

DESIGNING A MIRACLE TO SAVE SOUTH AFRICA

New times call for new ideas. In a desperate situation, like that of South Africa today, some people may be willing to consider the new ideas that are on offer, going on the lookout for measures that might work. Others may have their minds already made up; they might be already sure that they know what miracle, if it would only happen, would save South Africa. A third group may be so confused and depressed that all they want to do is crawl in a hole and die, or --what may be psychologically the same thing-- kill someone or set something on fire. This article is an offer of new ideas, designed to be food for thought for the first group, the questers; to question the certainties of the second group, those on either the right or the left or in the centre who believe the right path is known but just not followed; and to inspire hope and clarity in the third group, those whose emotions are deep but whose thoughts are muddled and incoherent.

I organize my offer of new ideas around a quote from Amartya Sen: "I must confess that I find it altogether difficult to be convinced that one's scepticism of unrestrained capitalism must turn on such matters as the usefulness of aggregate capital as a factor of production... rather than on the mean streets and strained lives that capitalism can generate, unless it is restrained and supplemented by other often nonmarket-institutions. " ¹

¹Amartya Sen, Sraffa, Wittgenstein, and Gramsci. *Journal of Economic Literature*, Vol. 41, No. 4 (Dec., 2003), pp. 1240-1255 at p. 1247.

The first clause of my quote from Sen alludes to technical arguments that debunk the theory –unfortunately too common in the higher echelons of South African society and in the technocracy- that being business-friendly means raising profits to get more investment and more jobs. As its National Development Plan (NDP) duly notes, South Africa is already a high-profit country. The coexistence decade after decade of high profits and high unemployment should in itself be sufficient to open the minds of those who assume without question that the raise-profits-to-get-jobs theory is true.

The theory that jobs will be created by raising the returns to capital has, in any event, been bogus for a long time. Already in 1873, Walter Bagehot wrote in his classic account of how the money market works, *Lombard Street*, “we have entirely lost the idea that any undertaking likely to pay, and seen to be likely, can perish for want of money.”² If that was true in 1873, how much more is it true today! Today when the world is awash with speculative capital floating around the world in a casino economy!! Today when highly paid shady characters invent one Ponzi scheme after another to turn money into more money in a world where the opportunities for profitable investment in the real economy that hires people to produce goods and services are few and far between!!!

² Walter Bagehot, *Lombard Street*. London: Henry S. King, 1873. p. 2.

It is bogus to say that production happened because capital became available, because today capital is always available. It is more accurate to say that in a capitalism system, production either happens or does not happen depending on whether investors see opportunities for making enough profit to justify the investment. To be more specific, the projected return on investment (ROI) should cover the cost of capital plus enough value to motivate the entrepreneurs and everyone else whose consent is required. Keynes adds “animal spirits,” claiming that investment would be far less than it actually is if it were motivated only by rational calculations of returns

Those who have grasped the concept that there is no simple causal relationship between raising returns on capital and creating employment opportunities for the poor, may be ready to question other aspects of conventional wisdom. They may be ready to question following the advice of foreign advisors like Dani Rodrik³ and Ricardo Hausmann, who invariably advise sweetening incentives for foreign investors. They may be open to giving priority not to pursuing development by subsidizing new enterprises, but by improving working relationships with companies that already operate in South Africa. They do not need expensive wooing. They already make profits and generate a surplus. (By a “surplus” I mean, roughly, income above and beyond all their costs, normal profits⁴, and reasonable⁵ executive salaries.)⁶ They

³ Dani Rodrik (2008). *One Economics, Many Recipes*. Princeton NJ, Princeton University Press. Hausmann directs the Center for International Development at Harvard.

⁴ I take normal profits to be what Alfred Marshall called the supply price of the business man’s abilities. They are profits large enough to make it worth the while of the entrepreneur to continue to engage in business, and –which is part of the same thing—to retire debt and to make other necessary payments properly made from earnings. They are what it costs society to pay for and enable the services of the entrepreneurs who organize the creation of goods and services. Alfred Marshall, *The Theory of Business Profits*. *The Quarterly Journal of Economics*. Vol. 1 (1897). pp.477-481.

