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'ECONOMICS FOR CONSCIOUS EVOLUTION'**

**"Progress -From Poverty
with Community Economics
in Rural Africa**

Antony V. Trowbridge

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Progress -From Poverty INTRODUCTION

Undoubtedly Africa has learned and gained much from Western knowledge and achievements, but a point has surely been reached as predicted by Henry George in the 19th Century :

“There are many things about which there can be no dispute, which go to show that our civilization has reached a critical period, and that unless a new start is made in the direction of social equality, the nineteenth century may to the future mark its climax”.

The implication for Africa is that it should be looking again at the benefits of Western socio-economic – politico systems, but also at the evidence of their having reached the end of their usefulness or sustainability in that:

GOVERNMENTS have chosen

Power Politics over Public Participation

ECONOMISTS have chosen

Money-making over Wealth-creation

DEVELOPERS have chosen

City Growth over Community-building

“What has destroyed every previous civilization has been the tendency to the unequal distribution of wealth and power. This same tendency is observable in our civilization today with increasing intensity” [H.G.]

However it took the 2008 financial crisis for the whole world to realize that the dichotomous concepts of ‘socialism and ‘capitalism’ were not opposite ideologies but two sides of the same coin that were mutually responsible for the ‘Meltdown’ each accusing and calling for the end of the other.

But in an evolutionary sense there are no ‘Ends’ - only cycles and new beginnings because: *‘There is nothing new under the sun’* [Ecclesiastes 1:9] only circumstances that call for something that has become outdated to be re-invented, as when the abacus was eventually replaced by calculating machines and subsequently by digital technology; and when the horse was replaced by the motor car all of these replacing but not eliminating the other, so that although Albert Einstein’s Theory of Relativity took forward the laws of Isaac Newton, it did not stop apples falling from trees, but provided the basis for a scientific and then an industrial age. Nevertheless, Einstein has warned that :

“The world we have created today has problems which cannot be solved by thinking the way we thought when we created them “

Poverty is of universal concern, but all the many studies of its origins have the effect of falling into the political trap of assigning blame, with calls for retribution and a redistribution of the results of production, while unproductive landowners can gain unearned benefit as Henry George observed:

“Look around today. Can this state of things continue? Nay, the pillars of state are trembling even now, and the very foundations of society begin to quiver with pent-up forces that glow underneath. The struggle that must either revivify, or convulse in ruin, is near at hand, if it be not already begun

“Forms are nothing when substance has gone, and the forms of popular government are those from which the substance may most easily go. Extremes meet, and a government of universal suffrage theoretical equality may, under circumstances which impel change most readily become despotism. To put political power in the hands of men embittered and degraded by poverty is to tie firebrands to foxes and turn them loose amid the standing corn.”

These conditions he covered with an overriding caveat on the importance of obeying the laws of nature that demonstrate the principle of abundance –instead of those artificial shortages that are the cause poverty –with the exception of land that being a finite resource has been subject to monopolization and speculation which is now threatening human survival -if not the planet because of the poverty of vision and ideas.

Throughout the ages, major changes in human evolution and progress have been made. But as said by Henry George,

“There is no mistaking it, the very foundations of society are being sapped before our eye, while we ask, how is it possible that such a civilization as this, should ever be destroyed ? [H.G.]

The title of this conference is therefore significant in calling for a ‘Conscious Evolution of Economics’ for what is ultimately needed is an evolution of human perception which would have to apply across the whole spectrum of human thought, requiring a neurological paradigm shift in consciousness equivalent to the Copernican revolution that altered perceptions of the relationship between the sun and the earth. This indeed happened in the urban township of Orange Farm 1991 [3 years before the first national election] who decided that their world did not revolve around, nor should it depend upon politicians -but on themselves realizing that they were only ‘poor’ in terms of ‘money’ but were rich in terms of their human capacities for compassion, imagination and cooperation – even the land they has assumed had to be ‘farmed’ industrially.

Progress from Poverty with Freedom from Politico-Economics

Henry Gorge drew attention to :

“Political differences are ceasing to be differences of principle, and abstract ideas are losing their power; that parties are passing into the control of what in general government would be oligarchies and dictatorships, are all evidences of political decline. The more progressive the community the rich become richer, the poor become more helpless and hopeless and the middle class is swept away”.

Richard Buckminster [Bucky] Fuller also noted :

“All the political theories and all the concepts of political functions are completely obsolete. We are confronted with an ideological struggle of the world's major political systems. Each assumes that the poverty-stricken people's problems can only be solved by political organization. Each seeks to prove its respective political system to be superior to the other.”.

I am aware that humanity is approaching a crisis in which its residual ignorance, shortsightedness and circumstance-biased viewpoints may dominate thus carrying humanity beyond 'the point of no return'

The 'Middle Way' as promoted for balancing opposing ideologies, using the judicial Scales of Justice as a symbol for social justice, does not apply in politico-economics where such a 'balance' can mean indecision, stagnation and inaction.

Accentuated by **Thomas Jefferson** [1743 – 1826]

“A government big enough to give you everything you want, is strong enough to take everything you have”

However, as observed by **William Irwin Thompson**

“We do not yet have a politics in keeping with our spirituality, our art, our science or our technology. And this seems to be the work cut out for our generation.”

