

H - Open Letter to Africa's Heads of State and Ministers

Option-1

The People Capital Project S.A.

PO Box 755
Kelvin
2054
South Africa

16 Pretoria Main Road
Kelvin
Sandton
South Africa

Phone : +27 11 804.3896
Web: <http://peoplecapital.yolasite.com>
E-mail : peoplecapital@telkomsa.net
Another People Capital Project

Your Excellencies and Honourable Ministers

- **Objective: An EU Co-Consensus Africa and ACP Project for a per capita Euro 26,00 Aid Facility**
- **A home-grown and unifying socio-economic development growth accelerator for Africa**
- **A beneficial proposition for the Development Agencies and Donor Nations**

We request you to lend your support for this proposed and essentially continental, multi-disciplinary as well as inter-ministerial and -governmental development project.

As the first step, based on Phase-1 of this People Capital Project, being the "*Continental Library Project*", we also request you to consider the up-front involvement and comments from, for starters, the chief librarian the South African Department of Arts and Culture, together with that from the CEO of the South African National Library.

Therefore, besides the vastly inadequate explanation below, we attach thereto the Foreword and Post Mortem of Book-1: "*Economic Shock Therapy*", together with the "*Cautionary Notes*", to supply a fair idea about the overall purpose and intent.

This project has been documented in the form of a Development Curriculum that consists of 7 manuscripts, under 3 headings, with the self-explanatory titles:-

CONTEXTUALISATION

- Book 1 : Economic Shock Therapy : Good cause for Scenario Planning

SCENARIO PLANNING

- Book 2 : Introduction : The Vision, as a Video-like Rehearsal of the Future
- Book 3 : The People Capital Perspective-1 : Operational
- Book 4 : The People Capital Perspective-2 : Professional

THE CURRICULA

- Book 5 : Kinetics and Dynamics of Development
- Book 6 : Parameters of Change
- Book 7 : Edunomics : The Generation of Product

On the one side, this radical program tackles Africa's complex socio-economic and environmental regeneration and unification problem, but where South Africa, as the only viable development "*Starter Block*"-nation with <5% of our Continent's population, has insufficient capital to lift the Continent onto the much overdue and accelerated growth path.

On the other side, it tackles the growing deflation and demographic problems that the OECD Nations, with the emphasis on the European Union, Japan and even China, are progressively facing.

This program is ready for a validation process, for which an application for an "*EU Co-Consensus project status*" is needed, which will likely involve UNESCO and its subsidiary UNU.

Wherefore we suggest that our Government, in conjunction with Dr. I.A. Mayaki, the CEO of NEPAD, H.E. Dr. N. Dlamini-Zuma at the African Union Headquarters and H.E. Ms D. Msimang, Ambassador to France at the Permanent Delegation of South Africa to UNESCO, request EU's DEVCO to facilitate a validation process along the lines of:-

1. A robust evaluation of the 7 manuscripts by an Africa and a Development Agency "*Mirror Team*", consisting of: (1) Actuaries, (2) Anthropologists, (3) Pedagogues, (4) Criminologists, (5) HR Professionals, (6) Spatial Planners, (7) Merchant Bankers, (8) Economists, (9) Marketers, (10) Mechanical- and (11) Civil-Engineers, (12) IT- cum Electronics-Professionals, (13) Architects, (14) Environmentalists, (15) Developmentalists, (16) Agriculturalists, (17) International cum Natural Law Specialists, (18) Media cum Publishing Specialists, (19) Librarians and (20) Statisticians.

2. For this evaluation we suggest that both teams be supplied with copies of the 7 books, of which the right side pages will be left blank for the delegates to make notes to arrive at consensual conclusions during the Friday reviews, which follow the dissemination of the Monday to Thursday 100 pages of text, at an average of 25 pages per day.
3. For the total of the some 1.200 pages, this intensive process will take 12 working weeks, plus the 2 weeks for the “*individual delegate teams*” to arrive at conclusions, which they need to document in concise summary presentations and recommendations for presentation to the Funding Adjudicators.
4. Obviously, those 2 teams need to be made up of well-rounded professionals with at least 8 years of relevant experience, and who are driven by development perspectives and can be expected to insist on perfecting and/or honing this program during the evaluation phase.
5. Finally, as the investment for the roll-out of this substantially 2-Phase project is estimated to lay in the vicinity of Euro 26 Billion, being roughly 10% of the EU’s annual Development Budget, and in view of the continuous nature of this essentially “*open-ended*”-program, it is further suggested that each delegate, especially from Africa, is seconded by a young life-wire professional in that delegate’s field of expertise – But, with 2 years of relevant experience.