⁵The astronomical salaries of some executives, especially in the United States, should be regarded as lost opportunities to transfer surplus to where it is needed. There is no evidence that they reflect superior performance. See Thomas Piketty, Emmanuel Saez and Stefanie Stantcheva, *Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities*. *American Economic Journal: Economic Policy*, Vol. 6 (2014), pp. 230-271.

⁶ David Ricardo in his *Principles of Political Economy and Taxation* (1817) argued (actually echoing some similar thoughts already found in Adam Smith) that the rents (surplus) of agricultural landlords (and by extension the proceeds of the sale of any natural resource) were especially appropriate funds to tax to pay the expenses of the government. Ricardo’s main argument was that the landlord cannot evade the tax or pass it on to someone else, but there was always lurking in the background (again as in Smith) the point that the landlord did not do any work to earn the money; his rent was just a consequence of the superior fertility of land he happened to own, most likely because he had inherited it. (This point is diluted, but not destroyed by taking into consideration the fact that rent is paid not only for land as it comes from nature, but also for land as landlords have improved it.) A summary of the ensuing 19th century pre-Marshall controversies about rent by Joseph Schumpeter (in his *History of Economic Analysis*, New York, Oxford University Press, 1954, pp. 671-79) concludes that rent came to be regarded as some sort of Costless Surplus. In the similar language developed during the same time period by Karl Marx rent is a charge made for a Gift of Nature, although Marx also wanted to say that in the last analysis the source of all three of what he called the Holy Trinity –rent, interest, and profit-- is the extraction of surplus-value (*Mehrwert*) from labour. Alfred Marshall in his *Principles of Economics* (1st

serve market niches that have already been proven to exist. To work with existing business in South Africa, the principles of Corporate Social Responsibility and Corporate Citizenship do not need to be established. They are already established. The major foreign firms already doing business in South Africa do not need to be introduced to the concept of creating shared value. It is already part of their working vocabulary. Improving working relationships is not expensive: Don't tie them in knots with unnecessary bureaucracy. When they do something good, celebrate it. Assign officials with pleasant personalities to deal with them, not pretentious petty tyrants. Answer their phone calls. Reply to their e mails.

The real problem, which needs to be understood in order to create real solutions, is not raising capital. It is not solved by running around the world trying to persuade people with money to bring their money to South Africa.

edition 1890, 8th edition 1920) defended Ricardo against his critics, finding something right in the general idea that rent does not enter into the costs of production. Marshall defines specific kinds of rent (quasi-rent, which is a bonus for Lucky One who owns something that fetches a price higher than its cost of production because producing it takes a long time, so until production catches up to demand Lucky One benefits from its temporarily high price; and Locational Rent, e.g. the rent paid to put a restaurant in an airport, that derives from the scarcity of locations and the extra money to be earned because of having a good one.) These and other themes in the history of economics give credence to the idea that earnings that (1) represent little or no effort by the earner and/or (2) are not needed to motivate production, are especially appropriate sources to tap to fund the post-1948 guarantees of social rights such as health, housing, pensions and employment. Among those who propose to capture rents (surplus) to fund social programmes today are the authors of South Africa's National Development Plan and Joseph Stiglitz in the white papers he writes for the Roosevelt Institute in New York. www.rooseveltinstitute.org. My own view seeks to draw credibility from all of the above, but it has some wrinkles of its own: following Schumpeter's theory of innovation, it gives scientists, inventors and entrepreneurs credit for creating surplus; it adds normal profit to the cost of production before calculating the surplus; and in the end, mine is an ethical theory and not an economic theory at all. It requires practical judgment (Aristotle's *phronesis*, and the broadly based ethical rationality advocated by Amartya Sen in *The Idea of Justice*. Cambridge MA: Belknap Press. 2012,) to decide what should and should not be counted as surplus. More references and more detail are given in Chapter 8 of my forthcoming book *Economic Theory and Community Development*.

