

Restorative Economic Justice for South Africa (Part II)

The Future Lies In Africa, Not With Parasitic West

AN OPEN LETTER TO PRESIDENT JACOB ZUMA

“The Informal Economy should be recognised as The Backbone of Development, not as an aberration to be ‘formalised.’ ”

Joseph Edozien
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Dear Mr. President,

The African mass of South Africa will not remain economically subservient forever.

It is becoming increasingly frustrated with the false promise of political freedom without economic liberty: and its long forbearing social patience is slowly wearing out. One can hear the once distant drumbeat beating slowly louder as it draws less slowly nearer at a perceptibly quickening pace.

The masses of South Africa are entitled to be restored to self-sustainability because self-sustainability is ultimately what was stolen from them during their historic dispossession.

Genuine economic justice is facilitative of social harmony, the social peace, getting along well together as one nation of distinct tribes and cultures: some descended from continents well beyond the shores of Africa.

Genuine economic justice is based on the righteous distribution of the common wealth of society since all wealth beyond a small scale is social.

No one person can by himself or herself build a large fortune.

All large wealth is built on the concerted action of many; therefore, all large wealth is truly a common wealth even if the fruit of many is eaten only by a few.

In this question of the distribution of wealth lies the secret of genuine economic justice.

Given the tortured economic history of this nation and its still in many ways tortured present economic reality, economic justice here means that South Africa must become a Pro-Poor Nation, without devolving simplistically into becoming an unthinking Anti-Rich Republic.

The rich can keep and build their luxuries, but the poor without such chances and without other means must become self-provident with the help of just government.

Self-Providence is the real meaning of Economic Freedom.

Restorative Economic Justice in South Africa means that the self-sustainability of the historically dispossessed masses is the only relevant national economic goal of South Africa today.

The national mission should now be to begin the end of economic apartheid by introducing Restorative Economic Justice for all South Africans: independently of race and ethnicity.

This is the central challenge of the current and coming times.

The world is changing rapidly. World economic power is leaking inexorably south and east from the global north.

Europe and America are fading and failed empires. They are hiding the fact that they are now bankrupt, unable to support themselves, desperately dependent on a parasitic relationship with the rest of the world, and are on economic life-support. Their days of world hegemony are over.

South Africa must resolutely reduce its exposure to the European and American economies. There are no new growth opportunities there. Those markets are saturated and shrinking and their power is increasingly a mirage.

About half of South Africa's direct and indirect foreign trade is with Europe and America. This impoverishing leakage must stop for it is a dead-end.

Focus South Africa's long-term foreign trade policy on the joint complementary and cooperative, not competitive, co-development of emerging economies. Most of those are in Africa, South America, and Asia.

South Africa, as a multi-cultural African nation which contains within itself the potentialities and learnings of almost all the human cultures of earth, is in an especially favoured, advantageous, and unique position if it can only see itself in its true colours.

Redirect and redevelop South Africa to become the new industrial engine for Africa.

But South Africa should novel industrialise in a different way from past patterns. It should follow a new model that is light, green, africanised, decentralized, and mass-coordinated; made up of a networked mosaic of very many small pieces. It should look, feel, and sound more like a buzzing beehive than a large factory or a monolithic machine. The technologies and processes to develop such a new industrial revolution exist today even though they are obscured by conventional smoke stack big centralised mass-industry with its formidably huge and soul-stultifying edifices which are fortresses against rich popular imagination and fluid mass creativity. We are in Africa. Those

fortresses of conventional industry chill the spirit and genuine creativities of this continent, for they are alien and they are alienating. They are not human, nor are they natural or organic or free life giving. They do not make us happy for they make machines out of our humanity. And they are cold. Arithmetic is their blood. They are not African.

South Africa's long-term national investment policy should be focused on a decentralized capacity building model for macro-economic redirection toward the self-sustainability of the masses.

In the process, South Africa should incentivise and encourage regional and national big and medium businesses to localize their supply networks and have both the State and medium-to-big businesses in tandem use small and micro business development as a national skills development strategy.

The sustained organic growth of domestic effective demand will be South Africa's only practical path to decolonization, sovereignty, national renewal, and mass self-sustainability if it is matched synchronously with the sustained organic growth of the local production of the masses fueled by a new National Social Development Internal Parallel Currency which must be issued as strategic social development grants and not as loans, and therefore without any interest, but in an organic grassroots demand equilibrated way to avoid over-issuance.

