriation of the term *well-being* specifically focuses on the concept of *functionings* or what a person achieves in their life (Sen, 1987a:29). Therefore, Sen's capability approach can be described as contextual and multi-dimensional. The capability approach is contextual because it seeks to improve the quality of life through the enhancement of capabilities and it is multi-dimensional because it takes into consideration the many different aspects that influence socio-economic challenges and general well-being.

A consumerist culture is developed within these neoliberal economic systems that encourages overproduction, surplus labor and surplus repression through the manipulation of people's needs. This manipulation of people's needs creates a socio-political and economic system where people are dominated and repressed through their needs (meaning, false needs). According to Herbert Marcuse (1964:5). False needs are needs that are superimposed on people in advanced industrial societies. Marcuse's concept of false needs plays a pivotal role in understanding commodities and how they relate to overproduction, surplus labor and surplus repression (Marcuse, 1964:4). Marcuse argues that the material affluence that advanced industrial society provides is alluring and ensures the preoccupation of the proletariat in the fulfillment of these false needs, while also functioning as a comfortable distraction from a qualitative understanding of well-being. A

qualitative understanding of well-being includes the need for other intellectual, emotional, artistic and liberating needs (Marcuse,1964:4).

In Chapter 5, on Marcuse's concept of false needs, I argue that Sen's capability theory tries to address economic inequality through the enhancement of capabilities and capability sets. However, Sen's capability theory tries to work within the current neoliberal market system to bring about socio-political change, specifically through democracy. By doing so, Sen's capability theory does not address nor acknowledge the pivotal role that consumerist culture plays in sustaining the development and the perpetuation of a neoliberalist socio-political and economic system. Sen's capability approach lacks an aesthetic dimension and expression, and this ultimately limits the critical consciousness and freedom that is required to create an economic system centered around qualitative development and well-being. In order to understand and overcome economic inequality, I suggest that a new rationality and economic system must be developed that goes beyond a neoliberal political rationality.

Furthermore, I argue that in order to overcome economic inequality in South Africa, we need to develop a new rationality that is focused on qualitative development and well-being and create an economic system that is centered around it. Furthermore, as I will argue throughout this study, Herbert Marcuse provides a critical theoretical analysis of advanced capitalism and consumerist culture. South Africa has a particularly challenging context when considering the history of colonialism and Apartheid, which eventually led to some distinctive socio-political and economic structures (Harris & Lauderdale, 2002:423-425). Therefore, South Africa's current socio-political and economic structures are not purely neoliberal, but have clear neoliberal characteristics such as commercialism and consumerism (Harris & Lauderdale, 2002:426-430).

Marcuse's theories provide a compelling critique of advanced capitalist industrial societies that encourage a one-dimensional consciousness through material affluence. However, Marcuse's critique of capitalist societies is particular to his own context and also that of first-generation critical theorists like Theodor Adorno and Max Horkheimer. Marcuse's theories are unique in the sense that the orientation of his work is not solely a critique of advanced capitalism (Bronner, 2011:14-15,29,56). Although Marcuse's work aligned with the overall of the Frankfurt School, i.e., the rise of mass culture and technological developments, his theories on consumerism and specifically false needs, distinguished him from his peers. His theories become very popular among students and inspired a student movement that named him the "father of the new Left" (Bronner, 2011:14-15,29,56). Although Marcuse's theories are contextualized to the 1960's in America, it also warns against some future socio-economic consequences which South Africa faces today. In the process of adapting Marcuse's work to a South African context, I also aim to develop his work more generally to our present, global context. In doing so, this dissertation seeks to make its

argument that Marcuse and Sen's contribution to the conversation on South African economic inequality might also be relevant to other global contexts and their inequalities.

In Chapter 6, in an application and analysis of the South African context, I suggest that the goal with an economic system centered around human development and human well-being is to ensure the qualitative development of a country. Therefore, the economic system and other socio-political institutions and their policies are only there to support and enhance people's capabilities and capability sets through their beings and doings. However, their functionings will not be determined by external economic factors and social institutions. Rather, their functionings will be determined by the satisfaction and fulfillment of their true needs. This could of course include commercial products such as new cellphones and cars etc. The distinguishing factor is that a person would not be motived and manipulated into buying these commercial products to extract surplus labor and overproduction, thereby leading to surplus repression and domination. Therefore, I agree with Sen that there should not be a set list of capabilities, because each country would develop to reflect the different needs and capabilities of their citizens.

As I argue in Chapter 3, South Africa is a country with great economic inequality, and this is mostly due to the influence of neoliberalism and an idle pursuit of a rationality of governmentality to get wealthy quickly. Other countries and financial institutions encouraged this pursuit, some with good intensions and many others for the pursuit of wealth in a global capitalist market. The Covid-19 pandemic has exposed the limitations of such a rationality that functions as servant to the capitalist system. This is still a system that thrives on people's surplus labor, surplus repression and exploitation of false needs and overproduction. This is especially visible in the stock prices of the once stable investment companies and infrastructures as they struggled to deal with the economic difficulties brought on by the pandemic (Bloomberg, 2019). Without these fundamental aspects to encourage and sustain economic growth, the neoliberal economic systems fail by leaving more people vulnerable to starvation, poverty and unemployment (Stats SA, 2020). The socio-political systems and institutions are failing South African citizens, where those that benefit are the supporters and implementers of this neoliberal political rationality.

1.2 Problem statement

How can an evaluation of Sen's capability approach through the lens of Marcuse's concept of false needs illuminate the influence of neoliberalism on economic inequality in South Africa and contribute to the development of an economic system that is centered around human development and well-being?

1.3 Hypothesis

Amartya Sen's capability approach gives us an alternative to the quantitative approach. Sen's capability approach promotes a multi-dimensional understanding of well-being. His capability approach suggests a means to an end, and it presumes that this end is well-being and equality, but it tries to achieve equality within neoliberalism as a socio-economic and political system. However, neoliberal and other advanced capitalist societies have an inherent and systematic inequality: personal, political and economic. This inherent inequality within neoliberalism's systematic political rationality equates well-being with material affluence. By working within the current neoliberal system Sen fails to acknowledge the significant role that consumerist culture plays in neoliberalism. If we read Sen through Herbert Marcuse's critique of advanced capitalist and industrial society, we arrive at a re-evaluation of Sen's capability approach. This provides us with a more dynamic capability approach that addresses the harmful effects of consumerist culture within neoliberalism.

Herbert Marcuse's concept of false needs highlights the damaging effects of a consumerist culture. Some of these effects include surplus labor, surplus repression and overproduction. Marcuse's concept of false needs highlights the limited and reductionist one-dimensional consciousness that people in neoliberal societies adopt. It is due to the material affluence and the obsessive pursuit of material affluence that people become passive observers of their own lives. People, as passive observers, are comfortable enough due to this material affluence and repressed enough due to a one-dimensional false consciousness. Furthermore, people are kept busy enough through surplus labor to not pursue radical socio-economic change. However, the select few with political and economic influence gain more political and economic power by perpetuating these circumstances in neoliberal societies.

I hypothesize that Marcuse's insights on advanced capitalist societies would provide the foundation to shift Sen's capability approach towards an economic system that would center around human development and well-being. This insight highlights:

1. A qualitative approach to well-being that emphasizes Marcuse's concept of a radical subjectivity and a rationality of gratification.
2. It is an approach to well-being that takes into consideration the many aspects that influence well-being.
3. It supports a critical consciousness that emphasizes people's freedom and self-determination.
4. It rejects a market dictated understanding of economic development.
5. It is dedicated to creating an aesthetic understanding of well-being.

This is done by focusing on the pursuit and fulfilment of true needs, instead of consumerist or neoliberal (false) needs. People may find a greater sense of fulfilment, well-being and equality in an economic system that is centered and focused on the fulfilment of true needs. I intend to show this theoretically within the South African context, where one has a country with the greatest amount of inequality, yet is also one of the greatest resource-rich countries in the world. This makes its context particularly challenging. Therefore, my dissertation would provide new insight and create rich avenues of research in philosophy of the economy in general and studies on economic inequality in particular. In so doing, it also speaks to a larger, global context that, while South Africa's context is challenging, its post-colonial situation is shared by several other contexts and their emerging economies.

1.4 Research Objectives

I have identified the following main research objectives for this dissertation:

1. An evaluation of Amartya Sen's capability approach.
2. A critique and development of Sen's approach by reading it through the lens of Herbert Marcuse's concept of false needs to better understand economic inequality.
3. Understanding the conditions for the development of an economic system centered around human development and well-being in South Africa.

The result of these research objectives will be developed as the following outcomes:

1. To critically examine and re-evaluate Amartya Sen's critique of neoliberalism.

2. To uncover neoliberalism's impact and influence upon South Africa.

3. To provide a clearer understanding of Amartya Sen's capability theory by reading his critique of economic inequality through the paradigm of true and false needs as well as radical subjectivity.

4. To develop a stronger paradigm of Herbert Marcuse's theory of false needs by applying Marcuse's theories on capitalism through a re-evaluation of Sen's capability approach, which will give us a fresh insight into economic inequality.

5. To analyze and discuss the conditions for the development of an economic system that is centered around human development and well-being, rather than one that is solely focused upon markets and consumerism.

6. As part and parcel of the aforementioned outcomes, throughout this dissertation these goals will coalesce by producing a dynamically critical approach to economic equality that addresses the needs and concerns expressed specifically within a South African context and, broadly, the contexts of other emerging and so-called developing countries.

I have also identified the following annex theses that I came upon during my research that can be expanded and elaborated in more depth in future studies:

1. The differences and similarities between Adam Smith and Amartya Sen's approach to economic inequality.

2. A critique of democracy in neoliberal societies and the concept of a consensual democracy.

1.5 Definition of Terms

Quantitative approach: Within this study the term when referring to the term quantitative approach I specifically refer to an approach that focuses on quantity and numerical values. This approach, within the context of this study, runs parallel to a utilitarian and neoliberal rationality that Sen critiques, since it equates and evaluates well-being and development with quantitative and numerical values. It is clearly evident in neoliberal societies that equate happiness and well-being with material affluence (Sen, 1984:513). Neoliberal economies even depend on consumerist capital for their continuous growth and development of markets leading to destructive consequences such as the development of false needs, a false one-dimensionality and economic inequality. A quantitative approach is usually used to evaluate and understand socio-economic problems such as economic inequality, leading to a false one-dimensional understanding of complex multi-dimensional problems, often only escalating them (Camfield *et al*., 2009).

Qualitative approach: Within this study the qualitative approach is understood within Herbert Marcuse's quasi-phenomenological methodology. In other words, the qualitative approach is understood as a subjective understanding and experience of the world. Therefore, a qualitative approach within this study develops from Marcuse's aesthetic dimension and extends into a rationality of gratification. A qualitative approach takes into consideration the complex and multi-dimensional aspects of human well-being and development. Marcuse himself calls for a qualitative change in society (Marcuse, 1964:14). Within this study the aim of a qualitative approach is to develop a critical consciousness by encouraging people to pursue their true needs in society. Building a society and market system from a qualitative approach would eradicate false needs and their consequences, because people would be more focused on leading a good quality

life and exploring and pursuing what that life would entail and look like, thus providing the freedom for self-actualization (Lu & Bin Shih, 1997:181-187).

Well-being: Within this study the term *well-being* should be understood to follow Sen's conceptualization of well-being that is an Aristotelian appropriation of *eudaimonia*. The Aristotelian perspective that Sen has adopted assumes the basic characteristics of eudaimonia, namely that a person approaches life as a narrative with ethical and aesthetic pursuit or purpose. Aristotle considers the primary purpose of ethics to be the achievement of eudaimonia or a life of flourishing or happiness (Aristotle, 1941:935-1126). For Sen, it is important to create freedoms, opportunities and possibilities to attain well-being which he refers to as capabilities. However, the term well-being specifically refers to the actual outcomes of those capabilities (Sen, 1992:26-28,36-38). In neoliberal societies people adopt a quantitative approach that distorts the concept of well-being and a good life. This distortion specifically includes the accumulation of goods and leads to the development of false needs. This supports the development of market systems and not the development of well-being as an ethical and aesthetic pursuit or purpose.

Multi-dimensional approach: Within this study the term multi-dimensional approach specifically refers to an approach that encourages economic development. A multi-dimensional approach is especially associated with Sen's capability approach because it takes into consideration the many different contextual aspects that contribute to our understanding and evaluation of socio-economic problems such as economic inequality. A multi-dimensional approach is also founded on a contextual understanding that is opposed to the development of a utilitarian or quantitative approach (Benedek & Moldovan, 2015; Groen, 2005:69-88).

Critical consciousness: Pannian defines critical consciousness as "worldly, restless, unhoused, and an exilic awareness of the interconnectedness of all cultures that embraces universalism recognizing the diversity and multiplicity of human cultural forms. The domain of the oppositional intellectual, whose critical practices is interdisciplinary and multidimensional, begins, at this juncture" (2016:91). Moreover, critical consciousness describes how repressed or oppressed groups and individuals within society become socially aware through critical reflection (Watts *et al*, 2001:44). It is only when people a critical consciousness that they become aware of the destructive consequences of a quantitative approach. For Marcuse, the development of a critical consciousness is specifically linked to achieving a qualitative change in society, which implies social or political action. Furthermore, Marcuse explicitly states that before people can achieve this qualitative change, they must be able to identify and recognize their true needs (Marcuse, 1964:103). We identify our own needs because we must go into a meaningful search for them. But we recognize false needs because as we become critically conscious, false needs are revealed for what they truly are i.e. empty and ultimately meaningless. A critical consciousness

thus works actively and pro-actively against the development of a one-dimensional false consciousness, first from an individual level and then building up to a societal level (Mustakova-Possardt, 1998:13-30).

Liberalism: a political philosophy that was most prevalent in the 18th and 19th Centuries and focused on the core principles of classical economics that emphasize individual freedom, private property rights and a free market economy.

Neoliberalism: a socio-political and economic system and ideology that started in the 20th Century in reaction to socialist and government interventionalist policies and politics. Neoliberalism emphasized the revival of liberal principles. Neoliberalism specifically emphasized the concept of a laissez-faire capitalism and individual economic freedom. However, some distinguishing features of neoliberalism include a prominent consumerist culture, growing economic inequality and the autonomy of a neoliberal political rationality.

Neoliberal political rationality: develops from the concept of governmentality that extends market values to all social institutions and people adapt this rationality to aspects of everyday life. Wendy Brown argues that this political rationality becomes the defining point of the neoliberal turn (Brown, 2005:40). Consequently, the neoliberal rationality legitimizes and encourages a quantitative approach to well-being that emphasizes material affluence.

Governmentality: Simply put, governmentality is the rationality by which states govern. However, a more in-depth definition is developed through Foucault's conceptualization of governmentality. Foucault understood governmentality as a conjunction of elements, including "sovereignty, discipline, and governmental management, which has population as its main target and apparatuses of security has its essential mechanisms" (Foucault *et al*, 2007:107-108). Foucault later added other components to governmentality, namely "self-limitation of government reason".

Development: Sen's approach to development specifically refers to sustainable human development. Sen's approach to development is rooted in his philosophical understanding of well-being and in classical economic theory that relates back to Adam Smith. Sen argues that Aristotle's concept of human flourishing has "strong connections with Adam Smith's analysis of 'necessities' and conditions of living" (Sen, 1999b:24). This connection that Sen makes between human development and well-being is so strong that he uses the concepts interchangeably on several occasions (Canova *et al.* 2005:9). Sen's approach to development is therefore established as a form of "ethic foundationalism not rooted in a metaphysical principle", since Sen is more concerned with "ethical concepts intrinsically important for human lives"(Canova *et al.* 2005:9).

Aesthetics: Aesthetics, is understood form Marcuse's perspective, which is quasi-phenomenological and therefore separates Marcuse from the orthodox Marxist tradition. Within the orthodox Marxist tradition aesthetics inspires an uprising through a class consciousness and reduced to the social group of the proletariat. Marcuse focuses more on the experience that art evokes than on the art itself and argues for a radical subjectivity, thereby making it a quasi-phenomenological approach. Marcuse states that "as art expresses a truth, an experience, a necessity which, although not in the domain of radical praxis, are nevertheless essential components of revolution" (Marcuse, 1978:1).

1.6 Literature Review

I begin this dissertation by exploring Amartya Sen's main concerns of capitalism as self-interest and utilitarianism. I refer to the works of Adam Smith, namely *The Theory of Moral Sentiments* (1759) and *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). I look specifically to these books of Smith to understand the development of classic economic theory, the concept of self-interest, and how they contributed to the development of capitalism. Cognizant that Smith's work has been appropriated and used widely, I situate his current influence upon economic theory and its application through Dennis C. Rasmussen's *Adam Smith on What's Wrong with Economic Inequality* (2016) and Amartya Sen's work, *Uses and Abuses of Adam Smith* (2011), *Development as Freedom* (1999a) and *Rational Fools* (1977), to develop an understanding of Smith's theories on the economy. In particular, I look to Rasmussen and Sen to critique the utilitarian misinterpretation and misappropriation of Smith's concept of self-interest by John S. Mill in his book *Utilitarianism* (2001). In this section I go on to argue that the utilitarian misappropriation and misinterpretation of Smith's concept of self-interest created the platform for the development of a neoliberal political rationality and quantitative approach to well-being. Well-being became associated with material affluence that led to the development of a consumerist culture and the manipulation of needs for the steady growth of the neoliberal economic system.

In order to develop a better philosophical understanding of neoliberalism and how it perpetuates economic inequality I look to the works of Michel Foucault, Wendy Brown and David Harvey. I specifically look to Michel Foucault's theories on the development of neoliberalism as governmentality in his published lectures at the College de France, namely *The Birth of Biopolitics* (2008), *Security, Territory and Population* (2007), and *Society must be Defended* (2003). Foucault's theories provide an in-depth philosophical understanding of neoliberal development, its mechanisms of control and the power relations that develop within neoliberal societies. The political economist Wendy Brown uses Foucault's concept of governmentality as the foundation for her concept of a neoliberal political rationality in her article *Sovereignty and the return of the Repressed* (2008), and her collection of published essays *Critical Essays on Knowledge and*

Politics (2005). Brown's concept of a neoliberal political rationality is important to understand that within neoliberal society every aspect of human existence is understood and valued according to a market rationality. Her concept of a neoliberal political rationality supports the notion of a quantitative approach to well-being in neoliberal societies. Furthermore, her theories on the neoliberal economic system also describe how political and economic policies, structures and institutions deepen a governmentality and contribute to socio-economic problems such as economic inequality. Finally, I refer to David Harvey and his book *A brief History of Neoliberalism* (2005) to provide a comprehensive definition of neoliberalism and to provide insight on how neoliberalism functions to perpetuate economic inequality.

In the third chapter, on the neoliberal influence on South Africa, I rely on a variety of different authors and resources to analyze and describe how the neoliberal influences contributed to the increasing economic inequality in South Africa. In this section I specifically look at some of the initial economic policies and projects post-Apartheid and how the local business community and socio-political events contributed to South Africa's adoption of the neoliberal political rationality. I specifically look at the neoliberal influences in the development of the economic policies such as the Reconstruction and Development Program (RDP) and the Growth, Employment and Redistribution Strategy (GEAR). I examine these policies because they indicate a significant shift in the government's approach to overcome poverty, inequality and unemployment. Finally, I also analyze and explore the different global neoliberal influences including global socio-political influences such as the fall of the Berlin Wall and the Soviet Union, as well as the global recession of 2008. Furthermore, I also explore the strong neoliberal influence in South Africa that emerged from global financial institutions such as the World Bank and the International Monetary Fund and how it contributed to deepening the economic inequality in South Africa.

In the fourth chapter, I mainly rely on various books and articles of Amartya Sen to describe the capability approach and how this approach led to the development of a new ontological understanding of economic development and economic inequality. In the first section of this chapter I mainly focus on describing Sen's capability approach. My description of Sen's capability approach is based on the three interrelated aspects of freedom, well-being and capabilities. In this section of the chapter I mainly refer to the following books of Sen to describe the capability approach and its radical ontological shift in economic theory, political theory, philosophy and ethics: *Development as Freedom* (1999a), *On Ethics and Economics* (1987a), and *Inequality Re-examined* (1992). In the next section I describe the relationship between capabilities and commodities and how it relates back to the development of well-being. I mainly refer to Sen's book *Commodities and Capabilities* (1999b), as well as other supporting resources.

In the following section I provide a critique of Sen's capability approach through the works of Patricia Northover, Martha Nussbaum and Michel Foucault. I specifically focus on Northover's critique of Sen in her article *Abject Blackness, Hauntologies of Development, and the Demand for Authenticity* (2012), how it explores the effect of Sen's underlying rationality in the capability approach and how it influences developing countries and minority groups. Her critique primarily focuses on Sen's book *Development as Freedom* (1999a). Nussbaum is Sen's best-known critic and colleague. Nussbaum also makes use of the capability approach; however, she has a unique understanding that relies more heavily on the works of Aristotle than Sen does. For Nussbaum' s critique and comparison of Sen's capability approach I mainly rely on the following of her works: *Creating Capabilities* (2011), *Frontiers of Justice* (2006) and *Capabilities as Fundamental Entitlements* (2003). I also refer to the works of Michel Foucault to critique Sen's reliance on the political democratic system for social justice and economic inequality. I specifically refer to Foucault's *The Birth of Biopolitics* (2008), *Security, Territory and Population* (2007), and *Society must be Defended* (2003). In the final section of the chapter, I pay attention to how Sen's capability theory informs a new understanding of economic inequality and how it relates to well-being. For this section I mainly rely on the following works of Sen: *Capabilities and Happiness* (2008) and *Inequality Re-examined* (1992).

For the fifth chapter, I provide a brief description of Herbert Marcuse's theoretical approach which is essential to understanding the development of his concepts of false needs, radical subjectivity and the aesthetic dimension. I investigate the phenomenological influences of Hegel and Heidegger on Marcuse. In particular, I refer to Marcuse's *Reason and Revolution* (1960), *Heideggerian Marxism* (2005) and *Hegel's Ontology and the Theory of Historicity* (1989). I also engage with the secondary sources of Douglas Kellner, *Herbert Marcuse and the Crisis of Marxism* (1984), *Marcuse and the Quest for Radical Subjectivity* (1999), and Andrew Feenberg's *Marcuse, Reason, Imagination and Utopia* (2018) and *The Ten Paradoxes of Technology* (2010), to provide a more contemporary context for Marcuse's theories.

Next, I give a description of false needs according to Herbert Marcuse. I provide a reading of Sen's capability approach through the lens of Marcuse's concept of false needs. I argue that false needs account for the underlying neoliberal political rationality and its influences on agency and freedom in Sen's capability approach. The concept of agency and freedom is important to develop a critical consciousness that would lead to a qualitative understanding of well-being. In the first section of this chapter I describe and explore Marcuse's concept of false needs, and I refer to his book *One-Dimensional Man* (1964) in which he develops and describes false needs and their relation to advanced capitalist and industrial societies. I also respond to some of the critique of Marcuse's concept of false needs and provide a description of the distinction between true needs

and false needs. In order to do this, I mainly focus on *Eros and Civilization* (1955) and *One-Dimensional Man* (1964), as well as on some additional supporting and secondary resources. Furthermore, I develop my own critique of Sen's capability approach and how it relates to false needs in this section.

In the next section of the chapter I focus on Marcuse's theories of repression and domination. I refer to Marcuse's book *Eros and Civilization* (1955), in which he starts to describe and explore a new form of rationality. I mainly rely on the following books of Marcuse to describe his concept of radical subjectivity and provide an alternative rationality: *Eros and Civilization* (1955), *The Aesthetic Dimension* (1978), and *Reason and Revolution* (1960). Marcuse's theories on radical subjectivity and the rationality of gratification are fundamental to the development of a critical consciousness and a qualitative approach to well-being. In this section I also engage with Michel Foucault who provides some salient critique on Marcuse's theories of surplus repression. In order to do so I refer to Foucault's *The History of Madness* (2006) and *Discipline and Punish* (1979). Finally, in this section I engage with Sen to provide a critique of his capability approach and the underlying neoliberal political rationality of subjectivity that it perpetuates.

To close this chapter while bringing its theoretical strands together, I bring Sen and Marcuse into dialogue to question the competitive nature of democracy. Doing so requires connecting how each respective author addresses similar concerns. I will show these connections through Marcuse's *One-Dimension Man* (1964) and the following resources of Sen: *Development as Freedom* (1999a) and *Democracy as a Universal Value* (1999c). The focus on competitive democracy more than shows how their connection is more than merely theoretical and has practical implications. This will be exemplified by bringing Sen and Marcuse's intertwining critique into dialogue with an African context where a proposed alternative to competitive democracy, that is a 'consensual democracy', will present a need for further development. In demonstrating these movements and comparisons, I will refer to the works of Frantz Fanon, *The Wretched of the Earth* (2004), and Kwasi Wiredu, *The State, Civil Society and Democracy in Africa* (2010), *On the Ideal of a Global Ethic* (2005), *Cultural Universals and Particulars* (1996) and *Problems in Africa's Contemporary Self-definition* (1992). The upshot of this quick detour is threefold: it brings Sen and Marcuse together by revolving around a context that is different to each's own context, it highlights how a dialogue between the two can bring in salient insights into broader and/or specific contexts, and, finally, it shows how their thoughts – when taken together or separately – need to be further developed to address the extant knowledge and needs within this context.

In the sixth and final theoretical chapter, I argue that the neoliberal political rationality is especially prominent during socio-economic crises. In this chapter I look specifically at the influence of the Covid-19 pandemic and its socio-economic impacts. In the first section, I explore and critique the

dependence of the global neoliberal economic system on consumerist culture. I specifically explore the dependence on consumerism for the sustaining and development of the economy and how it exposes people to consequences such as unemployment, poverty and economic inequality. I mainly rely on Clive Splash's newly published article, '*The Economy' as if People Mattered* (2020), which gives a recent and reliable account of the impact of the Covid-19 pandemic on the global economy. Furthermore, I discuss South Africa's response to the Covid-19 pandemic and focus on the vulnerability of the informal economy. For this I rely on various published articles and official government websites and the websites of other South African financial and business institutions. Some specific institutions and websites upon which I focus are the *South African Reserve Bank* and the *Department of Small Business Development.*

In closing this chapter, I discuss the need for a new rationality based on a qualitative approach for the development of a new economic system. In this section I briefly discuss the success of Sen's capability approach in creating awareness of a multi-dimensional approach to understanding and overcoming economic inequality. I use the *United Nations Development Programme* (2014 & 2020) and the *World Happiness Report* (2019 & 2020) as examples of a multi-dimensional approach that understands economic inequality as a multi-faceted issue. Moreover, the *World Happiness Report* (2019 & 2020) understands the significant effect that economic inequality has on people's well-being. The *World Happiness Report* (2019 & 2020) emphasizes the impact that social environments and relationships have on well-being. In the section I also argue that a multi-dimensional approach to understanding and overcoming economic inequality is a step in the right direction. However, Sen's capability approach and the multi-dimensional understanding of economic inequality (of which the *United Nations Development Programme* and the *World Happiness Report* are good examples) do not address the underlying political rationality of a neoliberal society.

However, I argue that the Covid-19 pandemic and the lockdown of socio-economic activities clearly showed the dependence on consumerist culture of the basic functioning of everyday life. Moreover, I argue that the Covid-19 pandemic also reflected the one-dimensional core of neoliberal political rationality. This was made especially evident in the South African government having to prioritize between economic growth and development and the health and safety of citizens. The fact that this choice exists reflects a dependence on economic growth that is completely irrational. Sen's capability approach completely reformed economic sciences, particularly in the way in which we understand and measure economic development and economic inequality. However, it still rationalizes the dependence on economic systems and specifically consumerism by incorporating Gross Domestic Product (GDP) as a determining factor of well-being. Marcuse's concept of false needs shows that he wants to revolutionize this

understanding of well-being that rationalizes consumerism. Marcuse suggests the development of an alternative rationality, the rationality of gratification, that is developed through the aesthetic dimension.

I argue that South African society is challenging the current socio-political system and seeking an alternative rationality. I suggest that Marcuse's theories of false needs, radical subjectivity and the aesthetic dimension can be helpful in developing that alternative rationality. To make this argument I mainly rely on Marcuse's *Eros and Civilization* (1955) and *The Aesthetic Dimension* (1978). I discuss how art serves as an access point to remember past historical events and inspires a new generation of South Africans to pursue freedom and happiness. Through an aesthetic experience South Africans can re-evaluate our economic policies and socio-political systems to reflect an ethos of the South African people. Furthermore, I argue that it is only by radically re-evaluating the current neoliberal political rationality and establishing a new rationality through an aesthetic experience that an economic system can develop. This system would be aimed at a qualitative development that is centered around human well-being.

1.7 Demarcation of the Field of Study

The literature and disciplines on the topic of economic inequality, and the concept itself, span many different fields of study. To name a few, some of these fields broadly include economics, social studies, political studies, ethics and philosophy. As the title of this study suggests, I give a philosophical analysis of the concept of economic inequality and practical implications thereof in the South African context. This inherently implies that philosophy is the main field of study, while also considering the different political, social and economic aspects of economic inequality. Although I take these aspects into consideration in my analysis, the overarching approach is a philosophical one.

As stated in my introduction, economic inequality is often measured and understood through the disciple of economics. This discipline unfortunately applies a strict quantitative understanding of economic inequality depending on values, statistics and strategies to overcome it. However, I argue throughout this dissertation that although these neoliberal economic values, statistics and strategies provide some understanding of economic inequality, they do not address the underlying rationality. I also argue throughout this dissertation that the underlying rationality within neoliberalism is counter-productive in addressing and overcoming economic inequality. Furthermore, developing countries are often encouraged to pursue the political rationality of the neoliberal economic system to overcome economic inequality, only to find it escalating. This is especially prominent in developing countries like South Africa that adopted the neoliberal

approach, only to find a deepening of economic inequality, unemployment and increased political and social unrest.

A philosophical approach to understanding the concept of economic inequality within a global neoliberal economic system can create a new multi-dimensional understanding of economic inequality that addresses its underlying rationality. Moreover, throughout this dissertation I argue that by changing the rationality of the current neoliberal economy a new system can emerge. This new economic system would be a system that is centered around a qualitative approach to development and well-being. I specifically have a critical theoretical approach to the analysis of economic inequality. Importantly, this critical theoretical approach is informed by the existing methods within the philosophy of the economy, thereby lending an interdisciplinary approach to this dissertation's analysis. This interdisciplinary approach to analyzing economic inequality in South Africa provides the required philosophical depth to understanding the rationality of the neoliberal economic system, while still taking into consideration other political, social and economic aspects. I argue throughout this dissertation that this interdisciplinary approach is far more appropriate for addressing and overcoming economic inequality than an oversimplified approach that relies mostly on economic values, statistics and strategies.

1.8 Method

With this fundamental questioning of neoliberal consumerist culture and its consequent impact on economic inequality, my project engages with philosophy of the economy and a critical theoretical analysis of society, in order to provide an understanding of economic inequality as perceived from the notion of capabilities in relation to false needs. Philosophy of the economy and critical theory are my fields, and within those fields, I am going to engage Herbert Marcuse and Amartya Sen to develop a better understanding of economic inequality in neoliberal global economy. I use them because Marcuse provides salient critique of advanced capitalist consumerism, and, along with Sen's conceptualization of economic inequality through the capability approach, the result will be a multi-dimensional approach to the issue of inequality and how this inequality is perpetuated by a political rationality within neoliberal consumer culture. However, to supplement Sen's capability approach's limitations, such as lacking a particular understanding of individual agency and freedom from these social structures, I will supplement my analysis with Marcuse and his critical theoretical approach.

Sen's capability approach employs an ontological understanding of economic development and economic inequality. He does so through his concept of capabilities and functionings that relies on an ontological approach to accessing and enhancing well-being. The capability approach's ontological shift in understanding economic inequality and economic development creates a

platform for a more contextual analysis on a societal and individual level. The ontological shift in understanding economic development and economic inequality is especially evident in Sen's books *Development as Freedom* (1999a) and *Inequality Re-examined* (1992). Sen's ontological understanding of economic development is especially informed by economic theorists such as Adam Smith, Karl Marx and John Rawls. The influence of these thinkers is especially evident in the following of Sen's works: *Human Rights and Capabilities* (2005b) and *Uses and Abuses of Adam Smith* (2011). However, the philosophy of Aristotle and his theories on 'eudaimonia' or how to achieve the 'good life' are fundamental to Sen's understanding of well-being through the enhancement of capabilities. A book of Sen's that illustrates the importance of Aristotle's theories on the 'good life' is *Capabilities and Happiness* (2008). Within this study I will critique Sen's capability approach through an applied philosophical approach that employs various components of critical theory. Throughout this study I will unpack various components to the critical theoretical method, such as the role of negative dialectics, when necessary. However, I will especially focus on the philosophy of praxis, which complements the interdisciplinary application of the dissertation. The practical implications and contributions of this dissertation is especially evident in social theory, economics, and ethics. However, I will specifically focus on Marcuse's critical theoretical approach which is much more radical than Sen's capability approach. Marcuse follows the critical theoretical tradition to critique consumerism and advanced capitalist societies, which is a combination of various philosophical methods that developed over the years and created an intricate and detailed understanding of capitalist societies.

One-Dimensional Man (1964) is the book for which Marcuse is best known that highlights this critique of capitalist society and consumerist culture. As a critical theorist Marcuse made use of the Marxist critique in combination with a mass psychoanalysis. In particular, Marcuse employed a Freudian analysis of mass culture and society. This is especially evident in his book *Eros and Civilization* (1955). For example, Marcuse uses the Freudian concept of *Thanos* and *Eros* to describe the tensions within capitalist society throughout his book *Eros and Civilization* (1955). However, Marcuse also followed the tradition of Hegelian-Marxism within the Frankfurt School and other critical theorists, such as Theodor Adorno and Max Horkheimer, to analyze and critique capitalist society. The most prominent example of his Hegelian dialectics is in Marcuse's book on Hegel and Marx i.e. *Reason and Revolution* (1960). However, delving deeper into Marcuse's earlier writings reveals a quasi-phenomenological approach that had a great influence in his later writings. One of the most prominent examples of this approach is Marcuse's project *Heideggerian Marxism* (2005). Marcuse attempted an amalgamation between the phenomenology of Martin Heidegger and the political and economic theories of Karl Marx. The evolution of Marcuse's critical theoretical methods developed a complicated and intricate understanding of advanced capitalist society and its influence on subjective reason.

A combination of Sen and Marcuse's approaches will allow me to explore the lacuna between critical theory's reading of mass movements and the philosophies of the economy which emphasize a critical consciousness. Thus, my approach will employ a counterbalance between a mass and individual analysis of neoliberalism and economic inequality, in order to better understand global capitalism from a South African context. Therefore, my dissertation consists of a critical theoretical analysis of neoliberalism and its socio-economic implications. I will do this through Marcuse and the Frankfurt School's employment of a Marxian critique of society and mass movements. As part of this analysis, I will review the relevant literature as it pertains to the birth and growth of neoliberalism as a global social structure, paying particular attention to its effects on developing countries such as South Africa.

1.9 Ethical Aspects

This study was conducted in accordance with the rules and guidelines given by the Research Ethics Committee of the NWU Faculty of Humanities. An ethics number (NWU 01468 19 S7) was provided to the study after the approval of the dissertation's research proposal by the NWU School of Philosophy that was delivered in November 2018 and was considered a 'No Risk' study. The study could continue within the rules and guidelines laid out by the Research Ethics Committee.

CHAPTER 2: SELF-INTEREST, UTILITARIANISM, AMARTYA SEN, AND THE PROBLEMS OF NEOLIBERALISM

2.1 Introduction

Amartya Sen primarily develops his capability approach as a critique against the self-interest and utilitarian approach that he argues is the primary issue within capitalism. He does so because he finds that these two main issues contribute to the oversimplification of socio-economic life and the understanding of well-being:

> "the mistaken interpretation of Smith is so common now that even those who argue against modeling human beings on the lines of rational choice theory often describe their enterprise as a rejection of Smithian understanding of human reasoning and choice. It is not only that this is a false attribution, but the critics of the narrowness of rational choice theory can add to the force of their arguments through making use of the subtle distinctions that Smith makes of the different kinds of motivations that can influence human reasoning and move people's choices and decisions away from the single-minded pursuit of self-interest" (Sen, 2011:264).

It is clear that Sen believes that the misinterpretation of self-interest has become a common occurrence within economic theory. Sen places the blame squarely on the utilitarianism of Jeremy Bentham and his successor John Stuart Mill (Sen, 2011:660-262).

To understand his capability approach we need to develop an in-depth comprehension of these critiques which are well established within the field.[1] In this chapter I will first describe self-interest from its reported originator, Adam Smith, as well as describe utilitarianism from the perspective of Jeremy Bentham and John Stuart Mill. Afterward, I will detail Sen's critiques of each and how they relate to each other. I will do so because they are foundational to his development of the capability approach: in order to understand what the capability approach is going to solve, we first need to know what it sees as the problem.

Accordingly, this chapter will end with a section that highlights how self-interest and utilitarianism (regardless of whether they were appropriately or inappropriately applied) underpin the political rationality of neoliberalism. To do so, I will give a brief description of the development of

[1] The problem of reconciling Adam Smith's theory of sympathy in *Theory of Moral Sentiments* and the theory of self-interest in *The Wealth of Nations* is not a recent debate. The contradictory nature of these concepts was first referred to as 'Das Adam Smith Problem' by 19th Century German scholars (Montes, 2003:63-90).

neoliberalism as ‘governmentality’ as argued by Michel Foucault. Consequently, I will end this chapter by connecting a misappropriation of self-interest through utilitarianism within a neoliberal understanding of governmentality through the work of David Harvey and Wendy Brown.

2.2 Adam Smith’s Concept of Self-interest

2.2.1 Adam Smith’s Wealth of Nations and its Influence

Sen understands Adam Smith’s theories on economics to be one of the most influential contributions to capitalism and eventually neoliberalism (Sen, 1992:115). One of the most important expressions of individual freedom and equality was the development of classic economics, or classical economic theory. Written in 1776, Smith’s *An Inquiry into the Nature and Causes of the Wealth of Nations (WN)* has made him commonly known as one of the first modern economists, and many argue that his theories have guided the development of a capitalist economic system ever since (Thompson, 2000:107). Thompson even goes so far as to argue that Smith’s theories encouraged the hedonistic view that greed and selfishness are virtues that contributed to the development of the capitalist economic system as we know it today (Thompson, 2000:107). In particular, the concepts of ‘competition’ and ‘self-interest’ have contributed significantly to the capitalist ‘virtues’ of wanton self-interest that we experience nowadays (Thompson, 2000:107).

Smith argues that markets are places in which competition takes place between suppliers and consumers, which consequently gives both more opportunities for exchange and for choice. Smith recognizes that competition is a defining characteristic of productive societies (Davies, 2014:39). Competition is increased when there is more than one potential supplier and more than one potential consumer which then allows for the market mechanism to self-regulate and adjust to a point of exchange (Davies, 2014:39). Smith argues that this is all done out of self-interest and that when one acts in self-interest it will lead to the overall well-being of society. He notes that self-interest is a natural instinct which informs human cognitive processes and behavior.

> “Every individual... neither intends to promote the public interest, nor knows how much he is promoting it... he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, 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, 1776:456).

Therefore, according to Smith, as long as everyone acts within their own self-interest, competition within society attributes to the well-being of everyone within that society. Consequently, Smith’s theory of self-interest is one of the biggest motivators of free market economics (Stigler,

1975:237). Smith's concept of self-interest has shaped the basic understanding and functioning of socio-economic life. It has developed a quantitative approach to life that is fueled by competition and the pursuit of material affluence. However, according to Sen and others, there has been a misappropriation of Smith's work that has had negative consequences. This is mainly due to a simplified reading of his economic theories.

In the next section I will detail the misuse of Smith's economic theories due to an oversimplified reading of his work. I will do so by looking at how new scholarship argues that *WN* should be read in light of his previous, and well-received work, *The Theory of Moral Sentiments*.

2.2.2 The Misuse of Adam Smith and the Theory of Moral Sentiments

Busch (2008:65) argues that disregarding the moral context that *Theory of Moral Sentiments (TMS)* is a misinterpretation of Smith's theories and that in order to fully understand *WN* one should also have read Smith's *TMS*, originally published in 1759. Smith's *TMS* provides a moral context for Smith's economic theories. Busch (2008:65) goes on to argue that it is this hedonistic misinterpretation of Smith's theories that has encouraged the development of the capitalist system as we know it today. According to Bosch, then, the economic inequality in contemporary neoliberal consumerist culture is a direct result of a misreading of Smith's work. Rasmussen (2016:344) supports this through the following statement:

> "His [Smith's] chief concern, rather, was that extreme economic inequality distorts our sympathies, leading us to admire and emulate the very rich and to neglect and even scorn the poor, which in turn serves to undermine both morality and happiness. It has been a nearly constant theme of recent Smith scholarship that, despite his earlier reputation as a crude advocate of laissez-faire capitalism, a possessive individualist who built an economic palace on the granite of self-interest, Smith in fact pointed to a number of potential drawbacks of commerce and commercial society".

Smith's theory of sympathy, which describes a psychological process of moral development, should be understood as the basis for his theory of self-interest (Smith:1759:9). According to (Smith, 1759:38-53), we develop sympathy by becoming an "impartial spectator" (putting ourselves in someone else's shoes). It is through the act of imagination as impartial spectator that moral judgments are made by attempting to feel the pains and joys of others (Smith, 1759:38-53). Smith goes on to argue that, as an impartial spectator, it is more pleasant to focus on the joys and prosperity of others which in turn orients our sympathies toward those who are successful (Smith, 1759:38-53). It is through the sympathy and high regard for others that are successful that self-interest is developed more prominently, since we ourselves would like to experience the joys

of prosperity (Smith, 1759:38-53). Rasmussen argues that a new interpretation of Smith's work shows that Smith thought that sympathy was essential in society. Rasmussen goes so far as to argue that Smith said that without sympathy it would lead to extreme economic inequality and this would inevitably lead to other moral consequences which include the incorrect assumption that commodities will bring about happiness (Rasmussen, 2016:342-3). However, according to Smith, the grass always seems greener on the other side: "When we consider the condition of the great, in those delusive colors in which the imagination is apt to paint it, it seems to be almost the abstract idea of a perfect and happy state" (Smith, 1759:51).

Sen argues that Smith was not only misinterpreted on how self-interest functions within society, but also that individuals would always act in self-interest. Sen contends that Smith distinguished between various reasons why individuals would take an interest in one another, all of which are in contrast with the selfish pursuit of their own interests, and described these different reasons, such as 'sympathy', 'generosity', 'public spirit' and other motivations, with great sophistication (Sen, 2011:264). Sen maintains that this misinterpretation is very common and many economic and social theories are modelled on this 'Smithian' understanding of human reasoning which narrows down the human motivations to a "single-minded pursuit of self-interest" (Sen, 2011:264). The misinterpretation of Smith's theories created a platform for the development of a quantitative approach to well-being. This quantitative approach to well-being equates well-being with material welfare. In the next section the misinterpretation of Smith's theories and how it helped to develop a quantitative understanding of well-being will be discussed. I will specifically critique utilitarianism's pivotal role in the misinterpretation of Smith's theories.

