

Part-6 : Post Mortem for Book-1 “Economic Shock Therapy”

It should be useful to project this developmental program against the below 5 primary pillars, plus 1 all-overriding foundation block - The latter is meant to play the dominant and integration function.

Most people will not only readily understand this 5-Pillar and 1-Foundation concept, but will also see these as “*Anchors*” to which a diversity of projects in the Micro and the Macro can be hooked - If not personal ambitions.

1. **The Secondary City Complex (SCC) concept** of which the pivotal points are:-
 - a. New 25.000 people communities to flourish on the basis of :
 - “*Common Activities*”, in terms of “*Hinterland*”- and local-supply chains, plus state- and municipal-services.
 - “*Specialized Activities*” in terms of the production of manufactures and engineering support vehicles on which such SCC is planned to exploit markets.
 - b. The “*Hinterland*” is meant to supply specific primary products and raw materials to feed the SCC on the primary basis of “*Comparative Advantage*” in terms of its produce and/or primary product supply.
 - c. In contrast, the SCC works on the primary basis of “*Competitive Advantage*” that can continuously be ratcheted up via organically growing expertise and R&D, plus engineering-, supply- and service-support vehicles for its industries, infrastructure and those of the “*Hinterland*”.

2. **The Low Cost Housing (LCH) concept**, that has been developed and piloted by People Capital, of which the pivotal points are:-
 - a. The “*Unique Construction*”-method to build flats, homes, commercial and factory buildings of a high standard, led by an economy-of-scale production process.
 - Whereby a range of factory produced Hi-Tech building components are manufactured, based on a unique “*Hi-Tech Aggregate*”, for fast and faultless assembly on site.
 - The “*Cast*” components for floors, walls and roofs need no finish - these are water and damp resistant - Plus have superb climatological and sound-proof characteristics - Cool in summer and warm in winter - Designed for a comfortable life where kids can read and study in peace.
 - The price of a home is determined by the “*Volume of Aggregate*” plus hardware and the cost per installed component in a process that can be monitored in a Quality Assurance program, whilst the sites in SCC’s remain municipality property.
 - b. The “*Flow-Through-Home*” concept turns on single or double storey homes of at least 56 M2, together with a 35M2 cottage. The benefits of the latter - besides being ideal homes for the parents who rent out the main house upon their retirement - are manifold. (Crèche, Doctor’s room, Dentist, Office etc.etc.)
 - c. The “*Town Planning*” concept is one whereby those “*Flow-Through-Home-Sites*” are bundled in quadrant units of 2 X 3 or 4 (back-to-back) to compress the road and infrastructural overhead costs.

3. **The “Division of Labour” concept** is substantially shaped on the basis of a “*Workplace-Alignment and/or Workplace Apprenticeship Process*”.
 - a. Upon completion of Secondary Schooling, Males are conscripted into a 50% State subsidized “*Workplace Apprenticeship*”, that is preferably but not necessarily structured for alignment with present and future manpower requirements, whereby:-
 - The 17-18 year old “*Male*” career choice decision is influenced by the between 18 and 24 months apprenticeship, which period is determined his “*School Results*”.
 - Distilled from: (1) School Results, (2) Acquired Skills and Capabilities, (3) Interests and Hobbies and (4) Career Selection tests following the conscription period, tertiary education and career choices will not be “*hit-and-miss*” affairs – Such decimates expensive failure and drop-out rates.
 - With the ever increasing need for “*Knowledge Workers*” - as technologies and job specialisations expand – the demands of the workplace expand and lead into the “*Later Start of Productive Life*”.
 - Via the advances in medical science, plus increasing fitness and life expectancy levels, the retirement ages must be pushed forward to prevent otherwise comfortable retirement from becoming unaffordable.
 - b. In the event a Tertiary Education is appropriate and the incumbent decides to get married, the “*35 M3 Cottage*” of the Flow-Through-Home can serve a sensible purpose for that period, whereby:-
 - The working wife can financially support her husband during his “*Workplace Apprenticeship, plus Trade Apprenticeship, or Tertiary Education*”-period in exchange for an optional earlier retirement age.
 - There are a host of other micro and macro benefits integral to the above “*Interconnected Concepts*” that substantially amount to the average age for the Male to start his “*Knowledge Worker Career*” at between 24 and 28 years of age.

- Such effectively causes a “3-5 year shift”, triggered by ever increasing workplace and specialisation demands to continuously raise knowledge-, competency-, skills- and productivity-levels, which consequently run in tandem with earnings-, living standard-, quality of life- and global competitiveness-levels.
- In effect, pulling back the continuously increasing retirement years from otherwise unaffordable levels – In an integrated fashion as explained throughout these 5+1-pillar headings.

4. **Radical Reform of Secondary Schooling Education:** is proposed as it should be evident from the above and further explained points below that in the ACP Ex-Colonies, ever since colonialisation, the elitist academic degree carried the highest remuneration, status and punch, virtually with a life time guarantee, whilst getting the largest support in Government Circles. Meanwhile, as what is evident in all OECD Nations, already for many decades, the emphasis in terms of both Remuneration and Status, has decisively shifted into the Vocational direction.
- a. In this context one ought to bear in mind that the previous “*Half Life*” of whatever technology and science has become decimated. That trend can safely be expected to continue with the effect that everything is in flux. Even the values of academic degrees are increasingly questioned in the Developed West – In sharp contrast, the ACP Ex-Colonies and India still appear to cling to Colonialist Practices.
- i. The latter is widely debated in Development Circles, where many agree that the failure of the Development Agencies in those Nations is largely due to misguided if not obsolete Education Policies.
 - ii. In addition, that the main problem lays in the Secondary Schooling system that is not as diversified as it should be as the crucial importance of “*Vocational Sciences*” are largely ignored by their Political Elite, i.e. seemingly not even of secondary importance.
 - iii. Furthermore, however indirectly, the foregoing leads into the lack or inability of those ACP Ex-Colonies to produce the kind of Development Proposals that could lead into the needed double digit growth that they would not only need to catch up, but to also help the Global Socio-Economy to push the Deflation Monster a few more generations into the future via such resultant increased export and import activity.
 - iv. Moreover, one ought to realize that, especially when Africa should have the requisite educational grounding, skills and capabilities, the numbers of which are dictated by a dynamic “*Workforce Composition System*”. Such on its own, should already increase their per capita GDP’s to say 20% of that of the OECD average to about (0,20 X \$40.000=) \$8.000, instead of the current some \$1.200-\$1.500 or some miserable 3,5% - In other words, in terms of say 1 Billion people, such would increase Africa’s GDP by a staggering \$6,5 Trillion, in turn predictably increase the OECD’s GDP, with the EU likely being the largest beneficiary, by \$3-4 Trillion!
 - v. Finally, it should therefore be hardly surprising that Africa’s portion of global GDP has been decimated from some 4% down to <1% during the last some ¾ century, whilst the population increased some 5-fold from 200 Million to the current >1 Million, whilst estimated to grow to 2 Million by 2030-2035.
 - vi. In effect, such would mean that Africa, even in disregard of its enormous population growth, would need to quadruple its manufacturing and production capacity every year for at least 2 generations. Such should simultaneously shift the OECD Nations production capacity in top gear for at least those 2 generations, which would simultaneously soak up their overcapacity, whilst solving their Deflation problem.
- b. Wherefore, as elaborated in Book-5 “*The Dynamics and Kinetics of Development*”, Part-1, Proposition 4, page 14, we propose a compulsory 4- or even 5-year Secondary Schooling System that is based 1.800 annual teaching hours, of which 600-800 hours are dedicated for the following 5 Matric streams:-
- i. Academic: Latin-, Actuarial-, Medical-, Law-, Humanities- and Political-studies.
 - ii. Administration: Accounting-, Commercial Law-, Marketing- and Database-studies.
 - iii. Mining-, Energy- and Chemical Engineering-studies.
 - iv. The Trades : Civil-, Mechanical-, Electrics-, Electronics- and Farming-studies.
 - v. The Services : Hospitality-, Nursing-, Pre- and Primary-Schooling- and Sales-studies.
 1. Such would enable the ACP Ex-Colonies to confidently apply for infrastructural-cum industrialization-financing, with the emphasis on it being to mutual benefit.
 2. Such would not only and simultaneously level out the overbearing arrogance and inequality factors, but also move the some 0,70-0,80 GINI Coefficient down towards the 0,20-0,25 mark.
 - vi. Whereby those failing to pass their “*Stream Specific Matric*”, will be classed as “*Unskilled Menial Labour*”.
 1. However controversial: The question of excluding those “*Unskilled Menial Labourers*”, who therefore do not even qualify for the “*Workplace Apprenticeship*”, from the voters role?!
 2. Such deserves consideration, and especially for “*Developmental States*”, where everyone needs to be functionally literate to optimally perform, and hence help to enable their nation to catch up?!
- c. For many years this subject has been regularly been tabled by the EU, UNESCO-UNU, World Bank and the IMF, but have largely amounted to hollow talkshops and academic bickering. Hence, development in the ACP Ex-Colonies is increasingly met with the colloquial “*Development does not work, it even causes Un-*

Development”, fuelled by a widely perceived corrupt judiciary, a “*casino*”-mindset and a self-serving bureaucracy.