First let me say what I think the real problem is at the level of what I will call the Basic Cultural Structure (BCS) The BCS is more fundamental and more general than the more specific set of institutions called “capitalism.” Capitalism presupposes it. Briefly: the BCS is the private law framework for business historically derived from mainly from Roman Law in early modern Europe, and brought to Africa from Europe.⁷ The BCS provides the rules that constitute markets. They relate human beings to each other as buyers and sellers.⁸ By phrasing the main issues in terms of deep cultural structures created by human beings over the course of time and in terms of how culture interfaces with nature, I am widening the context, bringing into view problems and solutions that are invisible when the focus is narrower. When I do use the word “capitalism,” I mean by it a system whose dynamic moving force (and criterion for rational decision-making) is accumulating capital.⁹

I would be dishonest if I did not acknowledge that according to my general point of view, the prospects for human survival are bleak without culture shifts and without transformations of basic social structures (like property, shifting from what Fritz Schumacher called “institutionalized irresponsibility”¹⁰ to “institutionalized responsibility”). Unfortunately, I cannot do much more than assert my general point of view here.¹¹ I will be more specific about the more specific problem of funding the inclusion of the excluded.

⁷ See Karl Renner, *The Institutions of Private Law and their Social Functions*. London: Routledge, 1976.

⁸ Theodor Adorno calls relating by market exchange the *Tauschprinzip* and attributes many of our troubles to it. *Negative Dialectics*. London: Routledge, 1966.

⁹ Karl Marx coined the term “capitalism.” In Chapter 25 of *Capital* he implies the definition of it I am using. He can also be read as defining capitalism as a system where everything—including people, land, and money—becomes a commodity for sale; and as defining capitalism in terms of the wage relation, which makes profit possible by extracting surplus value from labour, thus privately appropriating the social product.

¹⁰ E.F. Schumacher, *Small is Beautiful*. New York: HarperPerrenial, 1989.

¹¹ For more detail see my two-volumes-in-one *Letters from Quebec*. San Francisco and London: International Scholars Press, 1995; and my prose poem *The Nurturing of Time Future*. Lake Oswego OR: Dignity Press, 2012.

At the level of the BCS, that is to say. at the level of the language-games-with-money people in modern societies play every day, the main problem in creating enterprises in order to generate employment is *finding undertakings that pay*.¹² The foolishness leading South Africa and the rest of the world down the Road to Nowhere, is that while undertakings that pay are becoming scarcer and scarcer, governments are working harder and harder to create them where they would not otherwise exist, spending themselves into debt and risking default in the process.¹³

Second, and more fundamentally, at the level of the physical bottom line, down at the level where the stomach growls with hunger and the fists clench with rage, the real problem is meeting human needs in harmony with mother nature. It is not, strictly speaking, a conventional job that humans need. It is a decent livelihood that brings with it dignity, self-esteem, physical health and mental health.

¹² Thus, John Maynard Keynes remarks that the economic problem has always been the problem of the weakness of the incentive to invest. *General Theory*. London: Macmillan, 1936 and successive editions. p. 347.

¹³ James O'Connor. *The Fiscal Crisis of the State*. New York: St. Martin's Press, first edition 1973. One of O'Connor's main points is that it is not the welfare state that is primarily responsible for governments running up unpayable debt. It is the cost of promoting business. That cost includes infrastructure, security, R and D, much of education and training, and the revenue lost by having to shift tax burdens onto people with comparatively low incomes, for example by the Value Added Tax.