Jan Christian Smuts,

['Holism and Evolution'. 1926 Plenum]

“In spite of the great advances which have been made in knowledge, some fundamental gaps still remain. Matter, Life, and Mind still remain disparate phenomena, yet all three arise in experience, and in the human all three meet and apparently intermingle, so that the last word on them has not been said.”

economic consciousness found expression with a movement that originated in Wall Street by ordinary people who decided they needed to “Take Back” what they had lost, given away or had stolen. This indeed happened in Orange Farm –but not in terms of power, money or land, nor by threats or by legislation, but by them taking back ownership of their own human, environmental social and financial resources -best expressed in the book “The Fortune at the Bottom of the Pyramid” by C.K. Prahalad in his book, and when applied in the remote rural village of Kgautswane, resulted in both communities earning many national and international awards for their initiatives

So began the progress from poverty through the foundations laid by a jointly designed 'Peace and Development' course of self-instruction [Page 14] having Modules in Community Awareness, Cooperative Governance, Community Leadership, and Ethics, Community Information and especially Community Economics. [Page 9]

Because Africa today is confronted with a crisis of leadership it was from the application of the Module on Cooperative Governance [Page 8] that a 'Council of Expertise' structure arose made up of people, described as '*The People Who Do Things*' - not those who just talk about them -a structure that combines the best of indigenous and modern knowledge whereby they re-discovered the principle of self-reliance --the condition that Africa had known before 'Colonialism'

New Rural Towns

The further reality facing Africa is that the industrial / manufacturing age and its cities are no longer creating employment. Nevertheless rural-urban migration continues, However, through a Rural Renewal strategy, proclaimed by Zulu King Zwelithini and Korana King Josiah, New Rural Towns are being planned to be economically viable and ecologically sustainable to meet the Georgist socio-economic issues of taxation, Land Rights, through common ownership with inherited, equitable and sustainable values of Justice.

”

Progress -from Poverty -through 1. NEW RURAL TOWNS and e-coVillages

INTRODUCTION

Richard Buckminster Fuller [1971]

“Cities, as we know them are obsolete in all respects of yesterday’s functions. Trying to rebuild cities to make them accommodate the new needs of modern man is like trying to reconstruct and improve a wrecked ship, As the shipwreck rests upon the reef, pounded by the surf of technological obsolescence is invisible but is more inexorably powerful in its destruction than are the pounding of the waves of a visible ocean .

Could anything be more illogical than an African government policy promoting Industrial and city growth and for people to be demanding houses when :

[a] Cities have replaced one kind of poverty for another from a false impression of a place where jobs, learning, culture and entertainment are to be found -but where universally around 60% remain unemployed

[b] Industry and manufacture no longer generate the kind of employment that cities once offered, which have been replaced by mechanization and the digital revolution.

[c] Even when a job is found for a worker, they can spend hours travelling to and from work at a cost of up to 70% of their income

[d] Jobs created by new industries can be between R30 000 and R330 000 each [DTI statistics]

[e] Estimates on the upgrading of city slums are estimated to be three times more than a new town

Henry George further recounted

“We have traced the unequal distribution of wealth, which is the curse and menace of modern civilization. Poverty deepens as wealth increases and wages are forced down.

“The recognition of individual proprietorship of land is the denial of the natural rights of other individuals. The one receives without producing, the others, produce without receiving. .

The widespread social evils which everywhere oppress men amid advancing civilization spring from a primary wrong – the appropriation of the land as the exclusive property of some men

{See reference over to CSIR report
“Designing Safer Places’ }

Department : Mississippi State University [1980]

“Undirected urbanization is regarded increasingly as an undesirable development strategy. The growth of too many large cities is creating serious problems in crowding, poverty and accompanying ills, especially in developing countries. Evidence has been consistent over the years that the larger the place, the higher the rates of crime and personal disorder.

Indeed, Western concepts of regional, town and urban planning have not changed in principle ever since its introduction into Africa

Whereas New Rural Towns are now feasible because:

[a] the digital revolution and mobile technology through Cooperative Governance can bring most urban benefits to a rural area –hence the term **e-coVillage**

[b] There is no more satisfying work than in serving one's own community - where :

[c] A person's work and all community services are within a short walking distance from home

[d] Economic calculations have shown that a new town of around 50 000 people can manufacture up to 75% of all their basic requirements – even the most advanced product by assembling its components supplied from elsewhere.

[e] Poverty is reduced, and wealth created, by the recirculation of money – not its redistribution

The solution of Henry George was :

“to return to society the values that society and the earth itself have created’. It would remove the tendency for valuable sites to be held out of use”.

This situation is corrected with the New Rural Towns made up of sub-units of e-Villages that originated from my learning something of the expressed needs of both urban and rural communities, and by giving recognition to the African culture of community life with planning being undertaken cooperatively from the start between the future residents, property developer / investor, town planner, civil engineers and the contractors.

Therefore, instead of African people politically 'demanding houses and jobs' –they should rather be demanding *New Rural Towns* -to give them both -with the added advantages of an economic system that is owned by each community.

The Planning and Design Principles of New Rural Towns comprising e-coVillages

"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete."