- i. They are well aware that even in South Africa, as the only viable Africa Development Propeller, the manufacturing sector’s GDP portion has been decimated from some 26% to <12% during the last ½ century.
- ii. Wherefore, it should be compelling that in South Africa since the 1990’s, the some 870.000-920.000 people employed in engineering and allied fields contracted to between 280.000-320.000. Realistically, that number should presently be hovering around the 2 Million mark.
- iii. Therefore, as widely predicted and hardly surprising that the values of all Africa’s currencies slipped by >90% during the last ½ century.

5. **Radical Change in terms of Company Ownership** is proposed, whereby companies can no longer buy their own shares to be able manipulate those prices - Whereby the emphasis shifts from speculation to actual business value.

- a. In this business context we propose that, where a company facilitates a bona fide 25% equal share purchase scheme for their employees, such company will be eligible for a 5% company tax reduction.
 - i. In addition, with the likelihood of the above leading into unbundling exercises, plus spinning- and hiving-off exercises of non-core activities, employees are predicted to become more engaged.
 - ii. Furthermore, the foregoing will merge shareholder- and employee-interests whereby the directors will become more “*consultative*” and substantially be there at the grace of the “*shareholder-employee*”-partnership.
 - iii. Finally, because of the combination of the globally murderous competitive environment and the ever increasing numbers of retirees, the share value in the hands of the employee is likely to supply more financial retirement security than the consistently eroding values of traditional pension schemes.
 - iv. Besides which, the levels of transparency and accountability, plus the levels of knowledge and industrialization, will be set to multiply - Whilst decimating the levels of illicit trade and marginalization.
- b. When seen in the context of the proposed “*new secondary schooling education*”-streams, if not all perspectives in this post mortem, one can predict a radical mindset change that literally invades everyone’s life, because:-
 - i. Everyone will not only be led by the “*limited national*”, but emphatically even more the much needed and overdue “*broad-based continental*”-needs and -interests – If not “*global interests*”!
 - ii. In consideration of the Euro 26,00 per capita funding, or the huge Euro 26 Billion investment, to propel the continent onto this broadly sketched accelerated growth path, such would amount to a huge opportunity for the entire global socio-economy – In fact, it is the “*right-thing-to-do*” and to support.
 - iii. In effect, such Euro 26,00 per capita funding amounts to about 1/3rd of the per capita \$80,00 WW2 Marshall plan for Europe, as well as the development aid to Japan, South Korea, Taiwan, Israel etc..
- c. Similarly, the proposed “*Phase-1: Continental Library Project*” and the “*Phase-2: 4 Pilot Campus-type Secondary City Complexes*” are fundamentally there to test and hone development processes, whilst annually producing some 160 “*qualified developmentalists*” for each of the 54 Africa Nations - As a credible start and basis for the replication of those campuses at **One** per 10 Million population – However indirectly:-
 - i. In the **unification** context, this initiative would trigger a huge step towards an understanding and peaceful continental population, it can therefore also be expected to decimate conflict resolution efforts and costs.
 - ii. In the **economic** context, on the back of higher transparency levels, this initiative predicts to reduce capital flight, increase engineering and production capability, whilst broadening the tax base.
 - iii. In the **education** context, on the back of the proposed “*5 Secondary Schooling*”-, or “*Matric*”-streams, the present emphasis on academic knowledge gets equally shared with “*Vocational*”-knowledge.
 - iv. In the **socio-economic** context, the GINI coefficient, as the measure of equality, will drastically improve. Consequently, the “*Tacit Knowledge*”-levels will simultaneously be dramatically lifted.
 - v. On top of which we propose that the proposed and aforementioned “*Rate of Pay Multiplier*” in whatever organization does not exceed 20, without the need for a National Minimum Wage policy.
- d. *AXIOM* : It is Technological Innovation that leads into Social Innovation, but certainly not the other way around.
 - i. For development everything turns on industrial capacity and richness of diversity - But certainly not on political expediency, tribal conflict and xenophobia.
 - ii. An overriding fact is that Strategy follows Structure – Also not the other way around, because that is what triggers “*Transactional Analysis*”-games that invariably end up in zero-sum “*Paralysis Analyses*”.
 - iii. Einstein: “*The significant problems we face cannot be solved by the same level of thinking that caused them*”.

6. **The 6th and overriding “Societal Engineering”-foundation block** - which should strictly speaking be No. 1 of this summary - is placed last for reason that it ties the 5 above pillars together to form the “*Merging Point*” in the Triangulation sense of People Capital’s flat “*Cloverleaf*”-systems designs.

- a. Whereby “*Societal Engineering*” is proposed as a “*New Science*” with its own faculties that are not only envisaged to be situated in - *but form the basis of those specifically selected Secondary City Complexes that home into Hi-Tech solutions* - to annually produce 2.000 BSc degreed Societal Engineering Professionals.
- Such “*Special Campus SCC’s*” are proposed to be established at the rate of ONE per 10 Million population.
 - These Special Campus SCC’s must function as “*Developmental State Training and R&D Hubs*” to produce senior government-, union-, bank-, education- and business-officials, who get trained and specifically educated in “*Action-Learning Programs*” to formulate and implement “*Integrated Development Processes*”, with the emphasis on creating synergies, multiplier effects and “*further market segmentation*”-opportunities.
 - And, simultaneously produce equally qualified Mentors who can serve one or more organizations with their development efforts.
 - It is expected that SCC’s supply an excellent opportunity to “*Feed*” the Metropolitan Centres - *which should anyway be meant to form “Nations’ Nerve Centres”* - where life is far more expensive, whilst progressively burdened by desperation and crime infested squatter camps.
 - Therefore, for competitiveness sake, the SCC solution should be most effective from all points of view, plus, that the numbers thereof can be expanded at infinitum, whilst preventing poverty traps.
- b. Both the “*Standard SCC’s*” as well as the “*Special Campus SCC’s*” are proposed to be constructed along “*Economic Corridor*”-lines planned to efficiently interconnect the nations of Africa to promote science, trade and economic cooperation, pushed and pulled by effective transport routes to and from Africa’s harbours and airports to competitively fuel international and inter-regional trade.
- At the same time, as expertise, education and technology levels up-spiral and the earnings levels rise, new “*down-stream SCC’s*” get established to “*inherit*” the lower tech production facilities in a perpetual motion fashion – But with a high level of policy uniformity throughout the continent.
 - In turn, such would propel a momentum that feeds throughout Africa where one identical constitution will become reality, import duties for inter-Africa trade are scrapped and where a common currency will eventually become a fact of life, which compresses transaction costs and hence fuels competitiveness and savings.
 - At the same time, where Industrial Development Zones (IDZ’s) can be established, in which different Africa Nations can be partners in one country, but where the rules and regulations for these IDZ’s must be uniform throughout the Continent.

It should be noted that the above is only a summary and therefore must be treated as such, whereby we must not fall into the “*oversimplification trap*”. To be sure, this 7-Book People Capital program would not have been written, should such not have been a prerequisite to be able to arrive at the point of implementation for which, as a matter of cause, comprehensive explanations and curricula form the first step to arrive at a consensus between all Africa States and create “*Financibility*”.

Then: “*What about a consensus between Africa and the Global Community?*”. Obviously such consensus needs to be based on different “*cost : benefit*”-equations. Crucially, a material and financial aid adjudication from the Global Community is essential to start the proposed pilot projects. Wherefore, this project turns on the proposed Euro 2 Billion for the “*Phase-1:Continental Library Project*”, followed by the (4X Euro 6 Billion=) Euro 24 Billion for the “*Phase-2: 4 Special Campus SCC’s*”, to only be adjudicated upon the successful completion of Phase-1, i.e. 1 each in North, South, East and West Africa – As a “*Push Starter*” to create the model, precedent and momentum from where Africa can replicate in various directions.

- However expensive the implementation of this total program may be perceived in the short term, the medium to long term benefits will more than compensate the global socio-economy for this expenditure.
- In effect, the expected outcomes of this program are what the MDG’s and the undertakings of the OECD are all about, but needs an “*Africa-Home-Grown*”-kick-start initiative. Hence, the request for validation by the global development agencies that, upon approval, can be taken through the stepped adjudication process.
- To reiterate, despite the misguided de-colonialisation processes, Africa has remained the cheap source of raw materials and primary products. Africa has never been materially and financially facilitated to grow like, for instance, Korea, Taiwan, India and Israel. All of which received roughly the same per capita aid as Europe received after WW2 at around \$80,00 p.a. (in 2000 money terms) – As opposed to Africa at some \$2,00 p.a., which often gets conveniently forgotten, but left Africa with the multitude of serious and mounting dilemmas it has been facing for too many decades.

Somehow, the Sahara also appears to form some sort of physical and mental block that separates especially Sub Sahara Africa from the rest of the world – That idea is one that also needs to urgently be stopped in its tracks.