The most practical way to start this programme is begin to issue the current regime of social grants as a new complementary currency system beginning first as vouchers for targeted demand generation to stimulate necessary local production.

South Africa desperately needs a new internal parallel national currency developed and specialized for social development purposes. This currency should be issued by the state through local community development "banks." The currency should be issued as social development grants and not as loans from private banks. And grant decisions should be made in consultation with local communities to meet their social development needs as expressed by the community members themselves.

The new currency should live side by side with the conventional Rand in a dual national currency framework. This new currency should also be used to develop and sustain local micro-currencies to keep economic exchange circulating within local communities without unsustainable leakage. This will enable the development, sustainability, and thriving of many local micro-economies around the country. The implication, therefore, is that South Africa will have a multi-level, multi-currency national economic framework for mass social development.

The purpose of the social development grant-based new currency is to stimulate effective demand bottom-up from the grass-roots. This will prime the national pump of local production in a bottom up manner that keeps the exchanges flowing around locally in

communities and turns the current tendency of national currency to flood out from local economies into a trickle out instead.

It is impossible for local production to compete with the importation of low cost foreign goods. Those who have the Rands to purchase those goods will purchase them from conventional outlets. However, many do not have the Rands, and cannot get them in sufficient quantity, to buy the necessary goods they need such as food, clothing, and appliances, etc. Under the compulsion of necessity, they are often forced to steal them to get them or to engage in criminal and other anti-social behaviours in order to get the Rands by unconventional means. These same people would buy substitute goods from enterprising local producers if they had currencies those producers would accept. There is enough ingenuity, creativity, and infrastructure in South Africa to produce substitutes, even if of lesser quality, for local consumption if the producers could be paid in a viable currency from those who don't have the Rands to go elsewhere for purchase. In this way, a social development currency issued as grants to those with needs but without Rands can facilitate the development of local indigenous industry insulated from foreign competition because its markets are those with insufficient Rands. In this way too, skills will be developed throughout the economies of South Africa at the grass-roots level.

The new social development currency should be used to develop and finance the production of low-power decentralized technologies to support rural living. A healthy society needs a thriving rural backbone if only to relieve pressure on the over-stressed infrastructure of the cities in which increasingly many migrants from rural areas live in a dispiriting and dehumanizing squalor which cannot be rectified without addressing the issue of urban immigration by vitalizing the possibilities and opportunities of rural living.

South Africa's economic future lies in its informal economy. The informal economy should be recognised as the backbone of development and not as an aberration to be "formalized." The informal economy should be encouraged to thrive as a space of economic liberty and creative entrepreneurship. It should never be measured and taxed. Rather, the informal economy should be fueled and grown by a non-debt grant issued currency. The informal economy should be encouraged and grown to be the largest economy in the country as the bulwark of the self-providence of the masses.

In this new economy of economies, the State should see its role differently from its role today. South Africa needs the state machinery mostly as a facilitator of the self-providence of the masses. It is a national error of development to foster a dependence of the masses on a bureaucratic state. This is another form of dispossession and is a sort of internalised colonialism. As a facilitator of self-providence, the role of the state is to formulate and coordinate facilitative national social development policies financed with the new grant currency. But the agency should be left to the motivated self-organisation of the masses. They have the talent, the creativity, the self-organisation potential, and the will. They also have the need. Moreover, the government lacks the capacity to match the implementation need to deliver the required services in the required time and quantity and at the required quality. This last is simply an incontrovertible fact which has already been painfully demonstrated.

Importantly, the role of implementation of social development policy and programmes should be devolved in an organically decentralized manner to the communities themselves in partnership with an energised civil society. That is where there lies the latent capacity and potential for mass service delivery in sufficient quantity and quality and with the right speed and sensitivity to local needs, including the necessary intimate knowledge of highly particularized special conditionalities and social peculiarities.

In closing Mr. President: no matter what anyone else tells you, the future lies in Africa and you should not be shy to Africanise. Be proud of Africa: for the seeds of the new lie on this very old continent. Africa, I promise you, will teach the world the new and proper way to be -- which is the way it was when we were who we really are. And we are here!

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This is the second in a two-part series first published in The Cape Times, South Africa.

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