This initiative stems from unanswered questions. In short, in spite of US Ex-President Harry Truman’s “*Invention of the Development Age*” in 1947, with the much later 1992 Rio Convention, which led to the 1997 UN Special Session that failed to be the celebration of “*1997, the meant-to-be Development Watershed Year*”, the MDG’s are still remote. That 1997 event was followed through by various South African and other Nations’ undertakings and conventions that generated promising answers, but for which the questions many posed have remained stubbornly absent.

Wherefore the often, however unwarranted outcry of: “*Development does not work, it even causes Un-Development*”. In brief: This project is substantially based on our doubt that Africa’s current structures have the capacity to hike manufacturing and industrial capability to competitive global levels. Clearly, we still suffer structural shortcomings inherited from our colonial/apartheid era. Hence, we need a push and concrete starting points fit for replication, which must be based on systems designs that align vocational education and training needs, whilst lifting awareness, tacit knowledge, transparency and accountability levels - In turn, which can readily be understood and adopted by the vast majority of our populations.

Therefore, what should stand to reason is that we, plus our local and foreign “*People Capital Friends*”, fail to understand how it is possible that, for the gigantic >\$300 Billion “*Development Industry*”, which excludes the enormous peace keeping and conflict resolution costs, there are still unanswered questions about development trajectories, processes, norms, standards and qualifications for “*developmentalists*”.

- In addition, everyone surely knows that for whatever profession a “*curriculum of sorts and qualifications*” are prerequisite - We tackled those concerns in this program.
- Furthermore, that we, with whatever we do, must foremost bear in mind that Africa’s success largely depends on scale and richness of diversity - Certainly not tribal conflict and xenophobia.
- Finally, from what we understand, this People Capital project ought to comfortably mesh with South Africa’s NGP, the NDP and the NEPAD’s Agenda 2063 – Hence, we designed mechanisms that not only tackle mindset and knowledge requirements, but also de-industrialisation and illicit money flows.

In effect, the above, attached and implied are structured to grow innovation capability and capacity, all of which need to be based on high levels of “*self-reliance*” and “*internationalization*”. The latter with our express understanding that “*internationalization*” turns on cross-border cooperation, which is good.

- Whilst the widely advocated “*globalisation*”-trajectory substantially amounts to no or little more than Elite- and MNC-led integration and, as such, must be avoided - Emphatically so where un- and under-employment are rife.
- Similarly, we seriously question the “*Global Free Trade Project*”- and the US brand of “*Free Market and Neo-Liberalist Capitalism*”-ideology – Such trajectories fuel Inequality with the rich growing richer and the rest poorer.

We trust the foregoing and attached to explain that high level ministerial and/or governmental intervention is essential to comply with the ruling protocols of the Development Agencies and Donor Nations, and look forward to your response.

Yours faithfully,

John Wallis.

Attachments:

- Foreword of Book-1: “*Economic Shock Therapy*”.
- Post Mortem of Book-1: “*Economic Shock Therapy*”.

- “Cautionary Notes”.

Researched and documented by John Wallis (nl)

Mission Statement : To equip ordinary people to achieve extraordinary results

Option-2 : From a different angle

The People Capital Project S.A.

Your Excellencies and Honourable Ministers

- **Matters of burning Public Interests, Development Agency and Business concerns concerns**
- **The tug of war between governmental rigidity and flexible interests of the Public and Business**

We request your support and participation in this radical development project that is conceptualised to not only achieve double digit growth for a “*Unified Africa*”, but to also curb the deflation pressures on the OECD Nations.

Although these issues are important for the Development Agencies and Donor Nations, they lately appear to attach much if not more value to issues that directly concern “*full employment cum participative strategies*” in which “*Shareholder-Employee*”-partnerships appear to produce a more conducive development momentum, sustainability and “*up-spiraling continuity*” than the traditional “*Employer-Shareholder*”-partnerships – Evidently, even the QA and Insurance companies share these views.

Presently, for global social and economic health the “*corporatist neo-liberal capitalist direction*” is regarded unsustainable and, besides being undemocratic and promoting inequality, to be destructive in the longer term.

In the context of the latter, we ought to foremost bear in mind that FDI by Business has a major role to play. Wherefore, and increasingly so since the global credit crisis, what we continue to see is shareholders’ mounting worries about the values of their investments and lack of influence in board decisions, plus obviously their expectations about the short and long term returns from their hard earned savings. At the same time their worries get amplified by nationalistic and autocratic tendencies of Governments in countries they consider as investment destinations.

Wherefore, the tug of war between governmental rigidity and business dynamics, both of which need to become increasingly flexible, is why FDI investor demands are increasingly intensifying. However, with all Governments’ lower tax revenues, caused by the murderously competitive global market place, deflation pressures and resultant lower taxable revenues, they are virtually forced to “invent” new “*fees & charges*” and additional tax revenue streams, whilst optimizing tax collection.