7 - The following 10 elements, however dangerous such oversimplifications often prove to be, should be helpful to get our minds racing:-

- a) **Infrastructure** : A market place does not develop or grow in a vacuum - It needs a dynamic infrastructure. In turn, an infrastructure that is of benefit to each and every market participant as a “*Public Common Good*” that is necessarily vested on transparency, as the basis to sprout awareness, knowledge, creativity and innovation with the emphasis on integrated scale infrastructural and industrial development structures.
- b) **Parallel Projects** : Parallel Development Projects are needed where politicians, labour and business can work together for optimal results without interfering with Business-As-Usual policies and regulations. That is where Business-as-Usual can become forward or backward integrated or merged with Business-As-Unusual when ready, fit and agreed to do so. Such, as a method to unleash dormant Capital in People for all to benefit from, whilst creating collateral value and driven by objectives for optimal “*Cost : Quality : Scale : Benefit*”-ratios - As in “*Collective Thinking*”.
- c) **The “Hangover”** : Africa still suffers the “*hangover*” from the historic commodity traps caused by colonialism, apartheid and its history of unfair exploitation. All of which evolved into poverty traps, huge and stubborn GINI coefficients and a victimization culture that, together, have prevented Africa to develop to its true potential; All aggravated by ever increasing laws, loopholes and illicit trade – Plus, the therefore sophistication of crooks.
- d) **Symptomatic Relief** : As we find over and over again, socio-economic problems cannot be solved by political solutions as the latter almost invariably turn on unsustainable symptomatic relief efforts, seemingly to mainly secure votes. This has grown into a syndrome whereby people initially become complacent – But, which tendency almost invariably evolves into widespread frustration, anger and, eventually, militancy when those solutions prove ineffective.
- e) **Free Enterprise** : Africa needs some sort of “*market-driven industrial-socialism*”, but, however paradoxical, in a capitalist system. Whilst many nations reckon they have done just that, such is a corrupt view where GINI coefficients, monopolization and the powers of narrow vested interests are high - All of which fuel uncompetitive processes and kleptocracies, rather than the needed “*participative*” democracies.
- f) **Competitiveness** : We must realise that markets can simply not flourish without the visible hand and guidance of governments and unions, which are essential for effective and efficient interactions between the macro and the micro. In turn, these must be there to ensure and maintain the very infrastructures that people and business need to live, act, develop and trade freely. Plus, with long-term and sustainable processes that are guided by confidence and trust - In fact, precisely what competitiveness in both the micro and the macro is all about.
- g) **Economy-Of-Scale** : Unfortunately, what many appear to ignore is that SME creation is mainly a symptomatic effect of economy-of-scale activity, whereby these activity levels must be realized to be largely subject to government-, union- and financing-facilitations and policies - And, that such facilitation must always be considered in conjunction with the powers and facilitation governments supply multinational companies (MNC's) that operate and move their operations and head offices to wherever the profits and tax regime are the most favourable in this now borderless world.
- h) **Political Manipulation** : Similarly, the Democratic Capitalism - *that Africa agreed to support* – seemingly continues to turn on the US brand of neo-liberal capitalism, and political favoritism. Both invariably translate into vested interest groups, corruption, unwarranted lobbying and, in effect, a continuation of yesteryear's elitist and colonist practices - These often pivot on conspiracies aimed against the public by monopolizing and profiteering motives of oligopolies, plus the usual export of profits, whereby the rich grow richer, whilst fueling poverty traps and dropping standards.
- i) **Causation** : Aggravating matters is that too many economists play with elegant but outdated models of competitive markets without questions of how these markets actually came about, grew and how they declined or even died. Wherefore we must realise that the fight for markets must be fought every day and emphatically with political will, and certainly not just in the outdated reactive fashion when there is a problem, transition or discontinuation. Many governments in Africa appear to mistake Correlation for Causation. Similarly, there is a huge difference between Assumptions and Science, as well as between Conjecture and Science – **Question:** Where does that leave us?!
- j) **The Substance** : People Capital not only homed into but vigorously excavated the resolutions of the 1992 World Bank “*Secondary City Complex*”-concept, as well as those relating to the 1992 Rio Summit, the resultant 1997 UN Special Session for the “*Development Watershed Year*”, the EU Co-Consensus concept and the MDG's to ensure compliance - Which must be seen in the reality that Africa has to date failed and/or been unable to respond to those undertakings.

Along the above trail of thoughts, we proposes Africa to take a huge step back and to start with a comprehensive and robust program to grow government, union and financing capacities that directly impact on macro and micro infrastructures.

In fact: That is what draws Development Funding, Foreign Direct Investment (FDI) and Local Direct Investment (LDI), where investors will be able to recognise alternative ways to improve “*Benefit : Cost : Risk*”-ratios with symptomatic effects of better definitions, plus proposal and contract formulations - Plus more insightful, transparent and helpful behaviour, with Governments and Unions becoming the “*Employers of First Instance*”.

In effect: Substantively influenced by the results from our BPR and OD projects, plus in-house industrial pilot projects, the People Capital philosophy boils down to its conviction that Strategy follows Structure, as well as that Economic Growth follows the development of People Capital.

Summarily: Certainly not the other way around where “*How to in 10 easy steps*”- and “*Copy-Cat*”-solutions, which are too often based on conjecture and questionable assumptions, cannot possibly be expected to lead into sustainable development growth and collateral value creation for all.

Therefore: “Where there is no answer, we must change the problem!”

8 – More than a few Last Words – Supporting Publications

On a personal note : When starting this project and having lived for some 30 years in mainly South Africa and primarily been hands-on involved in Business Process Re-Engineering (BPR) cum Organisational Development (OD) projects, both locally and overseas) in a large variety of mainly small and medium sized engineering & production related businesses (some on the steps to the liquidation courts), I consider myself to be reasonably familiar with wants, needs and expectations of the very industrial sectors where the US brand of Free Market neo-liberalist capitalism and the corporatist political elite dominate. The meanwhile development and capacity building efforts assisted and/or funded by the West’s hard-earned taxpayer savings, have usually failed – And, have often even caused Un-Development.

I hope the above explains our fairly hard-nosed approach, as the West’s and China’s hundreds of development and capacity building project adjudications, more often than not, have either been treated as “*Free GDP*” or been round-tripped. Then, what are the enormous costs and the effects of conflict resolution and peace-keeping efforts in Africa, and who exactly are the beneficiaries? Cynical? Yes, but Band-Aid solutions don’t work in Africa or anywhere else - Africa is not for sissies! Political solutions have never solved socio-economic problems, they manufacture them.

For instance: Despiciously, even the GIZ (GTZ) PAJA (Promotion of Administrative Justice Act) implementation, led by Dr. Lothar Jahn, to facilitate ordinary people to hold the Judiciary accountable, has been “*intentionally ditched*” by the “*Judicial Complex*”. Besides which, a continuation of Africa typical octogenarian run so-called Representative Democracies predict a ravaged continent and is hence growing into a corruption riddled unsustainable charity case, where lopsided “*political correctness*” just balloons the very gaps that needed filling ever since the misguided de-colonialisation processes.

To amplify the importance of the issues raised, together with the proposed solution scenarios, the 14 following books from my “*soul mates*” should also be of interest for “*Africa Library Project*”: (1) **Graham Dunkley** in his “*Free Trade*” (myth, reality and alternatives) ISBN 1-85649-862 x Hb, (2) **Hlumelo Biko** in his “*The Great African Society*” ISBN 978-1-86842-521-1, (3) **Tony Juniper** in his “*95 ways to save the planet earth*” ISBN 1-84724-049-6, and where especially (4) **Prof. Debora Brautigam** in her “*The Dragon’s Gift*” ISBN 978-0-19-955022-7 has insightful, however non-politically-friendly, stories to tell whereby she explains what actually happened and is still happening in this murky development morass.

Meanwhile, (5) **Kevin Lings**, in his “*The Missing Piece*”, ISBN 978-1-77010-376-4, describes how the feedback loops of the seemingly ever changing and hence often confusing policies not only tend to cause serious disfunctionality in South Africa, but also how that negatively influences the Continent’s development trajectory - With everything being so interconnected, be it good or bad, all effects from policies cause multiplier effects!!

The above 5 authors, maybe apart from Prof. Brautigam, mainly excavated and dealt with situational analyses, but were generally thin on proposals for doable change and sustainable development projects.

In contrast, (6) **Gordon Brown** UK’s Ex-Prime Minister, the architect of the G20, details in his “*Beyond the Crash*” ISBN 978-0-85720-286-4 specific proposals that deal with the gigantic global governance problems. Wherefore a strong global compact in an indivisible “*non-polar global order*” is long overdue, and needs to be led by strict supervision of global finance in this so interconnected world. Indeed, such can only work on “*Global Policy Action*” across all continents. **Meaning:** the end of bi- and multi-lateral agreements and not to forget the speculation driven “*Capitalism Without Capital*”. **In fact:** The global socio-economy needs a radical re-balancing act to be able to move from crisis resolution, if not containment, to crisis prevention, whereby the global economy will not be so much about “*numbers*”, but about wiping out poverty and inequality. As Jim Wolfensohn, the ex-President of the World Bank, put it: “*Social and economic issues are inseparable, they are like breathing in and out*”.

From an however different angle, (7) **Naomi Klein** supports Brown’s views in her book “*This Changes Everything*” ISBN 978-1-846-14505-6, much like metamorphosed Jeffrey Sachs of Columbia University. In her critique she tackles “*corporate-partnered conservationists*”, i.r.o. the economics of oil, coal, fracking, tarsands, shale, mining, water, trees, agriculture, renewables and carbon trading in the reality of the global boom-and-bust cycles - as in “*climate change is the weapon of mass destruction*”. She details why the world needs enforceable “*global solutions*” as, contrary to all the rhetoric about ways to reduce CO2 emissions, those levels are still increasing. About half of the carbon credits bought have simply been used by greedy MNC’s to increase their prices and profits at the cost of the increasingly battling public. All of which has amounted to huge wealth transfers to BIG Businesses that cleverly use their “*climate change support*”

as hedge- and political-tools. As the saying goes: “*Behind every great fortune, there lies a great crime*” – Now, what about shareholder wants & needs?!!

