

A People Capital Project

Book-1 : ECONOMIC SHOCK THERAPY

* Cost Compression*

by John C. Wallis

* Multi-Skilling *

* Affordability*

**FAMILIIES
via
HOMES**

Financibility

Technology

Velocity

**Capacity
Builders**

**NEW MARKETS
via
HOUSING**

**SCALE
via
PRODUCIBILITY**

* Information *

* Imagineering *

* Empowerment *

Edunomics

RESULT : -

Exponential Growth

VIA

Secondary City Complexes

“where there is no answer, change the problem”

Web: <http://peoplecapital.yolasite.com>

Email: peoplecapital@telkomsa.net

FOREWORD – Book 1: Economic Shock Therapy

- **An Africa, if not ACP Ex-Colony development program**
- **Industrial linked Infrastructural Socio-Economic Development**

The only way to meaningfully address our wants and needs is through processes that testify real interdependence and equality, where Africa must become characterized as a vibrant continent built on the right for individuals to differ; as the only way to arrive at a creative and innovative continental mindset. This means one huge meritocracy where discrimination and inequality have no roles to play. That is about the only way to create a harmonious, dynamic and prosperous continent.

Wherefore, we have to start off with better understanding between Africa's people to be able to harmoniously live together across all ethnic and racial lines that for hundreds of years kept Africa in the dark, whilst being progressively ravaged by asset stripping, degradation, mining, deforestation and climate change. Such needs an integrated and radical development program, as any harmonious environment can only turn on equality of opportunity with no place for ideology, dogma and top-down induced herd syndromes to endlessly extend the colonist "*accumulation and dispossession*"-practice in its outdated "*mercantilist neo-liberal*" fashion. The latter merely creates chaos on the one hand and however paradoxically complacency on the other, but which is not the way to make Africa globally competitive and prosperous.

Therefore, Africa needs concrete measures, failing which Africa's diverse populations, apart from the middle class, political- and economic-elite, will have no other way than to resort to high levels of sustenance crime that is becoming progressively "*professionalized*". As we all know, life for the vast majority in Africa is about survival, whilst fighting to feed one's family and the commercial banks, if not the loan sharks.

In fact, the end perspective must be to continuously add value to skills and ratchet up experience, as in a full-fronted rugby type motion, with the broad emphasis on our youths.

Summarily, the reality is that Africa, ever since decolonialisation and apartheid in South Africa, remains far too much inward looking and parochial in its outlook, whilst it could develop so many new and competitive advantages on the back of its comparative advantages. Failing which is what summarises why meaningful Foreign Direct Investment is not happening, for the rating agencies' downgrades, and the ever crumbling exchange rates.

Critically, Africa's embassies have to be far more aggressive, know and influence what is currently being discussed by high level politicians in the OECD nations. Simultaneously, Africa has to demonstrate initiative and eagerness to be willing to go the extra mile and to compete on literally all levels. Hence, it is primarily about: (1) Embracing a globally oriented competitive mindset ; (2) The need for Africa to internationally promote and explain itself, whilst ; (3) Driven by an outward focus. Simple, at the end of the day, it is about survival on the factory floors in this murderously competitive and often cruel global market place.

- Meanwhile, in relative and per capita terms, Africa has consistently been sliding down the development spiral ever since about 1975, as if Africa has adopted the view that the Africa Renaissance is merely a far-fetched and unrealistic concept. That is the very mindset that must radically be rooted out and steered into an entirely different direction. Because Africa's stubborn complacency is substantially due to having been raped for far too many years, and still is , it is high time to fight back and show what we can do, as in the "*Art of the Possible*".
- However, such has to be driven by a "*Continental Africa*"-scale perspective, as the foundation block for tangible, financeable and insurable action programs. To be sure: Africa's relative declines in "*per capita output*" needs vigorously integrated and coordinated projects for a turn-around, driven by the express realization that Africa's continuation of business-as-usual will just worsen its prospects - Whilst eventually having to tell our children how sorry we are for leaving them with such a mess.

The above means that we must take a giant step back and consider that, ever since US Ex-President Harry Truman's "*Invention of the Development Age*" in 1947, despite all the promising answers, to-date the critical questions remained unanswered. Sadly, even the promises and undertakings during the 1992 Rio Convention, which led to the 1997 UN Special Session on Sustainable Development and Climate Change, which session was meant to celebrate "*1997 as the Development Watershed Year*", largely amounted to empty rhetoric as between 1992 and 1997 little or no progress was made.