2.2.3 The (mis)Transition of Self-interest to Utilitarianism

Problems arise when Smith's concepts of self-interest and competition are taken out of their moral context. Sen argues that this was done especially by Jeremy Bentham and John Stuart Mill (Sen, 2011:260). The essential problem is that utilitarianism focuses on rational calculation as the basis of moral decision-making and a non-interventionist logic that underlies market mechanisms. This (mis)focus thus has a tendency to lead to the reduction of people to rational and self-interested beings and, consequently, a reduction of the economy to the logic of the market (supply and demand) to obtaining happiness. In other words, utilitarianism's principles rely on a reductive, quantitative understanding of well-being which is the result of an oversimplification of Smith's self-interest. Moreover, Smith is often used as the figure head for non-interventionist policies. Yet, while he did advocate for self-regulating markets, the markets were supposed to function as a reflection of the human instincts of self-interest and sympathy. According to Smith, markets were never supposed to function as a reflection of pure rationalism (Smith, 1759:50-51; Smith, 1776:39,70). However, he also argued that one should "not hesitate to investigate economic

circumstances in which particular restrictions may be sensibly proposed, or economic fields in which non-market institutions would be badly needed to supplement what the markets can do" (Sen, 1999a:124-125). In other words, Smith argued for a sympathetic yet rational economic system, not an overly detached rationalism, and in doing so he was in favor of some regulation. One can see this, as I will argue below, in his advocation for interest regulation.

Smith argued that within a functioning free market system, market signals can be deceptive and can lead to unforeseeable consequences, which could result in the waste of capital and social resources. This is usually the consequence of private enterprises and their, at times, misguided pursuits. Smith showed a deep concern for wastefulness that resulted from activities that Smith referred to 'prodigals and projectors'. Smith thought that wasteful investments were the reason for why economies at times fail to serve the needs of society. Wastefulness was a bane to the economy. He sought ways to prevent this, chief of which was regulating interest rates. Smith argued that the investor would still have the ability to offer high interest, however this would be wasteful, because it would not result in much benefit to others. In cases such as these, Smith supported the notion that a governing body should intervene and regulate interest rates (Sen, 1999a:269). Sen (2011:260) notes that Bentham opposed this view and preferred a non-interventionist approach to markets without any exceptions (Sen, 2011:260). Sen notes that "this is a rather remarkable episode in history of economic thought, with the principle utilitarian interventionist lecturing the pioneering guru of market economics on the virtues of market allocation" (Sen, 1999a:125).

To understand the spirit with which Smith wrote on self-interest and competition, one must not read Smith's work with the intention of proving or disproving market strategies or market interventionist policies. Smith understood self-interest and sympathy as a human instinct and cognitive process functioning within a moral context. Smith's foundational concern was exploring the conditions of human interaction. What he noticed arising from these foundations was that trade and exchange played an outsized role in human living. In his analysis of trade and exchange, he acknowledged that there may be consequences of market transactions that one has to evaluate critically. Furthermore, within those evaluations one must also give attention to the circumstances in which bred those transactions and how they either encourage or limit the emerging markets and the function of those markets. For Smith, the simple paradigm of acting in self-interest – and the negation required between two parties acting in their own self-interest – was an elegant solution to promoting mutual (and societal) well-being. However, as Sen states, it is often forgotten that Smith also argued that this might not always be the case and that one must not just be aware of this, but be extremely critical of it (Sen, 1999a:126). Economists and regulators often miss the nuance of Smith's argument due to its supposed simplicity; Sen rightly

shows the problematics of this oversight and how we will need to thoroughly re-evaluate Smith's ideals if we are to correct their misapplication.

2.3. Jeremy Bentham, John Stuart Mill and Utilitarianism

2.3.1 A Brief Description of Utilitarianism According to Jeremy Bentham and John Stuart Mill

Jeremy Bentham founds his concept of utilitarian theory on Smith's concept of self-interest, thereby combining an economically based theory of rationality with a theory of ethics. This complicates the concept of self-interest since it does not follow Smith's intended interpretation. Instead, it becomes a rationalized moral concept that functions within the 'greatest good principle' (Goudzwaard, 1979:29-32). The 'greatest good principle' became the criterion for measuring social good (Turner, 2008:24). The greatest good principle can be described as that which brings about the greatest amount of good for the greatest amount of people.

Although Jeremy Bentham is often considered the father of utilitarianism, it is John Stuart Mill who wrote the classic text on utilitarianism and the maximization of happiness (Pigliucci, 2018:48). Mill describes utilitarianism as:

> "The creed which accepts as the foundation of morality, Utility, or the Greatest Happiness Principle, and holds that actions are right in the proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure, and the absence of pain; by unhappiness, pain, and the privation of pleasure. To give a clear view of the moral standard set up by the theory, much more requires to be said; in particular, what things it includes in the ideas of pain and pleasure; and to what extent this is left an open question. But these supplementary explanations do not affect the theory of life on which the theory of morality is grounded – namely, that pleasure, and freedom from pain, are the only things desirable as ends; and that all desirable things (which are as numerous in the utilitarian as in any other scheme) are desirable either for the pleasure inherent in themselves, or as to the promotion of pleasure and the prevention of pain" (Mill, 2001:13-14).

Keeping in line with Bentham, Mill argued for the utilitarian rationalism of self-interest (Persky, 1995:221-231). This is especially evident in Mill's concept of *homo economicus* (or economic man), arguing that:

> "[Political economy] does not treat the whole of man's nature as modified by the social state, nor of the whole conduct of man in society. It is concerned with him solely as a being

who desires to possess wealth, and who is capable of judging the comparative efficacy of means for obtaining that end" (Mill, 1874:38).

Mill's *homo economicus* suggests that a rational pursuit of self-interest is synonymous with economic activity. It is therefore understandable that many consider Mill to be the 'spiritual heir' to Smith. Before Mill, Smith's theories where mainly influential in philosophy and not necessarily in the field of economics (Davies, 2014:66). However, while Mill brought Smith to the forefront it is important to note that what he brought was his own 'interpretation' of Smith and this was what was most influential. This harkens back to the notion that the *WN* was read in isolation rather than as an extension of Smith's moral and political philosophy.

Competition within the market was viewed with the underlying aspect of self-interest, often meaning that competition was viewed as adversarial. A maximum advantage over the competition was the ultimate priority. One can see this in monopolies as an example. Therefore, the normative understanding of the rule 'fair competition' for all no longer existed (Davies, 2014:66). Personal motivation, contrary to Smith's overall aim, has a tendency to conflict with the general well-being of others and society as a whole; as one focuses solely on their own gains at all costs, irrespective of how it changes the market, the environment, or the consumer. Consequently, those gains might prevent others from achieving similar satisfaction (Rasmussen, 2016:344-346).

Sen (1977:317-320) argues that utilitarianism is the key to commercial success within capitalist societies (and later neoliberal societies as I shall argue below). Utilitarianism ideally sought a rational system that benefits both individuals and commercial enterprises, where each acts in their own self-interest; The individual would seek the best deal (if you will), whereas the enterprise would seek the highest profit. Ideally, this created a negotiation (either in real time or in theory) where a compromise would be made, and in that compromise the purported mutual benefit would arise and thereby strive for the overall good. However, Sen and Goudzwaard argue that this is not the case. While each may find what they are seeking – the individual gets the best price, the enterprise gets the highest profit – this ethereal mutual or social good is never achieved. The pursuit of self-interest only promotes the development of the market economy which is not the same as social good (Goudzwaard, 1979:29-32; Sen, 1977:317-320).[2] Therefore, self-interest has developed into a form of utilitarian rational self-interest within advanced capitalist societies that

[2] Sen argues, rightly I find, that there is a stark difference between the market and the social good. This is something that I will detail in Chapter 4, where I discuss his capability theory. Furthermore, our study of Herbert Marcuse will enrich Sen's understanding by showing how material affluence, wrongly conceived as well-being within a neoliberalist society, not only equates the social good with the market, but even produces false needs (presumed to be the 'good') whose only function is to enrich the market, and not the self or an individual. Indeed, Marcuse will argue that a society that measures itself based on its market is in a state of one-dimensionality.

clearly departs from Smith's understanding of self-interest and sympathy as human instincts (Lessing, 2011:30). This type of rationalization is in support of free market principles and the efficiency of economic systems, but not the well-being of individuals or their communities (Lessing, 2011:30). Thus, a utilitarian rationality promotes a quantitative approach to well-being that emphasizes material affluence and promotes a consumerist culture.

2.3.2 Amartya Sen's Critique of the Utilitarian Approach

Sen argues that one of the greatest critiques against the utilitarian approach is that it is only concerned with the maximization of pleasure or happiness based on a rational calculation without taking the individual circumstances into consideration. Ethics and morality are embedded in a system of logical calculations and guided by the greatest happiness principle. The utilitarian approach does not recognize or reflect the influence of something momentous such as "individual freedom, or the fulfillment or violation of recognized rights" as aspects that contribute to a "good quality of life" (Sen, 1999a:56-57). Although the modern form of utilitarianism has redefined utility to not strictly mean happiness or pleasure, but rather a broader concept of fulfillment of desire, the redefinition still does not take these rights and the violations of rights into consideration. Another point of contention for Sen is that although the utilitarian approach is interested in evaluating utility, it has no interest in the adequate distribution of utilities. "All this produces a very limited information base, and this pervasive insensitivity is a significant limitation of utilitarian ethics" (Sen, 1999a:56-57).

The connection between Sen and Smith is that they both viewed commodities as very specific to the environmental and socio-cultural contexts in which the individuals find themselves (Rasmussen, 2016:378).

> "A person's ability to be clothed or to have other items of consumption goods that are appropriate by the standards of the society in which she lives may be crucial for her capability to mix with others in that society . . . A relative deprivation in terms of income can, thus, lead to an absolute deprivation in terms of capabilities, and in this sense, the problems of poverty and inequality are closely interlinked. Even if someone finds poverty but not inequality offensive, he or she still may have to take an interest in economic inequality as a determinant of poverty in the form of basic capability deprivation" (Rothschild & Sen, 2006:360).

What Sen is trying to retrieve from Smith, which was lost within Mills' development of Smith, as well as subsequent changes and delusions of his theories, is this contextuality. I will show later in the next chapter how the capability approach emphasizes a contextual understanding, but, for

now, it is important to recognize that Sen's agreement with Smith on the necessity of contextuality is an integral foundation to how one can assess and measure capabilities. So, one can see that there is a double movement here; on the one hand, Sen is highly critical of Mill's misappropriation of Smith's concept of self-interest in pursuit of a utilitarian paradigm; on the other hand, Sen is appreciative of the contextual, sympathetic perspective to the nature of exchange that Smith articulates.

Sen's critiques of utilitarianism that focus on the fulfillment of desire rather than the promotion of well-being and the evaluation rather than the distribution of utility are central in the development of his theories on economic inequality. His critique of utilitarianism boils down to an aversion to the principle that people are reduced to value-exchanges and market calculations (Sen, 1999b:3). It is from his salient critique of utilitarianism that he engages and formulates a contemporary understanding of economic inequality and suggests an alternative to utilitarianism through the capability approach (Sen, 1999b:1-2,12). This approach focuses and contextualizes the capabilities of individuals, communities, and societies with the intention of enhancing those capabilities and ultimately their well-being. In other words, the focus according to Sen should shift from rational calculation to a clear focus on the person as member of society, and what is necessary for that person to flourish (Sen, 1994:334). It is important to understand the engagement between Sen's critique of utilitarianism and the development of economic theory, however his theories on well-being, economic inequality and capability theory will be discussed in more depth in upcoming chapters.

2.3.3 The (mis)Transition of Utilitarianism to Liberalism

In this section I will argue that the traces of utilitarian rationalism can be found in the principles of liberalism. I will specifically show that a utilitarian rationalism is evident within the core principles of neoliberalism, namely non-interventionism and laissez-faire capitalism. The liberalist laissez-faire capitalist approach encouraged the freedom of markets yet limited the individual freedoms of the poor. The role of government became less that of the protection of individuals, but rather the growth and development of the economy that was believed would automatically lead to the flourishing of individuals within society. In other words, well-being was not only directly linked to the utilitarian rationalist understanding, but also with the development of a false one-dimensional consciousness. This will be especially crucial in Chapter 5 when discussing false needs and one-dimensionality.

Hardin argues that the utilitarian liberalism of Bentham and Mill can be identified by the addition of apparatuses of security in Foucault's definition of liberalism (Hardin, 2014:205; Foucault *et al.,* 2007:27). The utilitarian form of liberalism allowed for the free-flowing movement and functions of

market mechanisms, not allowing for intervention, and required the apparatuses of security that also secured the population (Hardin, 2014:205; Foucault *et al.,* 2007:27). This apparatus of security would later become known as governmentality, and although Foucault would not refer to this form of liberalism as a totalizing world system, he did recognize it as a "regime of power and a way of governing" that was prevalent in 18th and 19th Century Europe (Hardin, 2014:205). The political economy that arose in the 18th and 19th Century was a liberal governmentality that basically called for the "self-limitation of governmental reason" in favor of market regulation and understood it as a natural functioning mechanism (Hardin, 2014:205; Foucault *et al*., 2008:20). In other words, government had to legitimize themselves and their existence in terms of how well the country's economy was growing or developing.

In the utilitarian liberal tradition consumers were encouraged to pursue any and all of their material needs and desires. The pursuit of consumerist desires not only stimulates the markets, but also creates the opportunity for new markets to develop. However, it also creates the opportunity for market and consumer manipulation, especially the manipulations of their needs and desires by creating new needs and new desires. The followers of the utilitarian liberal tradition were avid defenders of their right to choose and to private property and held a firm belief that self-regulated market mechanisms would provide sufficient and effective allocation of resources (Turner, 2008:192). The classic liberal perspective on economic policies was prominent until the 19th Century. However, as economic development started to dwindle, supporters of the liberal tradition blamed poor economic development on some form of bad governance or "too much state interference resulting in distorted price signals" (Steger & Roy 2010:3). Liberalism, as it originated in the 19th Century, attempts to avert totalitarianism, privilege and governmental intervention in the economy (Heywood, 2013:31). The failure of classic liberal ideals of 'private property', 'freedom' and 'opportunity' came under threat as economic failures lead to communist and socialist uprisings of the working class (Steger & Roy, 2010:6).

Polanyi (2001:138-139) argues that the socialist uprisings during the 19th Century were due to the paradoxical character within liberalism (Hardin, 2014:203; Polanyi, 2001:138-139). This is reflected in the double movement of a self-regulated market mechanism, on the one hand, "relying on the support of the trading classes and using largely laissez-faire and free trade as its methods" and, on the other hand, the socialist counter movements that supported the mechanism of regulation of the markets (Hardin, 2014:203; Polanyi, 2001:138-139). Hardin argues that Polanyi sees the self-regulating market as a potentially over-powering mechanism that could diminish the rights of individuals, the natural environment, and society itself (Hardin, 2014:203). This perspective of liberalism is both extending the economic freedom of individuals, but also limiting the political and personal freedoms of individuals. Furthermore, liberalism in the economic and

political sphere is interconnected and “makes freedom something that is experienced differently depending on economic power rather than universally for all” (Hardin, 2014:203). Therefore, from Polanyi’s perspective, a countermovement is necessary within an industrial civilization in order to subvert a self-regulating market and consciously construct it into a more democratic society (Polanyi, 2001:242). In this understanding of liberalism Polanyi’s work reconnects with a historical retelling of economic inequality (Hardin, 2014:203).

Polanyi’s reference to the paradox of liberalism is especially apparent within the British Liberal Party who were the first persons to refer to a ‘new’ liberalism. This term signaled the attempt to sever commitment to liberty from the project of laissez-faire capitalism (Turner, 2008:36-8). The reason for this ‘new’ form of liberalism was the difficult economic times of the 1880’s and the party argued that the laissez-fair capitalism that wanted freedom from the powers of the state did not bring freedom to the individuals in the country. The party argued against the self-interested actions of capitalist landlords and employers and instead wanted the government to secure liberty for the working class that was being exploited. A similar political understanding of the term ‘liberalism’ can be found within the intellectual era in the United States (and of course Britain) during the mid-20th Century. This was mostly due to the socially conscious political and scholarly figures during this period. Franklin D. Roosevelt and John Maynard Keynes can be counted as some of these new socially conscious liberals (Rodgers, 2018:79).

It was theorists like John Maynard Keynes that challenged the classical economic liberalist theories arguing that market mechanisms would correct themselves and eventually find an equilibrium. Instead he advocated for intensive government spending in critical economic times to uplift the poor and working class. Keynes also theorized that government intervention and spending would lead to job creation and consumer spending that would ultimately stimulate the growth of the economy. Some even referred to this period of the economy as the ‘golden age of capitalism’ (Steger & Roy, 2010:6). The implementation of Keynes’ theories marked the “golden age of capitalism” (Steger & Roy, 2010:6). Keynes’ theories encouraged the consumption of goods to stimulate the market. He also advocated for the intervention of government because he saw it as the obligation of government to grow and develop the country’s markets and economy (Steger & Roy, 2010:6). Many see Keynes as a sort of opposition to the neoliberal tradition. While others argue that Keynes’ theories also played a vital role in the groundwork of a neoliberal tradition where consumerism and the legitimization of government as market agent are prevalent. This is especially important when later in the chapter I discuss a neoliberal political rationality.

New variations of the term ‘neoliberalism’ began to surface in Europe in the late 1940’s as a reaction to the interventionalist notions of Keynes. Keynes’ theories called for government to stimulate the economy in the years following the World Wars to stabilize and develop the crippling

global economy (Heilbroner, 2000:42-74,248-287). Keynesian macro-economics called for the regulation of markets, taxation of the rich and extensive welfare programs. However, European economists and philosophers criticized the interventionist theories of Keynesianism, arguing that great public spending and tariffs on intra-national trade led to high inflation and poor economic growth. Keynesianism was perceived as a failure after the 1970's, especially after the global economic recession (Narsiah, 2002:29).[3]

2.4 The Problem of a Neoliberal Political Rationality

2.4.1 Friedrich von Hayek, Milton Friedman, and Michel Foucault

The neoliberal turn that is associated with Friedrich August von Hayek and later Milton Friedman, argued for the revival of the liberal principles of a non-interventionism. They believed that a rationalist approach to the efficient functioning of markets would lead to general well-being. In this section I will also refer to Michel Foucault's theories on the development of a neoliberal governmentality. Foucault's work provides an in-depth philosophical understanding of neoliberal development as a development of rationality. Moreover, Foucault's theories provide insight into the mechanisms of control and power relationships that flourish under this neoliberal rationality. As I will later explore in the chapter, it is this rationality and the power dynamics that arise and are perpetuated from within this rationality, that sustain and escalate the problem of economic inequality.

The Keynesian economic principles called for regulated competition. Regulated competition was regarded as a necessary step to ensure fair competition within the marketplace. However, regulation of competition provided a lot of power to the state and "expertise specifically dedicated to controlling economic processes: the enforcement of competition was necessary to counterbalance this new power" (Davies, 2014:41). The regulation of competition implied rules, regulation and limits under the control of law to ensure fairness and equality. Economists, such as Hayek, advocated for the competition and greater free market mechanisms during the 1950's. Furthermore, they argued that these principles should be actively encouraged and produced by the state (Davies, 2014:38). Being opposed to the 'mercantilist' perspective of Keynesianism they opted rather for the Smithian 'free market' or laissez-faire economics (Steger & Roy, 2010:2). One of the most influential formulations of neoliberalism on its economic policies is the Mont Pelerin Society by Hayek in 1947. He defined his version of neoliberalism as follows

[3] The Keynesian market principles were re-introduced in 2008 after the American recession and seem to be making a comeback with the 'The Green New Deal' (Kinde, 2019:474-522).

> "[Neoliberalism] regards competition as superior not only because it is in most circumstances the most efficient method known, but even more because it is the only method by which our activities can be adjusted to each other without coercive or arbitrary intervention of authority. Indeed, one of the main arguments in favor of competition is that it dispenses with the need for 'conscious social control'" (Hayek, 1944:38).

Hayek and like-minded intellectuals sought to encourage the economic principles of a 'free society' and opposing the rising collectivist forces, such as Marxism, and to revive the classical economic liberalist ideals of self-regulating market mechanisms "to challenge the dominance of Keynesian ideas" (Steger & Roy, 2010:15). Hayek considered the intervention of government forces the fastest way to 'return to serfdom' and highly endorsed the private and economic freedom of individuals (Turner, 2008:192). However, some argued that Hayek's perspective of neoliberalism was very idiosyncratic and therefore lead to inconsistent and diverse developments in the contemporary understanding of neoliberalism and was often "concealed by the deceptive nature of political language" (Davies, 2014:6).

Influential German intellectuals abandoned the term 'neoliberalism' and replaced it with the term 'ordo-liberalism', however that was also soon replaced and simply referred to as 'social-market economy'. According to Hardin (2014:206-207), it is Foucault in the collected works *The Birth of Biopolitics* (Foucault *et al*., 2008) who identifies the two main forms of neoliberalism as stemming from its historical contexts in Germany and America. According to Foucault, the German form derived as a critique against Nazism and after World War II based the construction of their policies on Keynesianism. The German form of neoliberalism is heavily influenced by the Freiburg School of 'ordo-liberalism' who argued that Nazism was mainly due to the interventionist policies of anti-liberalists (Foucault *et al.*, 2008:84; Hardin, 2014:206). The German call for neoliberalism provided a unique insight into the interventionist problem of the state, where the market was required to check and balance the state rather than the other way around. This new insight to neoliberalism led to "a new programming of liberal governmentality" (Foucault *et al.*, 2008:94).

It was the American economist Milton Friedman who then revived the term 'neoliberalism' in the 1950's and proposed economic politics that was fairly similar to the laissez-faire capitalist policies of the classic economic liberalist tradition (Rodgers, 2018:79-80; Friedman, 1962:12-13). Although there are some differences regarding the level of government intervention or policy priorities, most neoliberals would agree on fundamental economic positions regarding self-regulating market mechanisms that produce economic growth, individual economic freedoms and low levels of inflation (Steger & Roy, 2010:20). Foucault agreed with the notion that the American form of neoliberalism developed mainly as a response to Keynesian macro-economics and policies (Hardin, 2014:207; Foucault *et al.*, 2008:217-219).

According to Foucault, the period during America's War for Independence and the period after World War II in Germany are similar in the role that liberalism had to play in relation to the founding and legitimization of the state (Hardin, 2014:207; Foucault *et al.*, 2008:217-219). Foucault argues that American neoliberalism is deeply ingrained in the American culture. He argues that neoliberalism is prevalent in the way that Americans think, what they believe, how they function, and their general lifestyle (Hardin, 2014:207; Foucault *et al*., 2008:217-219). America's deeply seated neoliberalist values explain the uses for "market economy and the typical analyses of the market economy to decipher non-market relationships" (Foucault *et al*., 2008:240). Hardin argues that for Foucault, the American from of neoliberalism "is about the application of economic analysis to all phenomena" (Hardin, 2014:207).

2.4.2 A Neoliberal Political Rationality

Neoliberalism is often described as a global economic system to which all countries, in some form or another, must adhere. It is important to understand neoliberalism as a governmentality which legitimizes states by acting as market agents to develop a country's economy. However, it also developed as a neoliberal political rationality that became so dominant that it was implemented and adopted by other countries as well. In this section I will argue that the global conversion on neoliberalism only escalated the utilitarian rationalist influences within the early developments of liberalism. A neoliberal political rationality establishes and promotes a quantitative approach to well-being that emphasizes material affluence. Consequently, a socio-economic system that is governed by such a rationality has an oversimplified understanding of socio-economic development that only intensifies economic inequality. I will specifically look to the theories of David Harvey to discuss how a neoliberal socio-economic system escalates economic inequality. Furthermore, I will also look to Wendy Brown to develop and explore the concept of a neoliberal political rationality.

The great turning point in global social and economic history was during the late 1970s and early 1980s. The liberalization of dominant world economies by Deng Xiaoping in China, Margret Thatcher in Britain and Ronald Reagan in America revolutionized finance and industry and forever changed the global economy. The election of Thatcher and Reagan is considered to be the height of neoliberalism. The political and economic policies set forth by Thatcher and Reagan in Britain and the United states became central guiding principles for the rest of the world. Their policies emphasized that in an emerging global marketplace "state sovereignty is surrendered" and "personal and individual freedom" guaranteed (Turner, 2008:2).

The political and economic theory of neoliberalism was not something new but reiterated key concepts of liberalism and classic economic theory. These concepts include a strategic focus on

economic freedom in the forms of private property rights, free markets and free trade, and minimal state intervention in market systems. The role of the state should be to promote economic freedom by developing and securing national wealth and currency, protecting private property rights and guaranteeing the efficiency of financial markets. The political and economic theory of neoliberalism equates human well-being to the proper functioning of these economic freedoms (Harvey, 2005:1-5).

Harvey argues that neoliberalism did not increase economic freedom, nor did it enhance well-being for everyone. Instead, Harvey argues that neoliberalism is simply the comprehensive result of the breakdown of class compromises and stagflation made due to years of reactive capitalist accumulation (Harvey, 2005:12). Neoliberalism was seen as the only answer to years of capitalist misguided accumulation because it benefitted the wealthier classes and argued that 'trickle down effects' of the wealthy spending their money would benefit the greater numbers of society, but this theory that stems from neoclassical economics only increased inequality (Harvey, 2005:16). From Harvey's Marxist perspective of neoliberalism and his critique thereof, neoliberalism and neoclassical economics seem to be very closely linked, especially considering the concepts of personal freedom, the role of wealthy members in society and the suppressive influence of state and other authorities on the individual.[4] However, for Harvey the great suppressor within neoliberalism as it developed in the late 20th and early 21st Centuries "became a new economic orthodoxy regulating public policy" through the powerful corporate sectors that began to have a greater influence on state and government than ever before (Harvey, 2005:22,160-164).

> "It has been part of the genius of neoliberal theory to provide a benevolent mask full of wonderful-sounding words like freedom, liberty, choice and rights, to hide the grim realities of the restoration or reconstitution of naked class power … in the main financial centers of global capitalism" (Harvey, 2005:119).

In other words, it is the corporations that sell commodities to the public that have a firm grasp on economic and individual freedom. This was brought on by the concept of Foucault's governmentality, where the state is legitimized through its ability to grow and develop the economy, making the state completely dependent on these big conglomerates. The state is completely dependent on these conglomerates because it needs them in order to legitimize its existence and to successfully fulfil its role.

[4] Philip Mirowski (2009:421) argued that Harvey should make a more distinct difference between the concept of neoliberalism and neoclassical economic theory and that he was conflating the two concepts; in so doing Harvey was not giving an accurate interpretation of how society functions within neoclassical theory.

Building on this claim, Wendy Brown (2005:40) follows the argumentation and logic of Foucault's understanding of neoliberalism. Brown therefore agrees with Foucault that states adhere to the logic of governmentality and then further build on this concept stating that it should be understood as a political rationality as well. Brown argues that every sphere of human existence is submitted to an economic rationality and that "not only is the human being configured exhaustively as *homo economicus*, but all dimensions of human life are cast in terms of a market rationality" (Brown, 2005:40). Moreover, the neoliberal institutions create policies and practices that reward the individual for actively pursuing these rationalities in all dimensions of their existence. From this Brown states that neoliberalism contains a normative rather than an ontological claim in the omnipresence of economic rationality and it is advocated through the development of institutional policies that further the developments of these claims. Therefore, neoliberalism is a "constructivist project" and relies on the "task of development, dissemination and institutionalization" of economic rationality and not necessarily on its "ontological givenness" (Brown, 2005:40-41).

Furthermore, Harvey argues that neoliberalism is a political-economic ideology that restores the concepts of a class dynamic, but where state is in service to the capitalist elite (i.e. the corporation state). The elite is, however, no longer the owner of the means of production, as was the case in classical Marxism, but rather the owner of corporations. Without the regulation and intervention of the state this would mean there would be no referee on the marketplace. Competitors would be free to uphold the 'true liberal ideals' of a 'free market' and to live out the 'Smithian competitive nature'. However, keep in mind that this was never Smith's vision; "Smith's moral vision of the marketplace was of just such a competition, overseen by an imaginary 'invisible hand', but ultimately dependent on the moral 'sympathy' of traders with one another" (Davies, 2014:63). Neoliberalism, as we shall see, developed in stark contrast to these ideals and encourages the notion that every aspect of governance be weighed and gauged by economic values (Heywood, 2013:3). Neoliberalism introduces the state to uphold the free market ideal of the 'invisible hand' where "the contest is taken out of the competitors' hands" (Davies, 2014:63). Harvey (2005:2) defines neoliberalism as follows:

> "Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating the individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up military, defense, police and legal structures and functions required to secure private property rights and to

> guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist … then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets (once created) must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions (particularly in democracies) for their own benefit."

From a neoliberal perspective economic growth would be to the benefit of all individuals, because it stimulates investment, employment and development. It also has a direct effect on the value of currency and other commodity prices. However, economic growth would also mean that dysfunctional State-Owned Enterprises (SOE) with a big wage bill may have to cut jobs which may lead to unemployment. Neoliberalism focuses on productive labor, growth, and a competitive labor market. For Smith, these aspects must function in a socio-ethical system that accommodates growth with a perspective on the individual in need. Therefore, the economic system is in service of the people and the people are in service of the system. The problem is that the system under the guise of utilitarianism become general and does not focus on the individual with needs and economic contributions that differ from the growth formula.

However, from the perspective of political rationality, neoliberalism has one primary objective: to sustain and encourage economic growth and not the well-being of individuals. The well-being of individuals is secondary to the functioning of the economic systems. In other words, once the economic system functions effectively then well-being will be obtained and not the other way around. Even the state and government, that are meant to function as service to the people of a nation, in this definition are described as being in service to an economic system. The government and state are obligated to protect and advance neoliberal ideals and rights under the presupposition that this will bring about well-being, economic and otherwise, for their citizens. Corporations function independently, without regulation and state intervention, and sometimes even with state support, whose responsibility ("by force if necessary") is to protect and stimulate the economy.

Neoliberalism therefore requires of state systems to exploit and manipulate individuals as much as corporations do, to stimulate the economy, and thus regards citizens as consumers. David Harvey (2005:2) defines and describes the governmental intervention of neoliberalism as perpetuating the notion of consumerist culture. In order to sustain neoliberalism's economic principles, but also to justify state intervention, an underlying political and social culture is necessary. This is where a consumerist culture enters the picture. The creation of needs and the

manipulation of markets is essential for a neoliberalist economic system to develop. Neoliberal consumerist culture has the primary objective of growing and sustaining the economic system with as little interference as possible, unless of course the interference contributes to its primary objective (Friedman, 1962:7; Harvey 2007:28; Piketty, 2013:21). Donald Trump's presidency from 2016-2020 can be used as a good example, if not considered the high point of this notion, thus far.

Encouraging growth at all costs is the modus operandi of neoliberalism. However, the perpetual growth is unnatural. This is especially stressed by Brown who argues that the laissez-faire 'tuck and barter' system that was emphasized within liberalism does not function according to rational economic behavior (Brown, 2005:41). Within neoliberalism the market itself and economic behavior are constructed and organized within legal and political institutions that organize and develop market systems and behaviors to maximize economic flourishing. According to Brown (2005:41), the economic flourishing can only be achieved within neoliberalism when "directed, buttressed and protected by law and policy," not only by every institution of society but also by every member of society.

Moreover, Brown (2005:41) contends that neoliberal states are controlled by the markets and this is due mainly to the formulation and development of legal, social and economic policies. Firstly, the "state openly responds to the needs of markets" (Brown, 2005:41). As laid out in Harvey's definition of neoliberalism, the state functions in accordance with market rationality and even supports this rationality with policies that sustain and foster market systems. According to Brown (2005:41-42), this creates state legitimacy and is used for the measurement for the success of the state and prosperity of a nation. Secondly, state practices and decisions become a cost benefit analysis (Brown, 2005:42). Complex political and social matters that require discourse and in-depth analysis become an easily solvable matter, since "all matters are framed in entrepreneurial terms" (Brown, 2005; 42). Finally, the sole purpose of the state then is to ensure the proper functioning of the economic system, since it seems that this is their sole responsibility (Brown, 2005:42).

Davies argues that "the tacit dependence of economic calculation on common normative presuppositions has now become entirely explicit" (Davies, 2014:152). Neoliberalism as it functions normatively creates the narrative of individuals as entrepreneurs who act as rational economic agents in every sphere of their lives. Individual moral autonomy is calculating and developed by an individuals' ability for 'self-care'. Self-care describes a person's ability to provide for themselves, including their needs and ambitions, making them fully responsible for themselves (Brown, 2005:25). Within neoliberalism moral responsibility is equated to rational action that is usually deliberated within terms of cost benefit analysis and financial consequences. Brown

argues that responsibility for self-care is taken to new heights where the individual takes on the consequences for their actions, even though this would have them encounter severe limitations. Brown comes to the conclusion that the neoliberal citizen is more “calculating rather than rule abiding, a Benthamite rather than a Hobbesian” (Brown, 2005:43).

However, although individuals are encouraged to take on more responsibility and act with more moral autonomy within society, they are made to be politically passive and complacent citizens (Brown, 2005:43). Brown describes the model neoliberal citizen as one that strives towards their own social, economic and political goals and shows little to no interest in the larger public (2005:43). The individual is also viewed as a consumer, and utilitarian ethics in neoliberal society has made it “apparent that individuals need to be helped to act in their own interests, indeed they need help in identifying what that interest even is, or else they can lapse into forms of self-destructive nihilistic behavior” (Davies, 2014:152). The mass production of commodities in neoliberal capitalist societies has created a comfortably passive middle class (Brown, 2005:67). Herbert Marcuse warned against such passivity within an advanced capitalist society, suggesting that a too comfortable working class would not aid in the disruption of the capitalist elite (Brown, 2005:45). Furthermore, since neoliberal individuals view themselves and others with this greater standard of responsibility it is often thought that they are in situations of poverty due to choices of their own making. Within the South African context, we find that ‘economic Apartheid’ persists within the country and many white middle- and upper-class South Africans have this response to black poverty-stricken citizens. Moreover, the white elite often blame the black proletariat for being politically passive, by either not voting or voting for ‘the wrong party’. However, this is a very bias and unfair claim. Voting can be extremely difficult for many in poor areas that do not have access to transport etc., but they are politically active in their communities through political protests etc.

2.5 Conclusion

In this chapter I discussed Sen’s two main critiques of capitalism, namely self-interest and utilitarianism. I explored Sen’s critiques against capitalism as a misinterpretation of Smith’s moral and political philosophy that has had a significant influence in the field of economics. Consequently, this misinterpretation developed into a utilitarian rationalism, and the influences thereof are prominent within liberal economic principles. These core principles include capitalist principles such as non-interventionism and non-regulated competition within market systems.

Neoliberalism as associated with Hayek and Friedman developed as a critique against Keynesian policies that were viewed as ‘mercantilist’ and interventionist. Instead, this neoliberal turn was a revival of liberalist principles that supported ‘Smithian’ ‘free market’ or laissez-faire capitalism. Hayek and Friedman also supported radical personal and individual freedom, especially when

expressed as economic freedom. However, Foucault provides an alternative understanding to the development of neoliberalism through the concept of governmentality. Although governmentality was present within liberalism during the 18th and 19th Centuries, it became more prevalent within neoliberalism. Foucault identified two forms of neoliberalism: ordo-liberalism that developed in Germany post World War II and neoliberalism that developed in America during the 1950's.

In the last section I explored and discussed the concept of a neoliberal political rationality. I argued that societies that are governed by the neoliberal political rationality have an oversimplified understanding of socio-economic development. Moreover, an oversimplified understanding of socio-economic development is rooted in a quantitative approach that equates well-being with material and/or economic affluence. However, conflating market values with complex issues only led to the escalation of socio-economic problems such as economic inequality. This is central to Sen's critique of capitalism.

In the next chapter I will specifically look at post-Apartheid South Africa, its economic policies, and the influences on the development of these policies to determine whether South Africa is a neoliberal society.

CHAPTER 3: THE NEOLIBERAL INFLUENCE ON SOUTH AFRICA

3.1 Introduction

In the previous chapter, we explored Sen's two main critiques of capitalism, namely self-interest and utilitarianism. We also explored how Sen's critiques of capitalism created the platform for a neoliberal political rationality to develop. In this chapter, I will argue that post-Apartheid South Africa is a neoliberal society. In particular, I will show that the economic policies that South Africa has adopted post-Apartheid reflect core neoliberal principles and promote a neoliberal political rationality. These economic policies indicate a pivotal approach from the ANC government in addressing economic inequality in South Africa. The dramatic shift from traditional Marxist policies to neoliberal policies reveals the significant influence of a neoliberal market system. However, the neoliberal policies failed to address the problem of economic inequality in South Africa. Instead these policies seem to have deepened the existing economic inequality.

Accordingly, this chapter will specifically discuss the Reconstruction and Development Program (RDP) and the Growth, Employment and Redistribution Strategy (GEAR). These two economic policies reflect the dramatic shift to a neoliberal approach when addressing economic inequality in South Africa. Furthermore, we will investigate the external pressures from the general business community, the World Bank and the International Monetary Fund (IMF) that led to the neoliberal shift in policy making. To conclude the chapter, I ask the question of whether South Africa can be considered a neoliberal society. I argue that South Africa can be considered as such due to the neoliberal political rationality that policies reflect, promote and institutionalize into everyday life.

3.2 Grinding the GEARs of Economic Equality

South Africa has a long and complicated history of political and economic inequality. It is charged with racial oppression due to different unjust systems such as Dutch and British colonialism and the Apartheid regime. This tragic history and the thousands of lives lost in over a century of struggle only added to the great anticipation of the political, social and economic change. The political power shift in 1994 from the long held National Party (NP) to the African National Congress (ANC) was imminent due to the growing national and international pressures that reached their height during the 1980's. These pressures came in the form of local political and social uprisings and financial boycotts from the international community. Early post-Apartheid South Africa was filled with hope of a unified county, a rainbow nation, with a government that would serve the interests and be devoted to the welfare of all of its citizens. However, despite the political gains of the ANC, the majority of South Africans quickly became disillusioned and frustrated by the lack of socio-economic change that was promised by the ANC government (Peet,

2002:54). In fact, post-Apartheid South Africa has become one of the most unequal societies in the world, with one of the highest unemployment rates and is rated as one of the lowest on the United Nation's Human Development Index of well-being (Ashman, Fine & Newman, 2011:177). It is important to keep in mind the gross injustices of the past that have significantly contributed to the current economic inequality that South Africa is facing. With this in mind, I will be focusing on the context of a post-Apartheid South Africa and how the influence of neoliberalist policies as a normative political rationality and as a political economic ideology contributed to the escalation of economic inequality in South Africa.

During the late 1980's and early 1990's the Economic Trends Group (ET) and the Macro-Economic Research Group (MERG) were two of the main organizations leading the debate on macro-economic policy issues in South Africa. The principles of the MERG were mainly advocating for 'post-Keynesian' economic policy and focused on state investment, which would later branch out to private investment to facilitate sustainable economic growth (Peet, 2002:70). However, the document which MERG presented to the ANC in 1993 on post-Apartheid economic policies was never adopted by the ANC. Narsiah (2002:31) states that this marked the first defeat of a true hearted effort of "the growth through redistribution faction within the ANC". In late 1993, through a series of workshops, a written document was finalized with the help of intellectuals and various representatives of social movements. Those involved in the writing of this document included the South African Communist Party (SACP) and the trade union movement (COSATU) and other nongovernmental organizations (NGO's). The document was the Reconstruction and Development Program (RDP).

The RDP was adapted to provide a basic needs approach that would basically function as a Keynesian capitalist welfare system. The RDP would focus on the development of the economy, but also on infrastructure, basic health care and education (Southall, 2013:91-92). In 1993, the ANC used the RDP as its manifesto and later employed it to craft policies once it assumed political power in 1994 (Peet, 2002:70; Narsiah, 2002:31). However, the version of the RDP document that was signed into policy was a significant departure from its original principals and the intentions of the organizations that wrote it (those organizations being the ET, the MERG, the SACP and COSATU). Schneider (2018:209) states that the rejection of the original MERG approach was a tragic decision, since the economic approach that MERG was suggesting was more realistic of late-industrializing countries than the neoliberal approach that solely relies on market mechanisms.

The most important task to the ANC government was to rectify and address the deep seated and racially charged inequality within South Africa. The ANC government had the monumental responsibility of restructuring the foundations of the South African economy to ensure an

integrated economic development process. This process necessitated the redistribution of wealth and resources, job creation and sustainable growth, as well as rapid development to sustain government and personal expenditures. Narsiah (2002:31) states that, from its inception, the RDP faced problems with the implementation of its policies. This was mainly due to limited resources that were fiercely guarded by those in the ANC parliament, specifically Thabo Mbeki and Trevor Manual (Southall, 2013:92; Narsiah, 2002:31). The pressure to perform these tasks led the ANC to adopt a new strategy which stressed that economic growth was necessary and would automatically lead to the achievement of South Africa's social welfare goals. This strategy also consisted of increasing national and foreign investment, as well as privatization. The RDP's need-based approach was soon replaced with a supply side approach, especially with the increasing pressure on the ANC to perform economic miracles in a competitive global economic climate (Cheru, 2001:501).

The ANC government decided to replace the RDP with a new initiative called the Growth, Employment and Redistribution Strategy (GEAR) in 1996. Cheru (2001:507) states that the government's reasoning for this change was that "the RDP functioned not as a development framework, but as an aggregation of social policies designed to alleviate poverty without affecting the complex of economic policies and practices that produce poverty and inequality". For most observers, this seemed like a dramatic change within the ANC policies from "social heterodoxy" to "neoliberal orthodoxy" (Narsiah, 2002:31). Every other economic policy since GEAR has followed neoliberal principles in order to promote economic growth by opening up South Africa to international trade (Schneider, 2018:308). Cheru (2001:507-508) argues that this ideological shift dates back to the early 1990's and that the ANC leadership made a strategic choice to align with neoliberal economic policies. Furthermore, this was actually a continuation of South Africa's pervious government which, under the NP and FW de Klerk, began implementing neoliberal policies when reconstructing its economy in the mid-1980s (Cheru, 2001:508).

This continuation may have been a part of the spirt of collaboration that formed between Nelson Mandela and FW de Klerk, who both wanted a better future for all South Africans. However, Narsiah (2002:32) contends that the NP's adoption of neoliberal policies during the 1980's, especially privatization, was at least partially politically tactical. Feigenbaum *et al.* (1998:42-43) argue that the NP used tactical privatization to either gain political allies abroad or reduce the budget deficit. Moreover, systematic privatization would alter the political and economic dynamics and interests of a society shifting most of the responsibility of the government onto the private sector (Feigenbaum *et al.*, 1998:42-43). Another factor was the growing tension within the NP and from the private sector over the growing economic crisis, specifically the crisis of foreign investment (Marais, 2011:44). This led the NP government to implement privatization and

deregulation which had the effect of shifting the economic power to large corporations and creating a powerful financial sector (Marais, 2011:44). Global economic trends such as deregulation and privatization, were extremely popular. The continuation of the NP policies could also be due to the South African government following global economic trends. However, Narsiah (2002:32) states that the GEAR policy was created post-Apartheid, was undeniably market-orientated, and, in implementing this policy, the ANC "set the parameters for the National Party's privatization initiative to take on a systemic character". Moreover, big conglomerates benefitted even more after the restructuring of the economy post-Apartheid, and they shifted many of their assets out of the country, ultimately leaving South Africa with continuously high rates of capital flight (Ashman, Fine & Newman, 2011:185-188).

The NP had close ties with the United States, the United Kingdom and its financial institutions during the period leading up to the demise of Apartheid. Therefore, the NP could have subscribed to the neoliberal ideologies that were dominant in those countries. Klein (2007:199-200) maintains that the NP used most of their resources to frame the economic debate and got businesses within the national and international community involved to ensure a favorable outcome in negotiations. The Reserve Bank remained independent and private property was written into the Constitution (Klein, 2007:202-203). Narsiah (2002:31) argues that the ANC came to the realization that they could not compare to the seasoned big business bureaucrats and complexly articulated economic policies of the NP. All these arguments are viable, but in the end the neoliberal shift in both the NP and the ANC was the realization of a changing global economic climate. This realization came with the acknowledgement of "the limitations of national liberation movements" due to growing international pressures that were put upon both parties (Ashman, Fine & Newman, 2011:182). It is also interesting to note how South Africa's socio-economic and political challenges seem to be a concentrated vacuum that reflects what is going on in a larger global platform.