Similarly, but in far more technical terms, **(8) Keith Barnham** in his book “*The Burning Answer*” ISBN 978-0-297-86963-4 proposes a “*Solar Revolution*”. As an experimental nuclear particle physicist - *knowing the pitfalls of Albert Einstein’s famous $E=mc^2$ that led to the atomic bomb and fission power stations (with fusion powerstations still a long way off), together with the .000’s mt. of nuclear waste* - he explains in great detail the presently far more relevant but lesser known $E=hf$ of Einstein. That is why Einstein changed course and explains that we need an “*E-age*” that, as the only way for humans to survive, must turn on linked and integrated combinations of various “*Free Energy Powersources*”. The technologies Barnham investigates in depth turn on 3rd generation Quanta Sol CPV (combined photovoltaic applications) that can yield 42,5% efficiency (instead of the usual some 14%), with an inclusive 50gCO₂/kWh power generation. In fact, and what he claims as extremely questionable, is that all governments’ R&D grants for “*Dirty Energy Powersources*” are on average some 7-fold of those for R&D of “*Clean Energy Powersources*”! In the same vein, that the latter can work without interruptions, whilst nuclear energy reactors are typically off-line between 20% and 40% of the time! Barnham maintains that, between the nuclear FISSION reactor of the core of the earth ($E=mc^2$) and the nuclear FUSION reactor of the sun ($E=hf$), these energy sources, supported by the minimal radioactive radiation from the earth’s core, should in combination with wind, PV, hydro storage dams, heat pumps (1 kW input delivers 4 kW output), river bed, sea wave and tidal generators, plus anaerobic waste digesters, such would amply suffice for the entire world’s electricity needs. Hence, there should be no need for new FISSION ($E=mc^2$) nuclear power stations of which the nuclear radioactive waste cannot safely be disposed of - Just consider the effects from nuclear waste of the Chernobyl and Fukushima disasters.

However seemingly unrelated to the above sketched scenarios, **(9) UNISA’s** publication of “*The Business of Sustainable Development in Africa*”, ISBN 978-1-86888-572-5, describes various projects that, in combination, could lift many out of misery. Particularly enlightening and useful are what **(9A) Claudio Boechat and Roberta Paro** have to say about mixed forestry and agricultural production opportunities in their Case 5 of chapter 4 “*Preempting land related conflicts – The case of VPC and eucalyptus plantations in (South-East) Brazil*”, pp.156-172 – This, especially in the context of most of Africa’s governments that are typically battling with land distribution and ownership hurdles. They vividly explain why and how collaborative efforts between development agencies, governments, unions, banks and (aspiring) farmers cooperatives, can yield new jobs and real local and export value generating opportunities. In the same publication, **(9B) Oonagh Fitzgerald and James Ng’one**, in their Case 9 of Chapter 4 “*Malawi Business Action against Corruption*” pp. 225-243, systematically address the usually linked hurdle of endemic corruption and fraud. This not only applies to the wealthy, but also to the communities where need and poverty levels are high, especially in Africa with its deep-rooted traditional cultures and authoritarian regimes. That is where NGO’s and Development Agencies should assemble Task Teams to measure and enforce compliances that, in turn, influence if not largely determine the levels development assistance. Critically, **(9C) Odette Ramsingh and Chris Dobie** vividly highlight that, in their Case 10 of chapter 4 “*The South African National Anti-Corruption Forum (NACF)*”, pp. 244-258, despite South Africa’s highest levels of development and the relevant per capita data in Africa, the efforts by the NACP have largely been in disarray and riddled with inconsistencies and government procrastination, where even the reports of Development- and Rating-agencies, plus NGO’s appear to be ignored. Summarily, that South Africa is not winning the battle against corrupt and fraudulent practices, right down from the Presidency and Judiciary, throughout all layers of society – It is in this “*Representative*”-democracy where cadre politics, favouratism and cash dominate. Not actually surprising where, both in money- and per capita-terms, the levels of wrongdoing in the judiciary are the highest. To mainly reiterate, particularly about South Africa, it should not be surprising that opinion is growing that the 2nd part of Constitution S.165.2 – “*The Courts are independent and subject only to the Constitution and the Law, which they must apply without favour or prejudice*” - is blatantly ignored. Equally ignored is the GTZ funded and installed “*Promotion of Administrative Justice Act (PAJA)*” that was meant to supply teeth to S. 33. Therefore, unless the PAJA is functional and operative, the fight against corruption and fraud substantially is not going to be won?! Similarly, what about enforcing Human Rights, to give real meaning to Chapter 2 of our Constitution? Proverbially, as in: “*Do what I say, not what I do!!!!*”. As covered under different headings, opinion is also growing that Constitutions are expensive and useless instruments - Instead, the world should become serious about insisting to adopt Global Law, whereby bi- and multi-lateral agreements fall away?! Emphatically, what should also be far more supported is how: **On the one hand**, in terms of the all-overriding and critical importance of the “*Healthy Body, as the prerequisite for High Productivity*”-problematic, again however seemingly unrelated to the above issues raised, in case 13 of Chapter 4, where **(9D) Stu Woolman and Courtney Sprague**, in “*Providing affordable generic pharmaceuticals to treat HIV/AIDS and Tuberculosis*”, pp. 285-289, explain how, following some 30 years of governmental denialism and procrastination, the WHO, NGO’s, global outcries and the suffering millions forced the SA government into action-led health policy reviews. That was when Aspen and Adcock Ingram seized the opportunity and radically expanded their footprint throughout the continent by relentlessly scaling up their ranges and capacities for cheaper generic pharmaceuticals to downstream meet the Africa markets demands head-on in far more affordable ways. They built profitable, sustainable corporate and tax-paying companies - *Despite the ruling conservative, reactionary, narrow and questionable SA health policy environment*. In which, especially for Aspen, despite its apparent knack to land overseas patents together with full technology transfers, to win legal arguments.

In fact, 90% of Aspen's efforts have been successful. Unfortunately, there are still challenges to be met and which, almost in tandem, tend to trigger legal battles between SA government, civil society and many pharmaceutical MNC's. These are needed to safely land so-called "*Voluntary Licences*" for patented manufactures, and that are usually subject to 5% royalty, besides needing the prerequisite FDA approvals plus needed joint ventures with other emerging market companies and, certainly not least, SA government's insistence on the troublesome and expensive BEE demands – Then, what about the invariably complex "*Intellectual Property (IP)*"-debates and the TRIPS conditions of the often seemingly biased WTO? **On the other hand**, as explained in "*integrated scenarios*" under a number of headings, People Capital researched in width and depth appropriate alternative and more economical ways to boost "*People Health*", its impacts on physical and mental productivity. All of which are also meant to be driven scale processes, and with serious regard for profitable export potential; Therefore, as a closing mouthful: People in good health - *with appropriately differentiated-education and –skills, in tandem with optimal cost compression plus globally competitive quality and pricing* - create sound motivation for investment. Then, profitable companies will be reality, whilst simultaneously generating the very tax revenues needed to afford maintenance, retrofitting and infrastructural- cum industrial-development in a sustainable fashion. In turn, which needs home grown innovative pilot efforts and solid curricula - **If not, development will and cannot not happen!**

The remaining cases and exhibits of this important UNISA publication supply an array of useful and different perspectives about rural "*left behind*" areas for farmer schemes, e.g. for honey and tea, community driven garment and footwear efforts, plus clean water and energy where, between e.g. NGO's, Donor Nations, UNDP and Cooperatives, complete and sustainable supply chain efforts could well be grown into scale and WorldClass industries – But, without government intervention, such efforts can be expected to be tediously slow and need much patience and perseverance – All of these efforts should be directed by "*triple bottom line*" performance processes. However, as per usual one ought to always bear in mind that: **On the one side**, when you miss one step, you lose all, whilst ; **On the other side**, "*late comers*" can take advantage from learning from failures of others and more up-to-date technologies. It all starts from growing tacit knowledge levels, plus emphatically more about getting to grips with business concepts, picking unmet needs, finding customers and continuing from there, than getting bogged down by academic business plans that so often end up in transactional analysis games, followed by paralysis analysis - In short: It is about finding matching sets of interests, where the emphasis needs to be on "*radical transactiveness*", to take the place of the invariably advocated "*radical transformation*" with its usual vague or non-existent benefit scenarios for the poverty infested millions.

Of the literally .000's of "*Situational Analysis*"-books that tackle the extremely complex "*Ex-Colony Development*"-problematic, and not only in the ACP Ex-Colonies, the efforts of **(10) Greg Mills and Jeffrey Herbst** in their "*Africa's Third Revolution*", ISBN 978-0-14-352888-3, supply a vivid continental picture. Their situational analyses supply robust insights into how Africa's new governments tackled their "*re-distribution, job creation, policy, taxation, governance, growth and aid*"-nightmares, in all of which "*education*" is the determinant in their efforts to catch up. This book is a must-have for all governments of both ex-colonies and donor nations, as well as the development agencies. All of who must realize that, whereas the wealthy are rich in much the same way, the poverty ridden are poor in endless different ways. Judging by the billions of poor and destitute of the Ex-Colonies, one could safely say that de-colonialisation processes have generally been grossly inadequate, if not almost criminally misguided. Ironically, this book would certainly be useful when having to determine the "*What not to do or fund*", especially in terms of "*unintended consequences*". The latter tend to happen when forward and backward linkages are insufficiently evaluated - Invariably leaving the heaps of so-called "*development debris*", as in the almost colloquial "*development doesn't work, it even causes un-development*".