In fact, the UN apologized for not having produced workable solutions since the establishment of its Aid Agencies. **Whilst**, the Environmentalists, sorry that this Initiative turned on Business, virtually demanded arbitration powers. **In contrast**, the Developmentalists, afraid to look "*Too Green*" to the Business World, felt excluded from the debate, as they realised that Sustainable Business needs a profit motive, as forced on by not only their Shareholders, but also the Institutional Investors, such as Pension- and Insurance-Companies.

In addition, instead of progress, Governments generally felt powerless and mostly excluded because none had a dedicated Development Department to deal with the agreed objectives.

Furthermore, although the academics found the goals badly defined, they admitted to their inability to think and act integrally.

Finally, to crown it all, the General Public clearly had problems understanding the “*Sustainable Development Concept*”, as they saw sustainability as something “*Static or Continuing*”, or a no-change continuation of Business-As-Usual, instead of “*Dynamic and Up-Spiraling*”, which is besides having a poor understanding about “*Corporate Social Responsibility*”-projects, which somehow have to be paid for, i.e. at the cost of global competitiveness.

Incredibly, for this gigantic >\$300 Billion Development Industry, there were no pertinent questions about the stubbornly missing development trajectories, processes, norms, standards and qualifications for “*developmentalists*”, whilst surely everyone knows that whatever the industry or enterprise, such should be led by some sort of “*developmental handbook or curriculum*”.

Wherefore, just to keep our eyes on the ball, what about the following questions:-

- Who could have defined the parameters for such un-precedented, broad-based and open-ended curriculum?
- Then, who would be qualified to select and instruct who to write such cross-disciplinary script, with such unpredictable outcomes?
- What benchmarks and set of exacting qualifications could be used to determine the budget criteria?
- On exactly what basis and justification could the reward for such ill-defined project be formulated?
- Who could be the Judge of “*Exactly What*” and based on which criteria?
- What could have caused the Development Initiatives ever since the aforementioned 1947 “*Invention of the Development Age*”, followed by those more recent ones in South Africa, as the most likely development propeller for Africa, such as the RDP, GEAR, ASGISA, JIPSA, IPAP etc., plus the efforts of NEPAD, UNECA, AfDB, AU and so many more, to have yielded such poor results?

Questions: Is it credible that this gigantic >\$300 Billion “*Development Industry*”, that employs 100.000’s of people, is not led by an accredited “*Development Science and Curriculum*”???!

Realistically, not only does Africa need different socioeconomic models and development perspectives, but also dedicated “*National Development Ministries*” plus, essentially, an “*African Union Continental Development Ministry*” with the capacity to come up with development proposals for the OECD Nations to validate for funding, but based on mutually shared interest scenarios – As a global compact?!

Sadly, the OECD’s generous and well-meant support vehicles often have, if not almost invariably, failed to bring about the meant inter-ministerial cum -departmental-discourse and ditto cooperation. It are those very elements that are of crucial importance for the very full-fronted development efforts that Africa needs to catch up, become globally competitive and to create worthwhile “*Producing Consumers*”, or “*Consuming Producers*”. Wherefore an all-out effort is overdue to create >600 Million new jobs, but which must largely be seen as a symptomatic effect of economy-of-scale activity of businesses in the context of hiving- and spinning-off enterprises, plus collaborational plants. The so-called “*Screwdriver plants*” will simply not suffice, neither will the prayed for “*How to in 10 easy steps*”- and “*CopyCat*”-solutions.

Coincidentally, following our last Progress Report, every one of our local and especially foreign associates agreed that, in the now almost universal Constitutional Democracies of the ACP ex-colonies, but with the emphasis on Africa, there are two principles that are at the root of Africa’s deep-seated growth problems, which are that:-

- A. Those in power know that they have to keep saying and repeating the word “*Democracy*” in order to keep getting handouts (Free GDP), and are usually accompanied by a corruption element – And, that is the first thing they learned.
- B. That flow of money will only continue to those in power if they also keep saying and repeating that they are “*Anti-Corruption*” – And, they also know that fact extremely well.