It was thought that these neoliberal economic policies would lead to rapid economic growth that could translate into redistribution, social development, economic empowerment and job creation (Government of South Africa, 1998:58). The government hoped to replicate the successful reduction of poverty and inequality that was experienced in East Asia (Cheru, 2001:508). Some of the neoliberal policies that were adopted include the promotion of financial austerity, export orientated development and privatization. It was believed that these policies would create a competitive environment and that the deregulation of markets would entice foreign investment (Peet, 2002:72). However, GEAR is very different from the mixed-economy approach that was implemented in Taiwan, Singapore and South Korea (Cheru, 2002:508-509). The mixed-economic approach was not solely focused on market-led solutions, but also payed close attention to the social development programs such as land reform, income inequality, healthcare,

and education. A ‘basic needs’ economy was developed that protected its workforce and allowed industries to become competitive before allowing for privatization and production for the exportation of markets. However, contrary to this, the GEAR strategy relied upon stimulating growth through an export-oriented economy and large-scale privatization in South Africa (Narsiah, 2002:32-33). Narsiah (2002:32) states that the GEAR policies lacked integration and relied too heavily on the private sector to promote social development. The mixed-economy approach allowed for rapid domestic economic growth in Asian markets without encountering high debts or job losses (Cheru, 2002:509). However, for South Africa, its GEAR strategy failed to meet its economic growth and employment targets.

The GEAR policy did not attract foreign direct investment as it had hoped to do, due to a combination of local and global factors. Locally, the rising wage bill of State-Owned Enterprises (SOE), government debt and currency depreciation, amongst others, led to capital flight to developed markets. Globally, macro-economic factors and negative economic problems led to aversion to risky assets in developing markets like South Africa, which did not support investment. The continuation of privatization and deregulation made it easier for wealthy corporations such as Anglo American, Old Mutual, SA breweries and Liberty Life to relocate their assets to the world’s leading financial centers and export even more capital out of the country (Makgetla, 2004:276). Many corporations that had undergone corporate ‘unbundling’ and were sold during the Apartheid era were now perceived as internationally competitive. Consequently, these corporations were “nominally reducing conglomerate concentration, but increasing concentration within sectors” (Ashman, Fine & Newman, 2011:183). However, South Africa’s main form of foreign investment was still within the Mineral-Energy Complex (MEC) sectors. The reliance on the MEC sectors had the result of the Rand being extremely dependent on short-term inflow capital investment, while being prone to big capital outflows. Moreover, many labor-intensive manufacturing jobs, that are prevalent within the MEC sectors, were lost due to the abandonment of tariff barriers (Ashman, Fine & Newman, 2011:183). The systematic privatization in South Africa led to significant job losses in general. This is mostly due to corporations operating on the basis of maximizing profit and cutting on wages and cutting on labor wages was the easiest way to obtain greater profits (Cheru, 2002:509; Narsiah, 2002:32-33). “Private-public partnerships are the new buzz-words. These new initiatives are being dressed up in the garb of black-empowerment and entrepreneurialism” (Narsiah, 2002:33). However, the fact remains that the state did nothing to protect these workers from being retrenched or exploited by these corporations.

However, there were some advantages to the GEAR policies. Due to the GEAR policies, South Africa experienced rapid economic growth, whereas macro-economic indicators gave stability to

existing investors and international financial institutions such as the World Bank and the IMF. South Africa adhered to the global market rationality, which allowed for the opening up of markets, the rapid growth of the economy and the cooperation of a larger international community. However, since 2008, national and international events dramatically affected the prospects of South Africa's economic growth. Internationally, the financial collapse of 2008 and the leading governments' attempts at quantitative easing in order to "save the banks by printing money and cutting public services led inevitably to a sovereign debt crisis" (Hart & Padayachee, 2013:72). The financial crisis of 2008 left the world economy in a recession for which there was no real solution except to see it through. For some countries, the quantitative easing seemed to restore or stabilize the asset markets. However, it did not stimulate demand or job creation, or address any other pressing socio-economic problems of the poor. Political unrest was commonplace all over the world and could be seen in protest and political movements such as the Arab Spring, Occupy Wall Street, the London riots and the Russian protest. The neoliberal policies that promised economic growth and prosperity were now under threat due to their own downfall, not only in South Africa, but globally (Hart & Padayachee, 2013:72,74).

Nationally, in late 2008, after the full force of the finical crisis had broken, South Africa would encounter another drastic change. South Africa's president Thabo Mbeki had resigned, or more accurately was politically forced out, and was succeeded by Jacob Zuma (Hart & Padayachee, 2013:74). The political and economic consequences of Mbeki's "forced eviction" are still unclear (Hart & Padayachee, 2013:74). Before 2008, the market economy was perceived as relatively stable, due to growing international cooperation and stable foreign investment. This was also due to "reducing budget deficits, debt burdens and inflations, and large-scale redistributing through social transfer, notably pensions and child-support grants, and spending on service infrastructure" (Fourie, 2017:60). However, since 2008 "the budget surplus disappeared and was replaced by a persistently high budget deficit" along with an increase in corruption and lack of service delivery (Fourie, 2017:60-61). This dramatic economic downturn scared off national and international investors which exacerbated the economic spiral. The state was in political, social and economic constraints and unfortunately the poor were the ones to suffer the most under these constraints (Fourie, 2017:61).

The result is a very limited change in the post-Apartheid South Africa with uneven development and distribution (Ashman, Fine & Newman, 2011:186). On the one hand, South Africa has a highly developed financial sector, but on the other hand there is still a highly marginalized, poor and overwhelmingly black section of the economy (Habib, 2004:92). South Africa's strategy was relying on neoliberal policies to stabilize the economy, but it did not resolve the micro-economic problems such as job creation and unskilled labor (Ajam & Aron, 2007:771). This is proof that

South Africa's approach to address the causes of poverty is affecting the prospects of the poor to access infrastructure and jobs (Ghosh, 2011:854). The Apartheid picture of inequality, declining investment and rising unemployment has not changed much under the post-Apartheid ANC government except for the very select few who formed part of South Africa's new 'black elite' (Ashman, Fine & Newman, 2011:186-187).

The formation and incorporation of a 'black capitalist class' was a very important part of the new South Africa that was formed in 1994. This new 'black bourgeoisie' was initially formed out of former trade union leaders and political activists but was highly financed from various sectors while also being heavily dependent on the state. Although this was very important and a great achievement for South Africa, the majority of the ownership over the economy was still predominantly white (Ashman, Fine & Newman, 2011:187). Some argue that the creation of the 'black capitalist elite' through Black Economic Empowerment (BEE) has only made changes in terms of black representation, but not much has changed in terms of white dominated corporate structures (Makgetla, 2004:279). Furthermore, the strategic empowerment of a small black elite furthered the business interests of national and international institutions while progressing and establishing the neoliberal ideals amongst the ANC leadership during the crucial years directly before and after Apartheid (Bond, 2000:39-40; Jara, 2013:269). Therefore, in broad terms, the development of black capital without destabilizing the predominantly white financial sector remains a difficult yet very important task for the South African government. The integration of the economy is an issue of growing importance for the South African public as reflected in movements such as #feesmustfall and the debate on land reform (Sands, 2018; Mpofu, 2017).

Furthermore, even local and international economists and political leaders who agreed that the new South Africa would benefit from a democratic socialist government argued fiercely for the preservation of a free market system. The main argument was that neoliberal economic policies implied the efficacy of market instruments that could function as a redistribution strategy and therefore limit government intervention. However, free markets could also inhibit racism through free and fair competition and allow for integration into the South African economy. Competition within neoliberal capitalism would therefore restrain discrimination (Schneider, 2003:32). Schneider (2003:32-33) does point out that this does not take into account other factors that have a significant influence on socio-economic conditions in South Africa. Some of these factors include shorter life expectancy, lower rates of literacy and high rates of infant mortality. These socio-economic conditions are structurally and systematically built into the South African state and economy and have been used to benefit the white minority. Therefore, some sort of regulation is necessary to ensure the fair distribution and integration of all members into the South African economy (Schneider, 2003:33).

3.2.1 The Business Community, the World Bank, and the International Monetary Fund

The predominant view on why the ANC converted to neoliberal orthodoxy was that international institutions such as the World Bank and the International Monetary Fund (IMF) had great influence on the ANC and its policy making (Narsiah, 2002:30). The international community became more aware and concerned with the immanent political shifts within South Africa during the 1980's. International institutions such as the World Bank and the IMF reached out to lend South Africa an 'invisible' helping hand for the transition period that lay ahead. The World Bank and the IMF encouraged South Africa to take on neoliberal, non-interventionalist policies. The business community, both nationally and abroad, came to the realization that South Africa would soon become a democracy under ANC rule. Consequently, they started supporting the ANC and the upcoming democracy. However, they also realized that they would have to intervene in the ANC's plans to prevent the ANC from nationalizing South African Banks and industries (Peet, 2002:71). During the 1980's the ANC needed and welcomed the support of the business community, thinking that it would strengthen their cause against the opposition and end the oppression of Apartheid sooner (Macozoma, 2003:16).

During the early 1990's the World Bank was extremely involved in South African politics. The World Bank would make regular 'missions' to South Africa and during these missions ANC researchers and policy leaders were of 'particular interest' to them. ANC leaders and officials were also often invited overseas for training on economic policy matters by the World Bank and the IMF (Narsiah, 2002:30; Peet, 2002:71). These missions were frequently referred to as part of a 'trust-building' process that would align the values of ANC leftists with the World Bank and IMF representatives. This approach was very effective. ANC leaders and key figures who supported the nationalization of South African banks and industries now questioned whether nationalization was a defining policy of the ANC (Peet, 2002:71-73). It is now apparent that during the early 1990's the ANC was looking for policy alternatives "such as antitrust legislation and government-appointed directors on the boards of major companies" (Peet, 2002:71). The World Bank's influence can be seen in the ANC's somewhat dramatic changes during the 1990's. The World Bank's network of policy initiatives "paid dividends when the ANC assumed power in 1994" (Narsiah, 2002:30). The great surprise is not necessarily that the ANC converted to neoliberal economic policy, but the speed and efficacy with which they did (Peet, 2002:73).

Moreover, while the political and economic pressures were mounting on the ANC to convert to neoliberal economic policy, its own members were becoming more and more persuaded by the ongoing debates and principles of neoliberalism (Gumede, 2005:67,71). Firstly, highly placed members within the ANC, such as Tito Mboweni and Thabo Mbeki, hold degrees in mainstream

economics and their (more neoliberal) perspective had an influence on policy making (Schneider, 2018:309). For some, the academic discourse and training programs of the World Bank and IMF were convincing enough to persuade them (Ashman, Fine & Newman, 2011:182). Others were persuaded by job offers, shares and other assets that helped to shape the 'new black elite' (Gumede, 2005:172). International incidents also contributed to the neoliberal persuasion. The fall of the Berlin Wall and the collapse of the Soviet Union brought about a cold realization to the members and leaders of the ANC (Peet, 2002:72). There was no good example of a communist country for South Africa to follow and the ANC was dependent on neoliberal countries for help. Most of their romantic illusions faded and the ANC came to realize that they would have to take into account how the international community would react to national economic policy (Peet, 2002:72; Ashman, Fine & Newman, 2011:182). For the ANC leaders it became about "political practicality" and "economical realism" (Peet, 2002:78). The harsh reality was that they had to commit themselves to bettering the lives for the majority of South Africans, no matter what their own personal beliefs were (Peet, 2002:78). Most communist or socialist countries were converting to neoliberlism. The ANC had no other international supporters or examples to follow and, with the growing economic and political pressures surrounding them, it is easy to understand why the ANC converted to a neoliberal orthodoxy (Schneider, 2018:308).

The World Bank and the IMF encouraged this outlook and prompted ANC leaders towards a macro-economic approach that would align with mainstream global economic policies (Bond, 2000:74-75). The World Bank and the IMF stressed the importance of alleviating poverty through 'trickle down economics' by applying a macro-economic strategy that focused on the concept of creating job opportunities within the private sector. A 'secret letter of intent' was signed between the ANC and the IMF in 1993, securing a loan of an estimated $850 million (Schneider, 2018:309). In this 'secret letter of intent' the IMF stipulated that the South African economy must adhere to the following policies: "cutting state deficits, controlling inflation, imposing wage restraint, adopting outward orientation, and, most importantly, recognizing the superiority of market forces over state regulatory interventions" (Peet, 2002:72). It was with strategic interest, and with economic and political significance, that the World Bank and the IMF represented neoliberal policies to South Africa. The World Bank and the IMF then ensured the implementation of neoliberal policies as contingencies to lending financial support to South Africa. The IMF and the World Bank even made implicit threats that they would withdraw financial support for the government if the ANC implemented social policies that were too generous (Schneider, 2018:309). Under the guise of financial support for the new democratic movement both international institutions fastened the neoliberal grip on South Africa. With neoliberalism being the only picture of economic progression, the ANC became more pressured within the international institutions to adapt to this economic system (Peet, 2002:78-79).

Mainstream global economic policies were also heavily supported by the local business community in South Africa. It became increasingly clear to the local business and political community that the ANC was unprepared when it came to the negotiations concerning economic policies and that their focus was more on discourses around political liberation (Narsiah, 2002:31). The local business community held several workshops and intentionally narrowed the economic discourse on policy (Bond, 2000:74-75). These workshops included political leaders, academics, businesspeople, development consultants and many more (Bond, 2000:74-75). According to Schneider (2018:309-310), the negotiations and outmaneuvering included Apartheid officials remaining in office during the transition period to ensure that neoliberal policies (GEAR) that were started before the ANC assumed power were properly implemented. Some of these institutions and offices included the Ministry of Finance, the South African Reserve Bank (SARB), the Central Economic Advisory Services, as well as several other finance institutions and statistics agencies (Bond, 2000:75; Schneider, 2018:309-310). This was believed to showcase the success of a small group of South African and international economists from the SARB and the World Bank working together to undermine the progressive forces of the ANC (Schneider, 2018:310).

A dominant representative of the local business community was the Consultative Business Movement (CBM). The CBM was essential in finding common ground when negotiations took place between the ANC and the Apartheid regime. According to Peet (2002:72), South African business institutions argued for a moderate or more pragmatic approach, rather than an ideological approach to the change of economic policies. Local businesses such as Sanlam, an insurance company, and the South African Chamber of Business produced documents stating what they hoped a post-Apartheid South African economy would entail. All recognized the need for social reform but argued for limited economic restructuring and a macro-economic, outward-oriented economic approach that would promote free enterprise and would reduce poverty (Peet, 2002:72). Other large businesses, such as the diamond mining company Anglo American Corporation, reached out to ANC leaders during the 1980's and started promoting their business interests by persuading the ANC leaders to direct economic policy towards neoliberal ideology. Both Sanlam and the Anglo American Corporation were very persuasive due to the BEE program that began informally in 1992 which allowed the corporations to transfer assets to selected members within the ANC and the Pan Africanist Congress leadership (Schneider, 2018:310).

It has become increasingly clear that the local business community along with the NP managed the economic policy negotiations and discourse to achieve a strategic outcome (Klein, 2007:202-203). When taking into account the international climate in which these discussions took place (1980's-1990's), nationalization and socialist ideals did strike fear into the heart of the business community about the economic future of South Africa (Peet, 2002:72). During this time countries

of economic prosperity, such as the United States of America and the United Kingdom, followed neoliberal economic policies. The leaders of these countries, such as Margret Thatcher and Ronald Regan, were advocates for this neoliberal movement (Klein, 2007:199-200). Moreover, the neoliberal economic policies of prosperity were also communicated frequently and very effectively to South Africa in general by the international community during this period (Peet, 2002:66). Taking this into account, neoliberalism did seem like a rational and practical solution to local business and political leaders. Generally, it seemed that the business community was invested in the neoliberal ideals of wealth distribution and economic growth that was led and facilitated by the state through privative enterprise (Peet, 2002:78-79). The ANC, being persuaded by the same arguments as the local business community, effectively agreed. After all, these were leaders of industry, academics and economic experts leading the discourse on the future of the South African economy, providing persuasive, coherent and sophisticated arguments.

However, the ultimate persuasion lay within the greater geopolitical and economic context that left South Africa without an economic alternative, both practically and theoretically (Peet, 2002:79; Ashman, Fine & Newman, 2011:182). The economic restructuring that South Africa had to face required rapid economic growth, but what was equally necessary was integration and welfare development. Of course, South Africa is not unique in this sense and other countries had to obtain the same results, as was the case with Taiwan, Singapore and South Korea (Cheru, 2002:508-509). However, South Africa is in a contextuality unique situation where the majority of the population was under severe economic and political oppression. The neoliberal economic policies would require that “free marketeers” addressed these vast and racially charged injustices, something that no other country had experience with (Schneider, 2003:46). Schneider (2003:24) argues that post-apartheid South Africa replaced the ideology of apartheid with the ideology of neoliberal capitalism which is only perpetuating inequality.

Neoliberal economic theorists argue that, for South Africa, radical and large-scale redistribution and integration is unattainable, and is possibly dangerous. The stability of the South African economy relies on foreign direct investment, and redistribution programs such as land reform would scare off the investors that South Africa desperately needs to support economic growth and development. Furthermore, as it stands, the South African economy cannot support widespread distribution, the development of welfare programs and the expansion of basic services to all citizens (Schneider, 2003;24-25). Schneider (2003:24-25) argues that these statements are all based on a “fundamental ideology and not on substantive analysis” that inherently tend to ignore the structural and systematic problems within a neoliberal economy which perpetuate inequality. Often economists lose sight of the practical and social implications

in the blind pursuit of abstract and “narrowly defined economic goals and criteria” (Schneider, 2003:25). The practical and social implications come at great cost to the majority of the population and result in economic instability. This is often referred to as ‘economic Apartheid’ where the majority of the wealth is still in the hands of the minority of white South Africans. ‘Economic Apartheid’ has in many ways ensured the continuation of certain economic trends that already existed during the Apartheid era. The neoliberal economic policies have not stabilized South Africa’s economy or benefitted the black majority (Schneider, 2003:25).

Twenty-five years after democracy, South Africa’s economic problems were not solved by neoliberal orthodox policies as many promised they would be. However, the problems facing South Africa are far more complex. They also involve economic mismanagement (e.g. service delivery in local municipalities), corruption, political populism, global economic influences (e.g. trade wars between the USA and China), global market dynamics (e.g. commodity prices), and so forth. In many ways, South Africa still faces the same challenges it did when the ANC came into power. Some of these challenges include unemployment, inequality, capital flight and poor income growth (Schneider, 2018:313). The National Development Plan (NDP), which focused on relieving poverty and reducing inequality, was implemented in 2013. The NDP struggled and failed with real world policy implementation due to a lack of government capacity and political capital (Fourie, 2017:73). According to Fourie (2017:73), policies like the NDP do not address other policies that are preventing the economy from growing and South Africa’s citizens from enhancing their well-being. “Businesses need access to capital, a skilled (international) work force, affordable and reliable electricity, good quality roads and rails, a safe working environment, a non-corrupt judiciary, the protection of private property rights, and efficient and transparent tax regulations, trade agreements, border posts and other government red tape” (Fourie, 2017:73). However, it is difficult to formulate these policies in a politically and socially unstable environment, especially when some of these policies are contradictory to the wishes of the majority of South African citizens and when the government’s integrity is compromised.

Other problems that South Africa is facing are more unique and of its own making. The lack of long-term public investment in infrastructure during and after the so-called ‘lost decade’ of the Jacob Zuma presidency is one prevalent example (The World News, 2020). The costly power failures that are due to lack of maintenance of infrastructure and maladministration of Eskom has surely had a negative effect on private sector investment. Other State-Owned Enterprises such as South African Airways, the national carrier, also require frequent bailouts due to maladministration and lack of strict maintenance, not to mention the frequent service delivery protests that point to government’s inability to provide basic services and that show the lack of real economic transformation (Fourie, 2017:64-65).

Furthermore, the socio-political climate in South Africa did not improve due to the still existing racially charged inequality. Schneider (2018:313) states that the ANC “transformed from fighter of oppression to oppressor” after the Marikana Massacre of 2012. Distrust in the ANC grew deeper due to corruption and state capture during the Jacob Zuma Presidency of 2009-2017, which dramatically escalated South Africa’s economic problems and created skepticism with foreign investors (Desai, 2018:499-513). Today, President Cyril Ramaphosa must find a balance between protecting the rights of private property, but also considering the outcry for some form of land redistribution from the majority of South Africans. The Economic Freedom Fighters (EFF) (a South African political party) and their leader Julius Malema was responsible for bringing the issue of land redistribution to the political forefront in South Africa. If done equitably, executed with precision and within the boundaries of international law, land reform in South Africa could promote economic stability and reflect strong ethical leadership to the international community (Kwarteng & Botchway, 2019:98). Keep in mind that corruption is always a cause for concern when absolute authority without any accountability is given to government, especially considering South Africa’s recent history. However, South Africa’s economy has been resilient even when the international economy was struggling to recover from a global recession. Therefore, the South African economy has proven to be rather tenacious despite facing major adversity. It is the hard work and attitude of the South African people, not its politicians, that gives the South African economy hope and a future. Nonetheless, higher growth rates and economic development are necessary to create the South Africa that was promised in 1994.

3.2.2 Is South Africa a Neoliberal Society?

Post-Apartheid South Africa does not follow a blueprint of neoliberalism and its policies. Instead, post-Apartheid South Africa has policies which require a large amount of government intervention, has numerous development programs that cost a lot of money and has a centralized group, coordinating between the private and public sector, effectively controlling the South African economy. The high amount of social welfare programs, SOE’s and government intervention usually convince people that South Africa should be excluded from consideration as a neoliberal state. This is incorrect, I have found, since neoliberal societies do not have to follow a blueprint in order to still effectively function as a neoliberal society. In post-Apartheid South Africa, neoliberal characteristics persists to its core.

In this section I will argue that post-Apartheid South Africa is neoliberal by firstly going through Foucault’s theoretical argument of governmentality. I argue that the post-Apartheid South African government has accepted the role of developing and growing the economy and uses it as a form of legitimization of the state. Governmentality, as the legitimization of state through development, arguing sustaining of the economy, occurs in both ordo-liberalism and neoliberalism. Both these

are forms of neoliberalism, according to Foucault, and I argue that both of these forms are or have been present in the post-Apartheid South African economy. Secondly, Harvey also identifies neoliberalism as an ideology through state authority that guarantees economic development, and that economic development will lead to individual well-being. I will argue that post-Apartheid South Africa fits this definition of ideological neoliberalism. Lastly, building from Foucault's concept of governmentality, Brown identifies neoliberal political rationality as the determining characteristic of such a state. I will therefore argue that post-Apartheid South Africa reflects a neoliberal political rationality and, thus, is a neoliberal society.

Foucault identified two main forms or historical contexts of neoliberalism (Foucault *et al.*, 2008;84; Hardin, 2014:206-207). Firstly, the German ordo-liberalism that originated as a critique of the Nazi state, and secondly, the American neoliberalism that originated from critique of Keynesianism and the New Deal. The former made use of market systems to supervise the state (Foucault *et al.*, 2008:116). The latter developed a political rationality where economic analysis is used and applied to non-market phenomena and relationships (Hardin, 2014:207; Foucault *et al.*, 2008:240). Both forms were important in the founding and legitimization of the state (Hardin, 2014:206-207; Foucault *et al.*, 2008:217-219). Within the context of post-Apartheid South Africa, both of these forms of neoliberalism were apparent in the legitimization of the state.

Neoliberal economic policies were adopted in South Africa after the rule of the Apartheid regime, just as the German form was adopted after the Nazi regime. The difference is of course that Germany had to go through a horrible war to end the Nazi regime and South Africa could end the Apartheid regime through peace. It is also interesting to note that South Africa's initial economic policy, the RDP, although it was never fully implemented, was based on a Keynesian welfare system just as the German ordo-liberalism was based on Keynesian policy (Hardin, 2014:206).

However, the more aggressive GEAR policies were implemented as a reaction to the Keynesian RDP welfare policies, similar to the American form of neoliberalism. Moreover, neoliberals also argued to limit state interest groups that would use political power for group interests (Schneider, 2003:33). During the Apartheid era the NP would use political power to ensure economic wealth to the white minority in South Africa. The fear was that under the ANC government something similar would happen in the form of various tribal interests. Neoliberals argued that certain policies could be put into place that would help prevent this from happening by limiting state intervention and depending on free market systems for integration and redistribution (Schneider, 2003:33). Furthermore, neoliberal policies were also argued to inhibit racism through free market competition and would result in economic integration and equality with limited state intervention (Schneider, 2003:33). In other words, in post-Apartheid South Africa both forms of neoliberalism are apparent in the strict limitation of state interest groups and constant supervision of the state,

but also in the strong opposition to Keynesian policies or any form of welfare distribution that is not done through market allocation.

However, this has changed in some ways and persisted in other ways. There are some elements to South African policy that deviate from neoliberal characteristics that were accomplished through a great amount of government intervention. During 2014-2015 government allocated an additional 11% of its spending to social expenditures. This made South Africa one of the countries with the largest social grant programs in the developing world. Due to the increased expenditure, South Africa's poverty, income and inequality statistics have somewhat stabilized. These social development programs have also led to improvements in housing, healthcare, and education (Schneider, 2018:311).

There are, however, aspects of South African policy that do not align with neoliberal values, such as BEE policies or Broad Based Black Economic Empowerment (BBBEE) (Nattrass, 2014:67). However, due to these policies' ties with powerful trade unions and labor legislation, these policies are implemented inconsistently. Consequently, they have had limited impact on relieving the levels of inequality and unemployment (Nattrass, 2014:67). The unions and legislation, while very strict on minimum wages, do not take into consideration the tariffs on imported goods. Higher costs and international competition for South African businesses unfortunately contribute to higher unemployment rates (Nattrass, 2014:67). The incorporation of the 'black elite' into the South African economy is necessary, but regrettably it has led to a very centralized group of people having control over a large sum of the South African economy. The inability of these centralized groups to coordinate between the private sector and the public sector, or agree on economic development strategies, limits national development, and leads to inequality and corruption (Nolke & Claar, 2013:45,50). This severely limits the government's ability to not only grow and develop the county's economy, but also to look after its citizens as it promised to do in 1994. However, is this due to the government not following the neoliberal blueprint exactly, or did neoliberalism create the conditions for socio-political unrest that only led to the escalation of its economic problems?

In Harvey's definition of neoliberalism, he states that first and foremost neoliberalism is a theory of political and economic practices that equates the advancement of human well-being, individual and otherwise, to economic advancement. Economic advancement can be achieved through institutional frameworks that support and protect private property rights, free markets and free trade. Moreover, minimum state intervention is preferable, since interference can distort markets and interest groups will intervene to use the markets for their own benefit (Harvey, 2005:2). The ANC were persuaded to convert to neoliberal policies of privatization and the deregulation of markets to attract foreign investment that would result in economic growth and the overall well-

being of South African citizens (Peet, 2002:72; Klein, 2007:202-203). Within the first few years of ANC government rule there were not many development programs and very little state intervention. The World Bank and the IMF warned the ANC not to implement too many social welfare programs and to rather rely on the 'trickle down effects' of the free market (Schneider, 2018:309). However, this has changed over recent years, although the unemployment and inequality statistics remain high (Schneider, 2018:311).

Moreover, the highly industrialized and computerized economic system of today can either be a great opportunity or a threat to developing economies. Technology can create new opportunities for advancement and development in many areas of the South African economy. However, these highly effective utilitarian market and industrial systems have completely transformed the labor markets. This creates unforeseen consequences between the global and domestic forces, especially in economically and industrially developing countries like South Africa with high unemployment rates. The rapid development of technology within the structure of society is displacing labor at an alarming pace. Due to the resistance in South Africa's policies to reduce wage economic inequality, unemployment is perpetuated. South Africa's increased neoliberal policies mean being able to compete globally.

This also means having to adapt more and more to a highly industrialized and computerized economic system that is separated from the moral framework within which market transactions take place. In other words, we only experience the consequences of our economic decisions much later, whereas when we directly interact within the moral environment those consequences do not have such a delayed affect. The South African economy has been very dependent on the MEC sector of the economy; however, the global economy is changing rapidly, and coal is the enemy! The South African government has been unwilling or unable to adapt and diversify its structure, leaving many South Africans at the mercy of a global market. Within the specific circumstances of South Africa being a developing economic and industrial country "[t]he consequence is that those at the bottom of the income distribution are locked into a system that limits their opportunities for upward social mobility" (Fourie, 2017:68).

A society that adheres to neoliberal macro-economic policies does not increase the economic freedom or the well-being of its citizens. Instead, such a society is focused on the greater accumulation of national wealth and that results in class compromises where the wealthier classes of society benefit more (Harvey, 2005:12). Moreover, Harvey (2005:22,119,160-164) argues that the great influence within neoliberalism is not the state, but the powerful corporate sectors that have a significant influence on the state. No country can attest to this more than South Africa. Business organizations were strategic in their negotiations with the ANC in the period leading up to and shortly after the democratic elections in 1994 (Peet, 2002:78). Both the

international and the local business community, due to many factors including local and global politics, self-interest and partly because they believed it would lead to the well-being of all South Africans, negotiated for a neoliberal conversion (Peet, 2002:82-83).

The effect of these compromises in post-Apartheid South Africa is that the economy is still dominated by white ownership “in conjunction with allies in the new black elite” (Schneider, 2018:316). The result is increased racial and cultural tension, despite a common interest amongst all South Africans for national growth and development (Schneider, 2018:316). The concept of land redistribution is also causing increased tension amongst South African citizens and within the international community. Many neoliberals believe that South Africa should uphold the ideals of private property rights (Kwatreng & Botchway, 2019:98). However, the majority of South Africans are looking to ANC leadership for social justice and some form of economic stability (Schneider, 2018:321). It still seems that the reaction of the international and business community is of great concern to the ANC government.

The ANC government, through the implementation of policies and practices on different levels of society, is constructing and pursuing a neoliberal political rationality. Brown’s first criteria for identifying neoliberal states is that the state openly responds to the needs of the market through the implementation of economic policies that sustain and foster market systems (Brown, 2005:41-42). The neoliberalist constructivism project can be seen in the economic policies of post-Apartheid South Africa of which GEAR was the pivotal point (Schneider, 2018:310). The implementation of neoliberal policies such as GEAR would mean the securing and sustaining of market systems. Moreover, in the beginning the BEE program benefitted many conglomerates and a select group of politically connected individuals. These types of programs and policies that benefit the wealthy often incentivize wealthy individuals, businesses, and government to keep pursuing the neoliberal political rationality (Brown, 2005:40-41). The building of the Gautrain is an example of how the BEE program, although black representative, still only benefits a select group of black elite, international conglomerates, and, essentially, white capital (Ashman, Fine and Newman, 2011:188). The creation of a ‘black elite’ created the impression of a successful integration of the economy and a successful, legitimate, and democratic state. As stated by Hart and Padayachee (2013:76):

> “The impact of policy is greater if we look beyond direct ownership and control. The beneficiaries of BEE are a small elite, many with close links to the ruling party, some of them party officials, plus a few prominent ex-trade unionists. Most became wealthy through boardroom deals and none has started a large new business. Self-enrichment rather than empowerment is the order of the day”.

The affirmative action policies of government should benefit the most vulnerable of society and not enrich private enterprise or well-placed (well related) public officials.

Brown's second criteria is that a neoliberal state makes decisions based on a cost benefit analysis (Brown, 2005:42). The mere fact that the ANC took into consideration international institutions and local business' reactions to the nationalization of banks and other South African industries and then decided to convert to neoliberal orthodoxy is explanation enough (Peet, 2002:71). However, the cost benefit analysis is seen throughout the ANC's decision-making process, such as through the abandonment of the RDP in favor of GEAR (Peet, 2002:71-72), the limitation on social development programs when the IMF threatened to retract funding (Schneider, 2018:309), and more recently, taking into consideration the reaction of the business community to land distribution (Schneider, 2018:321). Difficult socio-political matters in South Africa are usually also linked to the economic growth and therefore matters quickly become seen through entrepreneurial lenses. Although, to be fair, taking into consideration the economic consequences (i.e. a cost benefit analysis) of a decision is very important, especially for a country that's main problem is economically based.

Lastly, Brown states that a neoliberal state has the sole function or responsibility to ensure the proper functioning of the economic system (Brown, 2005:42). In other words, the state no longer functions as an agent of its citizens, but rather as an agent of the market systems. This aligns with the first two criteria, because the state responds to the needs of the market, as it would for its citizens, and the state acts within cost benefit analysis and not for the well-being of its citizens (Brown, 2005:42). This once again also links to Foucault's concept of governmentality and Harvey's definition of neoliberalism. Post-Apartheid South Africa does embody the characteristics of neoliberalism in this sense. The state has fully embraced its role as agent of the market systems. One example of this is the government's treatment of SASOL (a South African Gas Distribution Company), a private company that is responsible for a massive contribution to pollution, climate change and health problems to citizens who live nearby SASOL factories. However, SASOL is also a big contributor to South Africa's tax, *GDP*, employment and tertiary bursaries and scholarships (Bloom, 2019). One other example is the Marikana Massacre of 2012, where protesting miners were shot on orders of the government. One must also take into consideration the recent corruption and state capture allegations. These are just some examples of how the post-Apartheid government did not act in accordance with the needs and well-being of its citizens (Schneider, 2018:313; Desai, 2018:499-513). Therefore, I am not fully convinced that the state is functioning according to the needs and well-being of its citizens.

These examples might also not be directly linked to neoliberal policies, especially corruption and state capture. However, the neoliberal policies that led to the appointment of a national elite and

the perpetuation of a political rationality allowed for the political/national elite and conglomerates to get away with things they should not. Moeletsi Mbeki (Zvomuya, 2006) when referring to BEE argued that:

> "South Africa's mega mining and finance corporations in the 1990's, as a kind of reparation, in response to what they believed was possibly a far worse outcome – the nationalization of the commanding heights of the South African economy, as emphasized by Mandela … in 1990" and that "[t]his class plays next to no role in the ownership and control of the productive economy of South Africa. Their role is one of overseeing redistribution of wealth towards consumption, exemplified by handing out shares to black beneficiaries".

This shows that in order to create a neoliberal society, BEE policies were implemented with a cold neoliberal calculation by powerful conglomerates. The implementation of the neoliberal policies created a politically and economically powerful elite, together with powerful conglomerates that did not bring about any real transformation within the South African economy. Instead, it seems that wealth is merely shifted from one person to another, which does not bring about the real change that was promised. It seems as though the promotion of neoliberal policies created the platform for socio-political unrest by not diversifying the economy and creating a true inclusive economy. All this political and social unrest created the opportunity for corruption and state capture.

3.3. Conclusion

In Chapter 2, I discussed Sen's two main critiques against capitalism. The first critique was the misinterpretation of Adam Smith's concept of self-interest and the second was the utilitarian approach to understanding well-being. In the previous chapter I explored Sen's critique of utilitarianism as a misappropriation of Smith's political and moral philosophy. Consequently, this utilitarian misappropriation of Smith's theories became widely accepted in the field of economics. This created a platform for the development of a quantitative approach to understanding socio-economic problems such as economic inequality. A neoliberal political rationality is one example of such a quantitative approach that evaluates and understands all existence in terms of market value.

This chapter specifically looked at the development of a neoliberal political rationality within South Africa. The economic policies of the RDP and GEAR signaled a dramatic shift in South Africa's approach to addressing economic inequality. These economic policies reflected core neoliberal principals that were in stark contrast to the earlier Marxist policies of the ANC. It became clear

that the external influences, such as the business community, the World Bank and the IMF, had a big role to play in this shift. Consequently, South African society also adopted the neoliberal political rationality that was reflected in political decision-making and institutionalized through policies and other socio-political structures.

In Chapter 4, I will discuss Sen's capability approach as an alternative to the quantitative approaches that Sen critiques. The capability approach promotes a multi-dimensional understanding to economic inequality instead of an oversimplified quantitative approach. Moreover, the capability approach encourages a contextual appreciation that inspires the development of a critical consciousness and multi-dimensional approach to well-being. In Chapters 5 and 6, I will argue that Marcuse's theories are fundamental to establishing a critical consciousness and qualitative approach. Consequently, reading Sen's capability approach through the lens of Marcuse's critique is fundamental to creating and establishing a socio-economic system that is centered around human development and well-being.

CHAPTER 4: AMARTYA SEN'S CAPABILITY APPROACH AND ECONOMIC INEQUALITY

4.1 Introduction

In Chapter 3, neoliberalism as a geopolitical and economic system was discussed at length in its origins and development. In particular, contemporary forms of neoliberalism as an ideology and as a neoliberal political rationality within a South African context were identified and discussed. I argued that these forms of neoliberalism were enforced and perpetuated by international institutions such as the IMF and the World Bank, economic policies and practices in post-Apartheid South Africa were implemented and an economic rationality persisted. These neoliberal characteristics that were introduced to post-Apartheid South Africa were believed to lead to economic growth and prosperity. However, due to the inconsistent nature of a neoliberal society, which is reliant on the consumerist foundations of the economic forces that perpetuate economic inequality and exploit people's needs, the ideals of post-Apartheid South African equality did not come into realization.

In this chapter, I will explore the concept of economic inequality from the perspective of Amartya Sen's understanding of the capability approach. I have identified three main aspects to Sen's capability approach that I will discuss and explore in this chapter. These aspects include freedom, well-being and capabilities. I am specifically interested in how the capability approach informs us of the broader notion of economic inequality. Therefore, I will mainly focus on the importance of the contextual and personal development of well-being. Furthermore, I will also provide a critique of Sen by going back to the core of my argument that neoliberalism's development was essentially encouraged by the manipulation of needs in a consumerist culture. As I will show in Chapter 5, this is a form of one-dimensionality within market dynamics, which propagates the creation of false needs to sustain or otherwise improve the market economy.

4.2 The Capability Approach

Amartya Sen is a Nobel Prize winning Indian Economist whose theories completely changed the discussion on welfare economics and human development. His theories on economic development and well-being created an ontological shift in understanding how economic development is related to well-being through the enhancement of capabilities. As mentioned in Chapter 2, Sen's capability approach developed as a reaction to utilitarian rationalism and its subsequent effects on understanding well-being and economic development. Particia Northover states that the capability approach moves away from understanding development as being dialectically defined "as *the effective negation* of absences, or the *transformational absenting* of

certain constraints" (Northover, 2012:67). I have identified three aspects that I argue are fundamental to the understanding of Sen's capability approach: freedom, well-being, and, of course, capabilities. These different aspects are interrelated and interdependent. Therefore, in what follows, I provide an interwoven discussion of these separate, yet interconnected aspects, each of which provide a better understanding of the capability approach.

4.2.1 Freedom

As I have argued in Chapter 2, the early developments of neoliberalism are rooted in the rational approach of utilitarianism. Sen specifically critiques that the utilitarian approach to the flourishing of individuals is directly linked to the accumulation of commodities and wealth. Neoliberalism embraced the concepts of economic and personal freedom that encouraged the non-interventionalist approach to markets and the freedom of individuals to pursue any and all materialist desires. The freedom that is reflected in neoliberalism encouraged the creation of commodified goods and the manipulation of market forces through governmentality. However, Sen's capability approach gave an alternative multi-dimensional approach to utilitarianism. Sen views human well-being and freedom of choice and agency as extremely important to promoting and sustaining economic development.

To Sen, freedom and equality should be the building blocks of any society that hopes to enhance the well-being of its citizens. His understanding of well-being, as well as the freedom to pursue well-being, goes beyond the simple distribution of goods. His capability approach seeks a contextual and multi-dimensional understanding of well-being that is established within freedom:

> "Equality of freedom to pursue our ends cannot be generated by equality in the distribution of primary goods. We have to examine interpersonal variations in the transformation of primary goods (and resources more generally) into respective capabilities to pursue our ends and objectives" (Sen, 1992:87).

Consequently, Sen identifies three different forms of freedom within society that will enhance the well-being of citizens.[5] In his book *Development as Freedom* (1999a), Sen argues that economic development can only be achieved when three different forms of freedom exist in society: political

[5] The freedoms within society that support the development and the enhancement of well-being for citizens are different from the two different forms of personal freedom (well-being freedom and agency freedom) that are discussed later in the section. The former is structural and systematic in nature (or rather is expressed within systems and structures), while the latter is focused on the individual. Of course, the different freedoms (or lack thereof) will have a significant effect on well-being freedom and agency freedom; however, the freedoms within society and freedom of the individual are discussed by Sen as distinct but related.

freedom, freedom of opportunity and economic protection from abject poverty (i.e. the freedom from poverty).

Within the South African context, Nelson Mandela's release from prison and subsequent inauguration as South Africa's first democratically elected president demonstrated that South Africa had finally achieved its first step toward inclusive economic development, namely political freedom (Fourie, 2017:59-60). However, as we have seen in Chapter 3, whether or not post-Apartheid South Africa had attained freedom of opportunity and economic protection from abject poverty is another problem altogether. Post-Apartheid South Africa has done little to create inclusive economic development opportunities that protect citizens from abject poverty. The rising statistics of economic inequality and unemployment in recent years speaks directly to the lack of opportunities and protection from abject poverty in post-apartheid South Africa (Fourie, 2017:68; Schneider, 2018:311). The argument that neoliberalist policies contributed to the on-going and increasing economic inequality in post-Apartheid South Africa is reflected in Fourie's (2017:68) statement:

> "What, then, can be done to open up opportunities for those that Amartya Sen would classify as unfree? Policies mostly come in two kinds: those that are politically acceptable, but costly, and those that are cost effective, but politically difficult to implement. The search is on for those low-hanging fruit that are cost effective and politically possible."

The truth is that the South African government has tried to solve these issues, including funding for tertiary education and support in the form of funding for low-income families (Schneider, 2018:311). However, due to many factors, mostly proceeding from neoliberal policies (which I detailed in Chapter 3) and in spite of corruption in government and state capture, many of these efforts have done little to improve the well-being of South African citizens and the development of the economy (Fourie, 2017:68). All these remarks have been discussed in the previous chapter where I made the argument that post-Apartheid South Africa's economic structure and policies prevented it from achieving true economic inclusion, diversity and change. The question still lingers, is the lack of economic development due to a neoliberal rationality or is it simply due to the bad decisions and actions of the South African government? Can a simple shift in promoting freedoms (on societal and personal level) lead to the enhancement of well-being?

According to Sen, a society that promotes these societal freedoms will consequently also promote the individual freedoms of citizens and their well-being (Sen, 1999a:4). Therefore, one could argue that Sen's different forms of freedom in society are only there to support the development of individual freedom. According to Northover (2012:73), individual freedom for Sen should not be understood as a negative liberty "or absence of restraints", but as a positive liberty "to pursue

and bring about one's own will/goal". Therefore, Northover argues that Sen's concept of individual freedom is comparable to "a model of Sovereignty" (Northover, 2012:73).

As we will discuss further below, Sen is primarily interested in individual freedom, which allows the other three societal freedoms to flourish. Moreover, we will critique how this leads him towards a neoliberal paradigm. For now, however, what is important is how interrelated these freedoms are, namely on the issue of sovereignty and the distribution of power. Brown, who will help us link this to a neoliberal political rationality, describes the sovereignty within freedom thus:

> "broader concept -- not only demarking the boundaries of an entity (as in jurisdictional sovereignty) but through this demarcation setting terms and organizing the space both inside and outside the entity. As a boundary marker that is also a form of power, sovereignty bears two faces; these appear in two different dictionary meanings of sovereignty – supremacy and autonomy – and two equally discrepant political usages – rule and freedom form occupation by another. Within the space that is its jurisdiction, sovereignty signifies supremacy of power and authority… yet turned outward, or in the space beyond its jurisdiction, sovereignty conveys autonomy or self-rule, and the capacity for independence of action. Inside sovereignty expresses power beyond accountability" (Brown, 2008:253).