In contrast with the above books, those wanting to know about the evolution of the different and ever changing social, economic, political, industrialization and employment agendas in South Africa, should read the book by **(11) Alan Hirsch** "*Season of Hope*", ISBN 1-86914-041-9. However informative about South Africa's experiments and structures, we believe that this book supplies valuable lessons to be learned throughout the African continent. Summarily, he actually amplifies the downstream bottom line problems from misguided de-colonialisation and education trajectories throughout Africa's under-capitalised and under-facilitated nations - Where as a legacy of the colonist past indecisiveness, complacency and apathy appear to rule the mindsets of their vast populations. Our interpretation is that that is where the almost invariable "*too little, too late*"-outcry is born, and why by far most workers, unions and even managers believe "*productivity*" to be a synonym for "*worker exploitation*" - Therefore, the "*why-even-bother*" mindset!?! Simultaneously, this explains why few if not all "*clustering*" efforts have failed, whilst knowing full well that innovations and inventions almost invariably sprout from the factory floor led by complete supply chain views, from where these get moved to the design offices – But, not the other way around. That is substantially how the wealthy developed nations with equitable GINI coefficients developed. In sharp contrast, in Africa if not in all ACP Ex-Colonies, we find that manufactures are usually either "*poor copies*", or made under strictly controlled and monitored foreign held license agreements. Wherefore, pushed and pulled by the low "*Cooperation, Trust, Stability and Apathy*"-factors, Africa is suffering from such high GINI or In-Equality coefficients. Therefore, to reiterate, we ought to consider the almost common refrain in manufacturing circles: "*Why export at decimated pricing when Government facilitates you via protective tariffs to "cream it" locally? And, such with less hassles, un- and semi-skilled people, cheap low tech and*

vandalism proof and often 2nd hand (obsolete) machinery. Besides which, we can always import when the wheels fall off, without worker and union hassles. Plus, there are plenty ways to export profits” – Results: De-Industrialisation, Under-Capitalisation, High Unemployment and Low Tax Revenues, as in a race to the bottom; whilst fuelling unproductive Speculation Activity by the Elite, instead of lifting the very crucial Foreign Direct Investment (FDI) levels, which in turn lift Education, Training, Employment and Tax Revenue levels, plus at the same time compress the GINI or In-Equality coefficients. In short, the message is to concentrate on Substance and Bottom-Up, in terms of education, equality, process and implementation, instead of Top-Down artificial legalistic procedures, which more often than not are led by populist politics (votes), if not hidden elite agendas (money).

Of great interest to many should be (12) Max du Preez’s “*A Rumour of Spring*” (South Africa after 20 years of Democracy), ISBN 978-177022-543-5. Substantially, he homed into the same issues that Alan Hirsch wrote about. However, in contrast, besides du Preez being more current and dynamic in thinking, instead of the many hard facts and numbers of Hirsch, du Preez looks at the same issues but from a far more emotive, behavioural and “*real people*” angle. Importantly, Du Preez, as an anti-apartheid crusader of long standing, comes from a farming background and is a deep-rooted Afrikaner “boer” at heart. This explains why his book supplies such great insights into the interlinked farming-, land redistribution- and governance-complexities. Wherefore he explains in great detail the contrasting and emotive political/ideological games that are being played out by largely politically motivated actors and the traditional chiefs in rural areas. Therefore, how these tie in with the often questionable motives and tactics of the different role players who seem primarily led by a combination of political point scoring (power) and enrichment (rent-seeking) motives – Instead of food security, employment need I go on?!

Sadly, the question that remains is that the usually excellent, but politically low- or no-risk, “*Situational Analyses*” and “*Wish Lists*”, however essential these are as first steps, seldom lead into sustainable pragmatic, cost effective and/or doable solutions to our and entire Africa’s already dated development problems- And, in literally all sectors.

Common refrain: “This may well work in practice, but is it true in theory and academia?”

Quite apart from the above 12 books, stands the utterly depressing book by “*lid-lifting*” (13) Robert Calderisi “*The Trouble with Africa*” ISBN 978-0-300-12017-6, who was a senior World Bank official and was only allowed to be vocal about his experiences 2 years after leaving the World Bank; as an employment condition.

The picture he paints implies that Africa’s only salvation is re-colonialisation, as the only practical way for Africa’s population to achieve a better and equitable life. Such would simultaneously prevent the continent’s total collapse, if not prevent an otherwise predicted tsunami of political and economic refugees from Africa to invade Europe, which would make the numbers of refugees from Afghanistan, the Middle East and Asia look insignificant. Simply put: The development approaches of aid providers and those of Africa’s political leaderships and supporting local and foreign elite are false and/or misguided; all of who invariably provide an illusion of progress. Meanwhile, they are myopically clinging to personal financial growth objectives, whilst hiding their wealth in safe foreign bank accounts – And, such in total disregard of their millions of toothless and poverty ridden majority in their representative democracies, whilst knowing full well such not to be sustainable.

However, in sharp contrast, we definitely recommend and support the book by (14) John Talbott “*OBAMANOMICS, how bottom-up economic prosperity will replace trickle-down economics*” ISBN 978-1-58322-865-4. He explains Obama’s tenet of “*Economic Justice*”, which is highly similar to the tenets of murdered Bobby Kennedy’s, Ralph Nader (“*The Good Fight*”, ISBN 0-06-075604-7), Gary Becker and Martin Luther King, where in all of these the keyword is “*Justice*”, as in justice primarily being about “*fairness on level playing fields*”. That is where all are given an equal opportunity to demonstrate their ability and ambition because, as it turns out, “*Just*” societies are typically more successful and not driven by fears; compared with “*Unjust*” ones. In simple terms, it is about a formulation that says we will treat others like we wish to be treated, which is what justice is all about - Which is precisely what democracy is all about! And, what government should be all about to secure a sustainable socio-economy. And, if not, it is government that creates a more economically and socially divided nation, whilst creating an under-funded, over-burdened and under-performing public sector for their children’s education, if not healthcare, retirement and infrastructure in the meanwhile growing “*left behind*”-areas. This simultaneously implies that “*Free Markets*” and “*Neo-Liberal Capitalism*” are many things, but these can never claim to be “*moral*”. Not, that these are necessarily and legalistically “*immoral*”, but where “*amoral*” is a better description, and is well set to lead into a down-spiraling society in literally all respects, which is where the social fabric of society comes apart. In short, the “*Free Market*”-effects in the USA are that <1% of the population owns >40% of its wealth and why the majority of the Washington population is in the gigantic BigBusiness sponsored “*Lobbying Industry*”, and primarily there to “*buy*” favours for the wealthy elite; if not to be bailed out when in trouble. Meanwhile, the broad measure of unemployment is 18% and growing, leaving those, who cannot afford private schools, with little hope for a good future. Doesn’t this explain why the shelves are packed with Chinese and Asian manufactures, whilst the US debt is about the same as its GDP?

Similarly, but from an Africa perspective, ever since the end of colonialisation, the entire continent has gone backwards and grew into a place that also myopically chases short-term profits for the political and business elite, regardless of the negative downstream and multiplying consequences - Instead of creating long-term values. In turn, the answer lays in

“*Good Institutions*”, meaning laws, customs and traditions, which package is meant to promote economic and social progress. In contrast: “*Bad Institutions*” hamper economic and social progress, whilst creating anarchy and a corrupt society. Conclusion: “*Good Institutions*” will not only supply hope, but also provide the incentive structure for whatever socio-economy.

Wherefore, this book should motivate the entire population of Africa to try and convince (tongue in cheek) Barack Obama to become the BOSS of the AU when his term of US President comes to an end. As everyone knows, Obama has learned much from his personal, family and multi-cultural and -racial background, i.e. in the USA, Indonesia and the ACP Ex-Colonies, plus his experiences across the racial, cultural and status “*boundaries*”. Although he knows about everyone’s different backgrounds, he also knows that we all want if not need to be pushed and pulled into the same direction.

Seen from a different angle, Africa has already for more than half a century been standing still at the crossroads of two very different development paths: (A) the traditional colonial and post-colonial “*Low Road*” being the one of greed, insider information, BigBusiness lobbying, corrupt dealmaking and governance that only favours the elite, and (B) the “*High Road*” as one of transparency, economic opportunity and compassion for the masses of the still left-behinds. However, it is the youth who will know if the ACP Ex-Colonies (if not the USA itself, with its multi-cultural and -racial diversity) made the right choices. Therefore, this program is designed and structured to not only help make right, but also informed choices based on a diversity of insights, whilst simultaneously not only explaining how interconnected everything really is, but also how important it is to look at same things from different angles that pave the road into discovering new realities and opportunities.

Barack Obama: “If people believe society is corrupt, they will choose not to cooperate, and yet, without cooperation, there can be no chance of attacking corruption”

Importantly, in conjunction with the above books one should consider the 2011 article by Moeletsi Mbeki (brother of ex-President Thabo Mbeki): “South Africa: Only a matter of time before the bomb explodes” (<http://www.leader.co.za/article.aspx?s=23&f=1&a=2571>)

1 - I can predict when SA’s “Tunisia Day” will arrive. Tunisia Day is when the masses rise against the powers that be, as happened recently in Tunisia. The year will be 2020, give or take a couple of years. The year 2020 is when China estimates that its current minerals-intensive industrialisation phase will be concluded.