[R. Buckminster Fuller]

The e-Village concept builds upon the principles of self-reliance established by Ecovillages with an extension to 1000 families. In 1995 this concept won the INTERBOU Award and as presented to the International Association of Housing Science in 2005 has been taken up in a Directive by Zulu King Zwelithini to the Royal development company Thwasa ['Awakening'] stating:

"Our Vision is for KwaZulu-Natal to be to South Africa what California is the United States - an economy in its own right -not more just building houses -but creating New Rural Towns that are community-based with the renewal of appropriate Conservation Agriculture "

A New Rural Town comprises between 9 to 12 e-coVillages designed to be economically viable and ecologically sustainable in offering an empowering environment for entrepreneurs who will create employment by combining the benefits of contemporary urban living, with the quality of rural community life in that ::

The land on which an e-coVillage is built 'Belongs to Everyone' through :

- ❖ The formation of a Pty Company with residents and developer as shareholders collectively of the entire property, including agricultural land,

An Information Cooperative Centre assists in :

- ❖ Bringing the benefits of cities to a rural area
- ❖ Effective community management
- ❖ Access to Open Distance Learning and training
- ❖ Assisting business and job creation,

An e-coVillage generates small businesses and employment with :

- ❖ Reintegration of residence and work
- ❖ Creation of enterprises to serve the community.
- ❖ Gaining Food Security by small-scale cultivation

An e-coVillage means to the residents :

- ❖ Sharing the process of planning
- ❖ Mixed income housing by choosing neighbours
- ❖ Deciding on site sizes and choosing neighbours
- ❖ All amenities within walking distance
- ❖ Recreation / sports grounds in every village
- ❖ Applies all 14 safety principles of the CSIR report "Designing Safer Places"

Employment is offered to those :

- ❖ Wishing to gain urban benefits in a rural setting.
- ❖ Working on local farms and mines,
- ❖ Orphans under house-parent care

Planning

Planning starts from the smallest unit comprising :

- ❖ A Cluster of six to ten 12 sites
- ❖ Six such clusters make up a block committee.
- ❖ Eight to ten blocks constitute a village.
- ❖ Three Villages provide a Secondary school
- ❖ Nine to twelve villages make up a New Town

Services

All services are located in the road servitudes therefore

- ❖ Initial capital costs are substantially reduced by different widths and surface standards
- ❖ Easy access is made for incremental installation and ease of future maintenance,
- ❖ Potential jobs are created for residents' to engage in the installation of infrastructural services

Transport.

- ❖ The town has a clear hierarchy of transport distribution path for all forms of traffic.
- ❖ A major arterial highway links all villages to each other and to the main commercial center.
- ❖ The standard of road surfaces is appropriate to the level of use
- ❖ Bicycle paths increases access villages that ensures safety of all travelers, and pedestrians.

The environment is protected through :

- Re-circulating domestic water and waste for agricultural use
- The application of alternative energy sources
- Land is released for agriculture
- All residents becoming equal owners in their surroundings

Costs reductions calculated by

- ❖ Comparison to convention practices i
- ❖ The cost of up-grading existing city slums is three times that of a new settlement.
- ❖ Holding and speculating on land is removed

**Progress -from Poverty -with
2. COOPERATIVE GOVERNANCE**

“ Ex Africa semper aliquid novi “ [Pliny 1 A.D.]

Internationally it is recognized that unless a community 'owns' and is involved from the start in all aspects of any development project or service however needy, it is unlikely to be supported, appreciated or even used. Moreover, leading development agencies complain that there is no lack of willingness to invest in new areas, but for the lack of an appropriate structure they can deal with

The structure created by Kgautswane has met this need by recognising and mobilizing the most valuable resources that exist in their community in its people whose skills and experience are to be found in the many and varied local interest groups, organisations, associations, clubs, cultural groups and professional associations that serve the community's social, economic, cultural and spiritual needs of a community. These are acceptable and legitimate community institutions because they are:

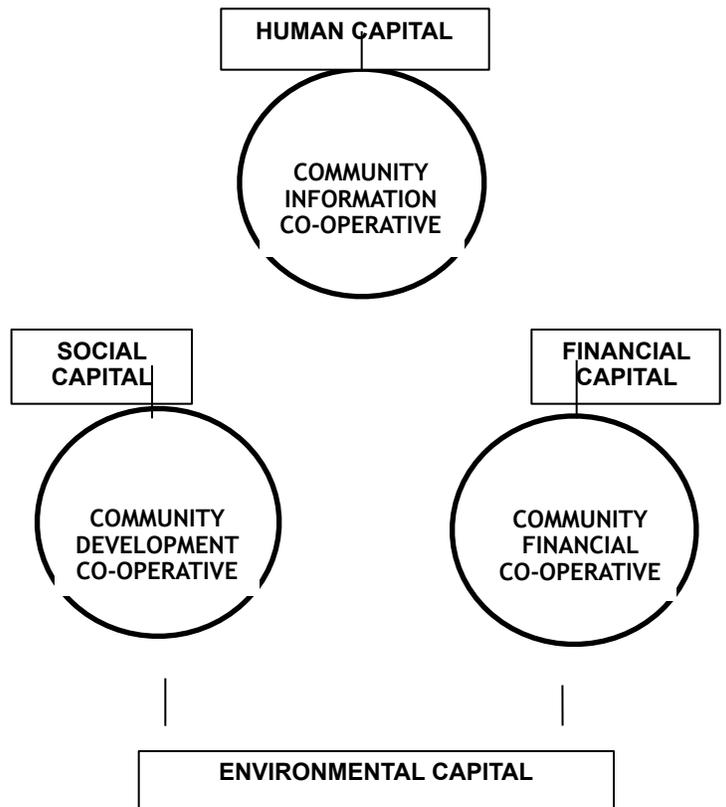
- Legitimate constituencies in their own right.
- Autonomous, self-motivated and flexible.
- Directly involved in, and dedicated to uplifting the community.
- Democratically responsible to their members
- A training ground for leadership.
- Promoters of high standards of knowledge, skills and ethics