Robeyns (2005:94) defines the capability approach as a "broad normative framework for the evaluation and assessment of individual well-being and social arrangements". The application of the capability approach can often be found in the creation of policies that try to instigate socio-economic and political change. The capability approach is often used to evaluate the different aspects of a person's well-being to interpret and understand economic development, inequality and poverty. The capability approach can assess well-being individually or as social groups, either on a local level (i.e., community/town/city) or a global one (i.e., country). Sen follows the Aristotelian concept of flourishing to understand and elaborate on a person's well-being. Sen (1994:334) emphasizes the significant role that the capability approach has taken by following the Aristotelian notion of practical and contextual factors to develop freedom and well-being:

> "…interpersonal variations are pervasive, and relate both to disparities in 'personal' characteristics such as gender, age and proneness to illness, as well as 'social' features such as epidemiological surroundings and other environmental determinants that influence the conversion of personal resources into freedom to lead lives without unacceptable deprivations".

The capability approach first emerged in disciplines and schools of thought such as ethics, political philosophy, and normative ethics (Sen, 1994:334). However, the capability approach is also often used in a wide range of academic fields, such as development studies, welfare economics, social policy and political philosophy. Central to the understanding of the capability approach is the notion that the capabilities of a person play a significant role in the different aspects of their well-being and development. This notion is a dramatic overturn from previous interpretations of well-being that focused on desire-fulfilment and income comparisons, etc. Sen argues that historically the "line of analysis" of the capability approach follows philosophers like Adam Smith, Karl Marx and John Rawls closely (Sen, 1994:334).

This line of analysis of the capability approach follows the question of freedom. In particular, the capability approach focuses on the ability of individuals to achieve freedoms and capabilities in the economic world in which they function. This approach also assesses poverty and inequality based on "the deprivation of some elementary capabilities" (Sen, 1994:334). Therefore, I have come to the conclusion that the capability approach can be defined as an alternative economic approach that is aimed at understanding or has a specific contextual interpretation of socio-political and economic factors such as economic inequality, economic development and general well-being of individuals or a collection of individuals such as communities and even countries.

Sen's contextual interpretation allows him to broadly distinguish between a person's interest and fulfilment. He makes this distinction between these notions by referring to the former as 'well-being' and the latter as 'advantage'. Sen argues that the primary question or concern of well-being is "how 'well' is his or her 'being'?" (Sen, 1999b:3). Advantage refers to the specific opportunities a person has compared to others. These advantages and opportunities are not based on the level of well-being that the person has achieved. Therefore, it is possible for a person to have advantages and opportunities and choose not to use them to their full advantage to achieve optimal well-being. Sen argues that the "freedom to achieve well-being is closer to the notion of advantage than well-being itself" (Sen, 1999b:3). Therefore, one can describe Sen's concept of freedom as a positive freedom for individuals to act as historical agents (Northover, 2012:69-70).

Sen identifies two notions of personal freedom, namely well-being freedom and agency freedom. The former is the freedom that results in actualized beings and doings, whereas the latter is the freedom to choose between possibilities and opportunities that promote well-being. Sen is contrasting the freedom to choose between the "notions of the intrinsic good" with "the striving for individual self-regard or material self-interest, as notably present in utilitarian and modern well-fare traditions" (Northover, 2012:72-73).

Sen's concept of 'well-being freedom' is concerned with the 'beings' (referring to different aspects of our being) and 'doings' (referring to various activities) of an individual. This notion of freedom relates back to a notion of positive freedom to choose the individual experiences and values that result in the realization of well-being. Sen describes his other notion of freedom, 'agency freedom', as "what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important" (Sen, 1985a:203). Sen's notion of 'well-being freedom' seems to follow Mill's political notion of freedom. Mill's political notion of freedom argues that liberty should be aimed at achieving individual autonomy. However, Sen differs from Mill by arguing that freedom as well-being is the freedom to choose between valued capabilities as functionings instead of Mill's happiness principle (Reeves, 2009:67).

Sen emphasizes this concept of choice in his capability approach and links it to the understanding of personal freedom and human agency through his concept of 'well-being freedom' and 'agency freedom'. Sen describes the aspect of human agency as "the sense of someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives" (Sen, 1999a:19). Sen's concept of human agency implies a "causal power of (relative) transcendence" (Northover, 2012:70). This power is an active power that enables an individual to make choices and have a significant effect on the outcome of certain situations. This is especially apparent in Sen's understanding of capability as a solution to the problem of evaluating interpersonal comparisons that promote individual human well-being through the freedom of choice (Beitz, 1986:290). Sen alludes to the relationship between the freedom and capability and the importance of that relationship. He argues that the enhancements of capabilities would extend personal freedoms. Furthermore, he later starts using freedom and capabilities as synonyms for each other (Sen, 1985a:203-220; 1987a:36). It becomes clear that Sen's understanding of a "good life is inter alia a life of freedom" (Sen, 1985a:202).

4.2.2 Well-being

One could argue that Sen's capability approach is essentially focused on the enhancement of people's well-being. Also, Sen is extremely critical of other approaches that oversimplify and underestimate the importance of well-being. As I have discussed above, Sen's capability approach argues that freedom and well-being are interrelated. Northover (2012:71-72) states that Sen's capability approach is a "radical shift to an ontology of human functioning and capability freedom for both explaining and assigning states of human well-being, social welfare, or human development".

It is important to understand that the capability approach is a "tool and a framework within which to conceptualize and evaluate" (Robeyns, 2005:94). A central understanding of the capability

approach is between “the means and the ends of well-being and development” (Robeyns, 2005:95). In other words, what is important in the capability approach is not what the concept of well-being means, but what is of great importance is the process of attaining well-being. The means by which we achieve well-being is increased by having certain opportunities (or capabilities) to achieve that end (Robeyns, 2005:95). However, due to the abstract nature of the concepts of economic development, inequality and well-being, these lines between the concept, the means and the outcome become indistinguishable (Robeyns, 2005:95). That is why “human well-being must rely on both a more objective and personal criteria for welfare, and to which he [Sen] draws on the Aristotelian notion of ‘functionings’” (Northover, 2012:72).

Sen argues that the optimal well-being of a person depends on the ‘functionings’ and capabilities of a person (Sen, 1999b:17). Capabilities refer to a person’s abilities, while functionings refer to a person’s achievements. As mentioned above, capabilities would present a person with real opportunities, namely what a person is capable of ‘doing’ and ‘being’. Therefore, a person’s ‘being and doing’ can provide them with the capability (or opportunity) of optimizing their well-being, while ‘functionings’ would refer to the actual achievement of optimizing their well-being. Sen states that the various beings and doings of an individual are extremely relevant to evaluating a person’s standard of living (Sen, 1987a:29). For example, riding a bicycle is an activity or a ‘doing’ capability. However, the active choice of cycling to work for the extra exercise rather than driving is the actual optimizing, or functioning, of one’s well-being. Essentially, the difference between capabilities and functionings lies within one’s freedom or opportunity to choose (capability) and one’s actual achievements (functionings) (Sen, 1999b:19). Therefore, functioning can be summed up as “various doings and beings that a person actually experiences or realizes” (Northover, 2012:72). However, Sen goes on to argue that a person’s various potential beings and doings are possibly infinite because it depends on the many different interpretations of that person’s actions (Sen, 1987a:29).

Sen also emphasizes the individual preferences that may differ and have a significant impact on human and social well-being (Sen, 1984:190-192). Sen furthermore argues that the ‘choice approach’ to well-being is difficult to compare from one person to another. Sen refers to this as interpersonal comparisons of well-being. The reason why interpersonal comparisons of well-being are so difficult is because people have different ‘beings and doings’ that affect their optimal states. It is also impossible to make those evaluations objectively, “since people do not actually face the choice of being someone else or living at another age or time” (Sen, 1999b:13). This is another critique that Sen has of the utilitarian-based approach to well-being. He maintains that the utilitarian based approach does not consider the interpersonal comparison of well-being and different capabilities of the same person. Sen argues that a utilitarian based approach is unable

to make these interpersonal comparisons because it is only concerned with what pleases the person or what the person desires (Sen, 1999b:15).

4.2.3 Capabilities

Although Sen's capability approach is focused on the end goal of enhancing well-being, a central component to attaining well-being is the promotion of capabilities. In this section I will discuss and explore the importance of capabilities and how they create a contextual and personal understanding and development of well-being. A contextual and personal understanding of well-being is very important to Sen. This is especially made clear in Sen's concept of functioning vectors and capability sets. Sen understands that personal choice and circumstances have a significant impact on a person's well-being and wants to reflect that in his capability approach.

The various beings and doings that a person can experience or actualize create a 'functioning vector'. A functioning vector is based on all the actualized beings (a person's level of education, nourishment and role in a family or more general community) and doings (eating, sleeping, reading etc.). A functioning vector is different from an individual's 'capability set' which Sen defines as "the set of valued functioning vectors" that can possibly be achieved (Sen, 1985a:201). Therefore, capability sets are a combination of various choices (or valued functionings) that a person has, even if those functionings are not achieved. Robeyns (2005:95) makes the distinction between achieved functionings and capabilities as "the realized and the effectively possible; in other words, between achievements on the one hand, and freedoms or valuable options from which one can choose on the other". Capability sets reflect a "weak form of positive freedom" (Northover, 2012:72). Capability sets follow a weak form of positive freedom because they show the real possibilities and the freedom to choose between those possibilities to bring about the life which one values. The possibility and freedom to choose between these variations to actualize individual well-being are at the core of Sen's notion of well-being freedom.

Evaluating a person's well-being is dependent on their functionings and this requires a multi-dimensional analysis. The availability of resources is a necessary precondition to measure well-being, however "functionings are constitutive of a person's being, and an evaluation of well-being has to take the form of an assessment of these constituent elements" (Sen 1992:39). Furthermore, Sen argues that a person has many choices about how to live their life and they also have the freedom to make those choices. An example of this is the choice between what school to attend, what job to take, or where to live. Human agency and freedom then relate back to that person's capabilities. Human agency and a person's capabilities are related to the infinite number of possible functionings that a person can achieve. Therefore, capabilities and human

agency both focus on a person's ability to choose which life they "have reason to value" (Sen, 1999a:75).

According to Sen (1992:64), this valuation factor is extremely important because control is "exercised in line with what we value and want". Therefore, it is important to exercise control over what we want and value because it has a direct link to personal freedom and agency. It is important to note that the problem with interpersonal comparisons is the infinite number of interpretations of an individual's beings and doings. Another factor to take into consideration when making interpersonal comparisons is how the infinite number of a person's beings and doing's will be used in the capability approach to evaluate their standard of living. All these factors still play an important role in the understanding of human agency and freedom (Sen, 1987a:29).

A person's ability to exercise control is also linked to sovereignty because it is a form of power and the exercising of that power. Sen states that having control over one's choices gives more power and more freedom. The problem is that the exercising of power and freedom is sometimes limited by social constraints and this must be considered. Sometimes an individual does not have direct control over the outcome of what they want or value (Sen, 1983a:18-19). Therefore, when evaluating well-being and accounting for freedom and agency "[i]t is a matter of concentrating on the real freedoms actually enjoyed, taking note of all barriers - including those of 'social discipline'" (Sen 1992:149). The multi-dimensional evaluation of human well-being, freedom and agency is also "crucial to analyzing inequality" (Sen, 1992:20).

4.3 Capabilities and Commodities

The utilitarian approach is ingrained within the neoliberalist notion of freedom agency to buy whatever one desires. The exploitation of freedom agency becomes apparent within neoliberalism through the commodification of goods and the one-dimensional aspirations of accumulation of those goods. Individual freedoms are also exploited through the manipulation of market forces that limit understanding and expression of freedom agency through market mechanisms. Sen presents his capability approach as an alternative to the utilitarian approaches that have a multi-dimensional approach to well-being and development without the limitation of economic or personal freedom.

The reason why Sen takes commodities and income into account when evaluating well-being is because they have an undeniable effect on well-being and development. Therefore, this is a factor that should be considered when evaluating economic inequality. However, it differs from the neoclassical perspective where commodities and income generated through market systems are the end or goal for well-being. According to Sen, the capability approach allows for goods and

incomes to have a broader meaning. This allows for commodities and incomes to be defined outside of the market system. An example of this would be the informal sector of the economy where commodities and income are generated outside of the measurable aspects of the economy such as the Gross Domestic Product (GDP) (Sen, 1999b:1).

Sen states that "[m]uch of economics is concerned with the relation between commodities and people. It investigates how people arrange to make commodities, how they establish command over commodities, what they do with commodities and what they get out of commodities" (Sen, 1999b:1). Therefore, it is important to keep in mind that Sen views commodities and their conversion into capabilities as dependent on socio-political factors. Furthermore, the socio-political and personal variations between different individuals will affect the conversion from commodities into capabilities. Sen maintains that this relation of economy to commodities was first made by Adam Smith himself and this "basic concern of economics is the question as to how a person's interests may be judged and his or her personal 'state' assessed" (Sen, 1999b:1).

Sen argues that the utilitarian tradition does not "suffer from taking an alienated, commodity-fetishist view, which is an approach that sees well-being as 'opulence' must do" (Sen, 1999b:16). Although utilitarianism is limited in its understanding of well-being, i.e. that pain, pleasure and desire are guides to well-being, it is ultimately concerned with the person and not with commodities. Sen does, however, concede that well-being can sometimes be reflected in a person's command over commodities and that the reflection of well-being in the accumulation of commodities is also used as the reason for income comparisons. Wealth, in this model, reflects the command over goods and services being sold in the marketplace. What it ultimately comes down to is that there is often a confusion with the concept of well-being and 'being well off'. This confusion stems from confusing the state of a person and extrapolating it to the accumulation of their possessions (Sen, 1999b:15-16). As he states:

> "a person's well-being is not really a matter of how rich he or she is, and this is particularly important to bear in mind when we are dealing with large interpersonal variations of personal or social characteristics. Commodity command is a means to the end of well-being but can scarcely be the end itself. To think otherwise is to fall into the trap of what Marx (1887) called 'commodity fetishism' – to regard goods as valuable in themselves and not for (and to the extent that) they help the person" (Sen, 1999b:19).

Carter defines fetishism in general as "attributing a certain value of things to which it is irrational or inappropriate to attribute such value" (Carter, 2014:81). However, Carter argues that Sen's capability approach is presenting an "anti-fetishist move" (Carter, 2014:81). Carter argues that Sen's "anti-fetishist move" is developed through Sen's evaluation of well-being as a critique of

consumption and income centric approaches. Carter claims that Sen's anti-fetishist move stems from Sen's conception of freedom as intricately linked to a person's being and doing, and their capabilities. Carter states that "the sense of fetishism that Sen has in mind is the attribution of the status of an end to that which is merely a means" (Carter, 2014:81).

In Chapter 2, my concept of the development of neoliberalism is directly linked with the notion of the utilitarian accumulation of commodities to promote well-being. I refer back to Mill's concept of *homo economicus* that describes the nature of an individual primarily as the desire to possess wealth and the goal of their existence doing whatever they can to accumulate wealth. The notion of *homo economicus* is evident in understanding the neoliberalist society. Sen comments that the utilitarian notion of the accumulation of wealth and goods is the successful driving force in neoliberal societies (Sen, 1977:317-320). However, Sen seems to be taking a much softer approach to critiquing utilitarianism's inherent valuation of commodities and wealth; this is despite the effect that a utilitarian approach has to the evaluation of well-being and development.

According to Sen (1999b:6), commodities are often understood in terms of their characteristics or desirable aspects. The accumulation of commodities would also give a person a sense of command over these desired aspects. "For example, the possession of food gives the owner access to the properties of the food, which can be used to satisfy hunger, to yield nutrition, to give eating pleasure and to provide support for social meetings" (Sen, 1999b:6). However, Sen argues that this general understanding of commodities does not give an account of what a person would do with these various aspects over which they now have command. "For example," he argues that "if a person has a parasitic disease that makes the absorption of nutrients difficult, then that person may suffer from undernourishment, even though he may consume the same amount of food as another person for whom that food is more than adequate" (Sen, 1999b:6). In other words, Sen is arguing that understanding well-being based on the characteristics of the commodities a person possesses is limited.

Sen argues that what really matters is the way in which commodities enable a person to function within society. He again uses a bicycle as an example: it is the ability that the commodity gives to the person who owns it (i.e., transportation) that is of significant social value. It is therefore the characteristic of transportation that contributes to a person's well-being and not the characteristics of the goods themselves (Sen, 1999b:6-7). Therefore, a person's command over resources is of greater value than the resource of commodity itself, and this is a prerequisite for the realization of specific functionings. Sen refers to the ability to utilize certain resources or functions as 'utilization functions' (Sen, 1999b:17,8). Sen finds that the utilitarian approach views utility "as nothing other than the real-value (i.e., numerical) representation of choice", while "the binary

relation of choice can possibly be seen as reflecting the person's well-being and must depend on the motivations that underlie choice" (Sen, 1999b:12-13).

Fetishism is often used and discussed as a term closely related to Marx's philosophy of economy. Fetishism is closely associated with Marx because he refers to fetishism and describes it within capitalist society. The Marxist understanding of the fetish commodity describes the excessive value that is placed on commodities or wealth, rather than the process of human functioning that was used to create that commodity or wealth. It is the human functioning, the creative expression of a person, that establishes the value of the commodity or wealth. Marx defines commodities as follows:

> "A commodity is therefore a mysterious thing, simply because in it the social character of men's labor appears to them as an objective character stamped upon the product of that labor; because the relation of the producers to the sum total of their own labor is presented to them as a social relation, existing not between themselves, but between the products of their labor. This is the reason why the products of labor become commodities, social things whose qualities are at the same time perceptible and imperceptible by the senses … the existence of the things quâ commodities, and the value relation between the products of labor which stamps them as commodities, have absolutely no connection with their physical properties and with the material relations arising therefrom. There it is a definite social relation between men, that assumes, in their eyes, the fantastic form of a relation between things…In that world the productions of the human brain appear as independent beings endowed with life, and entering into relation both with one another and the human race. So it is in the world of commodities with the products of men's hands. This I call the Fetishism which attaches itself to the products of labor, so soon as they are produced as commodities, and which is therefore inseparable from the production of commodities. This Fetishism of commodities has its origin, as the foregoing analysis has already shown, in the peculiar social character of the labor that produces them" (Marx, 1990:47-48).

Marx, in his description of the fetish commodity, directly refers to the social relations that are formed within society through the production of goods (Marx, 1990:47-48). The term fetishism has a long and complex history of development in Western philosophy, long before Marx first used the term. However, in his book *The Fetish of Theology* (2020), Dickinson reconceptualizes the fetish-object as a resistance to oppression in contemporary societies. He writes from a theological approach concerning the fetish-object within Western culture and how it has shaped our understanding of sacramental objects within Christianity. He argues that fetishism has a long philosophical and theological history. He also discusses the historical development of the

fetishism and makes the case that fetishes have been instruments of sovereign power in political, religious and cultural forms. Dickinson states that a critical perspective on fetishes is developed by understanding fetishes not as something 'other' than what exists within European and Western cultures, but also recognizing fetishes within those cultures. Fetishes are pervasive within Western culture and fill "nearly every facet of western life, from its politics and religious institutions to its economic forms and varied literatures" (Dickinson, 2020:16).

Following this, I will look to Northover's critique of Sen. Northover extends her understanding of a fetish as serving "both to signify a state of lack, and to deny it by acting as a substitutive supplement" (Kocela, 1999:630). She argues that Sen is replacing one fetish with another by placing excessive value "on an ideal of transparency as 'free agency'" (Northover, 2012:77). Sen also displaces the importance of the structures and processes that contribute to the development and support of "the measure of human agency that people may actually enjoy" (Northover, 2012:77). She refers to this as a "fetish of transparency" (Northover, 2012:77). She describes the fetish of transparency as the displacement of the meaning, value, or causal power. She specifically refers to the displacement of human agency and a projection of this causal power onto something else. Northover's understanding of fetishism as a fetish of transparency suggests that Sen's notion of agency is an "exorbitant attachment to 'sovereign ends'" (Northover, 2012:78). Northover's understanding of fetishism is not unfounded. From this understanding of fetishism, the concept of 'free agency' is utilized as a means of identifying the powers associated with a moral subject. In other words, the concept of free agency becomes fetishized (Northover, 2012:78). In other words, Sen relies too much upon and overemphasizes freedom and choice.

From this one can argue that Sen needs to broaden his understanding of commodities and fetishism to include a historical development. Although Sen has an anti-fetishist approach to commodities, he negates an anti-fetishist approach to freedom. Sen tries to avoid the issue by arguing that each individual's well-being will vary due to the innumerable personal variations and conversion factors and therefore, such a radical personal understanding of freedom is necessary. However, this once again negates the true nature of a fetish commodity. He hopes to enhance people's capabilities and well-being by incorporating a radical economic freedom from the liberal tradition. Moreover, he does not account for the damaging effects that pursuing commodities as an end to well-being have on a person. He simply states that it would not contribute to a person's well-being to do so. In Chapter 6, I will look to Herbert Marcuse's critique of false needs to show that pursuing commodities does have damaging effects. I argue that although Sen provides salient critique of the utilitarian approach, he is still trying to work within this system to change it, instead of proposing a complete revolution in rationality to change it.

Sen has argued that a needs-based approach would take twice as long to achieve the same amount of growth as a growth maximization strategy (Sen, 1981b:287-319). Therefore, Sen prefers emphasizing freedom of choice and a needs-based approach to address economic inequality. This critique against a needs-based approach shows that Sen conflates the concept of needs with commodities. There are many needs that do not necessarily have any relation to commodities or material things, for example employment, safety or companionship (Stewart, 1985:25). Moreover, Sen contends that a needs approach to developing rights and policies is "a concentration on just the minimum requirements and may lead to softening of the position of inequality in general" (Sen, 1984:515). However, Sen also develops the concept of basic capabilities as "the ability to satisfy certain elementary and crucially important functionings up to certain levels" (Sen, 1992:45). Developing the concept of basic capabilities makes Sen just as guilty of his own critique against the basic-needs approach. In Chapter 5, I will discuss and explore Herbert Marcuse's theories of false needs. I argue that Marcuse's theory on false needs addresses Sen's concern of needs becoming fetishized or commodified. Yet Marcuse also provides a platform for radical freedom that includes basic needs and the pursuit of deeper and more abstract needs. I argue that by evaluating and understanding Sen's capability approach through Marcuse's theory of false needs, it addresses the short-comings and critiques of the capability approach.

4.4 Critiquing the Capability Approach

Above I have discussed the three main aspects of the capability approach as freedom, well-being and capabilities. The rational development of the economy relies heavily on the freedom of choice and the freedom to participate in the economy as a rational agent. This rational agency and freedom are specifically embodied in neoliberalist societies through consumerism. The emphasis on consumerism as a freedom to choose and participate in the economy and society perpetuates the consumption and development of fetish commodities and false needs. The utilitarian rationality that evaluates a person's well-being is based on desire fulfilment as the consumption of commodities. Sen critiques this rational utilitarian approach to the evaluation of well-being and development. However, Sen does perpetuate the concept of freedom agency and freedom well-being that is at the core of neoliberal consumerism. In what follows I will develop a critique of Sen's capability approach through Patricia Northover, Martha Nussbaum and Michel Foucault.

4.4.1 Patricia Northover and a Kantian Rationality

Although Sen follows an Aristotelian notion of flourishing in his understanding of well-being, his methodology to evaluate well-being is firmly grounded in a Kantian rationality. Sen's methodology of Kantian rationality becomes apparent in his emphasis of personal choice as an exercise of

sovereign agency. Sandel argues that a Kantian conception of liberal political philosophy argues in favor of an ethical appreciation of individualism over the notion of freedom and rights of all (Sandel, 1982:2-3). This notion also extends to individual rights over the well-being of the general public (Sandel, 1982:2-3). According to Habermas (1989:99), Immanuel Kant connected personal autonomy with political participation to develop the concept of public reasoning. Habermas (1989:106-107) argues that for Kant an informed public engaged in rational debate as citizens that would form the basis of public opinion. Kant played a crucial role in the development of liberal principals in *Enlightenment* thinking, specifically the importance of democracy as "the principle of publicity" (Muhlmann, 2010:51). Consequently, Kant's theories on political participation became pivotal to how we understand democracy in capitalism today:

> "the public sphere emerged as a key organizational principle of the liberal constitutional state, with civil society, including the market, established as the sphere of private autonomy. In the sociological conditions that Kant deemed necessary for a public sphere, its dependence upon the social relationships among an elite of freely competing commodity owners and traders was paramount. This took the historical form of a bourgeois revolution that established a sphere of liberal autonomy insulated from the arbitrary power of the state, which was embedded in capitalist mores and practices" (Phelan & Dawes, 2018).

Sen's concept of human agency suggests that an individual has the ability for the "careful assessment of aims, objectives, allegiances etc., and the conception of the good", and that "persons must enter the moral accounting of others, not only as people whose well-being demands concern, but also as people whose responsible agency must be recognized" (Sen, 1985a:204). Human agency also contributes to the promotion and development of "free agencies of other kinds" (Sen, 1999a:4). Therefore, Sen's concept of human agency follows a Kantian concept of sovereign agency. I argue this point of similarity since Kant's moral-political philosophy argues that human agency and freedom go hand in hand (Franceschet, 2020:211). I do not think that Sen intends this, but intended or not, as Northover shows, it has far reaching effects.

Sen goes further by identifying free sovereign agency as a crucial part of development. Sen aims to reinvent freedom agency in his global development project. His global development project is an "ethical project of social justice" (Northover, 2012:75). The values of his project are broadened through an exercise of reason and rationality to support the "liberal democratic processes, redeem its legacy of freedom, and ultimately…resolve its…unreasonable tendencies towards violence" (Northover, 2012:75). For Sen, the question of identity and violence is directly related with the deprivation of freedom. In particular, Sen is concerned with the freedom to think and the freedom of choice due to an affinity with a specific ethnic, religious and cultural group. These restrictive

views of identity are mostly the result of historical legacies and social policies. Northover states that:

> "Sen marries his project to the progressive liberalism of Adam Smith and John Stuart Mill, as well as to the political humanism of Kant, which places him in the company of the many diverse hopefuls seeking human advance through pluralistic, agonistic and even global spaces of democratic freedoms, given respect for cultural difference and the place of responsible reason, propriety, or the proper conduct of human agency" (Northover, 2012:69).

Northover maintains that despite Sen's radical new ontological approach of capabilities for evaluating well-being that moves away from the utilitarian ethics for social choice, his approach is fundamentally compromised. She argues that Sen's developmental economics is compromised because its "complicity with an ideal of freedom, is rooted in and is measured by a transcendent figure of sovereign agency". She refers to the concept of sovereign agency as "the mask and spirit of modern power" (Northover, 2012:68). She highlights the Kantian figure of power, or sovereign agency, that is envisioned in Sen's notion of freedom. Moreover, she shows how it maintains an ethical and philosophical justification for the historical quest of development and its notion of freedom (Northover, 2012:68).[6] Moreover, Zheng and Stahl argue that Sen's participatory approach to economic development "may disguise or even strengthen incipient articulation of power embedded in social and cultural practices" (Zheng & Stahl, 2011:75). They furthermore highlight that Sen's approach to economic development could also perpetuate existing inequalities and uphold the "agendas of elites and other more powerful actors" (Zheng & Stahl, 2011:75). A state sovereignty without citizen's freedom of agency is described best by Northover (2012:79-80):

> "Achieving Sen's ideal powers of freedom of 'free agency' or the 'free agency of people' has required then not just affirmations of presence, or capabilities, but also a violent underbelly of fetish and disavowals collapsing spaces of recognition, even as the technologies for recognizing governable subjects, ascribing rights and pursuing social justice are re-called for, and antagonistically put in place, in the name of Freedom. This violent underbelly, seemingly even threatening the violence of the state, will not go away through the mere extension of Freedom's name, but rather seems to be multiplied in response to it" (Northover, 2012:79).

[6] Other authors that critique Sen's conceptualization of agency and how it relates to freedom and sovereignty are Corbridge 2002; Devereux 2001 and Navarro 2000

The *Enlightenment* development project robbed people of their historical agency. By directly associating his development project with a freedom, Sen is not sensitive to the context in which consumption and production take place (Trouillot, 1995:146). The critique on Sen's development project as freedom also brings into question his understanding of ethics within the historical context. Northover (2012:75) questions Sen's evaluation of ethics through continuing and "marketing" freedom as a "historical product", which still has a lingering effect on the historical process. She argues that Sen's following of the traditional Kantian understanding of freedom is closely aligned with an *Enlightenment* rationality and, consequently, that the "states of violence and poverty" are reduced to the "irrationality of the colonized mind" (Northover, 2012:75).

4.4.2 Martha Nussbaum and Basic Capabilities

Maratha Nussbaum, an American philosopher and well-renowned critic (as well as co-author and co-developer) of Sen's capability approach, suggests a different approach to capabilities. The biggest diversion between Sen and Nussbaum lies in the selecting of basic capabilities. Nussbaum argues for a substantial objectivist list of basic capabilities that is in contrast with Sen's proceduralist choice approach to selection of basic capabilities (Nussbaum, 2000:77). Nussbaum's list of capabilities is developed from her critique of Sen's distinction between the concepts of well-being and agency (Nussbaum, 2000:58). She argues that Sen's distinction between well-being and agency does not give additional clarity, nor does the distinction interfere with important philosophical distinctions (Nussbaum, 2000:14). She fears that Sen's distinction between well-being and agency has certain utilitarian associations with the concept of well-being. She contends that these utilitarian associations of Sen's conceptualization of well-being are "imagining a way of enjoying well-being that does not involve active being and doing" (Nussbaum, 2000:14). She maintains that Sen's concept of well-being is focused on active beings and doings. However, focusing on well-being as active beings and doings, Sen follows a more traditional utilitarian concept of well-being (Nussbaum, 2000:111-161; Sen, 1985a:53).

Sen's understanding of well-being shows a "deficient regard for agency" and that "active striving matters too" (Nussbaum, 2006:73). By arguing for this approach to the establishment of basic capabilities, Sen shows a very individualist understanding of agency. I argue that Sen follows Rawls who states that agency refers to our capacity to construct a rational life plan. Rawls argues for agency to be centered around the aspect of our deliberate rationality (Rawls, 1971: 358). In contrast to this, Nussbaum offers an approach of practical reason where reasoning about an end is a part of agency. Therefore, Nussbaum argues for "basic capabilities" as "innate equipment" of persons who "cannot be directly converted into functioning" (Nussbaum, 2000:84). However, Rawls also argues from a normative standpoint of capabilities. He argues for "the capabilities of citizens as free and equal persons in virtue of their two moral powers" (Rawls, 2001:169). Rawls

identifies these two powers that have the capacity for a sense of justice and for the conception of the good. However, although Rawls maintains that his moral power should be described as capabilities, he still thinks of it in terms of primary goods (Rawls, 2001:169). Rawls states that primary goods are things that a person would need as citizens "rather than as human beings apart from any normative conception" (Rawls, 2001:169).

Nonetheless, Nussbaum argues that by disregarding Sen's distinction between well-being and agency, which can be confusing and misleading, one avoids the utilitarian associations. Nussbaum's rejection of Sen's well-being and agency distinction is because she values agency. She believes that all the important philosophical distinctions "can be captured as aspects of the capability/function distinction" (Nussbaum, 2000:14). Croker (2008:161-162) notes that:

> "the very structure of Nussbaum's capabilities approach requires that she reject Sen's normative duality of agency and well-being in favor of an integrated and complex norm of human functioning composed of both functionings and capabilities… Nussbaum gives prescriptive priority to a vision of truly human functioning and capabilities – of which practical reason is one such. This version, the result of philosophical argument, is to be enshrined in a nation's constitution and should function to protect but also constrain individual and collective exercise of practical reason. Nussbaum restricts the scope of practical agency to that of specifying the norms the philosopher sets forth and the constitution entrenches…The basic choice that Nussbaum leaves to individuals and communities is how to specify and implement the ideal of human flourishing that she – the philosopher – offers as the moral basis for constitutional principles".

Nussbaum (2011:33-34) lists her basic capabilities as: First, life: or the capability to live a normal length of life and not die prematurely. Second, bodily health: the capability for being well-nourished. The third basic capability is bodily integrity: this includes freedom of movement and protection against bodily harm or violence. Fourth, senses, imagination and thought: this includes freedom of religion, speech and being well educated. Fifth, emotions: this includes the freedom to create attachments to people and things beyond ourselves, and the freedom to express emotions such as love, grief and anger without fear. Sixth, practical reason: this to have the capability to decide what is good or bad and to critically reflect on how a person would want to live their life. Seventh, affiliation: this includes the freedom of association and human dignity, regardless of race, sex, sexual orientation etc. The eighth capability is other species: this includes the ability to be environmentally conscious of animals, plants, and nature in general. Ninth, play: the capability to enjoy life through laughter and recreational activities. Lastly, control over one's environment: being able to actively participate in one's social or political surroundings, to govern one's life and the right to own property and other material goods.

Sen states that he “has nothing against the listing of capabilities” and concludes that “Nussbaum’s powerful use of a given list of capabilities for some minimal rights against deprivation” is extremely useful (Sen, 2005a:159-160). However, Nussbaum states that her list of basic capabilities are “open-minded and humble” and that they “can always be contested and remade” (Nussbaum, 2000:17). This approach to Nussbaum’s list of capabilities is a proposal “put forward in the Socratic fashion” (Nussbaum, 2000:76). She insists that her list be tested in institutions “as we attempt to arrive at a type of reflective equilibrium for political purposes” (Nussbaum, 2000:77). Although Nussbaum argues that her list is not fixed or unchanging, she does strongly advocate for the development of a list of basic capabilities (Nussbaum, 2003:33-59). This shows that Nussbaum’s list of capabilities is not merely her own philosophical reflections that she wishes to enforce within society, but something that she hopes will reflect a global dialogue on life and human agency. Furthermore, Nussbaum argues that many different versions of her basic list of capabilities are reflected in constitutions and that this shows the success of her overall approach:

> “Indeed it is by design that the capabilities list starts from an intuitive idea, that of human dignity, that is already basic to the constitutional framing in many nations of the world (prominently including India, Germany and South Africa)” (Nussbaum, 2006:155).

Nussbaum’s rejection of the distinction between agency and well-being follows closer to the Aristotelian concept of flourishing than Sen’s understanding of the capability approach. Nussbaum’s emphasis on the notion of capabilities as freedom can be considered as a solution to the Kantian tradition and its theorizing on agency and justice that is a focus on rationality (Claassen, 2016:1286). Nussbaum’s version of the capability approach still accommodates for the same empowerment of people as does Sen’s. Nussbaum’s choice to reject the well-being and agency distinction only puts more emphasis on capability-sets. In contrast, Sen gives an analytical explanation for human agency as agency freedom and well-being freedom. His more analytical approach also speaks to his rationalist methodology to evaluating and achieving well-being. Sen agrees with Nussbaum that well-being freedom and agency freedom can be described as capabilities. However, Sen argues that it is important to distinguish between the types of capabilities, because the former focuses on the “the more general interest of public policy”, while the latter focuses on the “person’s own sense of values” (Sen, 2008:289). However, rejecting the distinction between well-being and agency, Nussbaum places more responsibility on the functioning of the state to uphold capabilities. Nussbaum states that “Protecting …capability means protecting institutions that constitute and nourish such forms of affiliation, and also protecting the freedom of assembly and political speech” (Nussbaum, 2000:79).

I argue that any development of agency is heavily dependent on the socio-political and economic conditions in which a person functions. Both Nussbaum and Sen somewhat disregard the external

elements to agency development in various ways. Sen's shortcomings in his conception of agency have been explored at length in this chapter. However, many also critique Nussbaum's understanding of capabilities as basic capabilities.[7] However, Nussbaum's list of basic capabilities identifies two very important elements that reflect deeper philosophical thought, namely imagination and play. These two elements reveal a sensitivity to an aesthetic dimension and expression that creates the platform for the development of a new rationality. I will discuss these aspects in more depth in Chapters 5 and 6.

Nussbaum describes a number of constitutional elements that should be protected by the state. Nussbaum's prescription of basic capabilities that the state must protect and uphold also presumes a state that is equipped to do so. Therefore, one would have to change the neoliberal political rationality before prescribing policy. Neoliberalism, with the defining characteristic of governmentality, is dependent on the paradox between sovereign agency and freedom (Foucault *et al*., 2008:68). I follow Foucault's argument of discipline within liberal and neoliberal society which limits individual sovereign agency and instills normative capitalist actions and behavior in the form of mechanisms of discipline (Foucault, 2003:38). In following Foucault's understanding, the aspects of security and viewing the market as a source of truth, a person would have no concept of sovereign agency that is not dictated by market principles (Foucault *et al*., 2008:20,23). A person's understanding of their needs, their morals and their capabilities would all be determined by capitalist normative actions and behaviors. These external conditions are especially relevant within a neoliberal society that functions according to a governmentality. Neoliberalism as ideology and hegemony makes it difficult for citizens' capabilities to be met and for them to truly develop sovereign agency.

4.4.3 Michel Foucault and Governmentality

Zheng and Stahl argue that the rationalist undertone of individual agency in Sen's capability approach is a "weakness" that can be strengthened with a critical theoretical approach. They argue that one of the main focuses of critical theory is "the structural conditions of individual agency" (Zheng & Stahl, 2011:74). Critical theory can provide significant insight into the conditions of human agency through its critique and analysis of the economic construction of society. Critical theory can therefore provide significant insight into the way in which neoliberal societies construct agents' options. Moreover, it can provide an understanding of neoliberalism's one-dimensional core. By understanding the one-dimensional core of neoliberalism and the part that sovereignty plays in its development, critical theory could shed light on the importance of social structures.

[7] For more critique on Nussbaum's advocation for a list of basic capabilities please see the following authors: Arneson 2000, Barclay 2003 and Nelson 2008.

Critical theory would also be able to analyze and critique the importance of social structures in supporting or denying agency through neoliberalism's ideological and hegemonic structure that limits personal agency and freedom, by looking into the ideological and hegemonic structure of neoliberalism that perpetuates and reinforces socio-historic structure. For this I will turn to Foucault's concept of governmentality within neoliberalism.

Foucault is not considered as a traditional member of the Frankfurt School, such as the first and second wave critical theorists. To consider Foucault as a part of the Frankfurt School, or critical theory in general, is troublesome. The debate surrounding this topic is still ongoing and is mainly centered around whether Foucault's engagement with the concept of power is socio-economic (or material and class based), or whether it is discursive and linguistic (Wandel, 2001:369).[8] Another form of contention to considering Foucault as part of the Frankfurt School is his own criticism of critical theory.[9] However, many consider Foucault as part of the development of the philosophical tradition established by critical theory (Marshall, 2001:75-91; Wandel, 2001:368). The main reason for this is Foucault's concern with the historical and social conditions that govern knowledge and challenge exercise of power (Wandel, 2001:368). Therefore, although I do not consider Foucault as traditionally part of the Frankfurt School, I do agree that Foucault extends the philosophical line of inquiry of critical theory. He also provides valuable insight into the operation of neoliberalism and the rationality of power within political, economic, and social systems that the 20th Century traditional critical theorists did not. Foucault's understanding of neoliberalism as related to power structures that promote a neoliberal political rationality forms part of my critique of Sen.

Building upon my discussion of Foucault's understanding of neoliberalism from Chapter 2, I will go into more depth with regard to the development of a governmentality to critique Sen. Foucault's concept of governmentality as the defining characteristic of neoliberalism can help understand it as an ideology and as a hegemony. It also helps with a broadened understanding of human agency that considers the inequalities and power relations that function as strategies of normalization. Neoliberalism helps to form the ideas and description of society that structure and limit the capabilities of oppressed groups. Moreover, neoliberalism as hegemony functions as a mechanism to sustain and reinforce power relations within society. The combination of neoliberalism as ideology and hegemony reflects inequalities and other forms of oppression within society as natural and rational. Furthermore, Sen's capability approach overlooks how the

[8] For more on this debate please see Michelle Barrett's *The Politics of Truth* (1980) and Mark Poster's *Critical Theory and Poststructuralism* (1989).

[9] Stephen White discusses this issue in depth in his article entitled *Foucault's challenge to critical theory* (1986).

concept of neoliberalism as a hegemony influences a person's individual freedom and sovereign agency.

Foucault's concept of neoliberal governmentality is rooted in his understanding of the genealogy of liberalism. He argues that during the 18th Century liberal thinkers thought of power as a commodity that could be bargained with and bought in the form of contracts. For Foucault, the concept of power is also closely associated with the concept of sovereignty. However, Foucault argues that power was viewed as a commodity, or even a right, that could be transferred through social contracts (Foucault, 2003:27; Hardin, 2014:203-204). Foucault states that power in the 17th and 18th Centuries was "absolutely incompatible with relations of sovereignty" (Foucault, 2003:35). Foucault makes this argument by explicitly referring to the relationship between right and discipline. Discipline specifically applies to "the bodies not possessions or contacts and extracts from the former time and labor rather than commodities and wealth" (Hardin, 2014:203-204). In other words, Foucault's concept of discipline specifically disregards commodity and wealth accumulation and rather focuses on the power relationship and dynamics of power between parties in social relationships.

Foucault argues that the relationship between the theory of right and the mechanism of discipline created the possibility for the development of a new society. The mechanism of discipline was "one of bourgeois society's great inventions … one of the basic tools for the establishment of industrial capitalism" (Foucault, 2003:37). However, the theory of right was important because it served as an instrument against monarchy and it "concealed [discipline's] mechanisms and erased the element of domination and the techniques of domination involved in discipline" (Foucault, 2003:37). Furthermore, Foucault states that "democratization of sovereignty was heavily ballasted by the mechanisms of disciplinary coercion" (Foucault, 2003:37). According to Foucault, the intertwined relationship between the theory of right and the mechanism of discipline gives birth to liberalism that allows for the development of an industrial capitalist society (Hardin, 2014:203-204).

In Foucault's understanding of liberalism, legislation, discourse and the organization of public right are formed around personal sovereignty (Hardin, 2014;204). He goes on to describe it as "a tight grid of disciplinary coercions that actually guarantees the cohesion of that social body" (Foucault,2003:37). For Foucault, the discourse of discipline is "a code of normalization" (Foucault, 2003:38). When Foucault refers to this, he is referring specifically to the manner in which people are disciplined to "behave according to norms" (Foucault, 2003:38). For Foucault discipline is a basic tool for the development of industrial capitalism that creates the conditions for industrial production. In Foucault's view, these conditions of industrial production are the

normalization of capitalist exchange in a free sovereign person (Foucault, 2003:37; Hardin, 2014:204).

Foucault differentiates between the early classical form of liberalism and the utilitarian liberalism of Bentham and Mill. He differentiates between early classical liberalism and the later utilitarian liberalism through his addition of the aspect of security. Thus, according to my understanding of Foucault, the early classical liberalism of the 17th and 18th Centuries only has the aspects of the theory of right and discipline, whereas the utilitarian liberalism of Bentham and Mill during the 19th Century also includes the aspect of security. Therefore, the distinguishing factor between classical liberalism and the later utilitarian liberalism is the aspect of security in society.

Foucault refers to the aspects of security as the "game of liberalism" and describes these aspects as "not interfering, allowing free movement, letting things flow their course" (Foucault *et al*., 2007:48). The aspects of security, therefore, assures the autonomous functioning of market mechanisms while also "securing" participants in society (Foucault *et al*., 2007:48). Foucault names the combination of these elements of governmentality that is fundamental to his understanding and identification of neoliberalism. Foucault describes the combination of these aspects as such: "In fact, we have a triangle: sovereignty, discipline and governmental management, which has population as its main target and apparatuses of security as its essential mechanisms" (Foucault *et al*., 2007:107-108). Foucault's understanding of governmentality is thus not "a totalizing world system but a regime of power and a way of governing" (Hardin, 2014:205).