From my general point of view, the cultural level (the BCS) is out of synch with the physical level. The human species evolved as a species whose ecological niche is culture. Culture is the adaptive mechanism *par excellence*. Culture and all the features of the human body that make culture possible¹⁴ empower humans to learn, and to pass on learning to the young through education. But under the rules of the game of our currently dominant BCS, we learn to measure the rationality of decisions with numbers that count money. Meeting the physical needs of our brothers and sisters in harmony with mother nature is not even the purpose of human action, and therefore cannot be expected to be its result. Making money is. Measured by the physical bottom line, decisions made taking money as the bottom line criterion are often irrational, and disastrously so. What is required is a different interface of culture with nature.

¹⁴ Nancy Tanner, *On Becoming Human*. Cambridge UK: Cambridge University Press, 1985.

My general claim that the persistent failure to solve the problems of poverty and ecology is due to inhumanity hard-wired into deep structures could be made about any country in the world.¹⁵ It is made poignant in South Africa by the Freedom Charter of 1955, the Constitution of the Republic of South Africa of 1996, and the National Development Plan of 2012. They were three blueprints for a new social order. Their promises have been broken. I believe that it is not too late to keep their promises, but only if we reconceive social change at the level of basic cultural structures, at the level of the spirit of *Ubuntu*.¹⁶ Do you remember *Ubuntu*? Traditional African values, skilfully blended with Christianity by Desmond Tutu, came close to becoming South Africa's official national philosophy in 1994-1995 at the time of the Truth and Reconciliation Commission. It cannot be a coincidence that as the immediate danger of civil war faded away the vogue for proclaiming the sisterhood and brotherhood of all South Africans tended to fade away too.

What would the world be like today if from the 17th to 19th centuries Europe had not conquered Africa and imposed Roman Law, but instead Africa had conquered Europe and imposed values like those Tutu and Mandela and many others attributed to *Ubuntu*? Although this is an unanswerable question, I suggest that it is a good question to ponder when thinking about how to design for the future what Martin Luther King Jr. called one World House for one Human Family.¹⁷

¹⁵ They are made analysing Spain, Sweden, Austria, South Africa, Indonesia, Venezuela and the World Bank in Howard Richards and Joanna Swanger, *The Dilemmas of Social Democracies*. Lanham MD, Rowman and Littlefield, 2006. (henceforth DSD)

¹⁶ Catherine Hoppers and Howard Richards, *Rethinking Thinking*, Pretoria: University of South Africa, 2012, contrasts the BCS of *Ubuntu* and the European BCS with roots in Roman Law. See also Mfuniselwa Bhengu, *Ubuntu: The Global Philosophy for Humankind*. Cape Town: Lotsha Publications, 2006.

¹⁷ Martin Luther King, Jr. *Where do we Go from Here? Chaos or Community*. Boston: Beacon Press, 1967.

My advocacy of working in a spirit of traditional values that stress social responsibility, with existing undertakings that demonstrably do pay, rather than force-feeding capitalism to try to expand it to make it do what it does not do—namely, provide a decent livelihood for everyone who needs one—runs into an obvious challenge: Then how will the excluded be included? If not by the magic wand of government spending, tax breaks and labour “discipline” designed to coax into existence businesses that will hire the unemployed, then how?

Answering this question with new ideas that begin by contrasting (a simplified account of¹⁸) the Roman and liberal cultural hard wiring of Europe with the (idealized) *Ubuntu* and communitarian cultural hard wiring of Africa¹⁹ leads me back to my quote from Amartya Sen:

“I must confess that I find it altogether difficult to be convinced that one's scepticism of unrestrained capitalism must turn on such matters as the usefulness of aggregate capital as a factor of production... rather than on the mean streets and strained lives that capitalism can generate, unless it is restrained and supplemented by other often nonmarket-institutions. “

¹⁸ For a more detailed account of the European historical origins of the BCS that now organizes the global economy and the world juridical order as well as the rule of law within most nations, see Costas Douzinas, *The End of Human Rights*. Oxford: Hart Publishing, 2000.