Such leaders are represented through the formation of local community-owned 'COUNCIL OF EXPERTISE' comprising the following mutually supportive components

1. **INFORMATION COOPERATIVE [ICT]**
for building **HUMAN CAPITAL** –which is a data-base of the indigenous and acquired skills of individuals.
2. **COMMUNITY DEVELOPMENT COOPERATIVE**
for building **SOCIAL CAPITAL** - which is made up of a community's local organisations
3. **FINANCIAL SERVICES COOPERATIVE**
LOCVEST banking facility
for building **FINANCIAL CAPITAL** which is built up from personal savings

These ultimately depend upon protecting the community's ENVIRONMENTAL CAPITAL –which consists of the natural resources of the area crucial to the need for development to be utilised on a sustainable basis

The UN declared 2012 'The Year of Cooperatives'. However, a Triune Cooperative structure was initiated in 1992 in the township of Orange Farm with a 'COUNCIL OF EXPERTISE' which identified and mobilized the latent human, social, financial, cultural and environmental resources of an area and region as follows



The 'wheel ' symbol marks a change from the conventional hierarchical top-down pyramid form of management and leadership to a more cooperative function in which the leader is a 'Hub person' responsible for holding the group together and motivating them to share views and experience.

Also inherent in the entire issue regarding land ownership has been the debate ever since Ancient Greece over the respective rights and responsibilities between the individual and society. But to the African this is meaningless in terms of the culture of Ubuntu expressed as **“I am because we are – and we are because I am “**

e-coVillage: Land Ownership. Rent and Taxation

The International Declaration on Individual and Common Rights to Earth [1949]

Whereas there has been a political reluctance to and or difficulties in accepting this Declaration, its principles are fully implemented with the planning and management of e-covillages as follows :

“We hereby declare that the earth is the common heritage of all and that all people have natural and equal rights to the land of the planet. By the term "land" is meant all natural resources

An e-coVillage becomes the heritage of the plus-minus 1000 future residents by them purchasing the entire site by collectively becoming shareholders in a holding company

All humans have natural and equal rights in land. Those rights may be exercised in two ways:

- 1. By holding land as individuals and/or***
- 2. Sharing in the common use of the Economic Rent of land.***
 1. Each resident on holding a site on which to build their home
 2. Also gains ownership of every business and all agricultural land

“The exercise of both common and individual rights in land is essential to a society based on justice.

The planning of the village in Clusters and Blocks provides the basis for determining the community's leadership and for managing it justly.

“The rights of individuals in natural resources are limited by the just rights of the community.

Every individual also has a chance further say in the management of the village by membership of the 'Expertise Council' and its varied special interest groups

“The Economic Rent is the annual value attaching to the land alone apart from any improvements

Having bought a shareholding in the entire site, that is their inherent and intrinsic right before any improvements

the whole community wherein the individual lives and is in justice the property of the community.

The future residents have a say in the planning of all the facilities, apportioning them to occupiers according to their suitability and at what rent

“The Economic Rent of land can be collected for the use of the community

The rent obtained from all the commercial and agricultural land is paid into their community-owned Micro-Bank for the community to decide on its use

“That is what is meant by the policy of Land Value Taxation.

Whereby every resident benefits from what is a 'Citizen's Income'

Note on Land, Taxation and use.

The South African Government appropriates taxation for the general treasury for distribution to the Provinces and Municipalities. Therefore there is no direct relation between the tax and its purpose, for instance the decisions regarding the various road taxes that are supposed to be for maintaining and building new roads are not 'ring-fenced' for that purpose, but become subject to political 'policies'

The African culture of Ubuntu is very much that of equating the individual with the group, and with cause, or need, with effect. Experience shows that when decisions are made by a community they can 'tax' themselves higher than any forced appropriation for a general purpose. Summed up :

- A government collects funds and then looks for the needs :
- A community identifies the need and then looks for the funds – first locally,

Then by virtue of their accumulated Human, Social, and Financial capital from external sources either from the public or private sectors.

Progress -from Poverty -through 3. COMMUNITY ECONOMICS

"New form of capitalism model is needed "

Anatole Kaletski [The Times London 2010]

"After the crisis of 2007, the global capitalist system is in a period of transition comparable to the great transitions of the 1930s and 1970s. The question that nobody wants to raise is whether the new model that emerges will be radically reformed version of the Western democratic system for example, do Western political systems need to be reformed to make them more conducive to compromise and rapid consensual decision-making ? Whether this is possible is an open question.