Foucault later added two additional aspects to his concept of governmentality. The first addition is the self-limitation of government and the second is the market as a source of truth. Foucault's concept of liberalism states that during the 16th and 17th Centuries external limitations on government were imposed through the theory of right. The change came during the 18th Century when liberal governmentality required the "self-limitation of governmental reason" (Foucault *et al*., 2008:20). The self-limitation of governmental reason is accomplished through the concept of security. This self-limitation of government marked the form of political economy that developed from a regime of truth where the market is "a site of veridiction" (Foucault *et al*., 2008:23). Therefore, within liberalism's political economy, the limitation of government is required for the functioning of the market (Hardin, 2014:205). This also creates a paradox within liberalism's defining characteristic. Foucault states that:

> "liberalism, the liberal art of government, is forced to determine the precise extent to which and up to what point … individual interests … constitute a danger for the interest of all. The problem of security is the protection of the collective interest against individual

> interests … The game of freedom and security is at the very heart of this new governmental reason" (Foucault *et al*., 2008:65).

Therefore, Foucault does not consider freedom as the goal of neoliberalism, but rather a sort of product thereof. In other words, Foucault does not consider freedom as the main objective of neoliberalism because a person's freedom is restricted and balanced against collective interests that perpetuate the rationality of power and governmentality. Freedom is a product of security that constantly weighs and balances individual freedom against the freedom of a sovereign state. Neoliberalism, as rooted in the concept of governmentality, is a particular way of governing. This particular way of governing utilizes power through the theory of right, the mechanisms of discipline and the security of the population. Therefore, the paradox between freedom and sovereign agency is the very definition of a society dependent on governmentality to function (Hardin, 2014:205). Foucault describes these societies as "victim[s] from within" (Foucault *et al*., 2008:68). Sen's capability theory, though revolutionary, still has this inherent paradox between freedom and sovereign agency, because it relies so heavily on classical economic theoretical roots.

Sen's promotion of a radical individual freedom is especially evident in his theories on democracy. Sen's rationalist methodology is reflected in his 'choice approach' and promotion of democracy for inclusive economic development. In this chapter, I have argued that Sen's capability approach is rooted in liberal moral and political philosophy that emphasizes the Kantian notion of individual agency. However, his focus on agency creates a tension between the concept of equality and freedom. The tension lies in the notion of individual freedom and agency that is underlined with liberal and Kantian notions of what can be considered good (Srinivasan, 2007:463). This consideration of the individual good is especially reflected in the distinction between capabilities and functionings that was discussed earlier in the chapter. The normative importance of well-being and agency both rely on Sen's choice approach. Sen's normative foundation to the capability approach is central to his critique of the normative merit of other philosophical approaches such as utilitarianism. However, Srinivasan argues that the theoretical strengths of the capability approach result in a practical weakness:

> "The absence of normative specification of a standard of justice, or clear procedures for identifying different standards, impedes a justified set of priorities for evaluation and enforcement. The capability approach's strength as a strong philosophical foundation is thus weakened at the practical level" (Srinivasan, 2007:460).

Sen argues that individual freedom is contextualized within a social context that affects freedom. Therefore, "freedom is mediated by values, but the values in turn are influenced by public discussions and social interactions, which are themselves influenced by particular freedoms"

(Sen, 1999a:9). However, the tension lies in the notion that the expression of social and political freedom is also intrinsic to individual well-being and agency. The instrumental and constructive role of individuals shaping society and policies is a two-way relation for Sen:

> "individual freedom is quintessentially a social product, and there is a two-way relation between 1) social arrangements to expand individual freedoms, and 2) the use of individual freedoms only to improve the respective lives, but also to make the social arrangements more appropriate and effective" (Sen, 1999a:31).

This shows Sen's concern with the role of individual agency as members and influencers of "the public and as a participant in economic, social and political actions" (Sen, 1999a:18). He specifically focuses his concern on the different forms of fulfilment and well-being that would vary from one social context or society to another (Sen, 1992:110).

Once again Sen's argument is based on the concern for differentiating personal circumstances, the inequality of functionings and the specific context of each situation or society. In Sen's attempt to compensate for the differences in socio-political circumstances, the inequality of functionings etc. is to focus on capabilities as freedom. Sen advocates for the equality of basic capabilities as freedoms, however he leaves enough room for differentiating factors. Some of these differentiating factors include recognizing that people in disadvantaged situations will require more resources and that personal biases play a significant factor in people's capabilities and functionings. Therefore, not all capabilities are equal and recognizing that promotion of capabilities as freedom is more important than trying to promote all basic capabilities.

This argument of Sen is the distinguishing factor between him and Nussbaum. Nussbaum's refusal to distinguish between well-being and agency freedom and her creation of a list of basic capabilities, suggests that some capabilities are more important than others. However, Sen evades the creation of a list of capabilities. He does this because it would limit his understanding of personal well-being and freedom, as freedom for him is for a person with agency to choose and develop their well-being and capabilities according to what they value. I will argue in Chapters 5 and 6 that Sen's capability approach does not take into consideration an aesthetic dimension or expression. This is something that Nussbaum clearly accounts for in her inclusion of memory and play in the list of capabilities. These aspects allow for more freedom than Sen recognizes. Furthermore, they inspire the establishment of a new rationality that allows for the development of a qualitative change in economic systems.

Sen's lack of recognition of these transformative aspects reveals the rationalist *Enlightenment* tradition of his capability approach. It seems that Sen's concept of freedom and agency is unable

to avoid the rationalist *Enlightenment* tradition. Sen perpetuates the legacy of the *Enlightenment* tradition "as he echoes and revisits the drama of freedom" in society today (Northover, 2012:69). Sen does not refute his "indebtedness to the radical discourse of certain modern or enlightenment men" (Northover, 2012:69). Sen's development of a rationalist tradition especially follows the philosophers Adam Smith, Immanuel Kant and the classic Greek philosophy of Aristotle. By following the *Enlightenment* tradition, Sen is hoping to graft a "mixing strategy". Northover, describes this mixing strategy as a "creolizing process" that seeks to promote a "selective creation and cultural struggle" (Northover, 2012:69).

The capability approach is therefore presented as a good compromise between the neoclassical economic approach and the Rawlsian equal distribution approach. It is presented as a compromise because the former is concerned with the accumulation of commodities to achieve well-being, whereas the latter is concerned with the equal distribution of commodities or goods for the alleviation of poverty and inequality to promote general well-being. Carter argues that Sen has suggested that the capability approach can be strengthened and supplemented by "an independent concern with Rawlsian basic liberties" (Carter, 2014:76). The capability approach is presented as an intermediate theoretical position that does not break from, but builds off from classic economic theories.

In Chapter 2, I discussed Brown's concept of a neoliberal political rationality. This rationality implements and creates political, social and economic structures and policies that perpetuate and encourage Foucault's concept of normalization. The form of normalization or political rationality supports economic growth as its main objective, as everyday life for individuals and as the ultimate goal of sovereign states. Sen argues for a proceduralist proposal (i.e. relying on political, economic and social policies and procedures) for countries to determine the basic capabilities to which citizens are entitled. He argues that basic capabilities should be designated through a process of public reasoning (Claassen, 2016:1280). By arguing for a process of public reasoning, Sen is promoting the concept of rationality and freedom agency. Sen specifically calls for the democratic process to be used to determine basic capabilities. Sen's procedural approach is focused on agency freedom and his concept of choice. Many have argued that Sen's proceduralist approach to capability selection as a democratic procedure does not circumvent the adaptive preferences and other vices of the utilitarian approach.[10]

I argue that Sen does not account for Foucault's coercive mechanisms of discipline and security that would limit individual agency and therefore also limit citizens' basic capabilities. By arguing for a procedural approach to the selection of basic capabilities, Sen is allowing for the

[10] The authors arguing this point include Dowding, 2006, Sugden 2006, Sumner 2006 and Qizilbash 2011.

normalization of capitalist activities through a rationalist methodology of the choice approach. I argue that Sen's encouragement of the proceduralist choice approach supported the "democratization of sovereignty" through "mechanisms of disciplinary coercion" to which Foucault refers (Foucault, 2003:37).

As discussed earlier, Sen's choice approach follows a rationality through sovereign agency. However, I argue that by following this rationalist understanding of agency that is directly linked to well-being, Sen is perpetuating a neoliberal political rationality. The rationalist approach to development as seen in Sen's concept of agency and freedom is dependent on procedures and structures that promote Foucault's understanding of normalization. Therefore, Sen's proceduralist approach allows for the neoliberal political rationality to develop in political and societal structures and economic policies. The calculative techniques of governing within neoliberalist societies support the notion of power as a commodity. The neoliberal strategies of the formation of spaces, scales and sovereignty are reflected in the neoliberal political rationality. Due to the mechanisms of discipline and security within governmentality, a form of public reasoning along the lines of neoliberal capitalist rationality would occur.

This rationalist public reasoning that is based on a neoliberal political rationality would become part of public policies and societal structures. The public policies and societal structures that result from that rationality encourage the notion of autonomous market mechanism, the self-limitation of government and the view of market as a source of truth. Furthermore, the capitalist normalization of activities, behaviors and capabilities is done at the expense of a person's sovereign agency. Therefore, Sen does not account for the neoliberal political rationality that is progressed through discipline within a neoliberal society on an individual and collective level. Sen argues that democracy is "critically important for the development of human capabilities" (Sen, 2002:79). However, his normative foundations of the capability approach as agency and choice diminishes the democratic process. Sen's stringent notion of a universal democracy is obstructed by the lack of central entitlements or capabilities that are necessary for achieving equality and political freedom.

4.5 Understanding Economic Inequality

Economic inequality is a general term often used to describe the escalating problem that separates the wealthy from the poor and that has led to other socio-economic problems that limit individual and social well-being such as poverty. Following the tradition of the rationalist utilitarian approach, income inequality is usually measured in terms of economic indicators that rely on measurement of income, income distribution and Gross Domestic Product (*GDP*) figures. As previously discussed, Sen's capability approach can be used as an alternative to the utilitarian

approach that relies heavily on income, wealth and commodities to evaluate economic inequality, economic development and well-being.

Sen's capability approach to evaluating inequality provides more contours and nuance by distinguishing between economic inequality and income inequality (Sen, 1997:385). He argues that these two concepts are often confused in the general vagueness of the context in which these terms are often used: income equality aims to distribute income (capital) equally, while economic equality aims to distribute income justly (Sen, 1997:384-386). Take, for example, a person with a disability. Such a person would require a more significant income to meet their specific needs (Sen, 1997:387). Economic inequality therefore takes into consideration the specific capabilities and the capital required to realize the 'best' life which that person is capable of having, which income inequality does not.

It was Harry Frankfurt (1987:21) who said that "there should be no inequalities in the distribution of money" and called this notion economic egalitarianism. Determining how to bridge the growing gap between the wealthy and the poor has proven difficult. Many look to the equal distribution of wealth as the solution to this ever growing problem, hence, the aforementioned platitudes are latent within the ways in which economists have traditionally used the term economic inequality. However, Sen argues that by making a distinction between income inequality and economic inequality, one can reveal how economic egalitarianism applies an all too narrow concept of income inequality, rather than addressing the broader notion of economic inequality (Sen, 1997:384-386).

I find that Sen is correct, and that more attention should be given to the term economic inequality, since it provides a broader understanding of inequalities. This is opposed to income inequality which gives a biased view of inequalities that are heavily influenced by economic policy (Sen, 1997:385-386). This is so since the valuation of income does not take into consideration other means of contribution to wealth that cannot be valued in market (capital) terms, and a more inclusive list of means is needed so as to better understand economic inequality within neoliberal societies. Rawls allowed for his moral powers to be redefined as capabilities. According to Rawls (1971:60-65), other factors such as rights, liberties and opportunities, income, wealth and self-respect should be included as contributors to the economic system. Furthermore, he argues that these causal influences that influence personal well-being and freedom are economic in nature.

However, the utilitarian approaches to evaluating inequality only account for the "simple statistics of incomes and commodity holdings" (Sen, 1997:398). He furthermore argues that by broadening the informational focus of inequality an "evaluative attention to heterogeneous magnitudes" is also necessary that reflects the interests of the public (Sen, 1997:398). According to Sen (1997:385),

the expanding of the informational focus in the evaluation of inequality reflects the explicit and implicit economic standards that relate to personal well-being and freedom of the collective public. “The worth of incomes cannot stand separated from these deeper concerns,” Sen reasons, “and a society that respects individual well-being and freedom must take note of these concerns in making interpersonal comparisons, as well as social evaluations” (Sen, 1997:385).

These factors and contributions can be considered as moral powers that would enhance a person’s capabilities. Moreover, Rawls contends that the classic analysis of primary goods provides a more comprehensive understanding of the resources that individuals need, irrespective of what these resources are used for. These resources include income, since income is a significant resource to achieve one’s ability to satisfy one’s needs (Rawls, 1971:60-65). Here we see a Rawlsian understanding of Sen’s capability approach which directly links to Sen’s theories on economic inequality and commodities. Sen agrees with Rawls and argues that “resources are no more than ‘means’ to the freedom to lead an acceptable life, and deprivation can arise from other sources as well” (Sen, 1994:333). Sen argues that the Rawlsian focus on primary goods and how it relates back to the personal advantages and opportunities that a person might pursue is based on their objectives and values. He states that “Rawls’ Difference Principle, which is part of his theory of justice as fairness, assesses efficiency as well as equity in terms of the respective holdings of primary goods, represented by an index” (Sen, 1997:393). Sen goes on to contend that this broadened understanding of inequality of Rawls represents a significant move forward from the narrow focus on income alone. However, Sen argues that this is not significant enough and that Rawls’ approach to inequality evaluation does not account for the different relationships that can arise between resources and functionings. He states that primary goods is basically just a different term for various types of resources. According to Sen (1997:393), Rawls’ theory on primary goods does not explore the relationship between the resources themselves and the various opportunities they create for a person, based on the specific context and conditions in which the person functions. Therefore, Rawls’ theory on primary goods does not account for the personal well-being and freedom that resources generate (Sen, 1997:393).

Sen states that the collective agreement on social standards of personal freedom and well-being is inherently dependent on the expansion of public discussion and the quality of the public discussion. Furthermore, he states that although his research topic is nominally about inequality, it is “ultimately as much about the nature and importance of public discussion on social evaluation” (Sen, 1997:398). Concerning the relation between public discussion and inequality, Sen states:

> “As material for public discussion and for informed consensus or acceptance, the need is not so much for a complete ordering of interpersonal advantages and of levels of inequality

> (which would be inevitably based on some crude assumptions and evasions) but for usable partial orderings that capture the big inequalities in a clear way, taking note of the various significant concerns that go well beyond the commodity space. The focus has to be on the reach and relevance of partial orderings that can be cogently derived and used. Insistence on completeness can be an enemy of informed and democratic decision making" (Sen, 1997:398).

Moreover, Sen argues that there are certain factors which he refers to as conversion factors that should be taken into account when considering the capability approach. These conversion factors are fundamental to Sen's understanding of the capability approach (Sen, 1992:19-21, 26-30, 37-38). Conversion factors play a pivotal role in the contribution to the economy (Sen, 1992:19-21, 26-30, 37-38). Robeyns (2005:99) identifies three conversion factors which will influence a person's functionings and capabilities. Firstly, personal conversion factors, which refer to factors of the person themselves which can influence their capabilities such as health, intelligence etc. Secondly, social conversion factors are factors within society that limit capability. These factors can include race, gender, social norms, laws etc. Lastly, environmental conversion factors, such as climate, typography and location etc., are environmental factors which can limit capabilities (Robeyns, 2005:99). Sen recognizes an additional two conversion factors, namely differences in a relational perspective and distributions within the family (Sen, 1997:386). He describes the difference in relational perspectives as "the commodity requirements of established patterns of behavior" that may differ within different communities (Sen, 1997:386). Additionally, he describes the distribution of the family as "the well-being or freedom of individuals in a family" and this will depend "how the family income is used in furtherance of the interests and objectives of different members of the family" (Sen, 1997:386).

Despite these factors, which can either reduce or enhance one's capabilities, Nussbaum (2000:84) claims that there are basic capabilities that societal institutions such as government should advance. The South African Constitution, with its strong inclination to promote these freedoms and opportunities (and therefore also capabilities), is an example of how society can provide the support which citizens require to pursue overall well-being. Sen's emphasis on polarity, agency and choice lead him to follow the democratic process. Sen relies on the democratic process because he argues that it allows for public reasoning and social choice "to attend to judgements about justice" (Srinivasan, 2007:457). However, the "critical role of democracy is undermined in Sen's elaboration in the absence of requirements of justice" that would provide the solid foundations that would protect democratic societies (Srinivasan, 2007:457). Sen states that:

> "My skepticism is about fixing a cemented list of capabilities that is seen as being absolutely complete (nothing could be added to it) and totally fixed (it could not respond to public reasoning and the formation of social values)… Pure theory cannot 'freeze' a list of capabilities for all societies of all time to come, irrespective of what citizens come to understand and value. That would not only be a denial of the reach of democracy, but also a misunderstanding of what pure theory can do, completely divorced from the particular social reality that any particular society faces" (Sen, 2005b:158).

Sen is not necessarily against the concept of promoting basic capabilities. Sen himself identifies some basic freedoms such as literacy, political participation and "elementary capabilities" (Sen, 1999a:38-40). Sen identifies five categories of freedoms that should be pursued in every society, namely political freedoms, economic facilities, social opportunities, transparency guarantees and protective security (Sen, 1999a:38-40). Sen's focus on freedom instead of capabilities, or the way in which he uses the terms capability and freedom interchangeably is problematic. Therefore, it thus highlights a new aspect of how Sen is undermining his own concept of freedom. This also has implications for his heavy emphasis on the democratic process as a means for social justice. Sen's normative foundations of the capability approach rely heavily on agency and choice and he describes it as "inescapably pluralist" (Sen, 1999a:76).

Nussbaum explores this new avenue of critique, stating that Sen's focus on freedoms instead of capabilities is not enough and rather relies on an overlapping consensus on "philosophically justified elements of human dignity" (Srinivasan, 2007:463). This also relates back to Sen's critique of Nussbaum's list of basic capabilities limiting personal freedom. Nussbaum critiques Sen's notion of not identifying specific capabilities: "Sen never says to what extent equality of capability ought to be a social goal" (Nussbaum, 2003:36). She also contends that Sen never explicitly states how equality as capabilities can be combined to promote social justice through political values. She argues that "the connection of his equality arguments with a theory of justice remains as yet unclear" (Nussbaum, 2003:36). According to Nussbaum (2003:36), equality through capability can only be achieved if there is a list of central capabilities, even if "that is tentative and revisable". Foucault views the mechanism of power in neoliberal society as a form of creation and production. Specifically, Foucault views power as the power to create a reality and those in power positions can dictate what that reality is:

> "We must cease once and for all to describe the effects of power in negative terms: it 'excludes', it 'exploits', it 'represses', it 'censors', it 'abstracts', it 'masks', it 'conceals'. In fact, power produces; it produces reality; it produces domains of objects and rituals of truth. The individual and the knowledge that may be gained of him belong to this production" (Foucault, 1979:194)

Within a neoliberal consumerist culture, the mechanism of power creates a reality where economic growth must be achieved at all costs. Furthermore, that economic growth will lead to the well-being of everyone in society. The implementation of those basic human capabilities is undermined by the rationalist self-interest of those in power positions. The question thus becomes whether neoliberal societies can discern between the individual and the social good, and whether or not this system can even comprehend the means to eliminate inequality. If it is inherently bound to inequality to sustain itself, can a neoliberal political rationality even address this issue, or does it simply exacerbate the problem in the pursuit of its primary motivation: growth at all costs?

4.6 Conclusion

In this chapter I discussed and explored Amartya Sen's capability approach. I identified three main aspects of the capability approach as freedom, well-being and capabilities. In my discussion of these aspects, I argued that freedom in society, as developed through policies and rights, and individual freedom are crucial to Sen for the enhancement of well-being. Consequently, I argue that individual freedom that is supported through a robust democracy is Sen's primary way of developing an enhancement of capabilities and well-being.

I also discussed critiques to Sen's capability approach through the works of Patricia Northover, Martha Nussbaum, and Michel Foucault. I specifically focused on the concept of a radical freedom that Sen emphasizes and how it is developed from a Kantian interpretation of personal autonomy that was very influential in the development of liberal principles within free market capitalism. Secondly, I focused on the differences between Nussbaum's capability approach and Sen's capability approach. The main difference was Nussbaum's pursuit of a list of basic capabilities, which Sen initially rejects; however, he later develops his own concept of basic capabilities. My last critique focuses on Sen's demand for a radical freedom perpetuating a concept of individual sovereignty that reflects a neoliberal political rationality.

In this chapter, I also explored Sen's understanding of economic inequality and his notions on commodities and capabilities. Sen's understanding of economic inequality through the capability approach is paramount for developing a contextual and multi-dimensional approach to economic development in South Africa. However, in Chapter 5, I will argue that by re-evaluating Sen's capability approach through Herbert Marcuse's concept of false needs, all the critiques against Sen's capability approach can be addressed. Consequently, by re-evaluating Sen's capability approach through Marcuse's concept of false needs, a more nuanced understanding of needs and how they function within the capability approach can be developed. Moreover, this re-evaluation will not compromise individual freedom, nor neglect the complexities of human well-being and development.

CHAPTER 5: HERBERT MARCUSE'S CONCEPT OF FALSE NEEDS AND ECONOMIC INEQUALITY

5.1 Introduction

In Chapter 4, I discussed Amartya Sen's capability approach and its three main aspects: freedom, well-being and capabilities. I also explored Sen's understanding of commodities and their function within the capability approach. Moreover, I gave a detailed critique of Sen through the work of Patricia Northover, Martha Nussbaum and Michel Foucault. This critique mainly focused on Sen's notion of freedom and the consequent effect it has on addressing economic inequality and achieving well-being.

In this chapter, I supplement Amartya Sen's capability approach with a reading of Herbert Marcuse's critique of false needs, as well as radical subjectivity. Consequently, Marcuse's critique will identify where and how the current neoliberal economic system should be fundamentally and radically re-oriented. I argue that this re-orientation will address the problem of economic inequality by providing a qualitative understanding of well-being that contrasts with a neoliberal political rationality.

This will result in a discussion and exploration of democracy, not only of how it relates to a neoliberal political rationality; so this discussion is not a discussion on politics as such, but a discussion of how democracy develops within a neoliberal political rationality: an adversarial competitive democracy. The adversarial competitive democracy that is prevalent today reflects the core characteristics of a neoliberal political rationality. The outcome of this is twofold. On the one hand, we will have a re-evaluation of capability theory that takes into consideration the significant effects of a consumerist society and, on the other hand, it reveals the one-dimensional core of a neoliberal political rationality that penetrates democracy itself.

5.2 Herbert Marcuse's Approach

Herbert Marcuse's approach, although firmly based in the works of Freud and Marx, should not be labeled simply as a Freudian Marxist approach. Marcuse's approach is insightful and intricate and develops as he draws from a variety of philosophers from different traditions. For example, Marcuse combines dialectical reasoning and phenomenology in his theoretical approach. His dialectical reasoning is most apparent in his understanding and development of the reality principle. His early celebration of dialectical reasoning is most prevalent in his book *Reason and Revolution* (1960). The early Marcuse remarks that "the mark of dialectical thinking is the ability to distinguish the essential from the apparent process of reality and to grasp their relation"

(Marcuse, 1960:146). Marcuse's understanding of dialectical reasoning is firmly based on Hegel. Marcuse describes the dialectical reasoning of Hegel as "given facts that appear to common sense as the positive index of truth are in reality the negation of truth, so that truth can only be established by their destruction" (Marcuse, 1960:27). Marcuse is describing the negation within the dialectical process and how it reveals the truth that is often hidden within a positive index of reality. Marcuse's dialectical reasoning is important, because as Feenberg states, Marcuse "understands the tension between real and ideal in Hegelian terms, as the truth of the negative. The universal is not merely different from the particular, but 'negates' it, condemns its imperfection and implicates the subject in striving for the ideal" (Feenberg, 2018:272). Marcuse's early Hegelian dialectical thinking is ripe with the potential for revolution and social mobility. González states that "[f]rom a dialectical perspective, the working class represents the negation of capitalism and the potential for transforming capitalism into a new social from" (González, 2018:417).

González argues that Marcuse's later works move away from dialectical reasoning and towards one-dimensional thinking (González, 2018:413).[11] However, Feenberg reformulates Marcuse's thought as "an existential ontology" to overcome the gap between Marcuse's earlier dialectical reasoning and his later one-dimensional thinking (Feenberg, 2018:271). Feenberg does this by arguing that "Marcuse's ontology depends on a quasi-phenomenological concept of experience, a Hegelian theory of contradiction and a Freudian theory of the imagination" (Feenberg, 2018:271). He goes on to state that "the unifying theme is a unique understanding of reason" (Feenberg, 2018:271). Feenberg states that Marcuse's understanding of rationality is influenced by Freud's concept of imagination that informs subjective reality:

> "Imagination is an essential aspect of rationality since it directs the subject toward the real, if unrealized, dimension of the experienced world…Freud's instinct theory gives the concept of imagination a content which Marcuse treats as ontologically significant. That content is erotic in a generalized sense as signifying the affirmation of life. Thus, the transcending content of the universal is not a product of pure reason, but is grounded in biology" (Feenberg, 2018:272).

This would mean that Marcuse has a "phenomenological interpretation of the basic thesis of historical materialism" that was later "supplemented by a largely compatible reading of Hegel and

[11] Marcuse describes one-dimensional thought and behaviour as "ideas, aspirations, and objectives that, by their content, transcend the established universe of discourse and action and are either repelled or reduced to terms of this universe. They are redefined by the rationality of the given system and of its quantitative extension" (Marcuse, 1964:14).

Freud" (Feenberg, 2018:276). Gaskins maintains that Marcuse has a unique phenomenological understanding of Hegel, stating that:

> "Marcuse's approach takes a more tolerant perspective on Hegel's wildest conceptual claims, using the tools of recent phenomenology…[b]racketing the old epistemological gulf between thought and object, Marcuse could take a fresh look at Hegel's mysterious prose, transforming bloodless abstractions into concrete, dynamic entities…For Marcuse, phenomenology assumes a special mode of observing. It opens itself to a wider range of objects without regard to whether they are mental or material. This mode of observing demands a qualified observer, or at least an observation point for seeking carefully, openly, sincerely, conscientiously and authentically" (Gaskins, 2018:363).

Marcuse's approach forms a phenomenological understanding of Hegel's essence. This understanding of essence then extends to Heidegger's 'being-in-the-world'. Therefore, Marcuse structures a reality that is not objectively separate from the world and our experience, but informs an interpretive understanding.[12] Or alternatively, as Feenberg states, "meaning and the understanding of meaning belong together and make no sense when separated, so the subject and object of world in this phenomenological sense belong together" (Feenberg, 2018:278). Abromeit (2010:88) suggests that Marcuse's Heideggerian influences are especially prominent in his critique of technology and his in-depth critique of positivism. Heidegger's influence on Marcuse informed his understanding of an 'historical consciousness' on an individual level. Marcuse's quasi-phenomenological understanding of historical consciousness reveals his appreciation of Heideggerian historicity. This will become important in my discussion of Marcuse's radical subjectivity later in the chapter.

Heidegger's influence on Marcuse is especially prominent in his dissertation, *Hegel's Ontology and the Theory of Historicity* (1932) wherein he attempts an amalgamation of Heidegger and Marx. This project of Marcuse's was also pursued in his book *Heideggerian Marxism* (2005). Marcuse's Heideggerian Marxist project argues that Heidegger's concepts of 'inauthenticity' and

[12] Heidegger describes being-in-the-world as a central characteristic of Dasein: "Being-in is not a 'property' which Dasein sometimes has and sometimes does not have, and without which it could be just as well as it could be with it. It is not the case that man 'is' and then has, by way of an extra, a relationship-of-Being towards the 'world'—a world with which he provides himself occasionally. Dasein is never 'proximally' an entity which is, so to speak, free from Being-in, but which sometimes has the inclination to take up a 'relationship' towards the world. Taking up relationships towards the world is possible only because Dasein, as Being-in-the-world, is as it is. This state of Being does not arise just because some entity is present-at-hand outside of Dasein and meets up with it. Such an entity can 'meet up with' Dasein only in so far as it can, of its own accord, show itself within a world" (Heidegger, 1962:84).

'fallenness' could inform and develop Marx's concept of 'alienation' (Kellner, 1984:44).[13] I argue that Heidegger's influence is evident in Marcuse's critique of capitalism and in particular, the proliferation of false needs. Marcuse's theories on one-dimensionality resonate with Heidegger's concepts of fallenness and inauthenticity. Kellner (2001:4) notes that some of Marcuse's first articles were an attempt to "ground Heidegger's theories of authenticity, historicity and society within a Marxist materialism, instead of the phenomenology of Husserl and Heidegger".

Marcuse breaks from the Heideggerian and phenomenological tradition and leans towards a Marxist understanding of how people function in the structure of 'worldhood'.[14] Marcuse critiques Heidegger's concept of 'care' as the primordial-ontological component of 'Dasein'.[15] Marcuse argues instead for a socio-historical world within a material structure. Marcuse follows the Marxist tradition of arguing that the functioning in the capitalist world is centered around relations of production and the satisfaction of societal needs instead of human needs (Kellner, 1984:50). I argue that Marcuse's Marxist interpretation of historicity, through a Heideggerian reading, provides the foundation for his concept of radical subjectivity as ultimately libidinal.

Therefore, Marcuse's approach, which includes some Heideggerian elements, allows for an individualized radical subjectivity. Consequently, different aspects such as race, gender, socio-economic status and so forth, inform experience and understanding. Thus, Marcuse's radical subjectivity will reveal a sensitivity to how these aspects influence real world opportunities. Sen's capability approach does take these matters into consideration; however, Sen promotes a radical individual freedom that becomes problematic. We see this in Northover and Nussbaum's critique and I will address this later in this chapter as well. Consequently, I will discuss Marcuse's radical

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[13]Heidegger defines the concept of fallenness as "the character of Being-lost in the publicness of the 'they'. Dasein has, in the first instance, fallen away from itself as an authentic potentiality for Being its Self, and has fallen into the 'world'" (Heidegger, 1962:61).

Heidegger describes the concept of inauthenticity as "[t]he Self of everyday Dasein is the *they-self*, which we distinguish from the *authentic Self* – that is, from the Self which has been taken hold of in its own way" (Heidegger, 1962:49).

In *Das Kapital* Marx defines alienation as a separation between the individual and the result of his/her labor due to the capitalist system (including consumerism) (Marx, 1982:182).

[14] Heidegger gives the following description of worldhood: "The context of assignments or references, which, as significance, is constitutive for worldhood, can be taken formally in the sense of a system of Relations. But one must note that in such formalizations the phenomena get levelled off so much that their real phenomenal content may be lost, especially in the case of such 'simple' relationships as those which lurk in significance" (Heidegger, 1962:37).

[15] For Heidegger care has to do with Being-in and having concern for its kind of Being: "Dasein's basic mode of being is that in its being its very being is at issue. This basic mode of being is conceived as care [Sorge], and this care as Dasein's basic mode of being is just as originally concerned [Besorgen], if Dasein is essentially being-in-the-world, and in the same way this basic mode of Dasein's being is solicitude [Fürsorge], so far as Dasein is being-with-one-another" (Heidegger, 1962:225).

Heidegger gives the following description for Dasein: "Dasein is in each case essentially its own possibility, it can, in its very Being, 'choose' itself and win itself… As modes of Being, authenticity and inauthenticity . . . are both grounded in the fact that any Dasein whatsoever is characterized by mineness" (Heidegger, 1962:96).

subjectivity and how it takes these factors into account. Moreover, my discussion of Marcuse's radical subjectivity later in the chapter will also inform us on how the current social order acts as oppressive and dominates the experience of people in capitalist society in general. In particular in this chapter, I will explore how Marcuse's radical subjectivity reveals the damaging effects of a neoliberal political rationality to minority groups that have to function within these societies. As discussed in Chapter 4, this is an aspect that Northover specifically argues is lacking in Sen's capability approach (Northover, 2012:68). Furthermore, it is the central focus of Northover's truly relevant and salient critique on Sen's capability approach.

Many would argue that Sen does take these factors of race, gender, and so forth, into account in his conversion factors that were discussed in Chapter 4. However, I agree with Northover's critique and argue that these conversion factors are only used to understand the limitations or enhancements of capabilities. Sen's conversion factors do not sufficiently influence or inspire radical change in the rationality behind why these factors are limiting in the current socio-economic order. Moreover, Sen's conversion factors do not express how influential these factors are in oppressing a person's subjective reason and personal agency though their experience within a capitalist social order. Marcuse's notion of radical subjectivity from a Freudian-Marxist and quasi-phenomenological approach addresses and seeks to understand that from a 'being-in-the-world' experience. However, Marcuse takes these factors and makes them a powerful tool for radical change in the current social order through an aesthetic dimension that is informed from the powerful tools of 'memory' and 'imagination'.

5.3 Understanding Herbert Marcuse's False Needs

In order to describe the importance of an economy that is centered on human well-being and how it would significantly address economic inequality in South Africa, it is important to know why false needs are so important to Marcuse. It is also crucial to understand exactly what he means when he refers to false needs, and what a great impact false needs have on economic development. Marcuse's concept of false needs gives a practical understanding of how advanced capitalist societies limit radical subjectivity and individual autonomy. Furthermore, false needs highlight the demand for socio-political movements which will restructure the economy to center, not around labor, but around human needs, individual capabilities and human well-being.[16]

[16] Marcuse argues that organized societal labor is a defining element within advanced industrial society: "it becomes clear that something must be wrong with the rationality of the system itself. What is wrong is the way in which men have organized their societal labor. This is no longer a question at the present time when, on the one side, the great entrepreneurs themselves are willing to sacrifice the blessings of private enterprise and 'free' competition to the blessings of government orders and regulations, while on the other side, socialist construction continues to proceed through progressive domination.

In his book, *One Dimensional Man*, Marcuse argues that advanced capitalist societies dominate through the production of false needs (Marcuse, 1964:4-5).[17] He defines false needs as those which are enforced and promoted by societal structures such as political and economic procedures, policies and social convention (Marcuse, 1964:12-14). Marcuse considers false needs to be "superimposed upon the individual by particular social interests in his repression" (Marcuse, 1964:5). False needs, as superimposed needs, create and perpetuate "toil, aggressiveness, misery and injustice" (Marcuse, 1964:5).

Marcuse elaborates more on his understanding of false needs and provides the following expanded definition:

> "those which are superimposed upon the individual by particular social interests in his repression; the needs which perpetuate toil, aggressiveness, misery and injustice. Their satisfaction might be most gratifying to the individual, but his happiness is not a condition which has to be maintained and protected if it serves to arrest the development of the ability (his own and others) to recognize unhappiness. Most of the prevailing needs to relax, to have fun, to behave and consume in accordance with the advertisements, to love and hate what others love and hate, belong to this category of false needs" (Marcuse, 1964:4-5).

From Marcuse's definition of false needs, I identify some characteristics of false needs that emphasize their destructive effects. Firstly, false needs are "superimposed" to promote "a particular social interest" and the satisfaction of those needs has a negative effect on a person's well-being. Secondly, false needs are "most gratifying", but the happiness which a person gains from satisfying those needs is fleeting and only distracts a person from their long-term unhappiness. Lastly, the satisfaction of false needs leads to mass false consciousness that is encouraged and perpetuated within materially affluent societies. In my reading of Marcuse, the defining aspects of false needs are that these needs are established outside of the individual with the purpose of some form of domination that is damaging to the individual.

However, the question cannot come to rest here. The wrong organization of society demands further explanation in view of the situation of advanced industrial society, in which the integration of the formerly negative and transcending social forces with the established systems seems to create a new social structure" (Marcuse, 1964:148).

[17] Marcuse describes an advanced industrial society as the "terrifying harmony of freedom and oppression, productivity and destruction, growth and regression which is predesigned in this idea of Reason as a specific historical project … The stabilizing tendencies conflict with the subversive elements of Reason, the power of positive with that of negative thinking, until the achievements of advanced industrial civilization lead to the triumph of the one-dimensional reality over all contradiction" (Marcuse, 1964:128).

When defining true needs, Marcuse is a bit more hesitant in giving a set definition.[18] Marcuse does clearly state that true needs include basic needs, such as food, clothes, shelter etc. (Marcuse, 1964:5). However, Marcuse is also adamant that true needs go beyond these basic physical needs, specifically regarding the need for freedom, happiness and overall well-being (Marcuse, 1964:14,127). Instead of providing a set definition of true needs, Marcuse states that a person is unable to identify what their true needs are due to the cycle of domination that is created in the satisfaction of false needs in advanced capitalist society (Marcuse, 1964:6). He goes on to argue that people will only be able to identify their true needs if they live in a society that allows them to recognize these needs. In my reading of Marcuse, he wants people to have the freedom from oppression and domination that allows them to decide for themselves what their true needs are. According to Marcuse (1955:18-19), this makes it difficult to draw up a list or pyramid of needs, à la Maslow. However, in *Eros and Civilization,* Marcuse does mention the importance of material needs and biological needs that includes the "depth-dimension" of human nature.

Throughout *Eros and Civilization,* Marcuse emphasizes the importance of the depth-dimension or aesthetic dimension for its liberating potential that would lead to true freedom and happiness. Marcuse's notion of the aesthetic dimension focuses on the concept of memory that is portrayed in art or any activity that liberates a person from their alienated labor and the oppressions of everyday life. Marcuse argues that it is through memory that people imagine and experience freedom and happiness. He also critiques the one-sidedness of memory training that Freud maintained leads to guilt or a bad conscience: "the faculty was chiefly directed towards remembering duties rather than pleasures; memory was linked with bad conscience, guilt and sin. Unhappiness and the threat of punishment, not happiness and the promise of freedom, linger in memory" (Marcuse, 1955:232). This notion of an aesthetic dimension alludes to deep-seated and complex aspects in Marcuse's understanding of true needs that strive towards happiness and freedom.

5.3.1 Distinguishing Between True Needs and False Needs

Marcuse's deliberate vagueness in defining true needs has created a lot of critique that has to be addressed. According to Cutts, there are two main objections concerning Marcuse's distinction

[18] I argue that Marcuse is following in the footsteps of Heidegger in his hesitance to provide a definitive definition of true needs. Heidegger was also hesitant to provide a concrete definition of authenticity. Instead, Heidegger argued that authenticity is a unique and deeply personal experience and development of the self or Dasein (Heidegger, 1962:96). Similarly, Marcuse argues that true needs are deeply personal and unique, and that no-one else can define what those needs are for another person (Marcuse, 1955:18-19). I argue that Marcuse would agree that identifying and gratifying true needs is an essential part of the development of an authentic self. What we do know about true needs is that, according to Marcuse, the pursuit and gratification of true needs lead to freedom and happiness (Marcuse, 1965:16).

between true needs and false needs (Cutts, 2019).[19] The first objection is that Marcuse's concept of false needs, as socially constructed needs, is problematic since all needs are socially constructed. Therefore, if all needs are socially constructed there is no distinction between true and false needs. The second objection is that Marcuse's concept of false needs "promotes elitism" because it suggests that people do not know what their needs are and are "in need of an enlightened vanguard to tell them what their true needs are" (Cutts, 2019). I agree with Cutts' argument that both these objections can be addressed by concentrating on the internal coherence of Marcuse's concept of false needs.

In response to the first objection, according to Marcuse (1964:4), "the intensity, the satisfaction and even the character of human needs, beyond the biological level, have always been preconditioned". This suggests that Marcuse recognizes human needs as both biological basic needs as well as preconditioned and socially constructed needs. Marcuse describes biological basic needs as: "The only needs that have an unqualified claim for satisfaction are the vital ones – nourishment, clothing, lodging at the attainable level of culture. The satisfaction of these needs is the prerequisite for the realization of all needs …" (Marcuse, 1964:5). However, he also claims that needs are socially constructed: "Whether or not the possibility of doing or leaving, enjoying or destroying, possessing or rejecting something is seized as a *need* depends upon whether or not it can be seen as desirable and necessary for prevailing societal institutions and interests" (Marcuse, 1964:4).

Therefore, false needs are not 'wants' or 'desires' as the dichotomy of subjectivity and objectivity suggests.[20] Marcuse's inclusion of social or preconditioned needs allows for a subjective understanding of needs and the possibility that wants and needs might overlap (Cutts, 2019). Marcuse argues for the subjectivity of needs as they arise within a socio-historical context. Therefore, if all needs are socially and historically constructed and the justification of satisfying social needs is just as important as basic biological needs, then the objective or universality of needs is inconsequential (Marcuse, 1964:8). William Leiss contends that this simple distinction between needs and wants in terms of subjectivity and objectivity leads to a utilitarian quantitative understanding of needs:

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[19] Examples of commentators who reject Marcuse's concept of false needs include Christian Bay *Human needs and political Education* (1977), Hans Enzensberger *The Consciousness Industry* (1974), William Leiss *The Limits of Satisfaction* (1976), Kai Nielsen *True Needs, Rationality and Emancipation* (1977) and Ross Fitzgerald *Abraham Maslow's Hierarchy of Needs* (1977b).

[20] An objective understanding of needs would refer to basic biological needs that are important for survival. A subjective understanding of needs acknowledges the deeper social, mental, emotional etc. needs of a person that are necessary for human flourishing. For more on the subjective and objective distinction between needs and wants please see Ross Fitzgerald's *The Ambiguity and Rhetoric Need* (1977a).

> “All the most interesting and important issues arise when we study how the objective necessities of human existence are filtered through the symbolic process of culture and of individual perceptions. In short, all the most important issues arise just in that nebulous zone where the so-called objective and subjective dimensions meet. It is trivial to calculate the need for food in terms of minimum nutritional requirements, for example. The real issues are: What kinds of foods stand in relation to other perceived needs? If we attempt to answer these questions, the distinction between needs as objective requirements and wants as subjective states of feeling breaks down” (Leiss, 1976:62).

Assiter and Noonan (2007:176) describe human needs as “when any human being, wherever situated, whatever gender or ethnicity might also define them, and whatever particular conception of good they hold, is deprived of the objects that satisfy these needs, they will suffer comparable forms of objective harm”. Objective harm specifically refers to “reductions in fundamental organic capabilities…sentience, movement and thought at levels sufficient for leading a healthy, self-determined, individually meaningful and socially valuable life” (McMurty, 1998:164).

I argue that Marcuse’s distinction between true needs and false needs points to a deeper critique of advanced capitalist societies, namely inequality, exploitation and one-dimensionality. It is clear that, according to Marcuse, the distinguishing factor between true needs and false needs is that in advanced capitalist societies there is a form of domination and oppression that drives people to labor beyond satisfying their needs (Marcuse, 1955:34-38). This distinguishing factor suggests that the satisfaction of false needs would lead to surplus labor and surplus repression. Moreover, the satisfaction of false needs speaks to the “irrational whole” of advanced capitalist societies, because the satisfaction of false needs can be desirable and enjoyable, but it ultimately leads to great harm (Marcuse, 1964:*xli*). The implication is that false needs are characteristic of an advanced capitalist society due to its dominating and oppressive nature in the form of surplus labor.

However, Leiss disagrees with Marcuse’s argument that people in an advanced capitalist society are distracted from satisfying their true needs. Instead, Leiss focuses on the radical freedom within capitalist economies that provides consumers with a wide variety of commodities. Leiss argues that everyone is responsible for the satisfaction of their own true needs:

> “The critical viewpoint has based its negative judgement of the high-consumption lifestyle on some form of the distinction between spontaneous vs. artificial or true vs. false needs. The sheer volume of advertising in modern capitalist societies appears to lend this dissertation a plausible air. Why else would such an intensive effort at persuasion be necessary? Yet if the socialization process is so intense that the imperatives of the

> capitalist market economy itself (the necessity in the productive system for continually expanding the realm of commodities) become internalized as deeply felt needs in the experience of individuals, as Marcuse has argued, are there reasonable grounds for describing them as false needs? … The state of confusion is rooted in the interplay between needs and commodities. This is not a matter of false needs. In my view the jungle of commodities has for the most part a reasonable and sensible set of needs; however, they do misinterpret the relationship between their perceived needs and the possible sources of satisfaction for them" (Leiss, 1976:59).