¹⁹ Michael J. Battle, *A Theology of Community; The Ubuntu Theology of Desmond Tutu*. Cleveland OH: Pilgrim Press, 2000. It should also be mentioned that the idea of *Ubuntu* has been important enough that there is a considerable literature written by authors who denounce it.

The second clause of the quoted text is even more important than the first. I underline Sen's words "supplemented" and "non-market." As Sen and his co-author Jean Dreze say repeatedly, the market is only one way to provision the people with what they need, and often not the best way. In principle there are innumerable ways to mobilize resources to meet needs. The short answer to the question how those for whom private business provides no jobs can be included has two parts: (1) In an *Ubuntu* social structure they are never excluded because they are always family; (2) When it comes down to practical questions about putting food on their plates and music in their hearts, the answer is that there are innumerable ways to do it. There are all the market ways and all the non-market ways. Even if one way is not finishing the job and needs to be supplemented, the number of remaining possibilities is still infinite.

Examples of supplementing capitalism with non-market institutions can be drawn from South Africa's Community Work Programme (CWP). CWP has a mandate from Cabinet to use public employment to catalyse community development. Why does it have that mandate?

Because the government is underfunded and deeply in debt. To make the human social rights promised in the Constitution real, the government needs all the help it can get. Community development mobilizes private sector resources to multiply the impact of scarce public-sector resources. For starters, it mobilizes the resources of the poor themselves. For example, at Orange Farm south of Joburg, ex-con CWP participants use their skills in drama and poetry, and their knowledge based on their own experience, to deliver valuable advice to future ex-cons by putting on performances in jails for prisoners who are about to be released. As frequently happens in CWP, because they are motivated by their mission they put in many more hours than they are paid for.²⁰

Because everybody has emotional and social needs. Emotional and social needs evolved with the human body over many thousands of years, and they are still evolving. People need caring and reliable attachment to other people²¹. Community building in CWP at its best (not at every site) recovers in the 21st century some of the togetherness of belonging to an ancient clan, while providing the dignity of meaningful work so necessary for the self-esteem of people today. It is not just about money. The participants in CWP at Erasmus near Pretoria have taken community seriously by organizing themselves into committees to be sure nobody is forgotten or uncared for and no aspect of general welfare is neglected. There is a committee for looking after the elderly. There is a committee for the ill. There is a water committee. And so on.²²

²⁰ Malose Langa, Orange Farm Final Report. Johannesburg, Wits University CSV SAIC Urban Violence Project, 2015. p. 70.

²¹ See the works on attachment in infancy by John Bowlby and Mary Ainsworth, and Shirley Lampkin and Lois Ritter, *Community Mental Health*. Burlington MA; Jones and Bartlett, 2010.

²² The observations regarding Erasmus and Alex are as of my visits in 2013. At Erasmus CWP blends with traditional authority.

Because we must prepare for the future. In an old church in the part of Joburg called Alex (Alexandria), you can see young CWP participants practicing their song and dance routines. They must audition to qualify. They must work hard work to succeed. They get recognition doing performances in local schools. The message for the schoolchildren is: Here on the stage are healthy happy young people who do not do drugs! In the future –which is already arriving with the mechanization of the mines and the loss of most of the jobs in the jewellery industry to 3D printers—advanced technology will make most labour redundant and most conventional economics irrelevant, but humans will still need meaningful lives and self-discipline.²³ That is why what is happening at the old church in Alex is cutting edge.

The examples must not be allowed to eclipse the general principle. Echoing Sen and Dreze, and in the light of the big picture of the long evolution of human and especially African cultures, Gavin Andersson has formulated the general principle as Unbounded Organization (UO).²⁴ It means alignment across sectors for the common good. Part of the history that led Gavin to the idea was the alignment (not without glitches) of government, banks, builders and people’s self-help housing organizations that built three million homes and cleared many slums.

UO is not a recipe. It is an attitude: Serve. Do what works. Collaborate.

²³ Jeremy Rifkin, *The Zero Marginal Cost Society*. New York: Saint Martin’s Press, 2016.