While there are few who can fully comprehend macro-economic issues, there are even less who understand or have forgotten the basic Objectives, Principles and Rules of Community Economics, whereby a community is able to generate its own development. This is particularly relevant in building New Rural Towns that take account of the primary principles of land ownership, taxation and indeed - a citizen's income policy.

David Korten [Harvard, USAID and Ford Foundation]

"The issues of values, institutions, and power that shape our human relationship to the ecosphere must all be at the fore of a fully formed ecological economics. At the beginning of my presentation I made the statement that We need a new economics that, as suggested by Herman Daly some 40 years ago, truly and unequivocally begins with people and nature We need a truly new economics that reaches as far beyond the understanding of conventional economics as quantum physics reaches beyond the understanding of conventional Newtonian physics

THE OBJECTIVES OF COMMUNITY ECONOMICS

- To work from the ground outwards with people at the 'Bottom of the Pyramid' [C.K. Prahalad]
- To regain ownership & use of local capital
- To educate the community about money and how it moves in the system.
- To activate substantial 'Dead Capital' [Hernando de Soto]
- To improve local opportunities for job and wealth creation
- To attain self-generated sustainable growth.
- To achieve greater self-reliance.
- A Steady State economy

man .

- Cities and the formal industrial sector are no longer the primary sources of employment.
- Real independence comes from a lessened dependence on the State and Aid.
- There is unrealized wealth of local expertise to be mobilized in any community.
- The most satisfying jobs are those to be found in serving one's community
- Information, knowledge and skills are the real determinants for growth.

KEY PRINCIPLES OF COMMUNITY ECONOMICS :

1. Forget the National Growth Rate

- what is your *community's* growth rate
- economically, socially, culturally and ethically

2. The only way to obviate poverty is by creating wealth.

- instead of just 'making money'

3. Building up a community capital base

- instead of exporting capital to metropolitan areas

4. Although development aid can be demanded,

- investment has to be attracted.

5. Re-circulating money through Micro-Banking

- instead of re-distributing it

6. Investing first where your best interests are

- instead of where the best interest is.

7. Making communities effective profit centres

- instead of being dependent 'colonies' of cities

8. Adding value to local resources

- instead of exporting them and importing products

THE RULES OF 'CAPITALISM' :

Rule No. 1. "Capitalism' means only one thing accumulating capital"

- which applies equally to an individual, a family, a business, a local authority or nation.

Rule No. 2. "Don't spend capital [savings] -

- use it as collateral to attract others' surplus capital

commodities which is the general case of most microfinance institutions [MFIs]. For these reasons,

Progress -from Poverty – by Reinventing Capitalism through COMMUNITY ‘MICRO-BANKING’

*The problem with Capitalism
is that it doesn't create enough capitalists"*

Jeff Gates,

[Former Counsel US Senate Committee on Finance]:

*"What is prudence in the conduct of every family,
can scarce be folly in that of a great kingdom."*

Adam Smith [1776]

Paradoxically, it is generally recognized that 'Poor people save' -because they have to when banking facilities are unavailable. However, the primary requirement of the poor is to have a secure place for their savings away from thieves or pleas from the family -especially grandchildren.

*"Wealth has nothing to do with the intrinsic value of 'money', as a metallic species such as gold
Real wealth is irreversibly self-augmenting.*

Real wealth cannot be used alter yesterday.

Real wealth can only be used to alter today and tomorrow" [Richard. Buckminster Fuller]

The Development Gateway, established by the World Bank to address a number of issues associated with poverty, has over 500 references in 18 different categories of critical analysis that identify the concerns over microfinance. In addition a BANKSETA report further analyses the growing international phenomenon of MFIs - in terms of :

1. Operational Costs and Revenue
2. High operating costs, due to :
3. Security
4. Financial records
5. Governance
6. Management training

All of which accentuates the Financial Divide that exists between formal banking and informal micro-financing institutions and the vulnerability of all conventional 'savings and loans' institutions that

- Loan out and risk member's savings
- Have to balance savings to loans

When member's savings are used for administration purposes this is both illegal and irresponsible.

Origination

The origination of loans has also been problematic to the formal banking industry indeed irresponsible granting was a major factor in the great global 'Meltdown'. But through the 'Council of Expertise' applicants are known to the community who are screened for their character and ethics as well as their business acumen and their capacity to honour their loans. Significantly, these loans were obtained from *external* sources, mainly for business and training purposes rather than for purchasing

Having a local bank does not mean merely bringing commercial banking services to an area. It means building up a solid capital base for obtaining loans. For whereas an individual needs to show some form of assets to obtain credit. The same is true of a community. But while individual savings may not constitute much in the way of collateral, collectively the amount can be large.

The Kgautswane Micro-Bank demonstrated this by accumulating R750 000 from member's 'life savings' that was held as a Capital Reserve Account with a Commercial 'Link' Bank on a fixed deposit basis -on which collateral they attracted over 4000 micro-loans with a repayment of 99.5 %.