This brings us to the second objection to Marcuse's need theory. For Marcuse, the problem does not lie in the fact that people want or desire things or that they desire the wrong things within an advanced capitalist society. The problem with false needs is that the satisfaction of false needs leads to personal and societal harm. For example, the problem is not that I desire or want a car, even a very expensive car, for transportation i.e., the expensive car is not the false need. The problem lies in the fleeting feeling of happiness or satisfaction I get from owning an expensive car, just to feel disappointed because the newer model of that expensive car seems so much better. In order to achieve that same feeling of satisfaction I must labor which causes a feeling of stress and exhaustion that leaves me unfulfilled:

> "No matter how much such needs may have become the individual's own, reproduced and fortified by the conditions of his existence; no matter how much he identifies himself with them and finds himself in their satisfaction, they continue to be what they were from the beginning – products of a society whose dominant interests demand repression" (Marcuse, 1964:5).

Another important factor in this example is that while I am working very hard to earn more money for the newer model of the expensive car, I'm too preoccupied with creating surplus labor to fulfill my true needs. The satisfaction of false needs distracts from my true needs like spending time with my family and friends, enjoying the beauty of nature or the satisfaction of self-actualizing and self-expressive labor. Instead, I am relying on an expensive new car to reflect and fulfill all those needs. Therefore, the problem does not lie in a person's inability to identify, choose, or distinguish between their subjective needs and wants. The problem lies in whether the satisfaction of my needs will lead to authenticity and expression or alienation and oppression:

> "Advanced industrial society superimposes real, objective needs upon individuals for things that ultimately serve societal interests, at the cost of individual detriment. This is what makes false needs 'false'. Marcuse's concept of false needs is innovative because it tells us that our society has warped and convoluted our needs. It introduces 'layers' of

> artificial, yet-real needs that must first be met, before we can satisfy our needs related to individual flourishing. In advanced industrial society, false needs 'stack up' upon our true needs, and obscure alternative courses of fulfillment" (Cutts, 2019).

The need for an expensive car that reflects certain aspects of my personality or social esteem are socially and historically constructed and are thus a human need. However, if a person wants to reflect these aspects in neoliberal society, then they must also adhere to its neoliberal political rationality. False needs penetrate the subjective aspects of a person's needs and make it seem like a rational pursuit to satisfy those needs. The false need for an expensive car becomes as justified as the original need for esteem, self-expression, or transportation in materially and capitalist advanced societies. False needs "become the individual's own" instead of recognizing them as symbolic objects that benefit the interests of the advanced capitalist society (Marcuse, 1964:8).

I find, contrary to Leiss, that Marcuse recognizes the difficulty of distinguishing between true and false needs in a society where true and false needs are interwoven. Moreover, this is the exact problem with false needs that Marcuse is trying to highlight. Cutts (2019) argues that Marcuse recognizes the difficulty that people in advanced capitalist societies have "to ignore social links between fetish objects and the true objects of need". Cutts furthermore states that it is important to recognize that in advanced capitalist societies people are "bound to participate in the pre-established avenues of need fulfilment" (Cutts, 2019). Marcuse (1964:12-14) further suggests that, in advanced capitalist societies, true needs are suppressed by encouraging individuals to pursue false needs. He goes on to argue that people within materially affluent societies are preoccupied with false needs to distract them from the true needs that society fails to provide to them. This results in a one-dimensional rationality on a mass scale that prevents radical socio-political and economic revolution.

The pursuit of false needs is encouraged to sustain the free-market system that is based on utilitarian rationalism and proves detrimental to individual or overall well-being. False needs promote the development of capitalist economic systems and this aligns with Foucault's concept of governmentality. In particular, the notion that false needs are superimposed for a specific social interest reinforces "the mechanisms of discipline" and "codes of normalization" (Foucault, 2003:37, 38). False needs point to the manner in which people are disciplined in neoliberal capitalist societies to "behave according to norms" and specifically norms that encourage economic growth (Foucault, 2003:38).

In essence, his critique aligns with our question of whether it is possible to eliminate these needs in an economic system such as neoliberalism. Advanced capitalist societies suppress the true

needs through commodifying them as consumer goods; sometimes to the point of dismissing them altogether when they run contrary to economic growth. The deeper concern of neoliberal capitalism is not freedom from the economy, but freedom to pursue false needs within a monopolized consumerist system. In such a system the concern for well-being is perceived as financial well-being (Marcuse, 1964:90). People pursue the image of wealth and their right to pursue these false needs, expensive clothing, and expensive cars, without recognizing that they are doing so at the cost of their liberation from false needs and a dominating socio-economic and political system. The true need for freedom stretches beyond economic factors such as intellectual and political freedom or social freedom in the form of inter-personal relationships.

5.4 False Needs in a Neoliberal Society

Marcuse's concept of false needs gives relevant insight into the limitation of human development as well-being within neoliberal societies, which functions from a neoliberal political rationality. Marcuse also describes how the pursuit and fulfillment of false needs can lead to one-dimensional false consciousness on a mass scale that is particularly important in understanding the consumerist tendencies in contemporary neoliberal societies. However, the socio-political climate and economic systems have developed and changed in significant ways since Marcuse wrote on false needs. Most neoliberal economies have incorporated legislation and laws that are much more left leaning. Some of these laws and regulations include carbon emission laws and regulations, rights of the working class, and a considerable amount of socio-economic support from government in the form of food stamps and universal healthcare etc.

Sen's more liberal capability approach is vastly different from Marcuse's much more radical critical theoretical or neo-Marxist approach. Nevertheless, both Marcuse and Sen are unified in their objectives to develop or support an economic system that is focused or centered around human well-being. It is in this unified goal that Marcuse and Sen can complement and advance each other, although they have vastly different approaches. False needs emerge in advanced capitalist societies such as neoliberal societies by pursuing an 'imposed' neoliberal political rationality that limits agency and freedom on an economic, political and personal level. Cutts (2019) highlights this by stating that "Marcuse's motivations in *One-Dimensional Man* are clear: he wants to see materially affluent societies recognize themselves in ways that will free individuals from alienation."

As mentioned in Chapter 4, Sen's concept of human development and well-being is based on the capability approach. I argue that Sen does not take into serious consideration that people's capabilities and functionings, and thus consequentially their well-being, are vastly dependent on consumerist goods. However, Sen does address this issue by arguing that commodities are

neutral objects or goods, without any inherent political or social ideals or objectives. Although Sen argues for the neutrality of consumerist goods or commodities, I argue that these commodities or consumer goods have an immense social and political influence on people's everyday lives. I make this argument by referring to Marcuse's concept of false needs.

I will use Sen's example of a bicycle. Sen makes the argument that a bicycle (the consumerist good) could enhance a person's capabilities or their range of possible functionings, and, consequently, their well-being as well. However, let us view Sen's bicycle example through the Ray Ban lenses of Marcuse's false needs. Let us consider that this person is pursuing the need for a better bicycle, not because the bicycle is broken or because the bicycle is old and no longer functioning optimally, but rather after seeing a newer version of their bicycle advertised on a billboard on their way to work. This person would then take more shifts at work, or just use their hard-earned money by selling their skills, knowledge and/or manual labor in pursuit of the better bicycle. The next week a bicycle is not satisfying anymore, and this person would once again pursue their need for say a car, by selling their skills, knowledge and/or manual labor in pursuit of this car. Of course, with a better bicycle or a car people's capability, functionings and well-being are enhanced according to Sen. However, in pursuit of these endlessly unsatiated needs for a better bicycle, a newer car, newer clothes etc. they are essentially selling their life in pursuit of commodities.

Moreover, it comes across as though Sen has a fallen platonic ideal of a bicycle. In other words, Sen think his idea of a bicycle exists in the real world as it exists in his thought experiment. By this I mean that Sen does not consider that there are different brands of bicycles that are manufactured by different corporations and through human labor. Even though production is mostly automated, there are still people working in the factories, working on the marketing team, working in management and all of them are engaging in an economy to benefit the capitalist owners. I agree with Marcuse that commodities are used in a capitalist consumerist society as a means of oppression and control over labor and people's lives, and this will always affect their freedom and well-being. A neoliberal pre-occupation with surplus labor and the fulfillment of false needs goes beyond enhancing capabilities. It requires a radical re-evaluation of the core one-dimensional political rationality of the neoliberal economy.

Marcuse's concept of false needs highlights the manipulative nature of a capitalist consumerist society that keeps people occupied with pursuing these false needs in exchange for surplus labor. At the end of the day, this person's capabilities might be enhanced, because they have more opportunities to better their socio-economic circumstances by consuming and pursuing more false needs. However, their well-being suffers significantly under the psychological, physical and mental stress of surplus labor with extremely limited meaningful engagement with their

environment, society, own work and ultimately, their own lives. Once again, it is worth considering whether the pursuit of these consumerist false needs always results in well-being, since most people still live in poverty despite working hard and contributing to the economy. I argue that the underlying rationality of a neoliberal society will always result in the development of the economy, but never the development of well-being.

Some would argue that economic interests and human well-being can be aligned, and that by enhancing capabilities and functionings, economic growth can also be enhanced. A good example is how environmentally conscious capitalist societies have become. Due to the growing concerns of capitalist production and its negative effects on the environment, it seems as though capitalism has finally developed some morals. With the looming danger of climate change many countries have implemented laws and regulations limiting carbon emissions. Even corporate conglomerates pride themselves with ethical and environmentally friendly production practices. People praise the innovation to align capitalist objectives with growing environmental concerns. Despite the innovational practices and changes of global corporate conglomerates and neoliberal states, Marcuse's work still gnaws at the back of my mind causing a lot of distrust in this sudden concern for ethics and morals. Brown, (2005:67) rather tongue-in-cheek, neatly summed it up:

> "however cynically or superficially…capitalism has developed an ethical face: it recycles, conserves and labels; it divests itself of genetically modified organisms and transfats, and caters to kosher, vegetarian and heart-healthy diets; it refrains from testing animals and develops dolphin-safe tuna nets; it donates fractions of its profits to cancer research and reforestation, and sponsors Special Olympics, gay pride, summer Bach festivals, and educational supplements for the underprivileged. Save for occasional revelations about heinous sweatshop practices or dire devastations of pristine nature, it has largely lost its brutish reputation as a ruthless exploiter and polluter".

The 'green-consumption' movement, however noble a pursuit, has become a status symbol, quite literally. Many of these 'green-consumer' products, and in many ways the green-consumer lifestyle, are awfully expensive. My concern here is that a green lifestyle has become elitist and exclusionary through branding. A green lifestyle should not be a symbol of social elitism or another capitalist endeavor, but rather a lifestyle that most people can easily and affordably practice. Being environmentally conscious should not be a capitalist endeavor, but an inclusionary process in which everyone and anyone can participate.

Of course, many would argue that these products are better quality and would therefore last longer, or that the 'green-production' process is costlier. Although environmentally ethical production is a step in the right direction, and it relieves environmentally conscious consumers to

buy something without feeling guilty, it still does not address the driving force behind capitalist consumption of products and the creation of false needs. Just because a product is better quality and produced through a more environmentally friendly process (which is good), it would not necessarily result in people buying less goods. The psychological relief you experience when buying an environmentally green product or participating in green practices could be a manipulation of our true needs (to protect the environment) into a false need as a status symbol. Along with the green movement becoming a status symbol and capitalist endeavor, it only seems to become a justification to consume more. As Marcuse's concept of false needs has already conveyed to us, as long as the manipulation of needs is used for consumers to engage in surplus labor, the amount of goods consumed will not lessen. The fact is that the core and driving problem surrounding the pursuit of false needs is not addressed in the green consumption movement, but instead it just puts on a superficial ethical mask.

Another prevalent example within the South African context is that of community engagement. Companies are encouraged to launch programs that make a positive contribution to their communities and engage with the people within those communities. SASOL (Global Chemical and Integrated Chemical Company) has many community engagement projects from education bursaries to environment sustainability. However, they are one of the biggest contributors to carbon emission in South Africa (SASOL, 2021). Community engagement is often used as a justification to continue bad or unethical behavior in pursuit of capital gains. Community engagement is just another 'ethical face' in the sea of capitalist manipulation.

As mentioned by Brown, the "ethical face" of consumerist capitalism is also concerned about our health (Brown, 2005:67). In efforts similar to the 'environmentally conscious' movement, neoliberal states and conglomerates see it as their moral duty to inform consumers of healthy eating habits and adjust their production processes to give a 'guilt-free' product. One of the most noticeable health-conscious production processes is eliminating sugar from their products. A good example often used by philosopher Slavoj Žižek is caffeine free and sugar free Coca Cola. Žižek very accurately points out that "we drink nothingness itself, the pure semblance of a property that is in effect merely an envelope of a void" (Žižek, 2000:23). In other words, we end up drinking something without any nutritional value which has absolutely no benefit for the consumer. We as consumers are satisfied with essentially drinking the Coca Cola brand.

Some may counter my argument by referring to some of the advancements in technology and medicine that were a result of capitalist development and competition. It is undeniable that with capitalist development there has also been an overall improvement in the quality of life and the prolonging of life due to these technological and medical advancements. Moreover, many working-class people enjoy the same commodities and services as the rich. Take Coca Cola as

an example. One can imagine that Bill Gates and an employee in one of his businesses enjoying the same product. Brands like Coca Cola and McDonalds are marketed as universal products. However, Marcuse disagrees:

> "If the worker and his boss enjoy the same television program and visit the same resort places, if the typist is as attractively made up as the daughter of her employer … if they all read the same newspaper, then this assimilation indicates not the disappearance of classes, but the extent to which the needs and satisfaction that serve the preservation of the establishment are shared by the underlying population" (Marcuse, 1964:8)

Furthermore, how does one justify having these advancements available, and they only benefit a select few instead of all of humanity? To my mind, if these advancements of a capitalist society are not readily available and affordable (if not free) for the majority of members of society, then that is an absolute tragedy and not worth boasting about.

Although these advancements and consumerist goods may contribute or enhance the functionings and capabilities of a person, they do not necessarily result in human well-being. The reason why the pursuit of false needs does not necessarily contribute to human well-being is because it does not address the core motivations and rationality of capitalist consumer societies. The manipulation of people's needs by putting on an ethical face still results in a mass complacency. People become complacent and politically passive in materially affluent societies:

> "Capitalist commodity production is also ever more orientated to the pleasures of the middle class consumer, and the middle class is ever more oriented by its own pleasures … Capitalism charms rather than alienates us with its constant modifications of our needs and with its output for our mere entertainment, and we are remarkably acclimated to its production of algorithmic increases in rates of redundancy and replacement of technologies" (Brown, 2005:67).

The pursuit of false needs ultimately leads to the suppression of true needs and perpetuates the one-dimensional false consciousness of consumers. Unless the underlying and core motivations of a capitalist consumer society are addressed, it would be difficult to distinguish between true needs or needs that are merely a capitalist manipulation to produce surplus labor and political passivity. Moreover, even the ethical face of capitalism thrives on social elitism and exclusion. It once again becomes clear that even the noblest of pursuits in advanced capitalist societies, such as being environmentally conscious and health conscious, become manipulated to benefit the development of an economic system instead of the well-being of individuals.

5.5 Herbert Marcuse's Radical Subjectivity

Marcuse's radical subjectivity is developed from a critical consciousness within the depth-dimension. A radical subjectivity is established within an aesthetic dimension and a rationality of gratification. Marcuse's concept of a rationality of gratification, is a type of reason that is sensuous and helps to develop sensuous order. Marcuse assumes that a sensuous order that allows reason to freely develop and evolve will allow for a lasting gratification to develop and make a continual gratification possible (Marcuse, 1955:223,224). Marcuse's rationality of gratification is antithetical to the neoliberal political rationality with a one-dimensional core. Marcuse's rationality of gratification is developed from a radical subjectivity and encourages a qualitative understanding of life that is aimed at gratifying true needs that lead to freedom and happiness. This is contrary to a quantitative approach that encourages a one-dimensional understanding of well-being that emphasizes the fulfillment of false needs in consumerist culture.

Marcuse's concept of a radical subjectivity is essentially a "revolutionary subjectivity" that calls for a restructuring of socio-political and economic structures on an individual level (Kellner, 1999:3). The socio-political and economic transformation that Marcuse advocates for demands radical change in the way in which we understand subjectivity and agency. Marcuse mainly develops his concept of subjectivity and agency in his book *Eros and Civilization,* where he draws on Freud's theories to analyze social psychology, arguing that they are historical and political by nature (Marcuse, 1955:16). Marcuse describes human development in society as a conflict between the 'pleasure principle' and the 'reality principle' of Freud. Marcuse defines Freud's pleasure principle as when a person is only in pursuit of "gaining pleasure" and avoids "any operation which might give rise to unpleasantness ('pain')," and, resultantly, where "mental activity draws back" (Marcuse, 1955:13). However, people's desires and pursuit of pleasure often come into conflict with society and other series of disciplines: "the individual comes to the traumatic realization that full and painless gratification of his needs is impossible" (Marcuse, 1955:13). This later becomes an important driving force behind Marcuse's development of false needs in *One-Dimensional Man*. The reality principle of Freud creates a learning behavior where a person adheres to social convention and behaves in an appropriate manner that is approved in society and, consequently, unlearns forbidden behaviors that are harmful to society. According to Marcuse, the reality principle becomes the totality of a society's principles, behavior and reason that are imposed on people.

Marcuse states that people develop an ideological reasoning: "a conscious, thinking *subject*, geared to a rationality which is imposed on him from outside" (Marcuse, 1955:14). Thus, this imposed rationality is a social construct for Marcuse. Marcuse argues that people can only take so much repression and unhappiness and it is their unhappiness and repression that will

eventually lead to a rebellion against social domination and repression. Marcuse believes that Freud's theories allude to a deep-seated power of instinctual energies which demand gratification. Marcuse refers to this as 'Eros' and argues that a liberated Eros would seek gratification in human relations and through the expression of creativity.

Marcuse claims that a liberated Eros would require a radical restructuring of society and does not necessarily focus on quantitative aspects of material society but seeks a qualitative experience of human development through the aesthetic dimension. In such a society the hegemonic reality principle is challenged, and an alternative reality principle is constructed. Marcuse suggests that a new alternative reality principle is based on the 'logos of gratification' that is founded on Aristotle's notion of *nous theos* and Hegel's ideal of the spirit resting in its absolute knowledge (Marcuse, 1955:112). The alternative reality principle that is based on the logos of gratification would require that instincts are aimed at creative expression in the form of 'play' that overcomes the conflict between reason and pleasure: "reason is sensuous and sensuousness rational" (Marcuse, 1955:180). Marcuse argues that the alternative reality principle focuses on the logos of gratification and operates through the play impulse:[21]

> "the aesthetic function would 'abolish compulsion, and place man, both morally and physically, in freedom'. It would harmonize the feelings and affections with the ideas of reason, deprive the 'laws of reason of their moral compulsion' and 'reconcile them with the interest of the senses'" (Marcuse, 1955:182).

Marcuse suggests a new concept of reason, namely a "libidinal rationality" (Marcuse, 1955:223). He argues that this new concept of reason does not repress true needs, but aligns with our senses to help identify true needs. Marcuse contends that the dominant philosophical paradigm, that sees reason in opposition with that which enhances sensuality, is repressive and totalitarian. Furthermore, he states that such a repressive understanding of reason does not allow for gratification and development (Marcuse,1955:119). Thus, Marcuse wants to develop an understanding of reason that creates a "sensuous order" (Marcuse, 1955:223). He argues that "repressive reason gives way to a new *rationality of gratification* in which reason and happiness converge" (Marcuse, 1955:224). He furthermore states that "Eros redefines reason in its own terms. Reasonable is what sustains the order of gratification" (Marcuse, 1955:224). In other words, Marcuse argues that a libidinal rationality is a rationality of gratification that would remove the limitations of a repressive rationality. He argues that reason should encourage the development of human well-being that would result in lasting gratification. Moreover, according to

[21] Marcuse relies heavily on the work of Schiller to describe and build on the notion of the play impulse as an impulse for revolution. This influence is especially prominent in *Eros and Civilization* (1955:187,189).

Marcuse, a libidinal rationality (or rationality of gratification) would cause a restructuring of societal relations that would ensure a continual gratification.

Marcuse's understanding of a new rationality of gratification wants to truly embrace freedom and give people a liberation of the senses, but this would call for "a total revolution in the mode of perception and feeling" (Marcuse, 1955:189). An aesthetic reality would operate from a play impulse that encourages people to pursue their own personally defined true needs and creative expression that contributes to a sensual and qualitative experience of life. To Marcuse, the aesthetic dimension is portrayed in art and culture that is separate from the social order. The social order is defined by labor and operational thought. He argues that an 'aesthetic reality' would function from a new social order and rationality, namely a sensuous order and a rationality of gratification. Marcuse maintains that this new social order would be characterized by intellectual work, leisure happiness and freedom (Marcuse, 1965:16). Marcuse's alternative reality principle is based on a rationality of gratification that would inform people on what capabilities to pursue that would lead to radical human development and well-being. A rationality of gratification counters, challenges and ultimately subverts the neoliberal political rationality on a personal level.

5.5.1 The Role of Radical Subjectivity in a Neoliberal Rational Society

Marcuse understands rationality as something that is socially constructed. This understanding of rationality aligns with Foucault's concept of governmentality. Both Marcuse and Foucault view the subject "not as a natural and metaphysical substance, pre-existing its social gestation, but as a product of societal normalization whereby the individual is subjected to social domination" (Kellner, 1999:5,6). However, Foucault, contrary to Marcuse, did not rely on psychoanalysis as a form of developing a notion of agency that can resist social domination.[22] Instead, Foucault developed a "repression hypothesis" (Foucault, 1976:17-49). Foucault states that:

> "I would also distinguish myself from para-Marxists like Marcuse who give the notion of repression an exaggerated role – because power would be a fragile thing if its only function were to repress, if it worked only through the mode of censorship, exclusion, blockage and repression, in the manner of a great Superego, exercising itself only in a negative way. If, on the contrary, power is strong, this is because as we are beginning to realize, it produces effects at the level of desire – and also at the level of knowledge. Far from preventing knowledge, power produces it" (Foucault, 1980:59).

[22] For more on the subject of Foucault's theory to develop this form of agency see *Postmodern Theory: Critical Interrogations* (1991) by Steven Best and Douglas Kellner.

Marcuse describes surplus repression as “the restrictions necessitated by social domination, [and is] distinguished from basic repression, that is, the modification of the instincts necessary for the perpetuation of the human race in civilization” (Marcuse, 1972:35-37). According to Marcuse (1955:37), surplus repression also includes “additional controls arising from the specific institution of domination”. Therefore, for Marcuse, surplus repression arises from a dominant power and leads to an uncritical consciousness that is prevalent in advanced industrial societies (Han You, 2014:8). Foucault states the following relating to social controls and power:

> “As for population controls, one notes the emergence of demography, the evaluation of the relationship between resources and inhabitants, the constructing of tables analyzing wealth and its circulation … they [discipline and population control] were not to be joined at the level of a speculative discourse, but in the form of concrete arrangements that would go to make up the great technology of power in the nineteenth century” (Foucault, 1976:140).

Marcuse develops his theory of surplus repression from a Freudian perspective and applies Freud’s theory of repression on a social level as a “metaphor for social conditions” (Han You, 2014:8). Foucault rejects the ‘Left Freudian psychoanalytic tradition’ because it only contributes to the “scientific knowledge brought about by the entrapment of discourse by the apparatus of power” (Han You, 2014:12). Additionally, Foucault’s rejection of Marcuse’s theory of surplus repression lies in the fact the Foucault does not believe that pleasure and civilization are in conflict with one another. Another major point of departure for Foucault is that “Marcuse embraces the idea that it is possible to achieve enlightenment by negating the principles of the real world, whereas Foucault refuses the absolute goodness or correctness posited by enlightenment” (Han You, 2014:9). Therefore, I argue that Foucault’s rejection of surplus repression can be summarized as a rejection of a normative term of repressive power as a dominant power. However, Marcuse justifies his theory of surplus repression via the reality principle, stating that “the reality principle supersedes the pleasure principle” (Marcuse, 1955:13). He argues that certain instruments and mechanisms of control in an advanced industrial society suppress pleasure and states that “the additional controls” arise from “the specific institutions of domination” (Marcuse, 1955:37).

However, there are some similar arguments between Marcuse’s concept of surplus repression and social domination and Foucault’s theory on power and discipline. Both Marcuse and Foucault emphasize the “process of Western rationalization wherein rationality excludes (represses) the irrational (madness or instinct)” (Han You, 2014:8). For Marcuse, reason is a mechanism for repression and therefore no civilization whose focus is on human development can exist, or be developed, from reason alone. According to Han You (2014:9), Marcuse’s position is in accord

with “Foucault’s emphasis on the freedom that comes from unreason”. Foucault argues that the function of confinement has “had to leave madness a certain leeway rather than seek to entirely control it” and in advanced industrial society does not offer freedom of pleasure, but rather “moderate satire” (Foucault, 2006:435). Foucault goes on to state that “confined in madness and medically treated madness, when madness is seen as unreason, and confronted madness seen as disease” (Foucault, 2006:431).

Han You (2014:14) argues that both Marcuse and Foucault recognize the dominance of reason as being inherently manipulative and limiting the experiences of pleasure. Marcuse states the following of the process of Western rationalization:

> “The idea of reason becomes increasingly antagonistic to those faculties and attitudes which are receptive rather than productive, which tend toward gratification rather than transcendence – which remain strongly committed to the pleasure principle. They appear as the unreasonable and irrational that must be conquered and contained, in order to serve the progress of reason … the Logos shows forth as the logic of domination” (Marcuse, 1955:457).

Therefore, Foucault argues that reason fulfills its role in society in different ways throughout history; at different historical timeframes and thus has different effects. Reason’s hegemony, for Foucault, therefore, has different outcomes and thus is controlling behavior which cannot easily be located. He uses the example of classical reason and modern reason. Classical reason, when confronted with unreason, would confine people “by nothing, not that they were ill or criminal” and on the contrary, modern reason would classify unreason as the “organizing of sickness of the mind” (Foucault, 2006:106,198). Marcuse however argues that reason is a tool of logic that perpetuates a one-dimensionality that leads to surplus repression.

5.5.2 Radical Subjectivity in Relation to Amartya Sen’s Capability Theory

In their pursuit of an economy centered around human well-being, both Sen and Marcuse focus on the development of the individual and their unique circumstances that lead to individual well-being. They both also emphasize the importance of individual freedom. As discussed in the previous chapter, Sen focuses on the individual development of well-being through the enhancement of capabilities. He especially emphasizes the importance of individual preferences. Sen refers to the concepts ‘capability sets’ and ‘conversion factors’ to describe the uniquely individual understanding and development of well-being. A person’s set of capabilities (or possible opportunities and functionings) refers to the different options and opportunities available to that person. Conversion factors consider the circumstances that limit or enhance a person’s

capabilities. His avid support of individual choice and the choice approach to creating a list of capabilities also informs his advocacy for a liberal democratic approach. On the other hand, Marcuse focuses on the individual to inform his quest for a radical subjectivity that would ultimately lead to the socio-economic restructuring of society. Marcuse's focus on individual freedom seems more a liberation from the capitalist system and false needs, while Sen tries to work within the capitalist system to transform it. For both Sen and Marcuse, the focus of individual development and well-being is crucial for provoking change on a collective socio-political level.

In Chapter 4, I highlighted the underlying modern rationalist critique of Sen's capability approach. Marcuse provides a critique against the modern rationalist understanding of the subject and instead "counterposes to notions of libidinal rationality, Eros and the aesthetic-erotic dimensions of an embodied subjectivity" (Kellner, 1999:2). Moreover, Sen was also critiqued for his understanding of rational agency that does not account for radical historical and socio-political development and influences on a person, and that functions within a historical context. As stated by Kellner "without a robust notion of subjectivity and agency there is no refuge for individual freedom and liberation, no locus of struggle and opposition, and no agency for progressive political transformation" (Kellner, 1999:3). Sen's lack of recognizing the construction of an individual as subject through a historical process with a dynamic socio-political milieu diminishes his objective for social transformation and economic equality.

However, Marcuse's historicist tradition of critical theory sees human development in a historical context that is continually advancing in relation to socio-political factors. Marcuse's critical theoretical approach grounds Sen's concept of agency and contextualizes agency development within a larger historical and political context that is aimed at a radical subjectivity. Furthermore, Marcuse recognizes the "dominant forms of subjectivity as oppressive and constraining" that Sen lacks when addressing economic inequality (Kellner, 1999:3). However, Marcuse also calls for the reconstruction of subjectivity that is "qualitatively different than the normalized subjectivity of contemporary advanced industrial societies" (Kellner, 1999:3). Marcuse's radical subjectivity can inform Sen's concept of agency and gear it towards transformation through human development of agency.

However, social domination within society is an ongoing process that shapes the thoughts, behavior, needs and consciousness of people within that society. Marcuse states that "neither his desires nor his alteration of reality are henceforth his own: they are now 'organized' by his society. This 'organization' represses and transubstantiates his original instinctual needs" (Marcuse, 1955:14-15). Marcuse argues that Freud exposed the significant consequences of Western civilizations' progress. Although Western civilization had material affluence, Freud's theories reflected the repression of people's true needs and general unhappiness (Marcuse, 1955:3).

From this Marcuse questions the whole 'rationality' of consumerism that drives advanced industrial societies' ideology of economic progress. Sen never directly questions the consumerist driving force and the rational ideology of economic progress and the manipulation of needs. Instead Sen questions the utilitarian approach in capitalist societies. I argue that Sen's critique of capitalist societies is not radical enough. Marcuse on the other hand wants to show up "the repressive content of the highest values and achievements" of this consumerist culture (Marcuse, 1955:17).

Sen's capability theory could fully embrace this 'aesthetic reality' that would radically alter the current socio-economic reality that currently only leads to repression of gratification and unhappiness for the majority of people. The freedom from a capitalist established and extremely flawed reality would mean true freedom: "when reality loses its seriousness and when necessity become light" (Marcuse, 1955:187). Instead of calculating which capabilities would lead to economic and financial well-being, people would embrace and pursue gratification that would truly lead to human well-being. Society cannot have this transformation without this radical shift in reason that would lead to significant changes in how the economy functions. Without a radical subjectivity that encourages aesthetic or sensuous reason, the economy would not fully enhance human development and well-being, because no-one would exclude political reasoning from pursuing what they really want and need for individual development. A person would want to ride a bike to work or to school because they enjoy being environmentally conscious, healthy, educated and find their work to be a creative expression. This radical transformation of reason would limit the dominating effects of current socio-economic structure and reconstruct the economy to serve people and not the other way around.

Marcuse strongly objects to a rationality that dominates the subject through social constructs. In contrast to a repressive and dominating rationality Marcuse proposes a rationality of gratification that would ultimately lead to a freer and happier society. Marcuse's rationality of gratification restructures our understanding of how a rational economic system would look: an economic system that is centered around the gratification of true needs and human development and well-being. This suggests a subjectivity that is continually evolving, developing and striving for happiness and freedom. Marcuse's subjectivity is an oppositional and embodied subjectivity that struggles against the oppressive and dominating political rationality of advanced capitalist societies. Although Sen's capability approach is less radical that Marcuse's approach, it is also a lot more practical to employ in the current economic system. Marcuse's suggestions are focused on radically changing the current socio-political and economic status quo and many would oppose such a radical re-orientation. However, both Sen and Marcuse are extremely focused on the

individual and a person's ability to choose. It is this unifying quality that might pose a possible and practical solution that still encourages a radical shift in socio-economic systems.

Marcuse's understanding of radical subjectivity is informed by Marx's *Manuscripts* (1844) and follows the concept of alienation and surplus labor etc. However, Marcuse argues that radical change is rooted in the subjectivity of individuals themselves, their passions, needs, drives and goals (Marcuse, 1978:3-4). This is in contrast to orthodox Marxism that describes radical subjectivity as something that is formed within a specific group, namely the proletariat. Marcuse goes on to state that "liberating subjectivity constitutes itself in the inner history of individuals" (Marcuse, 1978:5). Marcuse shows awareness that each person has a distinct subjectivity that corresponds to their structural position in society. Marcuse's concept of an individualized radical subjectivity shows that he understands that factors such as race, gender and economic class influence our experiences and opportunities in society. It also reflects a deeper understanding that experiences and opportunities are often determined by a subjective and structural position in society.

Kellner (1999:13) describes Marcuse's notion of a radical subjectivity as a subjectivity that is "corporeal, cultivates the aseptic and erotic dimensions of experience, and strives for gratification and harmonious relations with others and with nature". Kellner argues that the transformation of subjectivity in Marcuse's work "presents a critique of hegemonic forms of subjectivity and domination and a challenge to overcome the one-dimensional, conformist and normalized subject of advanced industrial society" (Kellner, 1999:13). Marcuse suggests a radical subjectivity that is political in nature, because it challenges the capitalist subjectivity that leads to domination and oppression. Marcuse argues that to create a new subjectivity there must be "the emergence and education of a new type of human being, free from the aggressive and repressive needs and aspirations and attitudes of class society, human being created, in solidarity and on their own initiative, their own environment, own *Lebenswelt*, their own property" (Marcuse, 1969a:24).

According to Marcuse (1970:67), to achieve a radical subjectivity people would have to determine their own needs and break free of repressive false needs, develop a new sensibility consciousness, values, and behavior. Marcuse believes that the New Left and counterculture movement was "a political practice of methodical disengagement and the refusal of the Establishment aimed at a radical transvaluation of values" (Marcuse, 1969b:6). He also believes that this movement was a "negation of the needs that sustain the present system of domination and the negation of values on which they are based" (Marcuse, 1970:67). Marcuse's notion of radical subjectivity "rejects the Kantian … devaluation of the senses as passive, merely receptive" (Kellner, 1999:15). Instead, Marcuse's radical subjectivity focuses on the role of the senses that

is fundamental to our experience of life and society and argues that our senses are socially constrained and manipulated in capitalist society (Marcuse, 1970:24).

5.6 The Role of Democracy in Neoliberal Political Rationality

In this section I will explore and discuss how Sen and Marcuse think about democracy. Moreover, through their critique of democracy, I will question the one-dimensional core of a neoliberal political rationality that has penetrated the way in which we govern society. In other words, I am critiquing a neoliberal governmentality, a system that we assume to be the best way of governing society. Furthermore, in Chapter 6 I will argue that this idealization of democracy that is grounded in a neoliberal political rationality is perpetuating economic inequality in developing countries like South Africa. Therefore, it is crucial to address and radically change that rationality if there is ever a hope to truly overcome economic inequality.

The democratic process is central to Sen's capability approach and he has also made the case for a universal democracy (Sen, 1999a:147-152). He argues that democracy is "critically important for the development of human capabilities" (Sen, 2002:79). Sen has also been a big advocate for liberal democracy that is founded on political freedom and public participation. Sen's vision of a liberal democracy is not merely based on a "mechanical condition" that is simply composed of elections and voting. Rather, he argues for a democracy that is embodied by the concept of "government by discussion" that stretches and develops "global roots" (Sen, 1999c:8-9).

Sen argues that public discussion and democratic choice are important to determine "a proper understanding of what economic needs are" and to "express publicly what we value and to demand that attention be paid to it" (Sen, 1999c:52). He also adds that the "intensity of economic needs adds to – rather than subtracts from – the urgency of political freedoms" (Sen, 1999c:148). I argue that Marcuse would have an extreme aversion to this statement. I think that he would argue that any economic or social system should exist to fulfill and satisfy human needs and, if not altogether irrelevant, that economic needs should be secondary concerns. Moreover, Marcuse would argue that a political system that revolves around economic needs is a system of total human domination:

> "Under these circumstances, even the existing liberties and escapes fall in place within the organized whole. At this stage of the regimented market, is competition alleviating or intensifying the race for bigger and faster turnover and obsolescence? Are the political parties competing for pacification or for a stronger and more costly armament industry? Is the production of 'affluence' promoting or delaying the satisfaction of still unfulfilled vital needs? If the first alternatives are true, the contemporary form of pluralism would

> strengthen the potential for the containment of qualitative change, and thus prevent rather than impel the 'catastrophe' of self-determination. Democracy would appear to be the most efficient system of domination" (Marcuse, 1964:55-56).

Sen himself states that "in a democracy, people tend to get what they demand, and more crucially, do not typically get what they do not demand" and supports a pluralist form of democracy that he argues would strengthen self-determination (Sen, 1999a:156). This statement suggests that people in a liberal democratic society must be critically aware to make social, political and economic demands. Sen emphasizes the importance for ensuring political participation and social choice: "it is also crucial to safeguard the conditions and circumstances that ensure the range and reach of the democratic process" (Sen, 1999a:158).

Marcuse would argue that people do not have the critical capacity in advanced industrial societies to participate in social and political decision-making and policy development. He argues that people in advanced industrial societies have become politically passive due to false needs. Marcuse states the following on false needs and freedom:

> "The range of choice open to the individual is not the decisive factor in determining the degree of human freedom, but what can be chosen and what is chosen by the individual. The criterion for free choice can never be an absolute one, but neither is it entirely relative. Free election of masters does not abolish the masters or the slaves. Free choice among a wide variety of goods and services does not signify freedom if these goods and services sustain social controls over a life's toil and fear – that is, if they sustain alienation. And the spontaneous reproduction of superimposed needs by the individual does not establish autonomy; it only testifies to the efficacy of the controls" (Marcuse, 1964:7).

Stewart and Deneulin (2002:63-64) have also been very critical of Sen's vision of liberal democracy, arguing that "democratic discussions are not easy to have and democratic understandings even more problematic … Sen's concept of democracy seems an idealistic one where political power, political economy and struggle are absent". Marcuse also states that the democratization of culture has become a new totalitarianism that "manifests itself precisely in a harmonizing pluralism, where the most contradictory works and truths peacefully coexist in indifference" (Marcuse, 1964:64). Marcuse is very critical of a homogenization of the democratic process and the rationality that accompanied the democratic process and introducing it in developing countries.

Marcuse turned his attention towards analyzing the economies and societies of Western capitalist countries while the liberal capitalist democracies in North America and Western Europe were at

war with the neo-Stalin dictatorships during the 1950's and 1960's (Luke, 2000:95). In so doing, he noticed that liberal capitalist democracies and "contemporary industrial society tends to be totalitarian" (Marcuse, 1964:3). The totalitarian order that Marcuse saw emerging from liberal capitalist democracies was an "economy of multinational private enterprise" (Luke, 2000:95). Marcuse stated that the economy of private enterprise was based on "a non-terroristic economic-technical coordination which operated through the manipulation of needs by vested interests" (Marcuse, 1964:3). His critical approach to capitalism still provides a crucial understanding of social relationships, historical-economic developments, and political conflicts. Furthermore, it seems that Marcuse made an eerily accurate prediction of the dangers of an advanced capitalist society.

Both Sen and Marcuse question the validity of a democracy that is based solely on voting and elections. Marcuse refers to this theory of democracy as the 'competitive theory of democracy' (Marcuse, 1964:117). Marcuse also critiques the guise of democracy as political competition, asking "When does political competition produce a 'process of consent', and when does it produce a 'process of manipulation'?" (Marcuse, 1964:118). Here, Marcuse's critique raises concerns against the very validity of a liberal democracy by arguing that it is a system of domination (Marcuse, 1964:56,68).

Marcuse's concern for the effect that private corporate enterprises will have on the development of society through state and other social institutions is in line with David Harvey's analysis and critique of neoliberal societies. As mentioned in Chapter 2 on neoliberalism, Harvey considers powerful corporations to be great influencers on state and government. In line with Marcuse, Harvey further argues that corporate enterprise is a "new economic orthodoxy regulating public policy" (Harvey, 2005:22, 160-161). Deepening this sentiment, Wendy Brown's critique and analysis of neoliberalism's effect on liberal democracy really ties Marcuse's 20th Century critique of capitalism with 21st Century neoliberal tendencies. Brown's concerns for the influence of corporations on political and economic policies also echoes that of Harvey and Marcuse. She develops her critique through her appropriation of governmentality as economic, social, and political rationality. Once again, we can illude to the governing of states as businesses, the height of which can be seen in the Trump presidency. Brown states that neoliberalism forms "relatively differentiated moral, economic, and political rationalities and venues in liberal democratic orders to their discursive and practical integration" (Brown, 2005:45). She goes on to argue that neoliberalism "undermines the relative autonomy of certain institutions" (Brown, 2005:45).

Brown's concerns for the influence of neoliberalism style of economic, social, and political rationality is developed through the theories of Marcuse. Her findings causally relate to the problem of Sen's heavy reliance on a democratic system to establish and implement a list of basic

capabilities through social democratic institutions and systems. Brown emphasizes the "tension between a capitalist political economy and a liberal democratic system" (Brown, 2005:45). Here, Brown refers to Marcuse to illustrate the implications of this:

> "Herbert Marcuse worried about the loss of a dialectical opposition within capitalism when it 'delivers the good'- that is, when, by the mid-twentieth century, a relatively complacent middle class had taken the place of the hard-laboring impoverished masses Marx depicted as the negating contradiction to the concentrated wealth capital – but neoliberalism entails the erosion of opposition to political, moral or subjective claims located outside capitalist rationality yet inside liberal democratic society, that is, the erosion of institutions, venues, and values organized by nonmarket rationalities in democracies" (Brown, 2005:45).

Marcuse is very critical of the use of technology as a political instrument that is used to politically pacify them with the production and manipulation of false needs. Marcuse argues that the development of a capitalist rationality is intertwined with the development of science, technology and the domination of nature. The underlying economic rationality that drives the development and advancement is also clear in neoliberal societies. Scientific and technological advancement are often (not always, but in the majority of cases) aimed at producing commodities to be consumed for the purpose economic advancement and not the freedom and well-being of people. Marcuse states the following concerning the influence of technology on democracy in developing countries:

> "…it rather seems that the superimposed development of these countries will bring about a period of total administration more violent and more rigid than that traversed by the advanced societies which can build on the achievements of the liberalistic era. To sum up: the backward areas are likely to succumb either to one of the various forms of neo-colonialism, or to a more or less terroristic system of primary accumulation" (Marcuse, 1964:50).

Marcuse argues that liberation from the political and economically deterministic development of technology is necessary. He argues that the economically deterministic and rationalist drive of technology is reinforcing a system of socio-political interests that manipulate the people and their needs. Marcuse is concerned that this perpetuated socio-political interest would "shape overall psychosocial expectations with routines of repressive normalization that most individuals and collectivities to adopt false needs" (Luke, 2000:96-97).

5.6.1 Competitive Democracy as Neoliberal Political Rationality

Pushing aside the problem of calling developing countries 'backward areas', Marcuse does accurately point out the influence that is enforced upon developing countries by both democratic and socialist governments. As Boaventura De Sousa Santos points out, European governments reformed themselves after World War II, especially Germany, and Stalin's socialist world "gradually established itself" as the "revolutionary choice" for countries recently freed from colonial rule and transformed into "a radical fundamentalism" between two opposing ideologies (De Sousa Santos, 2018:300). These countries were made to choose between either Western democratic rule or Western socialism in the form of the Stalinist enterprise. Furthermore, De Sousa Santos goes on to argue that "as the Third World freed itself from colonialism, it gradually became clear that reformism [or transitioning to self-rule] would never lead to socialism – it might, at the very best, lead to capitalism with a human face, like the one that was emerging in Europe after World War II" (De Sousa Santos, 2018:300).

Although De Sousa Santos does not reference Marcuse, his argument does align well with Marcuse's critique of democracy as a competitive democracy in two ways. Firstly, there is very clear competition against the Soviet Union and the Chinese to bring formally colonized countries into the Western democratic fold. This is especially evident in the designation of the term 'Third World', where any country that was neither democratic or First World nor communist-socialist or Second World was up for grabs. Furthermore, one can see this in the so-called 'domino theory' which was integral to US policy at the time where, if one Third World country were to fall into communist-socialist rule, the neighboring countries were sure to follow (Krebs & Spindal, 2018:576). Secondly, and more directly related to overall governance, when these Third World countries adopted Western democracy, they also inherited its competitive and oppositional nature. In so doing, democracy functioned as a backdoor opening for the neoliberal political rationality, its focus on false needs and overt attention to economic growth.