Therefore, the investor’s increasing attention to business cost compression processes, with a growing emphasis on innovation, creativity, productivity and flexibility levels, as these determine the ability to beat the global competitor.

Meanwhile in South Africa, from a worker perspective, fuelled by the typical and increasingly legalistic arguments when times are tough, his only guide is what Government and Unions tell him, whilst the corporate bosses become progressively secretive about their remuneration, plans and strategies when margins are under pressure and inventories cause cost push - That is when R&D, as the lifeblood for education, sustainability and development, gets pushed into the background.

On the one side, no wonder that the employee progressively finds himself in a position that amounts to little more than a bystander, who nervously and angrily contemplates his future. Needless to even mention that, watching the unemployment figures, business closures and automation obsolescing jobs, the employee considers his options: On the one hand, depending on his knowledge, ability, expertise and adaptability, all of which are difficult to define and translate into concrete numbers, whilst ; On the other hand, he has a legal safety net that is explicit in terms of Labour Laws and his Human Rights.

On the other side, he also knows full well that his chances to earn a living are becoming progressively limited, whereby he realises that his education, experience and flexibility are determinants, as are the demands of the workplace.

Unfortunately, he tends to forget - *as governments, unions and educators tend to do* - that automation must no longer be seen as a “*direct job and wealth destroyer*”, but increasingly as an “*indirect job and wealth creator*”.

Conversely, and what many underdeveloped nations fail to realise is that the previous era of “*man, as the slave of the machine*” has evolved into “*man, as the master and perpetual perfectionist of the machine*”, which is the very reason for nations “*blessed*” with raw materials and primary products – *which down the line are often realised to amount to be a so-called “Resource Curse*” – have regularly failed to jump onto the upward development spiral; therefore:-

- On the one hand, for all nations alike, it has become a matter of a race between Education and Collapse, whereby the stakes are becoming higher than they were ever before in history. All of which in the realization that the closer we get to the technological limits of production, the more taxing and expensive development efforts become!
- On the other hand, such also opens up the space for innovative solutions, provided governments are willing to let go of their rigidity and their populist entitlement driven mass voter attraction strategies, by starting to look at relevant knowledge requirements, as the primary tool to promote cost compression, flexibility and adaptability.

The latter, more in the sense of a “*common good*”, rather than in the predatory sense as what appears to be a stubborn remnant that stems from deep-rooted colonist practices and experiences.

With the emphasis on South Africa, a country of obvious extremes but where: On the one side, the human rights regime appears to override all other issues, whilst ; On the other side, state revenue collection has needed to become so punitive that it will send long term and stable investors packing, as caused by long overdue radical structural changes.

Fortunately, by having globally comparative high bond and preference share rates plus extreme bank interest mark-ups, the international money flows will meanwhile likely suffice to fairly balance import and export revenues. Unfortunately, the returns from these “*hot money*” investments detract from the viability of the (South) African economy. The same applies to local profit generation, of which it is estimated that some 60% is exported to safe havens, where countless international transactions are known to turn on destructive illicit trade, plus under- and over-invoicing practices.

- Wherefore, South Africa, at least when seen as the only possible Africa Nation with the capacity of being the “*Africa Development Propeller*”, needs to radically transform its structures and policies.
 - Not only in terms of the aforementioned areas of cost compression, flexibility and global competitiveness, but also, if not crucially in the very “*Education and Information Supply Structures*” to boost employee participation.
 - These must be formulated to cater for a host of new and different requirements comparing those that were common during Africa’s colonist era – In other words, Africa must become R&D- and not precedent-led.
- In addition, South Africa must choose between policies that:-
 - Either, adopt a typically EU egalitarian human rights regime, based on low GINI coefficients, where senior executives earn between 16 and 20 times of what the lowest paid employee earns.
 - Or, the typical USA high GINI regime, where senior executives earn between 100 and 200 times of what the lowest paid employee earns and where employees increasingly need a 2nd job to be able to pay their bills.
- Furthermore, with Africa’s even much higher “*Earnings Multiplier*”-coefficients, which subject will likely be vigorously avoided by senior Government officials and the Corporate Elite, a new direction must to be found.
 - Obviously, in South Africa, the situation is far worse than in the USA, where SA’s senior executives often earn in excess of 1.000 times that of their lowest paid employees – And, who therefore and logically have to spend a considerable portion of their working hours on their personal investment portfolios – And, are hence so secretive!
 - Then, what about the effects of many of our Corporates moving their headoffices off-shore, whilst progressively investing abroad, and/or having adopted Business practices of retreating into their most profitable lines?

It is not useful at all that the above aspects are obscured or glossed over with highly visible but symptomatic relief efforts and overdone pride in our ability to dig holes and plunder our raw materials, whilst leaving permanent environmental and infrastructural degradation and pollution in its wake – And, in a speculation driven and overheated stock market scenario.