For SA, this will mean the African National Congress (ANC) government will have to cut back on social grants, which it uses to placate the black poor and to get their votes. China’s current industrialisation phase has forced up the prices of SA’s minerals, which has enabled the government to finance social welfare programmes.

The ANC inherited a flawed, complex society it barely understood; its tinkering with it are turning it into an explosive cocktail. The ANC leaders are like a group of children playing with a hand grenade. One day one of them will figure out how to pull out the pin and everyone will be killed

A famous African liberation movement, the National Liberation Front of Algeria, after tinkering for 30 years, pulled the grenade pin by cancelling an election in 1991 that was won by the opposition Islamic Salvation Front. In the civil war that ensued, 200000 people were killed.

The former British prime minister, Margaret Thatcher, once commented that whoever thought that the ANC could rule SA was living in Cloud Cuckoo Land. Why was Thatcher right? In the 16 years of ANC rule, all the symptoms of a government out of its depth have grown worse.

- Life expectancy has declined from 65 years to 53 years since the ANC came to power;
- In 2007, SA became a net food importer for the first time in its history;
- The elimination of agricultural subsidies by the government led to the loss of 600000 farm workers’ jobs and the eviction from the commercial farming sector of about 2,4-million people between 1997 and 2007; and
- The ANC stopped controlling the borders, leading to a flood of poor people into SA, which has led to conflicts between SA’s poor and foreign African migrants.

2 - What should the ANC have done, or be doing?

The answer is quite straightforward. When they took control of the government in 1994, ANC leaders should have: identified what SA’s strengths were; identified what SA’s weaknesses were; and decided how to use the strengths to minimise and/or rectify the weaknesses.

A wise government would have persuaded the skilled white and Indian population to devote some of their time — even an hour a week — to train the black and coloured population to raise their skill levels.

What the ANC did instead when it came to power was to identify what its leaders and supporters wanted. It then used SA’s strengths to satisfy the short-term consumption demands of its supporters. In essence, this is what is called black economic empowerment (BEE).

BEE promotes a number of extremely negative socioeconomic trends in our country. It promotes a class of politicians dependent on big business and therefore promotes big business's interests in the upper echelons of government. Second, BEE promotes an anti-entrepreneurial culture among the black middle class by legitimising an environment of entitlement. Third, affirmative action, a subset of BEE, promotes incompetence and corruption in the public sector by using ruling party allegiance and connections as the criteria for entry and promotion in the public service, instead of having tough public service entry examinations.

3 - Let's see where BEE, as we know it today, actually comes from:

I first came across the concept of BEE from a company, which no longer exists, called Sankor. Sankor was the industrial division of Sanlam and it invented the concept of BEE.

The first purpose of BEE was to create a buffer group among the black political class that would become an ally of big business in SA. This buffer group would use its newfound power as controllers of the government to protect the assets of big business.

The buffer group would also protect the modus operandi of big business and thereby maintain the status quo in which South African business operates. That was the design of the big conglomerates.

Sanlam was soon followed by Anglo American. Sanlam established BEE vehicle Nail; Anglo established Real Africa, Johnnic and so forth. The conglomerates took their marginal assets, and gave them to politically influential black people, with the purpose, in my view, not to transform the economy but to create a black political class that is in alliance with the conglomerates and therefore wants to maintain the status quo of our economy and the way in which it operates.

4 - But what is wrong with protecting SA's conglomerates?

Well, there are many things wrong with how conglomerates operate and how they have structured our economy.

- The economy has a strong built-in dependence on cheap labour;
- It has a strong built-in dependence on the exploitation of primary resources;
- It is strongly unfavourable to the development of skills in our general population;
- It has a strong bias towards importing technology and economic solutions; and
- It promotes inequality between citizens by creating a large, marginalised underclass.

Conglomerates are a vehicle, not for creating development in SA but for exploiting natural resources without creating in-depth, inclusive social and economic development, which is what SA needs. That is what is wrong with protecting conglomerates.

The second problem with the formula of BEE is that it does not create entrepreneurs. You are taking political leaders and politically connected people and giving them assets which, in the first instance, they don't know how to manage. So you are not adding value. You are faced with the threat of undermining value by taking assets from people who were managing them and giving them to people who cannot manage them. BEE thus creates a class of idle rich ANC politicians.

My quarrel with BEE is that what the conglomerates are doing is developing a new culture in SA — not a culture of entrepreneurship, but an entitlement culture, whereby black people who want to go into business think that they should acquire assets free, and that somebody is there to make them rich, rather than that they should build enterprises from the ground.

But we cannot build black companies if what black entrepreneurs look forward to is the distribution of already existing assets from the conglomerates in return for becoming lobbyists for the conglomerates.

The third worrying trend is that the ANC-controlled state has now internalised the BEE model. We are now seeing the state trying to implement the same model that the conglomerates developed.

5 - What is the state distributing?

It is distributing jobs to party faithful and social welfare to the poor.

This is a recipe for incompetence and corruption, both of which are endemic in SA.

This is what explains the service delivery upheavals that are becoming a normal part of our environment.

6 - So what is the correct road SA should be travelling?

We all accept that a socialist model, along the lines of the Soviet Union, is not workable for SA today. The creation of a state-owned economy is not a formula that is an option for SA or for many parts of the world. Therefore, if we want to develop SA instead of shuffling pre-existing wealth, we have to create new entrepreneurs, and we need to support existing entrepreneurs to diversify into new economic sectors.

Moeletsi Mbeki is the author of Architects of Poverty: Why African Capitalism Needs Changing. This article forms part of a series on transformation supplied by the Centre for Development and Enterprise.

In view of the foregoing People Capital launches some "shots into the twilight":-

A - Why is it that, in spite of our Constitution that was arrived at in a model of democratic and consensus building and in which are enshrined some of the noblest sentiments and insights concerning human rights, we are still living in a situation where very few of those rights are realized, or even realizable, in practice??!!

B - It is as if South Africa has meanwhile been “Re-Colonised” by Global Capital, which substantially happened on the back of endemic corruption and unjustifiable enrichment efforts by those who can, which starts right from the 2 centres of power, being the Presidency and the Constitutional Court and predictably filters right down all societal echelons – Led by some kind of “possessive individualism”-culture, but which leaves no one untouched in this US brand of “*free market cum neo-liberal capitalist*”-environment.

C – The adopted strategy appears to be led by an effort to “dumb down” >95% of the population. Seemingly, that is the game being played out by the powerful and wealthy and where the Judiciaries are supplied the choice between massive pay-outs over and above their already generous remunerations and eventually being side-lined into insignificance.

D - Especially over the last decade or so, in parallel with rising inequalities and GINI coefficients, the rules affecting who wins and who loses have been quietly or stealthily and especially subtly been re- and re-written to suit their political leaderships and “hired hand” corporate bosses. Which is where ethics and morality become translated into pure greed as in the USA, Mexico, Brazil and especially Russia where officials also write “adopted practices and rules” as they want these to work; simply because they have the power and “motivation” to do so – Such amounts to pure tyranny, which is where the checks and balances simply get “lost”.

E – Sadly, between having - On the one side, the largely passive and complacent echelons of our diverse society, whilst; On the other side, the subsistence need driven criminality - both seem to somehow grow a culture of blaming others and impunity, as if colonialism has never been abandoned. That is precisely what has created a huge vacuum without a tangible promise of real development, or genuine democratic empowerment and economic justice. Result: Low levels of positive socio-economic productivity, alongside low levels of ambition, creativity and innovation. These appear to be led by a culture of a distinct lack of any form of “*shared purpose*” in a “*cooperative environment*” - Even Nedlac and Cosatu seem to have lost all sense of direction in this vacuum.

F – Summarily: We hope the above to not only strike a chord but also to address your concerns about the dismal state of affairs that we in Africa and undoubtedly all the ACP Ex-Colonies are increasingly facing.

- These are the very Nations where the playing fields are far from level and where, when not radically turned around, the prospects for the vast majority of their populations are grim.
 - Not just in the additive, but in the criss-cross multiplying sense - That just keeps multiplying.
- Wherefore, the only way to tackle the complexities lies in a structural- and mindset-change approach that needs material- and financial-global support that the ACP Ex-Colonies can simply not afford.
 - Whilst reductionist talk-shops don’t solve anything, as there are no short answers or quick fixes.
- Therefore, of utmost importance is a comprehensive and robust “*Development Curriculum*” that tackles those problems in one single fully integrated program to prevent those Nations from disintegration.
 - For which we purposely designed and documented this “*People Capital Development Program*”.

G - Alternatively: We constructed a process designed for the Development Agencies to fund an integrated, full-fronted and sustainable Africa-wide development program that aims to lift the average per capita GDP of some 5% of that of the EU Nations, to some 25% in the short to medium term.

- Wherefore, a major point to always bear in mind is that, unlike in the EU Region, what almost invariably gets forgotten by most in the ACP Ex-Colonies is that it is only “*Technological Innovation*” that leads into “*Social-followed by Political-Innovation*” – But, never the other way around!