Frantz Fanon (2004:100) argues that this adopted democratic veneer allowed for the continuing exploitation of the formally colonized countries and their people. Not only were Western countries seeking alignment with Third World countries for ideological purposes, but there were also strategic economic reasons for doing so. Furthermore, Fanon states that the false choice given to the formally colonized must be rejected:

> "It was commonly thought that the time had come for the world, and particularly for the Third World, to choose between the capitalist system and the socialist system. The underdeveloped countries, which made use of the savage competition between the two systems in order to win their national liberation, must, however, refuse to get involved in

such rivalry. The Third World must not be content to define itself in relation to values which preceded it. On the contrary, the underdeveloped countries must endeavor to focus on their very own values as well as methods and style specific to them" (Fanon, 2004:55).

Fanon's sentiments regarding the Western influence, whether democratic or socialist, were widely influential and continue to be of great importance in decolonial discourses.[23] One outcome of Fanon's influence, both academically and politically, is Kwasi Wiredu's concept of a consensual democracy. In the next section I will give a brief description of Wiredu's critique of Western-style democracy and his proposal for a consensus-based model of governance. The purpose of this section is to: Firstly, show that Marcuse's critique of democracy may find a welcome dialogue partner in decolonial and African philosophical discourses; and secondly, to highlight how Marcuse's critique of democracy is not a *de facto* damnation of democracy itself, but a critique of the *de jure* employment of democracy on a global scale.

5.6.2 Consensual Democracy as a Neoliberal Opposition

Before describing Wiredu's concept of consensual democracy it is important to keep in mind that it is beyond the scope of the dissertation to give in-depth analysis of alternative democratic models. Rather, our primary reason for exploring consensual democracy is to show how Marcuse's critique of Western democracy aligns with decolonial and other discourses in African philosophy. In doing so, it will bring the questions concerning Sen's neoliberal tendencies in his capability approach to light. Even though Sen strives for greater equality in regions such as Wiredu's native Ghana, he and others should heed the political and decolonial philosophy that challenges the underpinnings of his proposals. Furthermore, it is also important to note that Wiredu does not necessarily follow Fanon's rejection of democracy and/or socialism as a false choice. Although Wiredu is critical of Western encroachment and does explore similar lines of thought to Fanon, Wiredu seeks a more globalist approach where African countries, like Ghana and South Africa, can have self-determinization while also participating in global projects, specifically concerning human rights (Wiredu, 2005:478-479).[24] With all of this in mind, Wiredu is ideally suited to engage with Marcuse and Sen regarding democracy.

Wiredu's consensual democracy acts as an opposition to what he refers to as "majoritarian democracy" which he argues is essentially adversarial and competition based. A majoritarian

[23] For an example of this influence see Tsenay Serequeberhan's (2012:39) critique of Marxism-Leninism in Africa that implicitly ascribes to a Eurocentric 'Metaphysics of History' which, with technological development as its primary measurement, continually places African countries at the lowest rung of the intellectual ladder.

[24] For more on this subject please see Motsamai Molefe (2017), "An African Perspective on the Partiality and Impartiality Debate: Insights from Kwasi Wiredu's Moral Philosophy."

democracy employs a “multi-party system” reliant upon winner-take-all elections (Wiredu, 1996:176). In this system the party which receives the majority of votes obtains the most representative seats and is “normally entitled to form the government” (Wiredu, 1996:176). Consequently, this creates an opposition party formed by the minority of representatives, although there are checks and balances (at least in theory) to prevent the majority party from completely dominating governance. Wiredu argues that, in spite of these checks and balances, the “the electoral winners do actually accede to power and acquire an enriched sense of their importance, while the losers are dispossessed of power, if they previously had it, or, otherwise are eluded by it” (Wiredu, 1996:177). For Wiredu, the primary concern is the way in which majoritarian democracies place their citizens in opposition to each other.

The US 2016 election of President Trump and other far right candidates all over Europe being elected shortly after is an example of how dangerous majority wins can be to overall democracy. Stepan and Skach (1993:1-22), argue that the US presidential democratic system has been in a steady decline since the 1980’s. Stepan and Skach (1993:1-22) found that most democratic countries favored a parliamentary system that have to form coalition governments that require compromise. However, this is still not the ideal solution for Wiredu. Within an African context, Wiredu states that “losing an election under a majoritarian dispensation (originally introduced via colonialism) causes a deep sense of exclusion, alienation and hostility, in spite of any verbal adherence to the system” (Wiredu, 1996:177).

Wiredu summarizes that majoritarian democracy does not have to be the standard form of governance in Africa and neither does its ideological opposite, Western socialism. Wiredu rather goes back to the communitarian tradition of his native Akan people to create a consensual democracy (Wiredu, 1996:178). This form of communitarianism, which is found throughout African traditional beliefs and politics (Wamala, 2010:434), is not just a sense of unity amongst the people, it is inherent to their sense of personhood (Wiredu, 1996:157-159; Masolo, 2010:155).

Essentially, Wiredu is arguing two primary things concerning communalism and consensual democracy: Firstly, it is not merely a traditional practice since it continues to undergird Akan and other African peoples’ notion of personhood through community. Secondly, it is an ethos that is fundamental to the whole community’s ethics. Therefore, it is not just a political scheme, but it is a foundation of both a person and a people (Wiredu, 2010:1056). Wiredu argues that majority rule effectively severs the community through its opposition politics. Consequently, since communalism founds its society’s personhood, it also blunts the expression of the self for these communities (Wiredu, 1992:68,177).

Contrary to this, a consensus-based democracy creates debate and discussion to arrive at political decisions. It still uses a representative structure, since this is important to "Akan traditional statecraft," but it does so through agreement of those being represented rather than through a voting or election box (Wiredu, 1996:173). The way that this works is "groupings" of people "form the local governing council" which then collectively agrees upon higher representatives for office for a "regional council", which then decides upon representatives on the state level, which is presided over by a "'paramount' chief'" (i.e. a head of state) (Wiredu, 1996:173-174). Western non-profit and other charitable organizations also use this method of centralized democracy.

Concerning the concept of a chief, or head of state, Wiredu argues that this word has been "tainted with colonial condescension" and is often misunderstood (Wiredu, 1996:184). In most aspects, at least for the Ashanti people and the Akan people in particular, the chief was largely a spiritual and symbolic figurehead whose "personal word," unlike that of a monarch, "was not law" (Wiredu, 1996:185). In summary, the chief cannot do whatever the chief wants and cannot by fiat make law. Rather "his official word … is the consensus of his council, and it is only in this capacity that it may be law; which is why the Akans have the saying that there are no bad kings, only councillors" (Wiredu, 1996:185). The chief, then, as a head of state, mainly functions to declare that a consensus on an issue has been made and then proceeds to enact it.

Regarding policy making, Wiredu argues that this system has two methodological aims:

> "[F]irst to elicit differences of opinion and, second, to iron them out in search of consensus. In pursuit of the first, the freest airing of opinions in council was encouraged. One relevant Akan saying is that even a fool is entitled to be heard. In pursuit of the second, no amount of discussion was thought to be too protracted. As Busia puts it, 'So strong was the value of solidarity that the chief aim of the councillors was to reach unanimity, and they talked until this was achieved'" (Wiredu, 1996:174).

Wiredu is aware that unanimity is only an ideal and cannot always be expected. Therefore, he argues that "if discussion takes place in the spirit of mutual accommodation, it is possible to obtain unanimity as to its merits" (Wiredu, 1996:174). In other words, it is the spirit of unanimity that is required and not the rule of it. In order to accomplish this, he argues that councils cannot decide into parties, that a consensual democracy must be a "non-party polity" and that the council – at whatever level – must aim for the "reconciliation" of ideas and decisions. Wiredu further states that "reconciliation, is, in fact, a form of consensus" (Wiredu, 1996:182).

However, he is aware that reconciliation, like all forms of consensus, is not always possible. Wiredu, is aware of the obstacles facing consensus and states:

> "The problem then is how a group without unanimity may settle on one option rather than the other without alienating anyone. This is the severest challenge of consensus, and it can only be met by the willing suspension of disbelief in the prevailing notion on the part of the residual minority. The feasibility of this depends not only on the patience and persuasiveness of the right people, but also on the fact that African traditional systems of consensual type were not such as to place any one group of persons consistently in the position of a minority. … Now this adherence to the principle of consensus was a premeditated option. It was based on the belief that ultimately the interests may be different" (Wiredu, 1996:183,185).

In other words, the basis of consensus – and what binds the opposing sides of a disagreement regarding policy – is the common good of all people. Keep in mind that personhood and identity, in the Akan context, form an important part of a consensual democracy's context, and are linked to the community. Therefore, as long as both sides are seeking the common good and arguing for personal interest (which is in contrast to their own identity), then the reconciliation of ideas through consensus can be met.

Wiredu's notion of consensual democracy has evoked some criticism. Emmanuel Chukwudi Eze, a prominent critic of Wiredu, raises concerns about Wiredu's conceptualization of Akan and Ashanti people's notion of political power. Here he questions Wiredu's quasi-utopian understanding of traditional Akan and Ashanti consensus making, asking whether or not one can adequately call the Akan traditional model of governance a democracy (Eze, 1997:316, 318, 320). Eze gives valid critiques, however, responses to these critiques are beyond the scope of the dissertation and will serve as an avenue for future research.[25] Rather, our primary aim is to merely highlight how Wiredu's critiques of Western democracy (i.e., a majoritarian democracy) align with both Sen and Marcuse's critiques of Western democracy. That being said, perhaps Eze's questioning of whether Wiredu is 'shoehorning' Akan traditional forms of governance into a democratic framework reveals how many see competition as fundamental to democracy. If that is the case, then it makes sense that some would see Wiredu's rethinking of the democratic model as impractical. As I have shown through Marcuse and Sen's rethinking of democracy above, they too have faced similar challenges. Yet this is not reason enough to leave competitive democracy unchallenged.

This subsection aimed to give an alternative to majoritarian democracy and in turn reveal new possibilities for representative government that are not defined by opposition or competition-

[25] For a response to Eze's critique please see Bernard Matolino*, A Response to Eze's Critique of Wiredu's Consensual Democracy* (2009).

based ideologies. What is central to Wiredu's proposal is the notion of consensus as a foundational, guiding, ethical principle (Graness, 2002:257). The focus of consensus-as-ethics is a direct contrast to, not just majoritarian democracy, but also stands outside of the Western democratic-communist ideological divide, since its focus is on the reconciliation of power rather than the competition for power (as seen in Western democracy) or solidification of power (as seen in Western communism).

Moreover, and more importantly, Wiredu's concept of a consensual democracy highlights how the model of governance is a reflection of a society's ethos and its people. The one-dimensional core of neoliberal political rationality has penetrated our way of governing and is reflecting an adversarial competitive system of majority power rule. This one-dimensional rationality is implemented on a global scale. As Wiredu argues, this global domination is done at the cost of diversity of a people. Therefore, this dissertation is about a neoliberal political rationality that is destructive and requires a radical change.

5.7 Consensual Democracy and Qualitative Approach

The concept of a consensual democracy addresses both Sen and Marcuse's concerns of a competitive democracy, the foundations of which are built on voting and elections. Moreover, it improves upon Sen's argument for democracy as a global participatory democracy. Consensus-based democracy would take into consideration the unique values and needs of a country's citizens. Moreover, it seems that Sen's emphasis on individual freedom is the Achilles heel of his promotion of democracy. This Achilles heel has also evoked critique from scholars such as Northover and Nussbaum. Northover explicitly calls Sen's emphasis on individual freedom a 'fetishism' (Northover, 2012:78). She argues that this 'fetishism' with individual freedom is a Kantian rationality that associates liberal democracy with political participation. Nussbaum similarly identifies Sen's over-emphasis on individual freedom of choice as an obstacle for Sen's capability approach. She argues that his over-emphasis on freedom of choice inhibits Sen from endorsing basic rights that would promote democracy and equality (Nussbaum, 2003:44). This is a big problem for Sen, because he advocates for liberal democracy as a system that promotes and supports the capability approach (Sen, 1999a:147-152).

Fundamentally, Marcuse's critique of an advanced industrial and capitalist society comes down to a repression and domination of people. In Marcuse's concept of a radical subjectivity, it is clear that Marcuse cares about the individual as much as he cares about a collective society. Marcuse is concerned that this perpetuated socio-political interest would "shape overall psychosocial expectations with routines of repressive normalization that most individuals and collectives to adopt false needs" (Luke, 2000:96-97). I think this balance is also reflected in the concept of a

consensual democracy. Marcuse also recognizes that the democratic process as it functions within advanced industrial societies can be exclusionary to minority groups and the most vulnerable in society:

> "However, underneath the conservative popular base is the substratum of the outcasts and outsiders, the exploited and persecuted of other races and colors, the unemployed and the unemployable. They exist outside the democratic process; their life is the most immediate and the most real need for ending intolerable conditions and institutions" (Marcuse, 1964:260).

A consensual democracy wants to work within a democratic system that benefits the people and the institutions. This transformation should not simply be a by-product of political or economic institutions and policies. Transformation should develop from a radical subjectivity that informs a change in the way in which we approach and understand life. Such a transformation should be a qualitative change that reflects the ethos of a people. As Marcuse states:

> "Life as an end is qualitatively different from life as a means. Such a qualitatively new mode of existence can never be envisaged as the mere by-product of economic and political changes, as the more or less spontaneous effects of the new institutions which constitute the necessary prerequisite" (Marcuse, 1964:19-20).

Current socio-economic and political systems of governing do not promote a qualitative mode of existence. Democracy has been corrupted by a neoliberal political rationality and it will continue to be so at the cost of many people. There is no justice in such a system, nor is there any justification to perpetuate or promote a system that is failing the global majority. The question now becomes, when will this qualitative change come about? According to Marcuse (1964:26), when it is "a matter of life or death". In the next chapter, I will argue that the Covid-19 pandemic has brought about a global socio-economic crisis that exposed all the short-comings of our current governing systems. People are now faced head-on with socio-economic hardships that have people fundamentally questioning the neoliberal political rationality. I argue that this creates a platform for people to develop a radical subjectivity that would bring about a qualitative change to socio-economic and political modes of governing.

5.8 Conclusion

In this chapter I discussed and explored Marcuse's concept of false needs, as well as radical subjectivity. I argued that reading Sen's capability approach through the lens of Marcuse's critique highlights the significant impact that commodities have on establishing and promoting a neoliberal political rationality. The satisfaction of false needs supports and encourages a surplus repression,

surplus labor and overproduction. The fulfillment of false needs keeps us preoccupied with a one-dimensional mentality while distracting us from pursuing our true needs that would lead to happiness and freedom.

I also discussed the need for a new rationality that would truly be able to address the problem of economic inequality. In this chapter I argued that Marcuse's concept of a radical subjectivity provides us with understanding of how to develop a new rationality that has a qualitative approach to well-being. Marcuse's concept of radical subjectivity allows us to identify and radically change the one-dimensional core of a neoliberal political rationality. Marcuse also provides us with an alternative rationality, the rationality of gratification, that develops from the depth-dimension (or aesthetic dimension).

In the last section of this chapter, I argued that the one-dimensional core of a neoliberal political rationality is also reflected in our modes of governing. I argued that the neoliberal political rationality has penetrated and corrupted democracy as a mode of governing. In this section I discussed and explored both Sen and Marcuse's aversion to democracy as an adversarial and competitive democracy. Consequently, the neoliberal model of a competitive democracy has created a competition for developing countries (specifically former colonies) to either adapt to Western democracy or Western socialism. I suggested Wiredu's concept of a consensual democracy as an alternative system to a competitive democracy. I argued that a consensual democracy would be a true reflection of the ethos of a people.

In Chapter 6 I argue that the Covid-19 pandemic brought on a global socio-economic crisis that emphasizes and exposes the problems of a neoliberal economy. Consequently, people are starting to question the neoliberal political rationality due to the failure of governing systems' ability to support and protect them during and after the pandemic. I will also argue that this creates the perfect platform to develop a new rationality. I will also identify and discuss some core aspects of an economic system that are centered around human development and well-being within the South African context.

CHAPTER 6: ANALYSIS AND IMPLICATION OF ECONOMIC INEQUALITY IN THE SOUTH AFRICAN CONTEXT: THE COVID-19 PANDEMIC

6.1 Introduction

In previous chapters I have argued that economic inequality is a consequence of a neoliberal political rationality that is reflected in modes of governing. Economic inequality develops in these neoliberal societies because the economic system is centered around the core one-dimensional quantitative approach that pursues economic growth and development at all costs. The neoliberal political rationality is perpetuated through social, political and economic institutions and modes of governing. Political and economic policies often uphold the status quo that benefits the select few. In doing so, mechanisms of discipline and control are developed as a power structure develops within these societies. The power structure that develops gives a select few enormous social, political and economic power, typically at the cost of the majority.

In order to sustain the socio-political and economic power within society, these powerful select groups encourage the growth of the neoliberal economic system through a consumerist culture. People are encouraged to pursue their consumerist self-interest impulses. This, of course, as argued throughout this dissertation, is a utilitarian misrepresentation and misappropriation of Smith's concept of self-interest. This socio-political and economic system manipulates people's needs and leads to a domineering system of social control and repression.

In Chapter 5, I argued that reading Sen's capability approach through the lens of Marcuse's critique of false needs highlights the pivotal role that consumerist culture plays in perpetuating the neoliberal economic system. In this system people are encouraged not only to pursue every consumerist self-interested impulse but are also convinced to engage in surplus labor that leads to surplus repression and overproduction. Although Sen is also critical of the utilitarian rationality and the economic inequality that arises from it, Marcuse has a much more radical approach than Sen. In Chapter 5, I explored and discussed Marcuse's concept of false needs and radical subjectivity, arguing that these concepts allow us to locate where and how we can fundamentally reorient economic systems to address economic inequality. Moreover, I argued that Marcuse's critiques of false needs as well as radical subjectivity reveal the one-dimensional core of a neoliberal political rationality that penetrates democracy.

In this chapter, I will argue that the global socio-economic crisis that was brought on by the Covid-19 pandemic would reveal the shortcomings of a neoliberal political rationality. The Covid-19

pandemic was declared a public health emergency of international concern on 30 January 2020 by the World Health Organization (WHO) (World Health Organization, 2020). The disease was first discovered in China and was identified to be caused by a novel coronavirus named SARS-CoV-2 (World Health Organization, 2020). In what follows I will present an initial discussion and analysis of the Covid-19 pandemic and the global socio-economic crisis that followed. In particular, I will discuss how the lockdown and restriction of socio-economic activities exposes a neoliberal economy's reliance on the fulfillment of false needs and how it relates to the escalation of economic inequality. Although the spread of the Covid-19 virus is still ongoing and most countries are still limiting socio-economic activities to some extent, it will have a dramatic impact on the global economic market. In the South African context, I will specifically explore how a neoliberal political rationality prevented the government from supporting and protecting citizens who depend on the informal economy. I also will explore the influence of Sen's capability approach in the United Nations Development Programme and the World Happiness Report as alternative approaches to understanding development. Moreover, I will argue that Marcuse's aesthetic dimension provides a platform for the development of a new rationality that allows for a qualitative understanding and overcoming of economic inequality in South Africa. I maintain that it is this aesthetic dimension that is lacking is Sen's capability approach that limits the potential to re-orient economic systems towards human development and well-being.

6.2 Neoliberal Responses to Global Crises

Socio-economic crises have highlighted the irrationality of a global neoliberal economic system. The escalation of economic inequality and climate change has brought the neoliberal objective of economic growth at all costs into question. However, as I have argued throughout this dissertation, prioritizing economic growth and development above human needs and well-being is nothing new. In fact, Gills and Morgan (2019:13) have been calling for the structural change and transformation of our civilization due to climate change for many years. They write that "the main impediment to change is our system of capital accumulation with its commitment to material growth of economies" (Gills & Morgan, 2019:13). However, Clive Spash states that "powerful lobbies, organizations and institutions forming structures and mechanisms … operate to prevent any substantive change" (Spash, 2020:1). Spash's statement points out the powerful influence of a neoliberal political rationality, while also showing the great lengths that the select few who benefit from this system would go to so as to uphold this rationality and maintain power and influence.

The socio-economic crisis brought on by the Covid-19 pandemic of 2020 is the most recent crisis that exposed the fragility of a broken economic system. In particular, the Covid-19 pandemic exposed the vulnerabilities of an economic system that is built on the foundations of a consumerist

culture to sustain and develop it. Spash (2020:2) states that contemporary economic systems that are dependent on consistent and predictable consumerist growth are not robust enough to "face sudden changes of demand, whether increases (e.g. panic buying) or deceases (e.g. not flying), or interruptions to supply".

Economic activities being restricted to essential goods and services revealed the dependence of neoliberal economies on the fulfillment of false needs. This is clearly evident as governments started to question "how an economic system is structured to meet essential needs" (Spash, 2020:6). While governments were questioning how to classify whether certain products and services were essential or not, excess demand was stimulated due to panic buying of certain products, such as toilet paper. Spash gives a good summary of governments' problematic neoliberal political rationality to classifying essential goods during the pandemic:

> "Government policy had unintentionally stimulated a reappraisal of how public needs are supplied and exposed: an important distinction. Social provisioning for the needs of all is not the same as corporate supply for profit maximisation – expansion of 'choice' in the market place, tailoring products to meet individual consumer preferences, highly specialised inflexible production lines and product packaging" (Spash, 2020:6).

Therefore, economic growth within neoliberal economic systems is fundamentally built on an exchange cycle of accumulating consumer capital. In other words, a neoliberal economic system is built on the fulfillment of false needs. A failure in this system to either produce products or keep the circulation of consumer capital flowing would be extremely detrimental to those in the seats of political power. Their biggest concern during the 2020 Covid-19 pandemic would be to prevent the shutdown of markets or, at the very least, reopen the markets as soon as possible. Wealthier nations that have accepted a neoliberal political rationality are much more dependent on the fulfillment of false needs as 'necessities.' Sen also makes the argument that wealthier countries have a higher standard for what can be considered essential goods. Sen specifically references a quote of Adam Smith to make this argument:

> "By necessaries I understand not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without. A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt …. Custom, in the same manner, has rendered leather shoes a necessity of life in England. The poorest creditable person of either sex would be ashamed to appear in

> public without them …. In France they are necessaries neither to men nor to women, the lowest rank of both sexes appearing there publicly, without any discredit, sometimes in wooden shoes, and sometimes barefooted" (Smith, 1776:351-2; also see Sen, 1983b:159).

The socio-economic crisis brought on by the Covid-19 pandemic is not the first, nor will it be the last, to which the world will have to respond. However, past and present indications of how each country and the global community is responding to these crises reflects a neoliberal political rationality. Naomi Klein's *The Shock Doctrine* (2007) provides harsh critique against the theories of economist Milton Friedman, and argues that a liberal economy uses times of crisis – perceived or otherwise – to increase the power and riches of the already powerful and wealthy of society (Klein, 2007:6).[26] Phillip Mirowski's *Never let a Serious Crisis go to Waste* (2013) provides an overview of how the neoliberal thought collective recovered and benefitted from the 2008 financial crisis. Throughout his book, he especially emphasizes how in the United States of America billions of dollars were given in bailout to those who created the crisis, while the most vulnerable were not given the support that they needed to recover. Amartya Sen's *Poverty and Famines* (1981a) also paints a bleak picture of how capitalist values outweigh human lives in times of crisis. He argues that market capitalism favors those with the most money, diverting essentials to those who can pay for them in order to keep the economy going (Sen, 1981a:56).

The lasting socio-economic effects of the Covid-19 pandemic are still not clear; however, what is crystal clear is that they will be severe, and it will impact the poor and vulnerable in society the most. The Covid-19 pandemic fueled a market drop that was deepened by the drop in the fuel price in March 2020 (IMF, 2020), while the World Bank (2020) predicts that the global economy would enter "the deepest recession since the second world war". Spash (2020:6) argues that the vast majority, at least in the global North, "do not suffer enough to create political change" because they are not concerned by the "inequality and inefficiency in meeting the needs of all". This statement resonates with Herbert Marcuse's theories on political passivity in materially affluent societies. Marcuse (1964:9) argues that under the rule "of a repressive whole, liberty can be made into a powerful instrument of domination". He furthermore states that:

> "…society takes care of the need for liberation by satisfying the needs which make servitude palatable and perhaps even unnoticeable, and it accomplishes this fact in the process of production itself …" (Marcuse, 1964:26).

[26] This sentiment of "the rich get richer" was made especially clear after it was reported on that the top 12 billionaires in the U.S. have seen a 40% increase in their combined wealth ($ 283 billion) since the start of the pandemic in March 2020 (Langlois, 2020).

However, the IMF and the World Bank predict that the looming economic crisis that Covid-19 has brought on will increase economic inequality, even in the affluent global Northern countries. Some of those who were previously not concerned with economic security or the satisfaction of their most basic needs are now directly confronted with it due to the Covid-19 pandemic. Many are having to rely on government for support to maintain their jobs or provide for themselves and their families. Moreover, this has resulted in many starting to question the underlying rationality of the neoliberal policies and economic system that their countries have adopted in pursuit of economic growth:

> "The gap was widening between the 'haves' and the 'have nots'. For those to whom it was previously of little concern, the crisis suddenly threw into stark relief the position of being one of those without a job, ill, weak, old or homeless. Many realized their own precarious position in the system. Middle class, self-employed, small business owners became dependent on government handouts or faced bankruptcy with the prospect of joining the unemployed. There is nothing desirable about joining the groups marginalized by the productivist ideology of a competitive growth economy, where a good person is a good consumer with a salaried job" (Spash, 2020:6).

The neoliberalist economic system that is founded on a one-dimensional consumerist culture has made government dependent on corporate profits and led to the incorporation of austerity politics in the global North. Spash (2020:3) notes that this has impacted public service provision "reducing protection of the poorest and increasing inequalities". One can only wonder whether the Covid-19 pandemic will be the final straw that breaks the camel's back for the neoliberal global economic system. As Marcuse argues, because people in affluent societies are so comfortable, it would take a life or death situation to change the historical forces that developed within society:

> "And such a change would presuppose that the laboring classes are alienated from this universe in their very existence, that their consciousness is that of the total impossibility to continue to exist in this universe, so that the need for qualitative change is a matter of life and death. Thus, the negotiation exists prior to the change itself, the notion that the liberating historical forces develop within the established society…" (Marcuse, 1964:25-26).

Furthermore, a neoliberal global economic system has also created problems regarding resource depletion. Many scholars have predicted the rising cost and political struggles over resource depletion before they were made apparent by global climate change:

> "Given present resource consumption rates and the projected increase in these rates, the great majority of the currently important nonrenewable resources will be extremely costly 100 years from now … Recent nationalization of South African mines and successful Middle Eastern pressures to raise oil prices suggest that the political question may rise long before the ultimate economic one" (Meadows *et al.*, 1972:66-67).

The "systematic exploitation of resources" and "peoples of the global South" leave them vulnerable in socio-economic crises like the 2020 pandemic (Spash, 2020:3). The exploitation of the Global South is the neo-colonial remnants of a post-Cold war era. The inability to appropriately respond to socio-economic crises is a reflection of the "structure of the globalized political economy" (Spash, 2020:3). Many people in the Middle East, Africa, Latin America and Asia rely on the informal economy as a main source of income. This means that self-isolation is often not possible, and the lockdown of social and economic activities could lead to hunger and starvation. South Africa is a perfect example of one of these countries. Although the South African government prioritized the health of citizens with strict lockdown of social and economic activities, it had devastating effects. In what follows I will argue that the government's inability to support and protect vulnerable citizens is due to a neoliberal political rationality.

6.2.1 The South African Informal Economy as 'Shock Absorber'

In the South African context, the government implemented strict lockdown regulations and restrictions on social and economic activities. The government gave the explicit reasoning for strict lockdown regulations and argued that human lives would be given priority over economic development (South African Government, 2020; United Nations Development Programme, 2020:11). A phased re-opening of the economic and social activities would commence based on the number of active Covid-19 cases and the recovery rate. The Covid-19 pandemic has exposed the inherent tension within the neoliberal political rationality. This inherent tension is especially apparent within the components of governmentality, or the grandfather of a neoliberal political rationality. The tension specifically lies between the apparatuses of security (or surveillance), the health of the greater population (or Foucault's bio-power) and the demands of the market. One of the first actions of government was also to increase social support for companies and workers. Furthermore, the government increased funds for child support and all other grant beneficiaries, while also introducing a new Social Relief of Distress Grant (United Nations Development Programme, 2020:28-30). However, South Africa's existing socio-economic problems would only escalate due to the Covid-19 pandemic. I argue that despite the effort from government, and despite blatant corruption during the Covid-19 pandemic, the government was unable to support and protect citizens due to a neoliberal political rationality. In this section, I will specifically focus on the informal sector of the economy. I argue that the government's inability to support and

protect people who depend on the informal economy reveals how a neoliberal political rationality escalates economic inequality within South Africa.

In the South African context, many depend on the informal economy and the government regards it as “an employment shock absorber during economic crises” (Khambule, 2020:92). The informal economy in South Africa serves to absorb low-skilled workers and is often regarded as insulated from economic downturns. The informal economy is driven by self-employment and has been able to ensure a sustainable livelihood (World Bank, 2015). South Africa’s informal economy is made up of various economic activities ranging from food vendors, waste collectors, traders and domestic workers (Khambule, 2020:97). Those who depend on the informal sector of the economy for income also do not have access to economic support mechanisms and opportunities, financial loans from banks or savings, for example to get out of poverty. The ‘shock absorber’ economy has been tested during the Covid-19 pandemic, as the lockdown of many social and economic activities was implemented in March 2020 across South Africa.

There are some drawbacks for a country being so reliant on the informal economy to maximize the livelihoods of its citizens. It is estimated that 44% of people that transition from the formal economy to the informal economy will fall into poverty due to the socio-economic crisis brought on by Covid-19 (United Nations Development Programme, 2020:10-11). Moreover, most of the job losses during the lockdown period were people who worked in the informal sector (United Nations Development Programme, 2020:20). Some of the negative elements related to being dependent on the informal economy are the lack of social security contributions and not being able to contribute to taxation for building of infrastructure etc., and many who work in the informal economy work in conditions of poverty. The greatest concern is that those who are dependent on the informal economy as livelihoods “will not be included in the face of risks that threaten their income and economic activities” (Khambule, 2020:96).

The lockdown of social and economic activities in South Africa included the prohibition of mass gatherings, a limit on movement and social distancing, the lockdown of borders within the country, as well as entry points to the country and halting production in various economic sectors. Furthermore, all businesses that required staff to travel to work had to apply for a special government permit (Bulled & Singer, 2020:1232). The South African government clearly states that it “seeks to maintain a delicate balance between saving lives and livelihoods” (United Nations Development Programme, 2020:11).

The lockdown of social and economic activities was also applicable to the informal economy and only essential services and products were allowed. The informal economy was deemed high risk mostly due to the fact that activities within the informal economy were undocumented and

unregulated (Khambule, 2020:100). The exclusion of the informal economy from essential services threatened the livelihoods of many who depend on the informal economy as a primary source of income and the temporarily unemployed who rely on the informal economy for limited income. The Covid-19 pandemic made it clear that the informal economy "is not insulated from global instabilities" and it threatens the main source of income and livelihoods for "hundreds of millions engaged in informal activities" (Khambule, 20202:98).

What is also important to keep in mind is that the informal economy is highly concentrated in low-income areas and it has been estimated that 70% of South African households in these low-income areas rely on these informal vendors as their main food source and for other essential services (Crush & Frayne, 2001:527-544). By excluding the informal economy from being considered essential services, the government not only cut off many already vulnerable members in South African society from their main source of income, but they also disrupted their main source of food supply and other essential services. This is a deeply cutting betrayal since government continually emphasizes the importance of the informal sector to absorb the unemployed. The government also relies on the informal economy to create sustainable income, employment and to stimulate economic development where the government and formal sector are unable to (Khambule, 2020:96).

It was clear that the stringent lockdown regulations would be especially difficult for low-income families and individuals. Many who live in low-income areas were concerned about the delivery of essential services during lockdown "as financial mismanagement and corruption has plagued the county's state-run water and electricity companies" (Bulled & Singer, 2020:1233). The recommendation for regular handwashing becomes especially challenging for those in low-income areas with limited access to clean running water and other essential services. Social distancing also becomes nearly impossible in these densely populated areas.

To enforce lockdown restrictions extra security and military forces were deployed. This was "the country's biggest military deployment for domestic purposes since the end of the Apartheid government and the dawn of democracy in 1994" (Bulled & Singer, 2020:1234). The mere presence of such mass armed forces became a growing concern for South Africans, as it was a clear reminder of past injustices and brutalities. South African's fear would become realized as instances were reported where the army and the police used whips, rubber bullets and tears gas to disperse people who were not self-isolating at home or who were not adhering to the social distancing policies (Bauer, 2020). Protests soon erupted against the stringent lockdown regulations and most protests were motivated due to a lack of access to food (Egan, 2020).

The South African government was *heavily* criticized for its treatment of the informal economy and those who depend on it. Criticism mainly focused on why the informal economy, especially informal food vendors, were not considered to be essential services, while they provide the same services as other big corporations, just on a smaller scale. The widespread critique of government's "lack of empathy for the informal economy" convinced the government to revise the lockdown regulations to allow some economic activities, such as informal traders, to resume and continue during lockdown (Khambule, 2020:101).

However, to the South African government's credit they did implement different social and economic measures to counteract the socio-economic impacts of the Covid-19 pandemic as much as possible. These decisions were made in anticipation of the escalating social and economic pressures and the estimated increased rates of poverty and unemployment due to the Covid-19 pandemic and the social and economic lockdown period. To counter the socio-economic impact of the Covid-19 pandemic and offer some support to business and citizens, the South African government adopted a R 500 billion (more or less $26 billion) stimulus package that is equivalent to 10% of the GDP (The Presidency, 2020). The South African Reserve Bank supported the government's decision and cut the repo rate by 275 basis points that will release an estimated R80 billion into the South African economy (South African Reserve Bank, 2020). The government secured a low interest loan of R71 billion (or $4.3 billion) from the IMF to contribute to the government's social and economic relief package.

These funds were requested under the IMF's Rapid Finance Instrument that does not require structural and strict reforms that are often associated with the IMF's credit facilities (Maeko, 2020). This is expected to have the effect of increasing the gross national dept to R4 trillion (81,8 % of the GDP) (Maeko, 2020). However, the IMF has shown some concern regarding South Africa's ability to implement structural reforms to support economic growth, the managing of dept sustainability and some allegations concerning government officials' misuse of government funds during the Covid-19 pandemic:

> "The approval of the IMF's emergency funding comes as the Special Investigating Unit said it is looking into 20 cases of corruption involving the government's Covid-19 relief funds" (Maeko, 2020).

Additionally, the government also announced that a six-month special Covid-19 grant will be implemented through the increase of social grants. The social grants will also include a Social Relief of Distress Grant of R350 per month for the next six months.[27] The Social Relief of Distress

[27] Just to put into perspective how low this amount of money is to survive off per month, the minimum wage in South Africa is R20 per hour. Therefore, if you work 20 hours a month at minimum wage, you will

Grant was specifically implemented for the unemployed who are not currently receiving any form of government support. These social grants to offer additional support during the Covid-19 pandemic will especially target the poor and the elderly (The Presidency, 2020). Other emergency measures to alleviate socio-economic pressure brought on by the pandemic include the release of disaster relief funds, relief on taxes, the funding of small businesses and offering additional support through the Unemployment Insurance Fund (The Presidency, 2020).

The South African government has shown its commitment to supporting small business by dedicating R2 billion to small business including business activities within the informal sector such as spaza shop owners. The National Treasury and the South African Reserve Bank have also agreed to a R200 billion loan guarantee scheme to support small businesses and the business community in general (The Presidency, 2020). Various other initiatives, such as support programs, that were established and implemented on subnational level through municipality structures, offered support to small business, including businesses in the informal economy. This strategy was also implemented through the Industrial Development Corporation's R6 billion investment to support industrial business during and after the 2008 financial crisis (Khambule, 2020:103).

However, small businesses, especially in the informal economy, face many challenges to access the resources and support that the South African government and other entities offer. The biggest challenge is a lack of infrastructure prior to the Covid-19 pandemic. The South African government is relying on municipalities on subnational levels to have a certain amount of data on the informal economy activities. Moreover, they are also relying on these municipal structures to supply the informal economy with the resources they need to support and sustain economic activities. It is no secret that government on municipal level has failed miserably in support of the informal economy. Allegations of corruption at municipality level and government officials benefitting from the Covid-19 funds paint a bleak picture for South Africa's future post Covid-19 (Makinana, 2020). The failure of municipalities reflects the lack of planning for economic growth and support of small businesses and the informal economy long before the Covid-19 pandemic. The failure of the municipalities completely undermines all the efforts and strategies put in place to offer support to the informal economy during and after the Covid-19 pandemic.

make more (a total of R400 per month) than the monthly Social Relief of Distress Grant. Putting this into an even broader perspective, during the first quarter of 2020 the average lowest wage per month in South Africa was R6742 (Trading Economics, 2020b).

> "However, a fundamental challenge for the government is the unavailability of data on informal economy activities in many small-town and rural municipalities, thereby making it impossible to support those in the informal economy" (Khambule, 2020:104).

Furthermore, the support offered by the Department of Small Business Development (2020) comes with a list of criteria to qualify for funding. Some of these criteria include registration with the revenue services, trade permits and the submission of monthly accounts. These criteria are required for both formal and informal business. Although these criteria are probably there to ensure optimal business management and to avoid funding illicit businesses, it clearly favors formal businesses who already have all these requirements in place:

> "The role of power and the influence of different actors (e.g. government, corporations, unions, civil society) is revealed through preferential treatment. Self-regulation by corporates is the preferred neoliberal way and allows governments to shift responsibility, but policy response to address the Coronavirus stood in stark contrast to this. Ambivalence over the role of government could be seen in vacillation as to when to regulate, let alone what to regulate and how" (Spash, 2020:5).

Many of the measurements and various forms of support that the South African government has implemented to counteract the socio-economic impact of the Covid-19 pandemic mainly benefit those who have social security. Wealthier South Africans were able to rely on continued salaries as they worked from home or relied on savings during the lockdown. Many who work in the informal economy already struggled for adequate nourishment before the lockdown (Bulled & Singer, 2020:1233). The citizens that are the most vulnerable in South African society do not receive the amount of support that they should, and they also face many challenges to access the little support that government and other institutions have offered. South Africa is already considered one of the most unequal countries in the world, and the Covid-19 pandemic as well as the inadequate response of government to offer support to those already living in poverty, will only increase economic inequality.

During March, South Africa's already weakened economy was given 'junk' rating by Moody's Investment Services as a result of "unreliable electricity supply, persistent weak business confidence and investment as well as long-standing structural labor market rigidities [that] continue to constrain South Africa's economic growth" (Naidoo, 2020). In response to South Africa's growing economic challenges, Finance Minister Mboweni is calling for economic reforms that include civil service cuts, budget austerity, the privatization and closure of non-profiting agencies, and loans from the IMF. While all these reforms are justifiable, the problem lies in the prioritization of the formal sector over the informal economy. The government's prioritization of

certain economic sectors above others reflects the lasting effects of the neoliberal political rationality implemented in early economic policies such as the RDP and the GEAR.

While big corporations and other businesses in the formal sector of the South African economy pay taxes that contribute to their socio-economic security, those in the informal economy only have the government to protect them from socio-economic crises. Despite government's reliance on the informal economy to absorb the marginalized and vulnerable in society, it excluded the informal economy and left those reliant thereon completely exposed to the socio-economic impacts of the Covid-19 pandemic. The South African government's initial approach to the informal sector during lockdown reflects the neoliberal political rationality. This rationality is not only reflected in the prioritization and support given to the formal sector, but also in the blatant disregard for the informal sector and the vulnerable members of society who are extremely dependent on the activities within this sector for survival.

It is becoming increasingly clear that within a global economic system, inequality will not only remain but will increase. Inequality will increase between the global North and the global South, but also within countries like South Africa, where only a select few benefit from the neoliberal system. Even more disconcerting, a neoliberal political rationality not only values money above human lives but will also exploit global socio-economic crises to benefit the wealthy and powerful. As stated previously, in Chapter 5, with a neoliberal political rationality came undeniable benefits. Some of these benefits include a quicker global response to the Covid-19 pandemic when compared to the Spanish Flu pandemic especially in advanced medical response and medical care. In terms of basic organizational benefits, most governments responded appropriately, and the world benefitted from global organizations such as the United Nations and the World Health Organization that provided additional support and instruction. However, this is the absolute best outcome and there were governments that (mis)used their government structures that had devastating results. The Trump administration being the best example of the misuse of such government structures. South Africa acted appropriately but still had to endure devastating consequences and this speaks to the inadequacy of a neoliberal political rationality. If it does not benefit most people, then it does not justify the system. Moreover, a different socio-political system does not mean disorder or dysfunction. It would just be a different type of order or function.

The South African government made the lives and health of their citizens a priority (United Nations Development Programme, 2020:11). This was made evident by the strict lockdown of socio-economic activities and the emphasis on offering social support grants. However, it also became increasingly clear that economic factors could not be ignored and played a significant part in the long-term well-being of citizens in terms of employment etc. This is something that Sen's capability approach takes into consideration (Sen, 1999b:1). The multi-dimensional

understanding of well-being and development acknowledges that GDP and other economic factors do have an effect and contribute to well-being (United Nations Development Programme, 2014:7-8). Thus, the government was put into a situation where they had to choose between the immediate health and well-being of citizens or the long-term well-being of citizens that is linked with economic growth and development. Marcuse would argue that the simple fact that this choice exists, and this is even a consideration, shows the one-dimensional core of a capitalist society (Marcuse, 1964:260).

Essentially, this is what a neoliberal political rationality comes down to, economic growth at all costs. Many call to the ethical guidance of government, yet they have failed to protect the most vulnerable in society. As governments have become more susceptible and convinced to pursue a neoliberal political rationality, they have introduced economic and political policies that strengthen their hold on these governments, as well as the people that they are supposed to serve. Although the South African government aimed to protect citizens with strict lockdown regulations and to offer support through social grants, the neoliberal political rationality made it impossible to truly make a significant difference in combating the escalation of economic inequality. In the following section, I will discuss the significant impact that Sen's capability approach has made in our measuring and understanding of development and well-being. I will argue this by referring to the United Nations Development Programme and the World Happiness Report. Furthermore, I will explore how Sen's multi-dimensional capability approach can contribute to the enhancement of capabilities during and after the socio-economic crisis brought on by the Covid-19 pandemic.

6.3 A New Rationality

People in neoliberal society associate well-being with economic well-being. Following the neoliberal political rationality, people often turn to economic indicators to understand and overcome challenges such as economic inequality. However, while economic or financial factors do play a role in well-being, they do not create a meaningful understanding of how to overcome problems such as economic inequality. Developing a multi-dimensional understanding of economic inequality through Sen's capability approach was the first step in creating an economic system that is centered around human development and human well-being. Sen's capability approach addressed the problem of understanding and trying to overcome economic inequality through an oversimplified utilitarian approach (Sen, 1987b:104).

The United Nations Development Programme (UNDP) and the World Happiness Report (WHR) have both embraced a new approach to understanding development and inequality (UNDP, 2014). The *UNDP* also explicitly mentions Sen's capability theory as a pivotal influence in

developing a contextual and multi-dimensional approach to development (United Nations Development Programme, 2014:7-8). The *UNDP* also refers to the Human Development Index, that focuses on the enhancement of capabilities, as a more "conceptual approach" that uses "multiple dimensions and non-monetary measures of wellbeing to assess development" (United Nations Development Programme, 2014:7). The *UNDP* and the *WHR*''s use of Sen's capability approach to assess and understand development reflects not only its significant impact, but also its practicality and attainability.