In fact: All speculation driven price push and pull effects cannot possibly be expected to be economically justifiable in the context of South Africa’s some 65% of the population that is un- and under-employed, ditto under-educated, -skilled and -trained, whilst the remainder is becoming so overcharged for services that there will be little left to increase the already poor per capita savings rate to boost the very R&D levels that are needed to elevate Africa onto a higher performance, capacity, ability, flexibility and adaptability, if not the global competitiveness platform.

In effect: We must also not forget that, whilst South Africa’s per capita GDP is only some 15-20% of that of the OECD nations, and is about 900% of the average of the other Sub-Saharan nations. In addition, that in the OECD Nations panic buttons are pressed when unemployment levels reach 10%. Then what about South Africa’s falling productivity and savings levels, rising GINI Coefficients, budget- and fiscal-deficits, plus, a punitive “*fees & charges*”-regime with tariffs to try and balance the books – Plus, not to forget the endemic corruption factor that, however much underplayed, pushes our “Unit Costs” up, which in turn reduces our already low global comparative productivity and competitiveness coefficients.

To reiterate: *Not only must we review our structures and policies, but also examine the deliverables in terms of Affirmative Action, Black Economic Empowerment and Collective Bargaining. In other words, we may have to change the problems where, after these nearly 20 years of democracy, we still fail the answers.*

Wherefore, People Capital proposes South Africa and the Continent, in open discourse with the Global Community, to consider solutions for the Continent such as these relate to, for instance:-

Demographics : Push employment and retirement ages forward by at least 2 years. Summarily, depending on school results, via our proposed 50% subsidized “*Male Workplace Apprenticeship*”-process prior to opting for a job or tertiary education, with the focus on “*cost effective capital expenditures*”, whilst creating requisite experience levels, followed by effective tertiary education, trade apprenticeship and job selection practices that match all requirements.

Employee Empowerment : Facilitate a 5% company tax reduction for companies that are prepared to sell 25% of their shares to employees. Summarily, on a basis whereby employees purchase those shares from the then 25% “shareholding”-profits, whilst shareholders’ meanwhile threshold return on that portion of investment matches the Treasury bond rate - Whereby the Price is calculated on the previous tax year PE ratio of 10 times Earnings.

College for, initially, senior politicians, union, education and library officials, plus mentors : A 2 year course based on the People Capital curricula. Conceivably, best placed in the context of our “*Secondary City Complex*”-concept where such education and training includes practicums. The latter would require global alliances, material and financial assistance, but structured to yield reciprocal and sustainable benefits in parallel development projects.

“Factory-Built”-home construction : To compress costs and elevate living standards, based on a costing and financing module that prevents undue speculation, whereby serviced stands are supplied at a monthly levy that is based on establishment cost plus ongoing infrastructural maintenance per M2, financed under, for instance, a UN 40-year financing scheme at preferential or nil interest rate – Africa is presently short of some 80 Million decent Homes!

Farm Values and Ownership Transfers : For re-distribution or forced expropriations the value of farms should be structured and calculated on, for instance, the last complete tax year’s PE Ratio of 10 times earnings, multiplied by the average earnings growth rate during the previous 5 years. Such would then also set a datum for requirements for sustainability where productivity replaces speculation – But, subject to new farmers being qualified professionals.

It is our belief that, should no radical changes be made towards a “*Unified Africa*”, despite the factually far too low growth rates from the so low platforms, Africa will not be able to enter into, let alone grow out of its already missed reconstruction phase. The latter is prerequisite to lift the continent onto a positive social, economic and environmental double digit growth trajectory. In contrast, our politicization-, mediocratisation-, segment retreat- and precedent-led strategies will lead into the socio-economic collapse of the entire African Continent. In turn, whereby the agreed human rights-, environmental care- and MDG-initiatives will simply have no other way than to collapse into mountains of development debris.

Our question is one of it being worthwhile for the Presidents and Ministers of Africa, as well as the global leaderships to consider, if not to pursue and elongate those trails of thought?

Obviously, with the above being a vastly inadequate explanation of what People Capital set out to achieve, we have prepared a rather extensive Post Mortem that explains how history regularly repeats itself and how technological evolution has triggered series of intended and unintended successes and disasters. It is on that basis that we have run pilots and prepared a “*Unifying and 360 degree Africa Developmental State Curriculum*”, which is a ready program for Africa and the Global Community to consider, plus, to conceivably be elongated in numerous directions to help make the Africa Renaissance happen. We must simply deliver on the “economies of scale”- and “*further-market-segmentation*”-potential and Africa’s unified developmental state objectives, in tandem with reciprocity based global benefits.