SUMMARY : A Micro-Bank' :

- Is not a branch of a formal bank but operates
- But is a client of a commercial bank
- As an autonomous institution – that is :
- Community-owned and managed having :
- A high gender management representation
- A facility for local saving
- Based on local capital accumulation
- For investment in local development and :
- Managing housing and agricultural subsidies
- Public Works infrastructural projects

A Micro-Bank' accumulates capital from :

- Members shareholding
- Life Savings
- Personal savings
- Remittances
- Corporate investments
- Donor Grants

Member's savings are held as Capital Reserve Account in a Link Bank that :

- Is on fixed deposit basis which :
- Offers total security for member's savings
- Obtains micro loans on its collective collateral
- Earns a monthly Interest income from a Link Bank
- And Compound interest on its Capital Reserve

This concept of a 'Micro-bank as a Local development/Investment facility received a World Bank Development Market Place 2000 Award for *"Leveraging local savings for local development"*

Progress From Poverty -IN RURAL AREAS

There is a legend concerning the Bata Shoe Company early in the 20th century that sent two salesmen to Africa. The first returned and reported *"There is no market there— because no one wears shoes there"*. The second exclaimed: *"What a market –no one wears shoes here!"* The same paradox is reflected by many economists who when asked about the reason for rural-urban migration –respond with :*"There is no employment there..."* The obvious conclusion to be drawn is the need to create employment '*there*' -where it most needed and where the majority in Africa still struggle to exist.

To take another analogy, consider a patient in hospital, when every specialist who looks at their chart, shakes his head and says "You are dying" - what are they to believe? But this has been the diagnosis which many specialist town planners, economists and sociologists have been handing down to the inhabitants of all small rural communities, telling them in effect that there is no future for them, so they had better seek work in the cities, now recognised as being detrimental to both areas, ecologically and economically.

"The Fortune at the Bottom of the Pyramid"

National governments and international agencies are accustomed to preparing Top-down strategies. Dr Prahalad, in his book, has called for a change in the mindsets of the business community who ;

"Need to shake free of their dominant logic regarding Business opportunities for companies with the right business model for eradicating poverty through profits".

His contention is that there are unrecognized market opportunities among people at The Bottom of the Pyramid -not as victims' or objects of social responsibility and charitable grants for 'poverty alleviation' The process of reconnection he says, has to start with respect for all the people having the same aspirations for themselves as value-conscious consumers' so the new challenge is to approach 'resilient and creative people with :

"New and creative approaches to convert poverty into an opportunity for all concerned -that will require radical innovations in technology and business models and new practices at the margins of conventional business practices and public knowledge".

He therefore called for a market-based framework in which a wide variety of institutions can coexist to compliment each other, as demonstrated by a Council of Expertise - because he says:

organizations of different kinds that interact to create markets and develop appropriate products and services to deliver value"

'Dead Capital'

Identified by the noted Peruvian economist Hernando de Soto in his book '*The Mystery of Capital - Why Capitalism Triumphs in the West and Fails Everywhere Else.*' [2002], he contends that the essential meaning of capital has been lost to developing nations because it is has become confused with money, which is only one of the many forms in which wealth accumulates and grows. However,

'Many lesser developed countries have been infamous for inflating their economies with money without being able to generate capital.'

Capital, he points out, is an abstract concept needs to be given tangible form to be useful. It is not solely a stock of assets, but the potential it holds to deploy for new production -as for instance the kinetic energy of water stored in a dam that when unleashed can drive turbines and create electricity.

Moreover, when urban and rural people place their savings in various national investment funds, they are in effect 'exporting' their capital which may not return to their communities, being dependent on investment managers decisions, with the added risk of having their precious capital reduced or lost -as indeed the 2007 global crisis had done.

"Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist". - Kenneth Boulding,

[Economist, Co-Founder of General Systems Theory]

"Small is Beautiful"

E.F. Schumacher, in the slogan '*Small is Beautiful*' drew attention to size always being relative – as in nature and should be in economics, which raises the all-embracing worship of 'Growth' with all its GDP quantifications that is being questioned by many new economic analyses of a primarily consumer-based society that is dependent upon macro-economics and the macro-institutions.

He thereby promoted the concept of '*Appropriate Technology*' that is best suited to the objectives of growing from communities outwards by employing the principles and Community Economics in keeping with Georgist ideals whereby the macro – industrial situation can and has been corrected, as shown by the following examples..

Progress From Poverty – through COMMUNITY SELF-EMPOWERMENT

*Africa doesn't need strong men.
It needs strong institutions':*
[President Barack Obama]

effective, we need local ownership and local participation. Gone are the days when development, can be done behind closed doors in Washington or Western capitals – or any capital for that matter.

[James Wolfensohn.: World Bank : 04/06/2002]]

Orange Farm Urban Township

Internationally it is recognized that unless a community is involved in all aspects of any development project it is unlikely to be supported, appreciated or even used.

The Triune structure of Cooperative Governance that originated in the urban township of Orange Farm in 1991 proved the point and resolved the situation when the people, three years before South Africa's first free elections, decided that they could not wait for, or rely upon government to meet all their needs and services. Nevertheless, in beginning to petition the authorities they found that the officials, intent on being 'democratic' had the problem of many individuals coming to them claiming leadership positions without any credible credentials of support.