The *WHR* takes several aspects into consideration to create an overall impression of citizen's perceived happiness (happiness is used as a synonym for well-being). The *WHR* emphasizes the broader interpretation of well-being and human development. The broader interpretation of well-being includes the important role that the social environment and relationships play in ensuring well-being (World Happiness Report, 2020:9). The *WHR* makes their annual report on world happiness based on a measurement of a variety of aspects. The *WHR* also has six variables to rank happiness by country, namely GDP per capita, social support, healthy life expectancy, freedom, generosity, and absence of corruption. Various participants of each country must give their perceived score of how each of the aspects contribute to their well-being.

Although the latest *WHRs* of 2020 and 2019 do not directly reference Sen or the capability approach, the meaningful impact of his theories is still clearly evident. For example, the *WHR* considers the freedom to make different life choices a fundamental aspect of well-being and development. Furthermore, the *WHR* of 2019 referred to the philosophy of Aristotle and his theories on decision-making and happiness (World Happiness Report, 2019:128). The *WHR*'s annual report also adds both "positive and negative affect to partially implement the Aristotelian presumption that sustained positive emotions are important supports for a good life" (World Happiness Report, 2020:20). The *WHR* of 2019 had a whole chapter dedicated to political participation and how it relates to the well-being of citizens (World Happiness Report, 2019:47-66). The *WHR* makes the following conclusion:

> "Happier people are not only more likely to engage and vote, but are also more likely to vote for incumbent parties. This has significant implications for the electoral incentives that politicians face while in office. There appears to be significant electoral dividend to improving happiness, beyond ensuring a buoyant economic situation. Governments around the globe that are moving in the direction of focusing their policy making efforts on the population's broad well-being are not doing so to improve people's happiness for its own sake, but they also appear to have electoral reasons to do so out of (enlightened) self-interest" (World Happiness Report, 2020:63).

The *WHR* and its broader conceptual approach to understanding and measuring concepts like inequality and well-being has clearly held some of the central concepts of Sen's capability approach, especially considering the *WHR*'s multi-dimensional approach to well-being and inequality. Another point of connection between Sen and the *WHR* is the *WHR*'s reference to inequality in every annual report and its significant impact on well-being. The *WHR* states that "well-being inequality significantly reduces average life evaluations, suggesting that people are happier to live in societies with less disparity in the quality of life" (World Happiness Report, 2020:9). The *WHR* also distinguishes between different types of inequalities in different areas globally, for example income inequality and well-being inequality in Western and Sub-Saharan African countries (World Happiness Report, 2020:96). Developing and promoting this contextual and multi-dimensional approach to economic inequality is an important step to overcoming it.

The *UNDP's* impact assessment of Covid-19 on South Africa showed a great concern for a significant increase in poverty and inequality. In particular, the *UNDP*'s assessment emphasized the vulnerability of certain groups of people who are more likely to fall into chronic poverty (United Nations Development Programme, 2020:41). The *UNDP* identified race, gender and level of education as some of the main indicators of whether a household is more or less likely to fall into chronic poverty (United Nations Development Programme, 2020:41). The *UNDP*'s classification of a chronically poor household is based on average income, expenditure, as well as access to basic goods and services (United Nations Development Programme, 2020:43). This classification and understanding of poverty reflects Sen's understanding and approach to poverty. Sen argues that poverty "is not just a matter of being relatively poorer than others in the society, but of not having certain minimum capabilities" (Sen, 1985b:669).

On a practical level, developing a multi-dimensional approach to understanding poverty and inequality helps us to identify the groups within society that need more support. A multi-dimensional approach can specifically help to identify what type of support is needed. Therefore, social grants are very necessary, but we also see that education and supplying basic goods and services form part of that support system. Moreover, we can see that Sen's conversion factors, for example physical attributes such as race and gender, as well as where we live and distribution within the family, play a significant role. Sen argues that "age or disability or illness reduce one's ability to earn income … they also make it harder to convert income into capability, since an older, or more disabled, or more seriously ill person may need more income … to achieve the same functionings" (Sen, 1999a:88). Therefore, we should consider how much social support and grants go to different groups to provide them with the same opportunities to achieve the same functionings.

The lockdown of social and economic activities, both locally and internationally, has had an impact on South Africa's Gross Domestic Product (GDP) figures. The South African government restricted economic activities to 'essential' services and goods, which resulted in a lower demand for certain goods and services. The sectors that were deemed essential during lockdown included the health sector, the food and agriculture sector, the financial and insurance sector, and the telecommunication services sector. The sectors that were not included as essential goods and services were the textiles, glass products, footwear, education services, catering, accommodation and tourism sectors, and the beverages and tobacco sectors (United Nations Development Programme, 2020:19). It is estimated that South Africa's GDP could decline from anywhere between 3.6% to 6.4% and would take up to five years to recover (United Nations Development Programme, 2020:66).

As mentioned in Chapter 4, Sen argues that utilitarian approaches place too much emphasis on income, commodities and GDP when understanding and measuring development and well-being. However, Sen also admits that these factors play a role in development and well-being (Sen, 1999b:15-16,19). Thus, we see that the *UNDP* and the *WHR* both incorporate GDP into their understanding and measurement of development and well-being. Although the capability approach, as seen in the *Human Development Index* of the *UNDP* and the *WHR*, is a multi-dimensional approach that takes all these different contextual and social aspects into consideration, it still emphasizes the importance of circulating consumer capital.

I agree with Sen's critique of the utilitarian approach and how it is used to oversimplify economic inequality. I also agree that the capability approach allows for a contextual understanding of economic inequality and takes into consideration many different aspects that contribute to a person's well-being. Although Sen's capability approach is a significant improvement on the utilitarian approach, the fact that GDP figures and consumer capital play such a significant role in well-being still reflects a neoliberal political rationality. It still reflects an understanding of well-being and development that is extremely reliant on economic factors and does nothing to discourage the core one-dimensionality of neoliberal political rationality. Sen's capability approach aims to reform and not revolutionize. This is especially evident in his promotion of radical individual freedom and how it is reflected within consumerist culture as freedom to choose between products.

I argue that a more radical approach is required to overcome economic inequality in society. Marcuse's concept of false needs illustrates the one-dimensional core of neoliberal political rationality. This is especially evident where people are forced to choose between exposing themselves to a deadly virus or sustaining their livelihoods. Marcuse's concept of false needs is made clear in our dependence on consumerist culture for the sustainment and development of

economic systems. However, a new rationality is necessary to overcome economic inequality and to develop an economic system directed at human development and well-being. Marcuse recognized the structural economic and political importance of a consumerist culture. He recognized how the industrialization and production processes created economic and political power structures, the mass dominating effect they had on society, as well as the individual and the damaging effects they had on the environment.

Sen argues that commodities are "seen in terms of their characteristics" or the "various desirable properties of the commodities" and that the characteristic of commodities is simply to enhance functioning (Sen, 1999b:6). Furthermore, Sen states that "an idea of the well-being of a person" can be seen in "what the person succeeds in doing with the commodities and characteristics at his or her command" (Sen, 1999b:6). However, there is one very important characteristic that Sen forgot about which Marcuse emphasizes as "superimposed … social interests" (Marcuse, 1964:5). Moreover, there is no well-being in the satisfaction of false needs, because they result in a "euphoria in unhappiness" (Marcuse, 1964:5). Sen's capability approach follows the rationalization of consumerism. It is this rationalization that Marcuse opposes and says prevents people from conceiving of alternatives to the imposed needs and structures in everyday life (Marcuse, 1964:7).

If the neoliberal political rationality persists within contemporary society, it will continue to produce surplus labor, overproduction, and surplus repression. I argue that, within the neoliberal economic system, a quantitative rationality (established in the rule of the performance principle) will always create a narrative that puts economic growth and development at odds with human development and well-being. Marcuse understood that to change a mode of existence qualitatively within a capitalist society one must address the underlying rationality of capitalism:

> "…the gratification of the instinct requires more conscious effort of free rationality, the less it is the by-product of the superimposed rationality of oppression…The striving for *lasting* gratification ('community') but also for the perpetuation of this order on a higher scale …Reasonable is what sustains the order of gratification. To the degree to which the struggle for existence becomes co-operation for the free development and fulfillment of individual needs, repressive reason gives way to a new *rationality of gratification* in which reason and happiness converge" (Marcuse, 1955:223-224).

Marcuse's rationality of gratification is an alternative to the neoliberal political rationality and would encourage a system that is directed towards the satisfaction of true needs, human development, and human well-being (Marcuse, 1955:224). Such an economic system would have to depend on self-determined development of individuals and societies. Therefore, societal institutions and

economic and political policies will merely serve as catalysts and additional support systems for the enhancement of capabilities. In other words, social and political institutions and systems, including the economy, will not be able to determine or prescribe a person's capabilities or needs.

An economic system centered around human development and well-being would not exclude consumerist products. It is important to keep in mind that consumerist culture would not be the driving force of economic development. A rationality of gratification does not mean the gratification and pursuit of every need as it arises. Instead, it is the recognition and pursuit of true needs that would lead to self-determination and freedom. Therefore, consumerist products are recognized as enhancing certain functionings, but people do not expect consumerist products to enhance their well-being beyond a certain point. I argue that such a system would require going beyond an anti-fetishist approach to commodities. It requires a critical consciousness of one's true needs to develop that which is extended towards the production and consumption of consumer products.

Although wealth and some material affluence are important and beneficial to enhancing well-being, it is important that people not become reliant on wealth and material affluence to determine well-being. As soon as people become reliant on consumerist goods to develop or determine well-being it allows for the development of false needs etc. Moreover, as the annual *WHR* indicated, social environment and relationships play a bigger role in a person's well-being (World Happiness Report, 2020:9):

> "Most research indicates that peoples' quality of life is determined far more by the quality of their working life, their family life and their overall social relationships – all seem to be more important relatively than the amount of consumption they are able to enjoy. And if that consumption is increasingly eroding the quality of those other aspects of overall wellbeing, then it is clearly far less beneficial than it might at first sight appear" (Porritt, 2003:6).

Therefore, to truly enhance people's capabilities and freedom, one must move beyond the one-dimensional core of a neoliberal political rationality. People should not be put into a position where their well-being is fundamentally determined and dependent on economic factors. It is only through establishing a new rationality that is governed by a qualitative pursuit of well-being that economic inequality can truly be overcome. Such a qualitative pursuit of well-being would enhance capabilities, an economic system that flourishes and develops as the people engaged within the system flourish and develop. Uprooting the neoliberal political rationality is essential for people to be motivated in pursuing their true needs. In other words, it is of extreme importance to redefine prosperity in a way that transitions current consumerist society to a low consumption society that focuses on communal values and flourishing.

6.3.1 A New Rationality Developing in South Africa

The South African government believes that it must choose between the well-being of its citizens or economic development. This is a narrative that is constructed by a neoliberal political rationality and re-enforced by political and economic policies and structures of a global neoliberal economic system. Economic challenges such as unemployment, inequality and poverty persist as the South African government struggles to implement or achieve economic growth with its current policies. With growing social and political unrest in South Africa, it has become clear that South African citizens are demanding a new system that benefits them and not just a select few. The current socio-political environment in South Africa is severely limiting young South Africans' capabilities and well-being. The historical oppression of colonialism and Apartheid contributed to the country's current economic inequality. However, South Africa's challenges are exaggerated due to the pursuit of neoliberal political rationality and other factors such as corruption and economic inequality. This paints a bleak picture for South Africa's youth, since the country is currently the most unequal country in the world with the biggest youth unemployment rate of 59% (Trading Economics, 2020a).

The younger generation of South Africans are often referred to as the 'freedom generation' because they were born after the former president Nelson Mandela's release from prison in 1990. This generation of South Africans would grow-up during exciting times and personally experience many historical milestones. Many grew-up in a newly found democracy with Nelson Mandela as their first democratically elected president in 1994. The promise of a free South Africa still shone bright. However, within the span of 30 years, this generation would live through a world financial crisis, a corrupt president accused of state capture, and a global pandemic. During these 30 years the allure of a rainbow nation soon faded with the reality of growing socio-political unrest and escalating economic inequality due to global and local socio-economic crises.

South Africa's youth are facing a bleak future and are challenging the status quo answers and solutions provided by government. The call for the redistribution of land without compensation is especially telling, because it is in direct contrast to the political rationality of the global neoliberal economic system. The Economic Freedom Fighters (EFF) played a crucial role in getting the issue of land redistribution on center stage in South African politics. Moreover, it directly and materially addresses people's concerns of wealth distribution and rectifying the past injustices of colonialism and Apartheid that greatly contributed to current economic inequality (Klug, 2018:472). Whether this is the right approach to rectifying those injustices or if this will improve economic inequality is not the main concern for this dissertation. What is important is that young South Africans are questioning the dominant neoliberal rationality.

One example that showcases South African youth's frustration with the dominating political rationality of neoliberalism is the recent student protest movements such as "fees must fall" and the call to decolonize the curriculum (Sands, 2018:278). The student protest movements indicate the need that students have for higher education, but most do not have access to higher education due to lack of funding. Moreover, the call to decolonize the curriculum reflects the need for a higher education system that is self-determined. Achille Mbembe has also critiqued the commodification of the higher education environment. Mbembe specifically describes how students are treated as clients or customers. He argues that the higher education environment has become a profit driven enterprise spitting out workers for the global marketplace (Mbembe, 2016:40). As a result, more and more students have been advocating for the decolonization of the curriculum. A decolonized curriculum is not only more inclusive; it is literally exploring alternative rationalities to the dominant Western rationality:

> "The problem with dismissing the works of African academics is that the University entrenches the notion that black people's intellectual endeavour is unworthy, just like black people are deemed worthless. It strips us of new and dynamic tools of engaging with, understanding and recreating the world. It leaves us doomed to apply Eurocentric notions which are no longer adequate for conceptualizing and solving African problems of today. Furthermore, it denies us the full vibrancy of our respective areas of study and education" (Reform PUK Manifesto, 2015:8).

Education has proved to be a crucial aspect of overcoming economic inequality and poverty in South Africa. The *UNDP's* report on the socio-economic impact of the Covid-19 pandemic in South Africa highlighted the importance of tertiary education as the real shock-absorber of socio-economic crises (United Nations Development Programme, 2020:18). The *UNDP* reports that households in which the head of the household has a higher level of education were less likely to fall into poverty. Households where the head of the household has a tertiary degree were also more likely to recover from temporary unemployment and were more likely to find permanent employment (United Nations Development Programme, 2020:70). Moreover, those with tertiary education were employed in sectors of the economy that were "designated as essential" and could continue working and receiving salaries during the lockdown period (United Nations Development Programme, 2020:20). Furthermore, households where the head of the household was female were more likely to fall into poverty since many of these women work in the informal sectors of the economy (United Nations Development Programme, 2020:18).

The *WHR* also highlights the importance of education in the alleviation of economic inequality (World Happiness Report, 2020:70). Those who receive tertiary education have more leisure time to spend with family. This is mostly due to high income families living in city areas that are close

to work and other essential services etc., while low-income families are more likely to live in rural areas far from work and school (World Happiness Report, 2020:70). In addition, those who have received a higher level of education are paid more and have a wider variety of choice in terms of where they want to live and are more likely to be able to improve their living conditions and overall quality of life. Moreover, due to all these contributing factors, people who have received tertiary education are also more likely to "solidify social networks, thus enhancing their well-being" (World Happiness Report, 2020:70). The *WHR* summarizes by stating that "the competition engendered by larger city size leads to higher inequality, which translates into a wider discrepancy in average well-being" (World Happiness Report, 2020:70).

Sen's capability approach has also been used to argue for access to tertiary education as a form of promoting social justice in South Africa. Wilson-Strydom (2011:407-408) argues that there is a lack of diversity in South African universities, despite the higher enrolment rates. Furthermore, access to higher education is much more complex than increasing enrolment. It also includes developing an awareness for the socio-economic circumstances of students. Sen's capability approach helps to develop a framework that aims to create meaningful access to university in countries with levels of socio-economic inequality (Wilson-Strydom, 2011:409). Increasing access to university takes into consideration the difficulties that quality education could overcome, and education can become a powerful tool for social justice.

South Africa's history of repression through colonialism and Apartheid has created a society where people are eager to question and to challenge the neoliberal political economy. Sen's capability approach offers significant insight into developing a contextual understanding of economic inequality. However, Sen's capability approach tries to work within the neoliberal political rationality of neoliberalism to at best transform it, at worst, reform it, instead of trying to revolutionize it. I argue that although Sen's capability approach is a step in the right direction, it does not develop from an aesthetic dimension. It is the aesthetic dimension that truly provides a radically new rationality and qualitative change in our understanding and overcoming of economic inequality. Marcuse's theories offer an alternative rationality that subverts the dominant rationality. Moreover, within the South African context the neoliberal political rationality is being challenged and questioned. The South African youth are seeking a new rationality and I argue that Marcuse's theories could provide the alternative rationality and the method to developing that rationality through memory. Critical theory and other Marxist critique can contribute to African thought. For example, Marcuse specifically writes about rock music as white people's appropriation of black music. He states that the outcome is totalitarian "in the way in which it overwhelms individual consciousness and mobilizes a collective unconscious which remains without social foundation" (Marcuse, 1972:115).

Marcuse argues that the fundamental problem with political economy is that it “dismisses the essence of man and his history” (Marcuse, 1973:9). In doing so the political economy becomes a completely abstracting process about “non-people and an inhuman world of objects and commodities” (Marcuse, 1973:9). However, Marcuse is convinced of the “historicity of human essence” (Marcuse, 1973:23). In other words, Marcuse follows Marx’s notion that essence is defined as the recognized potentialities of a person within a historical context and social structure. Thus, human essence appears in history “as an aspiration, inseparable from praxis that has carried it forward, that is, as an image of freedom that guides the particular action” (Arese, 2018:7). Marcuse’s concept of a historical memory is more than a descriptive genealogy. It is the memory of past struggles that reveals the historical essence and the repressed possibilities of human essence that need liberation. Marcuse uses Freudian psychoanalysis as an access to memory, while his crucial theoretical approach offers a platform for memory to become a form of liberation:

> “If memory moves into the center of psychoanalysis as a decisive mode of cognition, this is far more than a therapeutic device; the therapeutic role of memory derives from truth value of memory. Its truth value lies in the specific function of memory to preserve promises and potentialities which are betrayed and even outlawed by the mature, civilized individual, but which had once been fulfilled in his dim past and which are never entirely forgotten. The reality principle restrains the cognitive function of memory – its commitments to the past experience of happiness which spurns the desire for its conscious re-creation. The psychoanalytic liberation of memory explodes the rationality of the repressed individual” (Marcuse, 1955:33).

Marcuse uses the link that Freud made between the memory of the repressed and liberation and transfers it to an aesthetic experience (Marcuse, 1955:19). In other words, art creates an imagined experience or memory of original joy and freedom. Images and narratives serve as a reminder (or memory) of a once happy and free society. Through this imagined experience or memory that is provoked through art people are once again reminded of what a happy and free society would look and feel like. People come to the realization that current society does not reflect those ideals and they become aware of the current forms of repression and domination within society. People are reminded of the denied possibilities of overcoming those forms of repression and domination. Moreover, “the articulation between artistic imagination and memory produces an aspiration to transform mankind’s present” (Arese, 2018:12).

Marcuse suggests that we should actively seek within history certain images of the potentialities of human freedom that should serve as normative references for the present. He establishes a link between political imagination, memory and the present (Marcuse, 1973:23). This link is an

active exercise of memory, to remember old struggles and find the determination to undertake and guide new struggles. Therefore, the exercise of memory "that unfolds in the field of praxis is necessary for social criticism to arise" (Arese, 2018:8). Art becomes important in the exercise of memory as it serves as an access point to recall past struggles. Images of freedom that come from past memories are situated, contextual and serve a particular socio-political interest. Art that conveys images of past struggles, ideals of freedom or happiness have lost singularity, situationally and plurality. Rather, art serves as an access point that portrays a timeless image untouched by particular socio-political conditions. Art serves as an access point to memories without historicity.

Marcuse was also aware of the dialectical dangers within the aesthetic dimension. In other words, just as art could inspire radical transformation that could bring about a qualitative change in society, he was also aware that it could lead to more repression within society. Therefore, art which functions in the realm of culture, is (mis)used to become a tool of oppression rather than liberation as it becomes part of the operational, everyday social realm (Marcuse, 1965:16). The same thing happened, for example with technology in the form of Twitter, where it was used as a tool to evoke extreme violence during the Trump presidency. The violence came to a boiling point on the 6th of January 2021 when protestors stormed the US capitol building during a speech that President Trump was giving (Smith, 2021).

Art has the potential to inspire liberation and inform a radical subjectivity, however, it can also be used to enhance systems of domination. Art itself does not bring about liberation but creates a critical space within social reality that can open discussions and discourse that translate into political activity (Marcuse, 1955:237). Marcuse also argues that it is not only proletariat art that would inspire revolution. For Marcuse, the different forms of oppression in capitalist society would inspire various social groups to partake in a revolution for many different reasons. Marcuse argues that class consciousness often dissolves the radical subjectivity of individuals. Radical change in a society must develop from the level of a radical subjectivity. Revolution must develop from a subjective recognition of a person's individual needs, desires and passions. Marcuse states that "liberating subjectivity constitutes itself in the inner history of the individuals" (Marcuse, 1978:5). Therefore, any form of art can inspire liberation and not just certain art forms from certain social groups:

> "It seems that art as art expresses a truth, an experience, a necessity which, although not in the domain of radical praxis, are nevertheless essential components of revolution" Marcuse, 1978:1).

South Africa's struggle for freedom is told in various art forms and by different people from different social groups, economic classes and even different countries. These different narratives of South Africa's struggle for freedom have created a space in social reality for discussion and discourse. Past struggles are not only remembered, but inspire a new generation to pursue a self-determined freedom informed by a radical subjectivity. Young South Africans are aware of their needs, their desires and their lifegoals and they want to actively pursue them as they have made clear in their political activities. Therefore, art has become a catalyst for liberation as it created a memory and imagined experience that was fundamental to the development of a radical subjectivity. The past cannot be undone, nor can the suffering of those who had to endure it. However, art bears witness to these events and inspires those that want to see change in the world:

> "While art bears witness to the necessity of liberation, it also testifies to its limits. What has been done cannot be undone; what has passed cannot be recaptured. History is guilt but not redemption…Eros itself lives under the sign of finitude, of pain. The 'eternity of joy' constitutes itself through the death of individuals. For them, this eternity is an abstract universal…inasmuch as art preserves, with the promise of happiness, the memory of the goals that failed, it can enter as a 'regulative idea', the desperate struggle for changing the world" (Marcuse, 1978: 68-69).

In *The Aesthetic Dimension* (1978), Marcuse notes that no matter how free a society becomes, those that have died in their struggle for freedom or happiness can never be saved. However, through art their memory can serve as a reminder for the next generations to constantly pursue happiness and freedom within society. Marcuse emphasizes the need for a constant broadening, revaluation and reinvention of society. He argues that is necessary and desirable, because freedom and happiness will always remain elusive and distant (Marcuse, 1978:71-72).

It might sound as though I am suggesting that South Africa can solve economic inequality through an appreciation of art, but this is not what I am suggesting. It is important to understand that the aesthetic dimension does not necessarily refer to art. Rather, the aesthetic dimension is about experiencing the sensual aspects of life that help us escape the one-dimensional core of a neoliberal political rationality. Marcuse just uses art as a known understanding of aesthetics. Moreover, Marcuse prefers a much more nuanced understanding of the aesthetic dimension. Marcuse claims that surrealists went beyond art and psychoanalysis in their understanding of the aesthetic experience and demanded that "the dream be made into reality without compromising its content. Art allied itself with the revolution" (Marcuse, 1955:149-150). He goes on to argue that, in advanced capitalist societies, we experience sensual pleasure when we go on vacations, partake in hobbies and enjoy entertainment (Marcuse, 1955:184). However, this is just adding to

our surplus repression in capitalist society. For Marcuse, liberation from the one-dimensional repression and domination of advanced industrial societies was through the aesthetic experience:

> "the aesthetic experience would arrest the violent and exploitative productivity which made man into an instrument of labor. But he would not be returned to a state of suffering passivity…the free manifestation of potentialities" (Marcuse, 1955:190).

Marcuse states that the aesthetic experience would re-emerge "not merely in an artistic culture, but in a struggle for existence itself. It assumes a new rationality" (Marcuse, 1955:224). Therefore, Marcuse's understanding of aesthetics does not imply a higher culture and the implication that this creates a separation from society and practice (Marcuse, 1972:74).

An aesthetic dimension that inspires true qualitative change by developing a new rationality is what is lacking in Sen's compatibility approach and is what makes it vulnerable to perpetuating a neoliberal political rationality. Considering the pivotal effect of Sen's capability approach to make practical and attainable changes in the way in which people understand and approach development, imagine the impact of such an approach if it is fully considered an aesthetic experience. I argue that the aesthetic dimension which emphasizes a truly qualitative change would revolutionize the way in which economic systems function. Some may argue that this is too abstract or philosophical to implement within an economic system or frame.

However, Marcuse argues that "the solution of a 'political' problem is the liberation of man from inhuman existential conditions" (Marcuse, 1955:187). In other words, it is through the aesthetic dimension that we will become liberated beyond the external imposed manifestations and towards an existence without fear and anxiety. Moreover, Crispin Sartwell, in his book *Political Aesthetics* (2010), states that "ideology *is* an aesthetic system" and that "the aesthetic expressions of a regime or of the resistance to a regime are central also to the cognitive and concrete effects of political systems" (Sartwell, 2010:1ff). He continues to argue the importance of incorporating an aesthetic dimension to counter the way in which power relations form within political systems (Sartwell, 2010:51). He states that aesthetic experience "expresses a set of basic human capabilities and dilemmas, something that all people seek" (Sartwell, 2010:74). Marcuse emphasizes the crucial role that an aesthetic experience has to play in developing a radical subjectivity and shaping reason (Marcuse, 1972:63). Therefore, Marcuse's emphasis on an aesthetic dimension can be considered fundamental to the enhancement of basic human capabilities by uprooting a neoliberal political rationality.

Hills notes that "The earliest Black Consciousness artists purposefully sought and created an aesthetic that saw liberation as more than a dream" (Hills, 2018:192). In the South African context,

art has served as an access point to exercise memory and recall past struggles. A younger generation of South Africans grew up surrounded by narratives and art forms depicting the struggle for freedom, as well as art and images depicting the joy and freedom of a democratic South Africa. However, the current reality that most young South Africans live in does not correlate with those images of joy and freedom. Art has served as a reminder and an inspiration to pick up arms and continue the struggle for freedom. One example of this is the burning of university buildings and paintings:

> "If decolonialization's goal of a pluriversity is realized, then the whole financial structure that has grown around the university becomes questioned as well. In this new paradigm, African voices not only find self-determination, they also push the global discussion forward by revealing the oversights and superficial justifications for what stands as knowledge…However, a question arises as to what gets included in 'writing Africa' and what counts as Africanization. This is an especially pertinent question given that several students and adjacent protestors have resorted to violent means to get their messages across: Do petrol bombing university buildings or burning a university's paintings – its Apartheid and post-Apartheid cultural heritage – count the same as demanding that monuments to John Cecil Rhodes must Fall? Who gets to decide? One can see that the #feesmustfall protests are happening in a flux where decolonial or postcolonial thought meets Apartheid-era forms of protest. South Africa's past, present and its indeterminate future are colliding at a rapid rate…" (Sands, 2018:279).

A new generation of South Africans were promised a land of prosperity; however, they are faced with escalating socio-economic challenges. This new generation is informed by the memories of past struggles through art and this has them questioning and challenging the neoliberal rationality that has failed to deliver to them the South Africa which they were promised. Frustrated and scared they act out in search of a new rationality. I argue that Marcuse not only provides them with an alternative rationality – a rationality of gratification – but also provides a means to develop that rationality within society. Through the exercise of memory within the aesthetic dimension South Africa's youth finds new inspiration and determination to pursue freedom and happiness within society. Instead of having to conform to a political rationality of a neoliberal economy, a new rationality would be directed at human development and well-being. A new rationality informed by memory would continually re-examine, revaluate and redefine social, economic and political spheres of society. This continual process would allow systems, policies and structures to reflect the values and goals of South African citizens in their ongoing pursuit for freedom and happiness.

6.4 Conclusion

Current governing systems fail to support and protect citizens through the socio-economic crisis which was brought on by the Covid-19 pandemic. I argued in this chapter that this was due to the one-dimensional core of the neoliberal political rationality. The neoliberal system is dependent on people's fulfillment of false needs for economic development and growth. This was especially evident when lockdown and restrictions of socio-economic activities only allowed for the purchasing of essential goods and services. Moreover, due to the lack of economic stimulation from consumer capital many people were faced with unemployment and economic inequality increased globally due to the global recession. In the South African context, the government implemented strict lockdown regulation that limited socio-economic activities. I argue that due to the neoliberal political rationality the government was unable to provide the support and protection to people who were dependent on the informal economy. The one-dimensional core of neoliberal rationality is the cause for the increase of economic inequality in South Africa.

In this chapter, I also argued that the United Nations Development Programme (UNDP) as well as the World Happiness Report (WHR) use Sen's capability approach to create a new understanding of economic development and economic inequality. I argue that the *UNDP* and the *WHR*'s use of Sen's theories on capabilities reflect their pivotal influence on a global scale. The alternative approaches focus on the social aspects that contribute to economic development and well-being. By including the social aspects, the *UNDP* and the *WHR* are implementing a multi-dimensional approach which is extremely important when developing a new understanding or measuring socio-economic issues such as economic inequality.

Consequently, I argued that Marcuse's notion of an aesthetic dimension provides a platform to develop a new rationality. I specifically suggested Marcuse's rationality of gratification as an alternative. I also discussed how Marcuse' concept of memory and radical subjectivity creates a space in South Africa where the political rationality and the neoliberal economic system is questioned and challenged. Moreover, I argued that Sen's capability approach lacks this aesthetic dimension that would bring about an authentic qualitative change and re-orient economic systems to human development and well-being.

CONCLUSION

7.1 Introduction

Economic inequality is an escalating economic challenge both globally and specifically within developing countries such as South Africa. Various socio-economic and political factors and crises contribute to the continual escalation of economic inequality. Often the problem of economic inequality is understood, evaluated and addressed from within the discipline of economics. For example, the measure of economic development of a country and its economic inequality is often based on economic figures such as the GDP and the exchange rates etc. However, the stringent economic viewpoint and reliance on these economic indicators and figures create an oversimplified view of economic inequality and methods to overcome it. I have identified the following main objectives for this dissertation:

1. An evaluation of Amartya Sen's capability approach.
2. A critique and development of Sen's approach by reading it through the lens of Herbert Marcuse's concept of false needs to better understand economic inequality.
3. Understanding the conditions for the development of an economic system centered around human development and well-being in South Africa.

In what follows, I will discuss how I have addressed these main objectives.

Amartya Sen provides a salient critique of the oversimplified view which is specifically brought on by a utilitarian misappropriation of Adam Smith's concept of self-interest. Consequently, people develop a quantitative approach to well-being that assumes material wealth, and the accumulation of goods defines and develops well-being. In response to this, Sen developed his capability approach which provides a multi-dimensional and contextual understanding of economic development and well-being. In doing so, Sen's capability approach created a pivotal shift in understanding and measuring economic development and well-being. In particular, Sen's capability approach exhibits other aspects that have an effect on economic development and consequently well-being. This suggests a link between contextual aspects and their influence on well-being and economic inequality. However, I argue that Sen's capability approach does not take into consideration the significant negative influence which consumerist culture has on well-being and economic inequality.

Herbert Marcuse's critique of a quantitative approach to well-being is developed through his concept of false needs. I argue that by reading Sen's capability approach through the lenses of

Marcuse's concept of false needs, a more radical qualitative approach to well-being can be developed. I specifically highlight the following contributions and insights that Marcuse's reading of Sen's capability approach can make:

1. A qualitative approach to well-being that emphasizes Marcuse's concept of a radical subjectivity and a rationality of gratification.
2. It is an approach to well-being that takes into consideration the many aspects that influence well-being.
3. It supports a critical consciousness that emphasizes people's freedom and self-determination.
4. It rejects a market dictated understanding of economic development.
5. It is dedicated to creating an aesthetic understanding of well-being.

Moreover, I explore Marcuse's theories and critiques to provide an alternative rationality – a rationality of gratification – that is formed from an aesthetic dimension and experience. This is crucial for the development of an economic system that is centered around human development and well-being. In particular, within the South African context, people are already challenging the current neoliberal socio-political and economic systems. Through the memory of past struggles, South Africans have found inspiration and dedicated themselves to identifying and pursuing their true needs. This creates the perfect environment for the pursuit and development of a new economic system that is centered around human development and well-being. Furthermore, I argue that this avenue of research can be further developed in the future. It would provide new insights in the fields of philosophy of the economy in general and specifically for studies on aesthetic or qualitative approaches to addressing economic inequality. Although South Africa has a very particular socio-political context, this research could also provide insight within a larger global context, i.e. countries who specifically share South Africa's post-colonial context with emerging economies.

7.2 Final Summary

Sen's capability approach has been extremely influential in changing the way in which economic inequality is understood and measured. However, I argue that we need to move beyond a better understanding or measurement. A new rationality that inspires a new form of economic development is what is needed to truly overcome economic inequality. I specifically look to the theories and critiques of Marcuse to provide this pivotal insight into developing such a rationality. In what follows I will give a brief final summary of the different chapters by referring to the objectives of the respective chapters.

In Chapter 2, I critically examine and re-evaluate Sen's critique of neoliberalism. I specifically look to Sen's main critiques of neoliberalism. These two critiques are the misinterpretation of Adam Smith's concept of self-interest and the utilitarian approach to well-being. Amartya Sen provides some salient critique of the misuses of Smith's theory of self-interest. Sen's theories on economic inequality are also heavily reliant on Smith's notions of self-interest and sympathy. Although it is beyond the scope of this dissertation, I would like to explore the similarities and differences between Smith and Sen's interpretations of economic inequality for future research. I would like to look in particular into the relationship between the distortion of sympathy and how it affects what Sen refers to as 'functionings' and capabilities. Furthermore, in future research I would like to explore in more depth and detail the significant contribution that Smith's work plays in Sen's capability approach.

A philosophical analysis of economic inequality provides a broader view that considers economic, political and social aspects. I re-evaluate Sen's critique of neoliberalism by looking to the development of a neoliberal political rationality and how it contributes to economic inequality. Moreover, philosophical analysis of economic inequality uncovers the neoliberal political rationality as it developed from classic economic theory and functions within contemporary society. I develop the concept of a neoliberal political rationality from the work of Michel Foucault and particularly his concept of governmentality. From Foucault's concept of governmentality two characteristics stand out, namely policies that support a free-market system and a market rationality that is applied to everyday life (Foucault *et al.*, 2008:94, 240). This concept was later adopted and developed further by the political economist Wendy Brown. I specifically refer to her understanding of a neoliberal political rationality to explore how it functions in contemporary society and sustains economic inequality. It is mainly sustained through socio-political and economic structures, institutions and policies put in place by a select few who benefit from it.

In Chapter 3, I uncover neoliberalism's impact and influence upon South Africa. I discuss the various socio-political and economic influences within South Africa and from the international community that persuaded the South African government to pursue a neoliberal economy. Some of these influences and events include the fall of the Berlin Wall and the Soviet Union and the global recession of 2008. International institutions such as the World Bank and the IMF and the local busines community also had a significant impact on South Africa's shift to a neoliberal ideology. However, despite the implementation of these neoliberal policies, unemployment, poverty and economic inequality not only persisted but escalated in South Africa.

Furthermore, I also argue that although South Africa has a mixed economic structure it still has some significant neoliberal characteristics that sustain and perpetuate a political rationality. Developing countries like South Africa adopt these neoliberal policies and rationality with the

promise of economic development. This can clearly be seen in South Africa's economic policies such as the Reconstruction and Development Program (RDP) and the Growth, Employment and Redistribution Strategy (GEAR). These policies indicate a pivotal approach to overcoming poverty, economic inequality and unemployment in South Africa.

In Chapter 4, I provide a clear understanding of Amartya Sen's capability approach by reading his critique of economic inequality. I explore Sen's development of the capability approach as a critique against utilitarian approaches to economic inequality. I explain and discuss Amartya Sen's capability approach as an ontological shift in understanding economic development and economic inequality. Sen's capability approach allowed for a contextual understanding of economic development. The capability approach takes into consideration the importance of socio-political environment and what a significant influence it has on well-being. Sen makes the link between well-being, poverty and economic inequality through the socio-political environment.

The capability approach is important to construct a philosophical analysis of economic inequality because it provides an in-depth understanding of economic inequality and explores how it is influenced and related to other aspects of society. Sen does argue that commodities have an influence on a person's capabilities. However, he does not account for the underlying rationality in neoliberalism when discussing commodities. Sen maintains that commodities can be used to promote well-being and that to use commodities beyond a means to well-being would fall into 'commodity fetishism' (Sen, 1999b:19). However, I argue that Sen does not consider Marcuse's concept of false needs in neoliberal economies. In other words, Sen does consider the damaging effects of consumerist society on a person's well-being. Sen is rarely engaged in critical theory and my study, which brings him into dialogue with Marcuse, shows that critical theory has a place within contemporary philosophies of economy, and vice versa. In so-doing, it creates a unique opportunity for cross-disciplinary research between philosophy of economy and critical theory. Thus, this project serves a cross-disciplinary purpose which creates dialogue between sub-disciplinary and established traditions.

In Chapter 5, I develop a stronger paradigm of Herbert Marcuse's theory of false needs by applying Marcuse's theories on capitalism through a re-evaluation of Sen's capability approach, which will give us a fresh insight into economic inequality. I discuss and explore Marcuse's concept of false needs. Marcuse describes false needs as needs that are superimposed on a person and have the effect of limiting their freedom and happiness. Sen's capability approach is anti-fetishist and developed as a critique against the utilitarian approaches. However, I argue that Sen's capability approach does not take into consideration the concept of false needs and how it limits well-being. The neoliberal system is dependent on a consumerist culture for economic development. The manipulation of needs and the superimposing of needs are therefore

necessary in a neoliberal society. Some of the effects of false needs include surplus repression, surplus labor and overproduction.

Furthermore, Marcuse's theories provide an alternative rationality i.e. a rationality of gratification that develops from a radical subjectivism. Marcuse's more radical critical theoretical approach allows for a re-evaluation of Sen's capability approach that takes into consideration the harmful effects of a consumerist culture. Moreover, I argue that Marcuse's concept of false needs demonstrates how economic inequality would escalate within neoliberal societies as people become politically passive within an advanced industrial society. Marcuse's theories on radical subjectivity and his suggestion for a rationality of gratification demonstrate that a new economic system centered around true needs is required to truly overcome economic inequality.

Within this chapter I also discuss Sen and Marcuse's critique of Western democracy. In this section I craft a dialogue between Sen, Marcuse and Kwasi Wiredu to suggest a consensual democracy as an alternative to Western democracy and Western socialism. Although Wiredu wrote with the Ghana context in mind, an avenue of future research would look at a consensual democracy within South Africa. Moreover, this research would incorporate South African values and theories such as Ubuntu. Although Ubuntu is often explored within African thought as an ethical system, Ubuntu could be explored as the foundation for a consensual democracy in South Africa.

In Chapter 6, I analyze and discuss the conditions for the development of an economic system that is centered around human development and well-being, rather than one that is solely focused upon markets and consumerism. I explore the need for a new understanding of economic inequality. I argue that socio-economic crises, such as the Covid-19 pandemic, exaggerate economic challenges such as unemployment, poverty and economic inequality. Moreover, I argue that the Covid-19 pandemic proved the global economic system's dependence on a consumerist culture for economic growth and development. I also contend that as these economic challenges start to escalate and more people fall victim to them, the more they will start to question the neoliberal political rationality that benefits a select few. In this section I discuss South Africa's response to the Covid-19 pandemic. I especially focus on the impact of the Covid-19 pandemic on the informal sector of the economy and the people who are reliant on the informal economy.

I also argue that a new understanding of economic inequality is starting to develop that is multi-disciplined and multi-dimensional. I use the United Nations Development Programme and the World Happiness Report and their approach to evaluating economic inequality as examples of the implementation of Sen's capability approach. The multi-dimensional approach to economic inequality considers the social environment and social relationships as an important factor that

contributes to well-being and economic inequality. Once again, this suggests a link between well-being and economic inequality. In this section I look specifically to the South African context to discuss the conditions needed to develop a new economic system that is centered around human development and well-being.

I argue that the government's pursuit of a neoliberal political rationality has deepened socio-economic challenges in South Africa. The promises of an equal and free South Africa were not met. The empty promises led people to develop a radical subjectivism that encouraged them to determine and pursue their true needs. I argue that Marcuse's concept of memory allows for past struggles and historical events to inspire and motivate South Africans to pursue a freedom and happiness. Furthermore, I suggest Marcuse's rationality of gratification as an alternative to the political rationality within neoliberal societies. A rationality of gratification allows for the development of an economic system that is centered around human development and well-being that will overcome economic inequality in South Africa. In addition, my research focuses upon and emphasizes the work of Herbert Marcuse, a now sidelined and forgotten theorist, who provides substantial insight into advanced capitalism and consumerist culture. By contextualizing his work within a 21st Century South African perspective, his theories become relevant and offer a unique contribution to the discussion on the impact of the global neoliberal consumerist culture on traditionally non-Western countries.

7.3 Closing Remarks

The unique contribution of this study is twofold. Firstly, it exposes the shortcomings of Sen's capability approach in addressing economic inequality; and secondly, it reads Sen's capability approach through the lenses of Marcuse's concept of false needs. Marcuse's concept of false needs and the fulfilment of false needs emphasizes the one-dimensional core of a neoliberal system, but also the inherent inequalities on a personal, political and economic level. Marcuse's evaluation of needs can fill the gaps within the capability approach and re-orient the theory to address its shortcomings when dealing with economic inequality. A Marcusian reading of Sen's capability approach allows for the development of an alternative rationality to the neoliberal political rationality. Marcuse's rationality of gratification addresses and uproots the core one-dimensionality within the neoliberal economy. This creates a platform for the development of an economic system that is centered around human development and well-being. Such an economic system is aimed at the gratification of true needs that allows for flourishing.

This project will help one to better understand that economic inequality is fundamentally built into neoliberal socio-economic systems. Since neoliberalism is a global economic system, this project provides the critique that inequality is inevitable in this system, emphasizing the need to replace

the neoliberal economic system. It is however important to understand that this project does not propose a revolution. Rather, I hypothesize that by understanding the origins and concepts within neoliberalism, one can better understand how to move forward in future, therefore reinforcing the works of other contemporary political philosophical theories.

Studies in economic inequality will become increasingly important as socio-economic challenges escalate due to the effects of Covid-19. However, it is now more important than ever before to implement a qualitative approach to overcome socio-economic challenges such as economic inequality. As global financial institutions and governments seek to understand and predict the socio-economic impacts of the Covid-19 pandemic, it is very important that the most vulnerable in society not be left behind. As this study has shown, a quantitative approach to addressing economic inequality is counter-productive and only escalates economic inequality. Moreover, relying on a neoliberal political rationality only benefits the rich and the poor fall into deeper poverty. This is especially true for countries like South Africa, with an emerging economy, a challenging socio-political history and context, and a platform for the development of a new rationality. The Covid-19 pandemic has revealed, or rather exposed, an irrational reliance on a neoliberal economic system and stressed the need for a dramatic change in global economic systems. The wonderful thing is that we can shape these economic and political systems any way we see fit. It is only one-dimensional thought that prevents us from doing so.

> “Art cannot change the world, but it can contribute to changing the consciousness and drives of the men and women who could change the world” (Marcuse, 1978:32-33).

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