Respectfully, as a matter of public interest and for expediency sake, we propose that we email you our Book-1, “*Economic Shock Therapy*” that is meant to function as a kind of “*Mindset Response Modifier*”, upon which you can decide to reject our proposal out of hand, or take this initiative further.

Should you require any further information, we would be pleased to respond to the best of our ability.

Yours sincerely

John Wallis

Researched and documented by John Wallis (nl)

Mission Statement : To equip ordinary people to achieve extraordinary results

SUPPORTING DOCUMENT – A : Cautionary Notes

What ought to be of great concern, especially in the context of Africa’s Continental Modernisation Objectives, is the question of availability of Non-Renewables and Productive Assets, particularly as (South) Africa continues to export its raw materials at a furious rate and of which the State revenues are not ring fenced for Educational and Industrial cum Infrastructural development projects. The following points illustrate our main concerns:-

1. With the population increase from between 150 and 200 Million in 1950, via some 650 Million in 2000, to the present >1 Billion, logically the “*per capita land mass*” has declined by >80%, with another halving to 90% by 2030-2035 when the population is projected to hover around the 2 Billion mark, i.e. even when no cure for HIV-AIDS is found and the mortality rates remain as high as they presently are.
2. Besides having to convert “*Economics of War*” into different types of “*Economics of Broad Incentives*”, by 2030-2035 Africa is projected to need to create some 300 Million “*New and Decent Jobs*” on top of the “*business-as-usual*” natural job growth that runs parallel with its population growth. If not, Africa’s present miserable \$1.200 per capita GDP will, even without changes to the OECD’s per capita financial support mechanisms, at very best remain the same.
3. In the realization that already 8 out of 10 people in Africa do not have electricity, water and sewerage in their homes, whilst the same 8 out of 10 are nowhere near what the global standard ought to be, i.e. when needing to modernise. Therefore, one wonders where the raw materials will come from to build the estimated 170 Million decent and serviced homes that Africa will be short of by 2030-2035?!! Just imagine, another 1 Billion household water taps – Then, what about pipes, pumps, valves, fittings, instrumentation etc etc?
4. Question: Even if Africa now stops all mining for export, will there still be sufficient raw materials in situ to build factories, production machinery, infrastructure, rail tracks, rolling stock, cars, trucks, yellow metal and the like, plus, not to forget the capacity to generate at least an additional 160GW of electricity, and even more when Africa is forced to desalinate seawater for household, commercial and agricultural use?
5. Obviously, such solution is nonsense as Africa cannot possibly sustain itself without the revenues from (a) its non-renewables, (b) the relatively handful of largely low skill and ditto margin screwdriver plants, (c) negligible domestic-, industrial- and government-savings rates and (d) the deficits of requisite educated, trained and incentivised populations – Such would just tumble Africa into the “*Subsistence Farming Mode*”.
6. Summarily, without the requisite tacit- and explicit-knowledge plus appropriate- and reciprocal-facilitation, there is no way to turn centuries of scale deprivation and atrocities in our conveniently carved-up continent around with “*How to in 10 easy steps*”-solutions. However, People Capital reckons it can be done, but needs a “*business-as-unusual*”-approach - Development is the sum of many acts, whilst Change must be seen as a “*Continuous Event*”.
7. On the positive side, the Developed Nations do have “*Re-Development Problems*” that can be solved by the Development of Underdeveloped Nations – But certainly not the other way around! – Our program may even push the threatening Global Deflationary Monster a few more generations into the future.
8. Besides the above, there is so much we can, if not must do to advance the “*Going Green*”-revolution and move from the IT era into the ET (energy technology) era. In fact, shouldn’t there be an apology from Al Gore (An Inconvenient Truth) for understating the reality and the now almost inevitable prospects? - Or must we simply wait until the wheels have fallen off and tell our children that we are sorry to leave them with such a mess?

Please remember : “Robbing Peter to pay Paul will always be supported by Paul ; And, that the wants of the few always outweigh the needs of the many?!”

SUPPORTING DOCUMENT – B : Alternative View

However impossible to explain our “*Developmental State and Continent*”-program within the constraints of a letter or essay, we think it probably best to start off by explaining our bottom line concern as follows:-

“The macro performance is dependent on the micro performance, whereby the micro performance can only improve upon improvements of the macro performance”.

The overriding problem is that, ever since de-colonization, Africa’s nations, without exception, appear to be stuck in the vacuum between those 2 performances that are best characterized by academic bickering, further aggravated by “*transactional analysis*”- and “*blame*”-games. Such must be seen in the wake of donor nation demands and their payment for “*democratic elections*” with the result of, at best, “*Limited or Representative Democracies*” that have substantially amounted to a changing of the guard, whilst effectively keeping colonial structures largely unchanged.