²⁴ Gavin Andersson and Howard Richards, *Unbounded Organizing in Community*. Lake Oswego OR: Dignity Press, 2015. See also other works by Andersson and the website www.unboundedorganization.org

Simple enough. UO says nothing that the world's great religions have not been teaching for ages. So why is social justice so hard to get that it requires a new concept to get it? I think I have an insight to share about why in today's ultra-capitalist global economy it is so bloody hard to put UO or any other transformation of capitalism into practice. My insight is not gloomy. Figuring out *why* it is so hard leads to figuring out how to make it easier.

The insight I am about to share sees the homeostatic character of capitalism. I was led to think of it by living through the Chilean military coup of 1973.²⁵ Like any other homeostatic system, capitalism defends itself when perturbed. Its stubborn resistance to change—even when change is in the best interests of everybody-- is not mainly due to the liberal individualist ethics and the mainstream economic theories that support it, nor to the way the news is slanted in the mass media. It is due to objective necessity.

²⁵ My wife wrote a novel about our experiences and those of our friends in and after the Chilean coup. Caroline Richards, *Sweet Country*. New York: Simon and Schuster, 1979.

The system defends itself with the scarcity that ensues when it is attacked. Human life has come to depend physically on the accumulation of capital, in other words on profit-making. When the dynamics driving accumulation are perturbed, people have to do things like standing in line for hours to buy bread, as I myself did in Chile in 1973. Overwhelming forces press for restoring accumulation. It does not matter whether the system is perturbed, as Friedman or Hayek would say, because Keynesianism or populism or Marxism led to policies that undermined investor confidence; or because, as Kalecki says often happens, those who have economic power slow the economy deliberately for political reasons; because, as Marx, Luxemburg and in his own way Schumpeter point out, liberal capitalism is unstable and inevitably self-perturbs itself; or because in the spirit of Pareto or more recently Luhmann, the homeostatic mechanism causes scarcity when it is triggered even though the human actors whose actions sum to this result are unaware of what is happening and why. Whatever the reason may be why the accumulation of capital stops working, the system defends itself by establishing or re-establishing a regime designed to favour profit-making.

Many books, as well as innumerable articles and TV presentations, have accused the ANC of perturbing capitalism. Their authors cite evidence to prove their case. High wages are driving away investment! Labour laws are driving away investment! Taxing capital gains is driving away investment! They do not see that the same evidence proves that there is something wrong with capitalism as we know it: namely, that it only works when it is unjust, and even then, it is unreliable. A somewhat smaller number of authors are quite sure that capitalism is the problem, and see the solution, implicitly or explicitly, in one form or another of worker ownership of the means of production. I am proposing what I believe are new ideas: the main failings of capitalism as we know it are symptoms of deeper problems at the level of the basic cultural structure, while capitalism, defined as a system driven by capital accumulation, can cease to be a homeostatic mechanism that punishes redistribution, and become a mechanism for the generation of a social surplus that can be used for such worthy purposes as funding community development. Community development in turn pulls together diverse resources to organize livelihoods for the growing numbers of people who are redundant in the labour market.²⁶

Designing a miracle to save South Africa begins by seeing the deep causes of South Africa's deep desperation in hard-wired deep cultural structures. It begins with a culture-shift to what Mahatma Gandhi called the first principle of non-violence: see every human being as a being with a soul, not just as an abstract belief, but as an intense living faith.²⁷ Start meetings with prayer. End them with ceremony.

²⁶ Peter Drucker expressed the somewhat similar thought that although a business cannot survive without profit, how the profits are distributed and to whom is a political question. Peter Drucker, *Business Objectives and Survival Needs*. *Journal of Business*. Volume 31 (1958) pp. 81-90 at p, 87.

²⁷ Howard Richards and Joanna Swanger, *Gandhi and the Future of Economics*. Lake Oswego OR: Dignity Press, 2013.