9 – Observations

The development efforts in Africa, maybe apart from South Africa’s Sasol initiative, are almost parochial because of lack of governmental effort and hence possible and bitterly needed scale. Compare Japan’s state- and scale-driven integrated industrial- cum infrastructural-development interventions, as largely replicated by Taiwan, South Korea, Malaysia and China?! Then what about Israel where, despite their semi-desert like environment and absence of raw materials, unlike the other Middle East countries, Israel’s per capita GDP individual performance generated income should serve as a prime example for the African Continent, as in the “*Art of the Possible*” – And, not only for their own Middle East region!?

As in the 2 almost axioms: “*Africa is poor because it is expensive, and expensive because it is poor*”, and certainly not to forget that: “*It is one thing to support socio-economic development for the poor and destitute, but quite another to even try and endanger commodity deals for the wealthy and greedy hired-hand MNC bosses and government elites*”. Whilst knowing it are the latter who appear to be able to endlessly procrastinate and continue under the no-change banner of “*Elite Impunity*”.

That is why, in order to skill and train the millions of unproductive and hence under-consuming and –producing poor, we propose the “*Africa Library Project*”, followed by 4 pilot or model “*Secondary City Complexes (SCC’s)*”; and, where those SCC’s operate under a set of laws that are different from the national rules and are explicitly designed to:-

On the one hand, create a culture that is led by a large degree of self-reliance with the emphasis on growing tacit knowledge-, innovation- and productivity-levels to compress costs, whilst promoting a multi-skilling mindset fuelled by the then continuously up-spiraling tacit- into explicit-knowledge levels – Hence, to supply more options to choose from.

On the other hand, attract investors, whilst creating opportunities for top performers to replicate those “*Secondary City Complexes*” to reach One per 10 Million population, but based on their previous experiences and market knowledge gained.

Obfuscation: Clearly, Africa’s low level of entrepreneurship runs in tandem with its levels of proficiency of education and government policy recipes. Wherefore, creativity and innovation levels have insufficient basis to sprout.

Suspectedly: Africa’s political leaderships are either lying or do not know what they are talking about when they accuse the private sector of being too selfish, greedy and unpatriotic for refusing to invest in industrial cum infrastructure projects. It would seem that Africa’s political elite are, either procrastinating, hoping for donors nations to open their purses, or chasing “*unspecified*” rainbows. Meanwhile, infrastructural investment companies have already for years been eagerly waiting for promised and long overdue “*bankable*”-projects to invest in. Overall: Such enabling environment is missing, whilst there is more money chasing projects than there are projects, i.e. in spite of all the political elite zero sum and obfuscating rhetoric.

To be sure: There is simply no reason for the private sector not wanting to invest in infrastructure, other than for either/or a combination of governmental obfuscation, corruption and dishonesty. Such, with the emphasis on Life-, Pension- and Insurance-companies that are looking for development enhancing industrialization cum infrastructural development projects as their only way to grow their client base, instead of virtually being forced into investing in ever more ornate holiday resorts, golf courses, office blocks, townhouse complexes, hotels and shopping malls. Sure, we know that Africa’s governments need appropriate skills to analyse, integrate and assemble projects, but which is also where the private sector would be more than pleased to assist, i.e. were it not for corrupt and self-serving bureaucrats who are almost invariably protected by the political elite, where debatably even the judiciary does not want to lose out on the spills.

Question: What convinces people to buy government bonds in environments where the dreaded “*Teufelskreis*” (Devil’s Circle) scenarios originate and grow continuously steeper with much doubted progress, if not devastating consequences for socio-economic growth prospects?

Meanwhile, the battling and over-indebted taxpayer public, with the growing poor masses are becoming increasingly frustrated, destitute and angry, knows that “*everything is connected*”. However, as told by the rising GINI coefficient around the world, it is crystal clear that the very vast majority gets outmaneuvered by greedy MNC’s with the support of their so-called “*corporate-partnered conservationists*”, gregarious politicians and debt-ridden governments – All of who, in unison, try, via flowery and clever rhetoric, to convince the public that “*everything is dis-connected*”.

Particularly, in the scary climate change picture, as evidenced and despicably so, debatably apart from Richard Branson’s efforts and pledges, the club of the world’s multi billionaires is still heavily invested and are evidently continuing to invest in high CO2 emission generating ventures - Despite their hypes about fighting CO2 emissions,

To reiterate, besides the above, there is so much we can, if not must do to advance the “*Going Green*”-revolution and move from the IT 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 wait until the wheels have fallen off and tell our children that we are sorry to leave them with such a mess?

Importantly, in all of the above, what we see as a major problem, is the world’s failure to strike the right balances for an integrated and finely balanced “*global development and egalisation act*”. On top of which, a major hurdle is that solutions for the European Union invariably turn on “*Political Moments*”, whilst in the United States solutions invariably turn on “*Economic Moments*”.

- In addition, at extreme odds is China, as that nation needs solutions to overcome the destructive effects from its “*Scientific Development Drives*” that have meanwhile triggered almost irreversible environmental disasters. The effects of which can no longer be fixed with “*Scientific Solutions*” – Causing ever increasing water and food security problems.
- Furthermore, there is the far-reaching problem of China’s population and companies having “*overheated*” the stock markets by borrowing against projected cashflows, based on ever increasing multiples of annual profits – Then what happens when the market calls for a correction under such speculative “*Capitalism without Capital*”-conditions?
- Finally, what about solutions that fill the development needs of all ACP Ex-Colonies, India, South America, Indonesia and the fragmenting Middle East, whilst knowing full well that “*Free Markets*” and “*Neo-Liberalism*” cannot solve the problems the entire world faces – Neither in the political, economic, social, nor environmental fields.

In short, the battle is on between austerity and extraction, plus poisoning and poverty. Clearly, the problem turns on the definition of “*civilization*” - The world needs to radically re-think and shape the entire social, economic and environmental system. That is precisely what is needed, and which can only be driven by a world authority with real teeth, and that is primarily led by a “*climate change worldview*” - Which has to be one to which all nations must agree and contribute.

Critically, the foregoing means to explain that political development, gratification and denialism - *usually at the cost of education that amplifies industrial and economic activity plus further aggravated by corruption, cover-ups, questionable deals and ulterior motives* – still appear to be of the order of the day in the under-developed “representative” democracies of most if not all the ACP Ex-Colonies – However uncalled for, such supplies good cause for the almost colloquial expression: “*Development does not work, it even causes Un-Development*”.

Just look at how much money, apart from the gains of the Political Elite and the “*hired hand*” MNC bosses, has been wasted in Africa – Even, however contrary to popular belief, by the Chinese and at great cost! Why and how?

People Capital tackles those problems in a non-jargon, fully acoustic and sustainable fashion, where “*un-learning*” of deep-rooted colonial beliefs and practices, whilst lifting tacit knowledge levels, has a critical role to play.

Wherefore, shouldn't we seriously question the endlessly repeated undertakings of the OECD to fund aid by 0,7% of their GDP's at some \$75 Trillion, which should amount to some \$525 Billion, but in reality amounts to some 0,4% or \$300 Billion, of which some \$60 Billion is spent on development project validation processes.

Therefore, especially since poverty, bloodshed and GINI coefficients in Africa are now larger than they were in 1990, the following thoughts should be compelling:-

1. The consistent contraction of the engineering and manufacturing sectors: In South Africa, during the last close to half a century, from some 26% of GDP to presently <12%.
2. The reasons for the initial “hands-on” successes and downstream “hands-off” failures of especially the Chinese efforts to multiply industrial activity throughout Africa - In spite of China's writing off of substantial loans.
3. Africa's oil exploitation, on the back of which particularly the Food MNC's invaded Africa with their subsidized foodstuffs, which was further boosted by lopsided WTO protective tariffs, plus IMF and WB Africa conditionalities.
4. Whereby forcing-on overproduction of primary products in Africa to further compress MNC input costs, causing Africa to be unable to even implement a small %-age of their needed infrastructural development projects.
5. The currency traders' most lucrative speculation activities, where in Africa, with its “*feast and famine*”-economies, the currencies have tumbled by >90% during the last 1/2 century? Would a “*Tobin Tax*” help?
6. All of which translated into the IMF, WB and WTO forcing on export led resource exploitation to benefit the MNC's, which has effectively proven to be the “*socio-economic killer*” for the ACP Ex-Colonies.

Background: The global economy ought to consider that, from about 1975 until 2005, Africa suffered serious industrial and infrastructural contraction and deterioration. Disastrously, during that period, from 1975 until 1994 South Africa was also subjected to global economic sanctions. Here one ought to realize that South Africa, as the only viable development propeller for the continent, with sanction burdened Zimbabwe coming second, even worsened continental degradation. Meanwhile, South Africa's 1994 transition from the Apartheid to ANC Representative Democratic regime has gone backwards in the industrial and economic contexts - As has Zimbabwe.

In fact: Although since 2005, following the stagnant years from about 1975 until 2000, there has been some “*Continental Economic Progress*”, the continent still needs radical and unifying educational-, infrastructural- and industrialization-projects to overcome its many deficits and backlogs. Resultantly, Africa is still far from catching up to the level of development and portion of global GDP of before 1975. That was the time when development stagnated if not retreated on the back of economic sanctions, followed by the closure of infrastructural and industrial project design offices, further aggravated by the subsequent import and export sanctions, problems of raising finance and infrastructural degradation.