- The next logic step in that progression has invariably been that, as things neither politically nor economically developed as intended and wished for by their populations, as in “*Real Participative Democracies*”, Business blamed Government, Government blamed Business, both blamed the Unions and, as an overrider, all of them blamed the Ex-Colonist Nations and Apartheid for the negative outcomes.
 - At the same time, the critical issue of the transition from an explicit “*Need to Know Colonist Knowledge*” for a “*Master : Slave*”-type population, to a tacit “*Logic and Generalist Knowledge*”-driven population to generate a creative, enterprising and innovative population, became soon forgotten.
 - In effect, accelerated by the vested interests of the new elite and previous colonists, this caused a tendency towards segment retreat arguments into highly academic and specialist areas with everyone allowed or powerful enough to enter into the “*Blame Game*” insisting on winning.

- Unfortunately, contrary to obvious intent, such games deteriorate into “*I win, therefore you have to lose*”-ones, whilst knowing full well that the new game should have been one of an “*I win, therefore, you must also win*” - At the very least where scarcity, deficiencies, unemployment, conflict, poverty and infrastructural backlogs have left an untold number of gaps that need filling.
- In turn, such amounts to a derived environment where short-termistic greed, monopolisation, cartelization and price collusion, invariably followed by corruption and, in turn, illicit trade are rife.
 - And, especially so where the mainstream economic activities are in the hands of the corporate entities with their typically obscure, if not global and taxhaven dominated criss-cross vested interests.
- In effect, that is where the state, unions and corporate bosses, all of who are evidently driven by Financial Growth-, rather than Development Growth-objectives, tend to hold their down-trodden populations to ransom.
 - Rather than creating an environment characterized by fair and broad-based competition, and where even Presidents, Ministers and Judiciaries are known to become mollified by similar pursuits.

As implied: Where the State machinery is not manned by well-versed staff with superior generalist knowledge and an incorruptible Judiciary, such predicts a bureaucratic environment that is unable or even unwilling to set the requisite operational parameters that are conducive for a high performance plus ditto productivity and R&D-led scenarios to catch up. Besides which, typically in other than Participative Democracies, bureaucrats in Underdeveloped Nations are usually cadre appointees and fear to cross departmental boundaries at the perceived danger of being pushed out to join the endless unemployment queues.

Summarily: Those are the areas that People Capital homes into by bridging those gaps that prevent governments, unions, banks and corporates to switch from their usual Financial Growth- to Development Growth-objectives, whilst placing huge question marks behind lopsided and typically neo-liberal capitalist and mercantilist GDP composition structures.

- In addition, it is only in the context of a “Unified Africa” that Africa can win as there simply is no way that the 20% or so of the should-be productive population can create a thriving continent.
 - Furthermore, that the “*Law of Causality*”, which is a concept that has remained largely ignored throughout Africa ever since the inception of colonialism, must take center stage.
 - Finally, that the outdated Union-typical culture of separating issues, which appears to have been adopted by all Africa’s Governments, must be replaced by a culture of seeing how inter-dependent and -connected everything really is – Which is precisely where the opportunities are to be found.
- All of which in the reality that, as a functional concept, the social market economy approach is central to human centered development, which must be vested on extracurricular Generalist Knowledge.
 - Where, individually, the sovereign States of Africa actually do very little for their populations, but with mutual cooperation in terms of modernisation, knowledge creation and structural transformation, they can do much more.
 - In short, a groundswell is needed to create Africrats who can and will commit themselves to fight for regional integration, which is where the AfDB, AU, NEPAD and UNECA have so far not succeeded by a long shot.
- Critically, although we all know the fundamental values of situational analyses, many fail to understand that these only form the starting point for the design of a National cum Continental Practice and Development Curriculum.
 - The latter are the pivotal elements that have to be designed and developed to even come close to arrive at a continental consensus as a first step to make development happen.
 - In turn, these can only be made effective tools when the pedagogy is one of high functionality, whilst inductive to critical thinking and led by the “right sticks and carrots”.
 - The latter in the realisation that the larger the presented carrots are, the smaller the collective development value will be, as the emphasis is then pointed away from that overall purpose and intent.

Therefore, our suggestion that high levels of “*Average Orientated Generalist Knowledge*” need to be filtered throughout Africa’s total “*Youth & Family Life*”, from where everything stems and must accrue to – This element is immensely important for Underdeveloped Nations, whilst normal in Developed Nations.

- Important to realise is that the latter are so developed because they have solid structures that were triggered by the “*Crisis Phases*” that separated their “*Development Phases*” – By far most of which were missed in the Underdeveloped Ex-Colonies where the De-Colonialisation processes were poorly planned and badly executed.
- With the emphasis on ACP colonisers, the function of their colonies was to supply commodities and labour at a cost that placed those colonizers in a better economic position compared to those nations without colonies.

