

## LOCAL ECONOMICS

Yesterday I had an extremely difficult time because I thought I needed to be a pedagogue, a teacher; this is no place to be a teacher. I attempted then to deal with the flow of the method relative to rapid and profound social change. Today I wish to clarify our philosophy within the consult in relation to local economics.

LOCAL  
COMMUNITIES

The category of local man has consumed my attention recently. A little over a year ago I suddenly became very clear that a major issue in the world today was local man. I've had my intuition expanded since then to encompass local community. There is nothing less than a world wide move toward taking the local communities of this world with new seriousness. I am tremendously impressed with the new village movement in Korea through which thirty-five-thousand small villages are being completely reconstructed socially and economically. In india in the last few weeks I have seen what I almost don't believe yet: a nation wide new village movement. The minister of Energy in Mrs. Gandhi's cabinet told me that when Gandhi died the people had to make a decision as to whether to move toward developing a village in which Gandhi was interested, or to develop the heavy industry of the nation. They chose to first develop heavy industry. Now that job is done and the whole nation, both on the governmental and private levels are turning their attention together to the rural villages. With this move there must come a new kind of emphasis upon local economics.

GLOBAL  
ECONOMY

In our life time the economic experts have focused fanatically upon what one might call "global economy." But before some of us in this room die, we are going to see a whole new economic philosophy created. I will refer to this as local economics. Because any kind of serious community development must emphasize both social and economic aspects, the serious developer must already forge his own principles of local economics. The operating principles of this consult are five.

FIRST  
PRINCIPLE

First, one must accomplish the extremely difficult task of abstracting a given local community from its outside economic relationships. For instance, to move the economy of Kawangware one must imagine Kawangware as a separate economic entity, divorced from its relationships with the next village, or the district or Nairobi, or the nation. Now later on one must go back and relate it to each of these larger contexts, but to begin with it must just be considered in isolation from any more

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inclusive economic entity. I work at doing that in my mind by thinking of a place such as Oombulgurri or Kawangware as if it were a nation like the United States or India or Kenya.

SECOND  
PRINCIPLE

When this is accomplished, imaginably, one is ready for the next step. This is to attract as many monies as possible to flow into the "nation" of Kawangware. This of course involves generating as many agricultural and industrial exports as possible. It also involves providing external services for other communities. In this situation it means seeking employment outside the boundaries of the village, such as in Nairobi, and bringing the salaries back into the community. It means attracting as many visitors as possible into the community to make purchases in this village, for example, through your market. In certain instances this could develop into a kind of tourism, which although difficult, is not impossible for a place like Kawangware. This involves finding the ways and means for increasing the capacity of the community for loans, and especially for extending credit lines as far as is reasonable. In this moment in history places like Oombulgurri and Kawangware have an unbelievable potential source for funding through government and private grants of money or in-kind donations. The point of this is not to have the community or its residents become rich. It is to attract monies into the community.

THIRD  
PRINCIPLE

The third principle is to keep as much of that money in the community as possible for as long a time as possible. This can be accomplished by locally producing as many of the usable goods for the community as possible. This is accomplished by eliminating the outside middle man, by bringing wholesale outfits into the community, and by locally merchandising as great a variety of goods as possible. It is also done by locally providing as many of the village's services as possible. Whether I am right or wrong you can understand why I would be interested in seeing bamboo grown here. I would also be interested in seeing trucking services being done in the community without paying extremely high fees to have outside truckers providing the local service.

FOURTH  
PRINCIPLE

The fourth principle is maybe the most important: to circulate that money as rapidly as possible in order to accelerate circulation within the community itself. This means that when monies come into the community, they must turn over nine or more times before flowing out again. An overly simple illustration of this principle is as follows: the government pays the school teacher in Kawangware a monthly salary; the teacher puts it in a local bank; the bank lends it to a farmer to pay a waged laborer; the laborer goes to the grocery store to buy potatoes; and it continues in that way. You can see from this that if a man in Kawangware wished to become rich he would be interested, as I am in raising the income of each family from something like three

hundred dollars a year to 1,000 dollars--overnight, if it could be done. When you think of industry here you won't first of all want to be concerned with profit; your major interest will be in giving people employment. Then later, if profits come, that's fine, but profit is not the first function of an industry.