Ubuntu begins with ceremony. When a child is born into the community, it is first held by the grandparents, because the grandparents will be the next to depart for the spirit world, from whence the child has just come. Thus begins a life-long process of education by ceremony. Admittedly, there are elements of fiction here, but there are also elements of fiction in the fact well-known to child psychologists that if the parents expect a child to be a good child who will grow up to be well-behaved, then what they expect will probably happen. This is a fiction at age zero, because at age zero nobody knows how a child will turn out at age 5, 10, 15 or 55. If, on the other hand, it were a fact that in their deepest hearts of hearts all human beings are assholes, it would be a fact best not mentioned.²⁸

Unlike *Ubuntu*, which grew gradually in Africa, the principles of the now prevailing rule of law were built in Europe in the 17th and 18th centuries, using principles of Roman Law that had already been constructed in the year 533 when the Emperor Justinian promulgated the *Institutes*. They are enforced today by the World Trade Organization and by the courts of almost every country. They make it impossible for democracies to compel the 1% who own most of the wealth to share it.²⁹ Reading between the lines, one can tell that even Thomas Piketty does not believe in the practicality of his own proposals for taxing inherited wealth. He confesses frustration that neither he as an academic researcher or the world's tax collectors really even know how much wealth there is and who owns it, in which fiscal paradise it is hidden, or in the names of what legal fictions it is titled.³⁰

²⁸ The evolutionary biologist David S. Wilson emphasizes the indispensable roles that fictions have played in the evolution of human cultures in *Darwin's Cathedral*. Chicago: University of Chicago Press, 2003.

²⁹ The fundamental legal barriers separating social democratic governments from the resources they need to run a welfare state were discussed by Jurgen Habermas in *The Legitimation Crisis*. Boston: Beacon Press, 1975.

³⁰ Thomas Piketty, *Capital in the Twenty-First Century*. Cambridge MA: Harvard University Press, 2014. Further details on why it is impossible to sustain a social democratic welfare state without a culture shift at the level of basic ethical/legal social structures are given in *The Dilemmas of Social Democracies* previously cited.

Nevertheless, the wealthy can voluntarily share their wealth if they choose to do so.³¹ They can accept the principle that if human rights, like those guaranteed in the South African Constitution, are really rights, then it is everybody's job to make human rights real, and not to allow them to lie stillborn as dead letters on paper. It is not just the government's job. Those of us who possess the means to do so (I include myself because although I am not rich I do have more than I need) can discreetly support community development. Being discreet and supportive, rather than conspicuous and commanding, is called for to avoid taking away poor people's ownership of their own efforts to mobilize their own resources to help themselves and to help each other. Everybody, even the 1%, can become partners in Unbounded Organization. Being genetically similar to the 99%, the 1% have the same capacity for empathy everyone else has.³² Moreover, it is in their own vital interest to cooperate with everyone else in reweaving the shredded social fabric; in stopping the juggernaut advance of drug culture, youth gangs and crime; and in staving off ecological disaster. The ship is sinking. When it goes down, the passengers in the first-class cabins will end up with everyone else at the bottom of the ocean.

³¹ They usually do, both by working when they do not need to work, and by contributing to causes. ³¹ Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez, The Top 1 Percent in International and Historical Perspective *The Journal of Economic Perspectives*. Volume 27 (2013) pp. 3-20.

³² Martin Hoffman, *Empathy and Moral Development*. Cambridge UK: Cambridge University Press, 2000.

All that being said, and never underestimating the power of charm; not forgetting for one moment that Arnold Toynbee drew from his twelve-volume study of history the general conclusion that civilizations are on their way up when elites rule by charm, and on their way down when elites rule by force; and always eschewing divisive rhetoric; it remains to ask whether democratic governments have any real capacity to govern. When and if it comes down to playing hardball with capital; when and if there is a democratic government determined to negotiate the best deal possible for people and planet; then, is the bottom line still going to be that the promise of the People's Charter "The people shall govern!" will be forever an empty promise? Or is real economic democracy a real possibility?