It is against the above background that we urge everyone to take note of our integrated development scenario in the hope that, in the context of the enormous potential to create shared interests, we can bring about the requisite change to reverse ACP Ex-Colonies’ otherwise unavoidable relative backward progression, worsened the clearly increasing climate change effects.

Then what do we tell our children?

From a different angle.....

The decolonialisation process was misdirected, misguided and clearly skewed by the ex-colonists towards a continuation of the profit generating effects of colonialisation. The best way to illustrate this is by explaining that the colonists established laws and regulations prohibiting their indigenous populations from engaging in formal economic activities -

by excluding them from access to loans, credit, trading licenses and permits - to protect their own interest, whilst ensuring that the most profitable portions of value-adding would continue in and by their own OECD countries. That is why the limited informal farming and trading business were the only way for those indigenous people – *at least those who were not employed by the colonists or the MNC's* - to eke out a living in a bare subsistence fashion.

In turn, that was also why the liberators, to overcome these then deep-rooted development hurdles, tended to adopt socialistic ways via all sorts of “trading boards” to:-

- 1 Convert those informal businesses and traders into tax payers, and;
- 2 Install an entrepreneurial spirit to fuel economic growth via industrialization, linked to infrastructural development, to conquer the previous value-adding done in the colonist nations, whilst simultaneously;
- 3 Re-creating and restoring family life and values.

In fact, for most if not all the ACP Ex-Colonies - *in the absence of global competitive skills together with the limited “need-to-know”-colonist education- and training-standards* - it proved difficult to raise sufficient development funding to bridge the time required to make the transition, which meant that:-

On the one hand, for most farmers the only option was to over-produce primary farming products, which depressed the local and export product prices, and;

On the other hand, the retailers had to import products not locally produced, whilst the exchange rates usually went south.

Detrimentially, the following 4 effects aggravated the above even further:-

- A. With the then limited tax receipts, it should stand to reason that, besides industrialization not happening, the lack of funds for maintenance and retrofitting of the colonist built infrastructures caused degradation to such an extent that, within a few years from decolonialisation, infrastructural collapse followed – Be that the result from “*subsistence theft*” and/or lack of maintenance, with the predictable downstream loss of skills to follow.
- B. At the same time, with the predictable unhappiness caused by poverty and inequality, those new regimes were often ousted and replaced, but often in equally bloody and cruel upheavals, whilst the underlying problems just kept multiplying – All in environments characterized by lack of funds and elite greed.
- C. Hence, the equally predictable pillage and plundering of all possible resources, leaving behind the heaps of so-called “*Development Debris*” - Sadly, the global development assistance that did come was almost invariably too little and/or came too late - Whilst the usual loan conditionalities often made things even worse.
- D. The undoubtedly well-meant embargoes on South Africa and Zimbabwe (Rhodesia), in however easy retrospect, yielded unintended consequences – These badly affected the pace of development for the entire African continent.

In effect, roughly from about 1975, when Africa was on a worse than stagnant, if not continuously deteriorating or even negative growth path, the rest of the world was on an explosive, if not accelerated creativity and innovation driven technology and productivity bull run.

- To be sure, to catch up, Africa as well as the entire global Socio-Economy need a radical and scale directed education and skills propulsion initiative, i.e. as an up-front requirement.
- That is where this full-fronted People Capital project, subject to better solutions being found, is designed to play an important role as it offers a range of integrated, pragmatic and doable plans.

Wherefore: The points of departure for this project, including the fundamental reasoning, principles and agenda, are for brevity sake probably best illustrated in the 2 following points:-

1. At present, the miserable per capita performances and prospects of the ACP Ex-Colonies must urgently be addressed to help the still wealthy ex-colonist nations. The latter are the very nations that are increasingly suffering deflation (price destruction) effects and the consequential spare production capacity; in turn the rising unemployment and hence dropping tax revenues - As in a race to the bottom!
2. The wealthy nations need scale solutions to lift the “*under-performing producers cum consumers*” of their Ex-Colonies out of their poverty and inequality cycle. Simultaneously they have to make sure that their productivity coefficients in terms of education, integrated skills and infrastructural- cum industrialization-development are facilitated to metamorphose, whilst also ensuring that such takes place in a manner that promotes equality, and in a way that is environmentally plus ecologically responsible – Plus, that their assistance also yields sustainable benefits for them!