In the overall view, a major part of the ex-colony sustainable development problem is the lack of a good understanding by the political elite of “*on-the-ground*”-realities. It is such understanding that forms the first and essential step towards creating an innovative population mindset, emphatically away from the deeply engrained colonial “*task and need-to-know*”-mindset. The latter simply has no other way than failing to create healthy debate on complex issues, especially in the evaluation of costs, benefits, options and choices, which essentially have to turn on up-*spiraling* “*tacit-to-explicit*”-

knowledge creation, as the central-output, together with the emphasis on getting the price right – *That is what will motivate people to start doing their sums.*

Particularly important to consider are not only the costs of the consequences of neglect of assets, such as clean-up and rectification, but even more so the lower costs of prevention of neglect. It is a well-known fact that maintenance and upgrade costs are invariably a fraction of the clean-up, re-construction and/or compensation costs. These more often than not prove unaffordable and/or most problematic to finance.

Whereas results from our proximity tests in various sectors regarding understandability and perceptions were most encouraging, (South) Africa's bureaucrats generally appeared reluctant and apprehensive to share those views.

“The significant problems we face cannot be solved by the same level of thinking that caused them”

SUPPORTING DOCUMENT – C :From a Tacit-Knowledge perspective

One of (South) Africa's most dominant growth stumbling blocks is the overbearing disregard, if not neglect of creating a broad based “*Tacit Knowledge*”-foundation, whilst seemingly believing that a relatively poor “*Explicit Knowledge*”-foundation would suffice for Africa's socio-economies to adequately grow via purchased, borrowed or even “stolen” technologies – Such also helps to explain why Africa's levels of R&D are about the world's lowest and where generally:-

- News appears to be suppressed and, more pointedly, much of the newsprint substantially amounts to little more than “tabloids” with many sports pages.
- Libraries are starved of sufficient funding, analysts and professional staff, whilst sparse in middle class and poorer areas - comparing OECD Nations - there is little of current value in terms of variety and balance.
- The low turnovers of books and periodicals force those prices to be out of reach for most people. Hence most bookshops are in affluent areas and virtually none in middle class and poorer areas.
- Practical access to extracurricular courses and night schools is highly problematic in the reality of long distances, poor public transport and safety, plus, the subsidy and affordability factors.

Conclusively, the above points create poor grounds for the creation of “*Networks*” where people get together to “*Free-Wheel*” without any form of fear, risk or prejudice – And, where anything new or revolutionary is regarded “*subversive*”.

In this “*Tacit Knowledge*”-context we also ought to realise that primary, secondary and, to a large extent, tertiary education fundamentally supplies elementary and measurable “*Explicit Knowledge-, Functional Literacy- and Specified Knowledge-levels*” for traditional “*Task Competencies*”. What is mostly forgotten is that such only forms a basis to expand the very “*Tacit- and Explicit Knowledge*”-levels in an up-spiraling fashion, as being essential when really wanting to add value and contribute towards sustainable development.

It is in the “*Tacit Knowledge*”-area from where networks, entrepreneurship, innovation, creativity and process-centeredness sprout, as opposed to the “*Explicit Knowledge*”-area where people are taught the minimum need-to-know and rear-view-mirror “*Business-As-Usual*”-task requirements, where stress, fears, risk and prejudice rate high.

In fact: In left-behind (South) Africa our main objective should be to broaden and deepen especially the Tacit-Knowledge levels to the point where the individual can be confident and continuously expands his or her “*Contextualisation Knowledge*”. That is precisely what is needed to vigorously specialize in a well-motivated and consciously chosen direction, together with a wanting if not insisting to make a value-adding contribution, rather than legalistically complying with absolute minimum and often boring if not numbing task requirements.

In effect: With the ever increasing discontinuities, complexities and specialisations in all strands of organisational-, community-, family- and individual-life, we must consider that:-