Here I return to where I began. If minds and hearts continue to be dominated by the thoughts and sentiments inspiring what I have called the Road to Nowhere, then the answers are, respectively, yes, democratic self-governance will always be an empty promise, and no, economic democracy is not a real possibility. Democratic governments will continue to impoverish the public purse, taking one measure after another making the rich richer than they already are, for the sake of wooing reluctant new investors who know full well that everything customers really need and will to pay for is already being produced with efficient methods and sold at affordable prices by existing firms.³³ In this poker game capital holds all the aces. Democracy folds whenever it fears capital flight, negative GDP growth, credit rating downgrades, or the devaluation of the rand.

³³ A similar obstacle, a shortage of paying customers, stands in the way of lifting the poor out of poverty with Grameen-style microcredit and other schemes for incubating micro-enterprises. This point is discussed in detail in Chapter 3 of my *Economic Theory and Moral Development*, forthcoming from Dignity Press.

There is, however, as I have been saying, a Road to Somewhere, strewn with the flowers of everything your mother ever taught you about right and wrong. Supplement. Gradually repeal the veto power of capital over public policy by gradually strengthening non-capitalist sectors. There are many. Cooperatives, employee-owned enterprises, small businesses that support a family but do not accumulate capital, non-profits and the public sector are just the beginning of an infinite list. Even a big private business can become non-capitalist by becoming mission-driven,³⁴ treating profits as a means not an end; proudly generating a surplus above and beyond what is needed to keep itself running, and then delivering the surplus either to the government as taxes or to its own charitable foundation, or to both. To go Somewhere instead of Nowhere, the government should think of itself less as a marketing firm devoted to selling South Africa in the global marketplace, and more as a friendly licensing agency, working with existing firms occupying existing market niches to enhance their contributions to the common good. But it can only get away with being a friendly partner and gatekeeper for existing business, if it –or somebody, or everybody—practices UO. At least some of the supplemental and often non-market alternatives -- the infinity of other ways of provisioning-- that Sen and Dreze and Andersson envision, have to materialize. Otherwise calling on companies to be good corporate citizens may have charm but it will not have clout. The government will be so desperate to see jobs, any jobs, that it will license any company that agrees to withdraw its threat to close.

³⁴ Nick Nanton and JW Dicks, *Mission-Driven Business*, .Winter Park FL, Impact Publishing, 2014; James Collins and Jerry Porras. *Built to Last: The Successful Habits of Visionary Companies*. New York: HarperBusiness, 1994.

I have also been implying, if you read between the lines, that it is one thing to transfer surpluses created by private businesses to fund community development and non-mercantile employment against the tacit background of a dominant liberal culture whose central ethical and legal principles are freedom and property; while it is quite a different thing to transfer them against the tacit background of a traditional communitarian ethic. In the latter case serving others is what each of us is born to do; it is dharmic living; it is stewardship of our gifts; it is what it means to be human; or it is something similar expressed in the vocabulary of some other tradition. Transferring resources to where they are needed is part of the cultural ideal. I know I am simplifying, but I believe I am simplifying in a way that reflects the observed fact that what is horrifying and immoral to some is virtue to others, and vice-versa. I am cautioning that following the practical advice of economists like Amartya Sen and Jean Dreze will be difficult without a culture shift toward the communitarian end of the spectrum.

Infinitely more could be said about how the citizens of an economic democracy might organize and continually re-organize their common life when and if economic democracy becomes possible. Indeed, it is of the essence of democracy that (1) its conversations never end; and (2) its institutions never assume final, fixed forms. But instead of saying more now on that or any other topic I think I should stop and hope for feedback. I believe, perhaps mistakenly, that I have already succeeded in briefly introducing the most important considerations to bear in mind to achieve a turn-around for South Africa. What do you make of all this? I am waiting for your comments.

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