Therefore: To cut to the chase, we propose the Heads of State and Ministers of the ACP Ex-Colonies to consider this South African development initiative in terms of the following trajectory, as the first step toward the implementation thereof:-

As set out in this Book-1 of -7 “*Economic Shock Therapy*” we propose this program to be submitted for validation to the Director General of the EU Department for International Cooperation and Development (DEVCO-D3-ACP), as further

explained in pp. 71-81 and the Post Mortem p.122, to achieve the facilitation for the 6 Phases of this program, as follows:-

- Phase-1: A 14-week study and motivation exercise to arrive at a decision for or against continuance.
- Phase-2: The Euro 2 Billion “*Continental Library Project*” that, subject to a successful implementation, is followed by:
- Phase-3: The 1st of the 4 off 25.000 population “*Secondary City Complexes (SCC) PILOTS*” with “*Societal Engineering University Campuses*” at Euro 6 Billion each, in turn by the similar Phase-4, -5 and -6 projects, with one SCC each in Northern, Southern, Eastern and Western Africa. All of which are driven by the objectives of:-
 1. The establishment of a globally acknowledged and accredited “*Development Science*”;
 2. The generation of BSc, MSc and PhD Development professionals to take key positions in Government Departments and Trade Unions and;
 3. To generate “*Infrastructural cum Industrial Mentors*” to manage the establishment of SCC’s. Importantly, the “*Development Science*”-curriculum hinges on both academic and vocational disciplines.
 4. Whereby a Millwright course forms an integral part of the curriculum as “*Development Science*” is largely based on “*Vocational Training*” in a “*Just Do It*”-type of environment where “*Pragmatics*” and “*Multi-Skilling*” rate high.
 5. In view of the flights in all technologies, the above should also motivate the need for splitting the Secondary School curriculum into 5 distinct streams that, in conjunction with the proposed “*Workplace Apprenticeship*” and “*Workforce Composition System*”, predicts to do much to help Africa jump the “*Development Spiral*”.

Seen from a different angle: We propose the Development Agencies and Donor Nations, in a Co-Consensus type agreement, to facilitate this 6-Phase Project, consisting of:-

- A. **Phase-1:** The assembly of a 2X20 or 3X20 member study groups, whose 14-week task it is to formulate well-motivated recommendations for either the implementation, or rejection of this project.
- B. **Phase-2:** The roll-out of the Euro 2 Billion “*Continental Library*”-project that, subject to the successful implementation, leads to the next phases.
- C. **Phase-3 through -6:** The establishment of 4 X Euro 6 Billion purpose specifically structured 25.000 population “*Secondary City Complexes*” (SCC’s) at ONE each in North-, South-, East- and West-Africa, and cater for:-
 1. A “*Development Science University Campus*” to yearly produce 2.000 Development Professionals.
 2. An “*Industrial Complex*” to cater for manufactures, plus maintenance and support services.
 3. A “*Municipal-, Medical-, Commercial- and Shopping-Complex*” for self-explanatory purposes.
 4. A “*Primary- and Secondary-School Complex*”, including sports and recreation facilities.
 5. A “*Residential Housing- and Flats-Complex*”, including infrastructure and transport facilities.
 6. An “*Experimental Farming Complex*” for R&D, that also supports the “*Hinterland*” agri-sector.
 7. **SUMMARILY:-** The purpose of the “*4 Pilots Complexes*” is for Africa to replicate these “*Development Camp Complexes*” throughout the Continent at ONE per 10 Million population.

From a Philosophical Perspective

To reiterate : “Where there is no answer, change the problem”

In short: The answer lays in “Good Institutions”, meaning laws, customs and traditions, which package is meant to promote economic and social progress. “Bad Institutions” hamper economic and social progress, whilst creating anarchy and a corrupt society. In contrast, “Good Institutions” provide the incentive structure of a socio-economy.

Question: Isn’t it high time that Africa and all ACP Ex-Colonies, with their multiples of growing populations, reinvent themselves? Isn’t that why lifestyles need to be re-designed? Moreover, to become a place where no one’s fate is decided by other than one’s self!!!!???

John Wallis