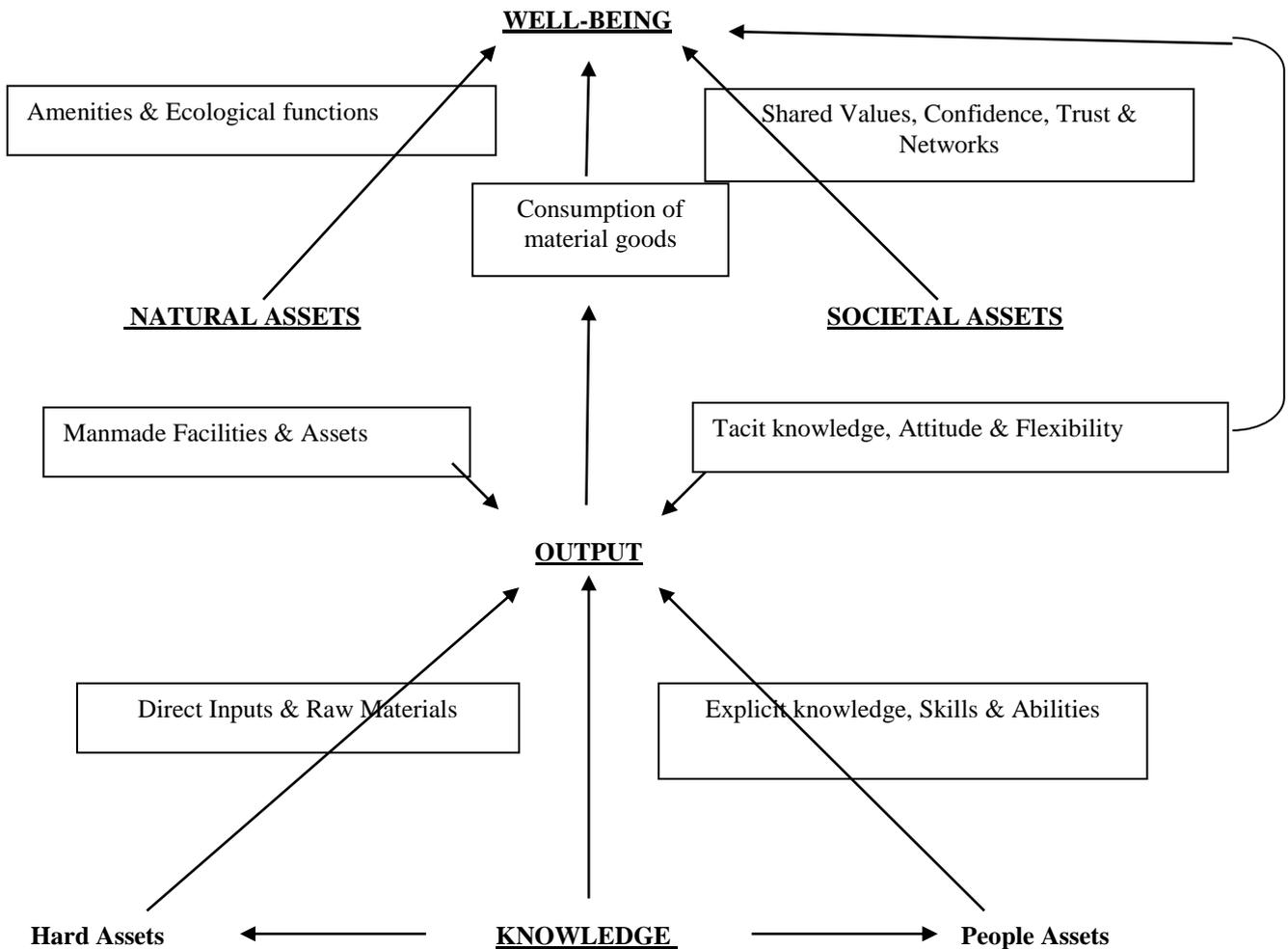
- On the one hand, with (South) Africa's relatively growing deficits in terms of industrial-, technological- and infrastructural-expertise, further aggravated by series of structural and political misalignments and their symptomatic deficits, these societal sectors are substantially locked into a stagnant top-down policy environments – These prevent dynamic “*Flow Through*”-nation building projects to sprout.
- On the other hand, witnessing the unemployment levels, the therefore frustrated, scared and angry schoolleaver knows to not have anywhere close to a balanced understanding of what the world demands. He knows that he needs the knowledge and experience to be able to add value in a globally competitive way that must mesh with his present, latent or dormant talents – These have to be excavated and expressly made to surface and flourish.

Wherefore: The un-affordably high drop-out rates in all secondary and tertiary education institutions, together with large %-ages of frustrated people, whose career selections were often ill-advised and/or ill-chosen, which eventually forms the breeding ground for wide-spread feelings of futility, being inconsequential and seeing work, when lucky enough to get any job, as unsatisfying in this substantially stagnant continent.

Therefore: It is for those reasons that People Capital proposes an intermediate “*Tacit Knowledge- or WorkPlace Apprenticeship*”-capacity-building-phase for schoolleavers, during which this program can help them in their efforts to

enter or establish meshing networks - In turn, which helps them to formulate infinitely more accurate and suitable career paths in an up-spiraling, innovative, creative and a certainly more inspiring fashion.

The following schematic may be useful to explain of what pivotal importance “Tacit Knowledge”-generation is and how this inclusive People Capital program suggests to jump the development spiral. That is precisely what counts the most in Africa’s stark, even cruel and often unexpected realities of life that many, if not most, are facing in the search of ways and means to achieve “Well-Being” – **Which ought to be driven by feelings of excitement and impatience for tomorrow.**



Please remember at all times : “Good Judgments are the result from experience, whilst experience is the result from Bad Judgments”