In effect: This Post Mortem should help to explain why we feel we can “*sell*” our People Capital program into the Global Development Agencies and Donor Nations, but as a Co-Consensus Project, whereby we reckon that it may take about 15 years to take Africa's per capita GDP from some \$1.500 (or 5% of that of the OECD), to \$9.000 (or 30% of that of the OECD). In real terms, for which Africa needs a concerted push to radically lift its education, skills competency and innovation levels, but whereby the OECD economy in its deflationary environment will have the benefit to share the **additional:** 1 Billion people X (\$9.000 - \$1.500) = **\$13,5 Trillion**, i.e. over and above their current GDP levels – And, such even in disregard of the projected 2 Billion people in Africa by 2030-2035.

Wherefore: Before embarking on Book-2: “*The Introduction*”, that outlines the direction of and option scenarios for this People Capital Project, we feel it important to point out that all ACP Ex-Colony Governments ought to realise that, to govern, they must be the custodians of linear- and nonlinear-systems design knowledge, only via which they can secure trust and confidence. That is what supplies Governments with the rights and powers to make decisions without any dilemmas about conflicts and fears of competition. In turn, such are the prerequisites to make development happen and sustainable, whilst making Change and R&D “*Continuous Events*”.

10 - To reiterate, why is it that

The ACP Ex-Colonies, contrary to other ex-colonial regions, are substantially still filling the same gaps that their nations were historically filling - And, seemingly for the same purpose that those colonies were established?

To be sure, the ACP Ex-Colonies have done far too little, if anything, to empower or equip themselves to reverse out of that seemingly deep-rooted mindset, which, at least in Africa, is certainly not aided by the arbitrarily drawn national boundaries and further aggravated by high levels of either corruption, complacency, prejudice or internal revolts.

1. All of which tends to make Africa an easy prey for other nations to take advantage of its primary products and mineral wealth, but to Africa's eventual detriment – Governments Beware!
2. All ACP Ex-Colonies should bear in mind that Technological Innovation leads into Social Innovation – Never, as is often forgotten, the other way around!
3. “Family”-centered transformation must happen; ACP Ex-Colonies' leaderships must realise that Capitalism is a system of continuous change, which inevitably causes continuous streams of winners and losers.
4. The above and implied are needed to grow innovation capability and capacity, both of which need high degrees of “self-reliance” and “internationalization”. The latter with the express understanding that “internationalization” turns on cross-border cooperation, which is good - Whilst “globalisation”, as practiced by the neo-liberal capitalist regimes, substantially amounts to no or little more than “Political and MNC Elite”-led integration and must be avoided.
5. The so-called “Global Free Trade Project”, if not the US brand of “Free Market” and “Neo-Liberal Capitalism”-ideology as the claimed answer to beat poverty and underdevelopment, is based on false assumptions and elite induced make-beliefs, especially where un- and under-employment are rife.
6. Historic evidence almost invariably substantiates that, where and when “protectionism” and “self-reliance” have been adopted – following the rejection of the widely advocated “free trade”- and “free market”-ideology - growth-, transparency-, accountability-, employment- and long term development-levels improved markedly.

Essentially Sustainable and meaningful jobs are created by the natural drive of individuals wanting to better themselves. That is where Governments' primary mission lays, which amounts to the creation of conducive circumstances to make that happen, instead of capitalizing on their ingenuity to sneak in stealth taxes and illicit financial flows.

Please RememberDevelopmentalism = The Science of Interlinking Area-Specific Assets in one effort to bring about CHANGE by purposely designing processes with the optimal synergic and multiplier effects on the full extent of the elements that impact on both its Population, the State and the Global Economy.

11 - BUT & Critically, as an Overriding Concern

Just to keep our eyes on the ball, and what has from the very start progressively reinforced our conviction that we were on the right track, is probably best expressed in the following questions:-

1. Who could have defined the parameters for such un-precedented, broad-based and open-ended project?
2. Then, who could have instructed who to write such cross-disciplinary script, with such unpredictable outcomes?
3. What precedent, benchmarks and set of qualifications could be used to determine the criteria and parameters?
4. On exactly what basis and justification could the reward (and ownership) be formulated?
5. Who could be the Judge of “Exactly What” and based on precisely which Criteria?
6. What could have caused the Development Initiatives, i.e. ever since the 1947 “*Invention of the Development Age*” of US Ex-President Harry Truman, followed by those recent ones such as the RDP, GEAR, ASGISA, JIPSA, NGP, NDP, NEPAD, UNECA, AfDB, AU and so many more, to have yielded such poor results?

Meanwhile, we recognised certain negative trends and patterns that keep repeating themselves, but remain ignored! Realistically, it is hardly credible that the gigantic >\$300 Billion “*Development Industry*”, that rightly should have been a \$525 Billion industry and employs ‘100.000’s of people, is not led or guided by any form of acknowledged, or accredited “*Development Science or Curriculum*”.

12 - Let it be clear

The purpose of this invasive People Capital Project is not to point fingers, but to present solutions with a multitude of backward linkages that predict sustainable growth where needed. Our motivation was and is to get to the bottom of the socio-economic growth and global warming problems that all ACP Ex-Colonies are facing – And, appears to be accelerating?!

That is why we have to thoroughly understand what went wrong since decolonisation and why since 1975 very few projects have come from the design tables - Then, to make sure that we do not see repeats of these problems and development hurdles. And, that is precisely what the entire global socio-economy not only wants, but also needs to be able to wipe out the devastating economic effects from poverty and growing inequality. Similarly, which would be to the inclusive benefit of the entire global socio-economy - So, that every nation can pay far more attention to the integrated energy, CO2, global warming, socio-economic and environmental problematic.

- In addition, such integrated global effort amounts to about the only way to save the world not only from a socio-economic collapse, but also from the otherwise predicted demise of a “*life worth living*” for literally all of our some 8 billion fellow citizens.
- Furthermore, to be sure, the continuously hyped-up “*US Free Market and Trade*”-ideology is set to multiply the socio-economic, climate change and environmental problems that all nations are increasingly facing.
- Finally, the real problem, and what aggravates global wellbeing, is that all governments’ mathematical formulae and policies are usually not only far too narrow, but also back-ward looking, whilst real life is lived in the forward and interconnected mode. Of course, to turn this around involves a new curriculum to arrive at a huge mindset shift.

That summarises what this People Capital proposal is about, but for which we strongly feel that the roll-out “*ACP Ex-Colonies’ National Libraries*”-project forms the ideal, if not logic starting point for a validation by the Global Development Agencies for the entire project.

Besides the foregoing please consider: Should this project successfully pass the scrutiny of the EU for this proposed EU Co-Consensus project, of the then expected development funding, amounting to some 35% (R350 Billion) of South Africa’s budget, the lion share would accrue to South Africa - Of course, such would mean an enormous boost for our Africa existing integration and re-industrialisation efforts.

However cynical : “Surely, when this plan would be so great, it would have been done years ago?”

13 – Meanwhile what about real life factors

Similar to what Vincent van Gogh said “*Life is probably round*” and so selects the path of least resistance, the way we see it is that: “*Life probably best resembles driving along a ring-road with forks. And when hitting a fork head-on, that fork decides on the direction*”, as if driven by circumstances. Although the latter usually goes the wrong side, you can be lucky, especially when you adopt the “*Regression Analysis*”-way of considering life, instead of the usually myopic “*Situational Analyses*”-determination that most bet or depend on to try and control their very own circumstances and prospects – Sadly, as in a “*Business-as-Usual*”-approach, but which trajectory tends to do little or nothing to boost progress and development.

Wherefore, despite all the “*Good News Rhetoric*” of most leaderships, no wonder the world’s financial markets are in turmoil, the global climate change projects too small, few and thus ineffective, whilst the UN is neither supplied the teeth, nor funds to be able to operate as most nations intended and agreed. All of which gets endlessly aggravated by governments’ reduced tax revenues that, in combination with growing deflation (price destruction) problems, will grow billions of unemployed and thus under-spending people living in poverty and misery - In turn, which directly leads to over-production and cutting-prices, as in a race to the bottom.

Therefore-1: And, predictably and calculably so, the world is on a roller-coaster ride where the greedy and short-horizon “*hired-hand*” MNC bosses, in cahoots with their political elite support chains, are chasing their shared “*financial growth objectives*” – Together they are pushing up the GINI coefficients and inequality levels across the board, whilst the MNC’s are the recipients of the bulk of subsidies and tax-breaks plus, not to forget, whose assets are frequently held off-shore and their incomes largely untaxed and secret.

Therefore-2: And, both lugubriously and increasingly so that, judging from the undercapitalized and non-scale, usually almost parochial development projects and the sporadic climate change initiatives, those chasing “*development growth objectives*” and fighting for more equality and jobs creation are, comparatively speaking, not even coming close to a distant second in terms of being appropriately funded or incentivised – They are usually funded by insignificant “*Corporate Social Responsibility*”-hand-outs, but which are mostly meant to function as “*public relations- and advertising-promoting*”-expenditures by MNC’s and political elites.

Therefore-3: The latter are the ones that increasingly invest in technologies and projects that evidently multiply, instead of reduce, CO2 emissions and global warming. Incredibly, all of which, with literally everyone knowing what needs to be changed and done, whilst just sitting back and procrastinating until the proverbial wheels fall off.

That is when we have to tell our children how sorry we are to leave them with such a mess in our then manmade ravaged and depleted global environment – And, without an easy scientific and/or technocratic solution; which is what that our leaderships still seem to be counting on.

14 - From a Philosophical Perspective

Message : “When stuck for an 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