Real Leaders however, as distinct from 'Power People' are, according community 'champion' Olga Lutu the Founder of the 'Women's Voice' group are **'The People Who Do Things'** The question was then put to them 'Why not form a new organization of such people?'. "Come back next Saturday" she said when thirty turned up who approved of the concept, since it was generally agreed that no one wants to be 'governed' or 'ruled' but needed to have their aspirations met.

The subject of a new name was brought up that needed to distinguish it from political organisations The name chosen was 'Creative Action Group' –and needing a logo, the obvious image was an Orange, which when cut happened to have twelve segments, these which were taken to represent the community's basic areas of need that are met by the various local organizations to which the new members belonged and served as 'seed' people who would creatively initiate ideas and projects to benefit their community,

These were identified as Health, Housing, Education, Sports, Arts and culture, Religion, Agriculture, Business, Finance, Information and Media, Transport and Tourism -all of which were legitimate 'constituencies'. The idea soon spread throughout the township and the weekly meetings thereafter eventually grew to 800 people.

Kgautswane rural village

this remote rural village, situated 70 kms from Lydenburg and virtually devoid of all essential services. established their own Development Center that attracted the respect and sponsorship from many institutions and companies. Including the First National Bank, Safmarine and the Lydenburg Beehive Small Business Centre for training, Their Development Centre had its grand opening on the 8th May 1998 attended by over 400 village people, Chief A.T. Kgwete, his Indunas, local authority representatives, school principals and leading figures in the community. Over the years the following have been established: an ICT centre plus library, training in adult literacy, business, arts and crafts, training in sewing, knitting, cooking and baking to serve a Tourist village and its accommodation. 17 creches were built, and six centres for the aged and disabled, with support from the local Builders Association.

in 2003 Clara Masinga the founder director of the centre was honoured with The State President's Baobab Award in recognition how a community that is determined to start their own process of self-reliant development can attract investors and donors to assist them to improve themselves economically, socially and culturally. it needed the global financial crisis however, and the 'Own Wall Street' protests for people to declare the need to "Take Back" what they had lost or given away -not in terms of power, money, land, nor by threats or legislation -but by reclaiming ownership of their own human, social and financial resources.

Indeed when taken up by this remote rural village of Kgautswane, and by following the example Orange Farm, the key Holistic principles of Cooperative Governance, Leadership, Ethics and Economics were literally 'reinvented' so that :

"The community now realizes that it can do some of the things without the help of government.

They thought democracy will help them solve their problems, But now they are used to attending meetings and share ideas, so they started to think what they must do for themselves." [Eslina Mdluli]:

Progress From Poverty – through A Renaissance of Royalty

The World Bank

Synchronistically, a World Bank economist Ross Paul who was visiting South Africa became interested in these two communities and reporting back, the President James Wolfensohn, was so impressed by their initiative and success, that the Bank made available \$50 000 for their information centre computer equipment to aid their ICT training and for facilitating commercial information digitally to that rural area.

At the opening of the Centre in October 1999, Mrs. Elaine Wolfensohn, congratulated the community on their initiative and paid tribute to Clara for her vision and determination, and how The World Bank was happy to have been able to support that vision.

“We see you as a model for other communities in the way that you have brought, the community, traditional leadership, government and NGOs together in co-operation and collaboration”

The Stockholm Challenge 2000

The Kgautswane ICT Centre was one of the 12 projects selected out of 600 world-wide which gained The Stockholm Challenge 2000 Award that are made to projects that are unique examples of innovative ways to benefit people and society in terms of education, economic health and the promotion of democracy. This award validated the most important need is for a community to establish ownership and management of its information, and not to have it imposed upon them by any public or private sector agency, however well motivated. Clara confirms that :

“We have done all these activities because we were taught to work integrated. The most important thing is that myself, Chief, Indunas and other traditional and political leaders in other villages work integrated, also with the Premier’s Office.”

Since the introduction of the principles of Community Economics they have learned to handle financial matters and in their own local fund raising. Ross Paul thereupon suggested entering four projects to the 2000 Development Market Place Awards. -all of which gained funding

The Provincial Premier also approved of R7million Provincial Government for a cluster of community projects, including road repairs, a community hall, sports facilities, and agricultural facilities that offered employment to centre members; and ensured that all the projects were successfully managed with all payments validated and approved by Clara and the Micro-Bank management.

Henry George makes a reference to ,

“Dr. Rev. Blesdale, who had spent many years in Australia and knew intimately the habits of the Aborigines. once said to me “I think it is a great mistake to look upon these black fellows as ignorant.

“Their knowledge is different from our, but in a sense they generally better educated in survival with their skill s in foretelling changes in wind and weather

Indigenous Knowledge

It has been estimated that 2.4 billion people worldwide owe first allegiance to some form of traditional leadership, but who are often portrayed as being autocratic and a modern anachronism which brings them into direct conflict with the ‘Culture of Politics’ because “No-one voted for them”.

The assumptions, about ‘democracy’ however, are as varied in theory as they are in practice. However, traditional system of community management has been in existence over millennia, with a system of direct democracy in which their Chief consults a Council of Elders that has both status and respect for royalty that political representation does not in these times and cannot logistically or financially attain. Moreover, as revealed, a Chief’s role and duty is to deal with everyday realities and to resolve conflicts between their people –whereas every activity of ‘politics’ seems to make conflict necessary – even a virtue.

The ‘Council of Expertise’ has a special role in complimenting the Traditional Councils of Elders by combining the best of indigenous and contemporary knowledge which in turn answers political criticisms of them ‘not being democratic’ . Chief Kgwete, in acknowledging the large role that women play in this council and in community development, has given recognition to them in their own right – not as tokens or proportional representatives.

In consequence, both King Josiah Katz of the Korana and Zulu King Zwelithini have approved of the manner in which rural communities can and have gained greater self-respect and self-confidence, by having discovered the benefits of gaining greater self-reliance and self-governance having through the establishment of a moral code of leadership from the Peace and Development Initiative.

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ADDENDUM A

THE PEACE and DEVELOPMENT INITIATIVE

'Development' is clearly not attainable without 'Peace' nor is peace sustainable without development. The purpose of this Initiative and program therefore is for a community to re-discover its own strengths, the better to attain greater control of their own development, economically, socially, culturally and spiritually with the following objectives :

To form a **COOPERATIVE , COUNCIL OF EXPERTISE** for:

- Improving community management and its development
- Identifying legitimate special interest leaders.
- Representing local civil society organizations
- Developing inter-personal relations
- Improving levels of cooperation,
- Employing skills and quality of decision-making,
- Providing a local Chief with an advisory Council

[The State President's National Baobab Award 2003]

To **community's Human and Social resources** by :

- Bringing people and groups into an Ubuntu relationship.
- Building greater self-worth and self-reliance
- Extending the principles of democracy and citizenship.
- Establishing ethical values of mutual trust and respect.

To **build greater self-worth and self-confidence** by:

- Bringing people and organizations into an Ubuntu relationship.
- Ethical values of mutual trust and respect.
- Applying the principles of democracy
- Broadening the meaning of citizenship.
- Making local development decisions
- Earning support from both the public and private sectors

This programme however, being learning and action-directed, is not an academic exercise of dispensed knowledge with fixed answers that are subject to examinations and markings. Neither is interventionist. It is a truly 'Distance-learning' course that is to do with people changing their attitudes from being passive receivers of development services to taking creative action that can attract practical and financial support for people to manage their own affairs,

PEACE AND DEVELOPMENT INITIATIVE MODULES

As an Open Distance 'Learning By Doing' this self-instruction course takes place within a community. Each of the following Modules are read and studied in sequence with the intention of stimulating interest in and debate on the building up of a community spirit of enterprise. as they form each other.

Module 1 Community Awareness and Identity

- To build a community, one first has to know what a community is and what it means to the people in terms of ownership and pride.

Module 2. Community Leadership. A background picture is presented of community structures, leadership with lessons to be learned from the past - the better to map out the future.

Module 3. Community Ethics. Every community depends on certain codes of ethics that form the basis an acceptable codes of behaviour which each community establishes for itself

Module 3 Community Information Centre -the first information any community needs is about its own human and social resources which is collected are stored on a specially designed data base as a virtual 'Communitypedia' for all to access and use.

Module 4 Community Governance – examines the history of local government and the principles of Cooperative Self-governance that can support both Traditional Councils and local government

Module 5. Community Economics inculcates its principles whereby a community can accumulate and take responsibility for its own financial capital resources for the generation of commercial enterprises for greater economic self-reliance.

Module 6. Symbiotic Management Systems -cover the principles of a cooperative style of management that is more appropriate to a community than the conventional Top-down pyramid model. Units include meeting structures strategic thinking and the active implementation of Business and Project Plan Presentations

ADDENDUM C

FREEDOM FROM THE POVERTY OF THE OLD - TO THE NEW SOCIETY'

| BIBLIOGRAPHY | FUTURE IMPERATIVE |
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| <p>The following are the sources of inspiration for this presentation, All subsequent inputs have been from multiple sources which have primarily supported the overall thesis.</p> <p>Esser. H. Esser ' Social Pollution' Association Man-Environment Relations</p> <p>Fuller, Richard Buckminster. 'Synergetics' [Macmillan Publishers Inc 1979]</p> <p>Ford, Henry 'My Life and Work' [William Heinemann Ltd : 1922]</p> <p>George, Henry. 'Progress and Poverty' 1879 Robert Schalenbach Foundation [1971]</p> <p>Lutu, Olga. Women's Voice' [1990]</p> <p>Masinga, Clara, Kgautswane Development Centre. 1992]</p> <p>MacLean. P.D. "The Triune Brain in Evolution" : [Plenum 1990]</p> <p>Smuts, Jan Christian 'Holism and Evolution' [Greenwood Press : 1926]</p> <p>Wojciechowski. Jerzy 'Ecology of Knowledge' Professor Philosophy : Ottawa University</p> | <p>Arnold Toynbee <i>"19 of the 23 notable civilizations have died from within, not from conquest from without. There were no bands playing and no flags waving when these civilizations decayed. It happened slowly in the quiet when no one was aware".</i></p> <p><i>"If we are to grow great, we must stop choking on the word 'spiritual'. Our task is to re-discover and re assert our faith in the spiritual non-utarian values on which our life has really rested from the beginning"</i></p> <p>Ecology of Knowledge Network</p> |