FIFTH  
PRINCIPLE

The last principle is that this whole separate economy that you initially abstracted from the more inclusive economics of the city, the nation and the globe must now be once again understood in relation to the more inclusive economics. With this principle, however, I'm still standing in Kawangware thinking in terms of the well-being of Kawangware, not primarily of the larger economy. You can see the necessity of doing here what is called for in relationship to the overall goals of Kenya and to its understanding of the priorities that the country as a whole needs. Then, of course, Kenya has to relate itself to the global economy which is the way by which Kawangware is tied into the global economy. I smiled, and at the same time became a little angry, at the farmers we brought into Oombulgurri, for their minds were set upon the world market. These men were useless to the Oombulgurri consult until they got that concern into perspective. The beginning point for effectivity is economic development on the local level which requires seeing the local community as an economic unit in itself. Its relationship to the global has only to do with servicing its own economy, which when made effective, services the globe. Tomorrow we will talk about our philosophy in relation to social development.

SOCIAL DEVELOPMENT

This morning we want to talk about inclusive principles in relation to effective social development at the grassroots level. These are the principles that were developed over eleven or twelve years of working in Fifth City.

GEOGRAPHICAL  
DELINEATION

The first one has to do with the forceful delimiting of the area. I use that word "forceful" for I am now persuaded that this is more important than I realized. Human suffering is so universal that if you do not put up iron barriers around the place where you're working your own instinct or concern with suffering will water you down in such a fashion that effectivity is not possible. To exaggerate, if you dare to be concerned about the other side of the road, there is enough suffering there that it will absorb all of your effort and nothing will happen on this side of the road. Of, if you too immediately go to the other hamlets, the deed there is so overwhelming that it will eat up all of your being and nothing will happen here.

REPLICATION  
PLAN

This is true anywhere in the world. For instance, in India there are three villages in close proximity: one is Dalatabad, one is Malawadi One and the other is Malawadi Two. It is going to be painful for the staff to work there because the people in Dalatabad say "Help us, help us," and the people in Maliwada Two are going to say, "Help us, help us," but if they allow their efforts to get outside of Maliwada One before a period of two years nothing will happen in any of the villages. The same is true in Korea. There are three villages: one bears the name of Kwangyung Il, or Kawangyung One; then there is Kawangyung Two and Kwangyung Three. They are all within a kilometer of each other. The desire in each village is to have something happen there immediately. But if our group allows itself to get concerned with Kwangyung Two or Three, nothing will happen anywhere. This is why it became urgent for us in Korea to deal in depth with the issue of replication--immediate replication. That was necessary in order to protect us from the villages coming in and saying, "Now work with us." In this way we could indicate to them that within a year, two years, three years, something could possibly happen there.

COMMUNITY  
GRIDDING

Another term for what I'm talking about is "gridding." This is necessary for an area which is not naturally delimited. It involves building imaginal boundaries around a community. It only becomes operable if you also internally grid it. When I first came here this time, I saw a huge area as that which had to be taken under consideration. After looking at it a little bit, I saw that even what is here in this larger area is too much. Therefore, one's efforts had to be delimited, restricted to Kawangware itself. In this whole area there is something like two towns and maybe eight hamlets. I think that you have to work in Kawangware, but there needs to be built a pattern of replication that will take into consideration the hamlets and other towns in time; otherwise we're lost. The crucial task is to grid this area very carefully, as well as to grid the town of Kawangware itself. You know you are going to have to move on the guild system and the stake system. Without a grid Kawangware is not isolated in such a fashion that you can operate with it.

The second principle is "comprehensiveness, or dealing with all the issues in a community. If you try to do community development by taking one particular issue you are wasting your time. I have been shocked by the amount of effort and money that the liberal mind-set has wasted in this world, especially in the urban centers of our country. If you are not willing to deal with all the issues, then stay away. In addition to this, they have to be dealt with all at once. Ninety percent of community development, of course, is human motivity. By dealing with all the issues all at once the most powerful and yet invisible

COMPREHENSIVE  
ISSUES

motivity factor of our whole method is released. I was amazed in Australia to find that when we went to Canberra to deal with the national government they raised the question, "Can't we do this one thing at a time?" We set there and tried to explain to them that if they wanted their money to be useful, the answer was "no." If they wanted to throw it away, why then they could do one program at a time, but it wouldn't accomplish anything. All of the programs must be done simultaneously, and when a timeline is set up it must cut across programs. If you ever see yourself timelining in terms of doing three programs this quarter and three more the next, in principle you are wrong. In the first week you have to tell yourself, you are starting. In seven days from that time if you have eighteen different programs such as we had in Majuro, then all eighteen have to be started the first week, even if you do nothing else than to put up a sign saying "Two years from now on this spot will be a new community center." That constitutes the beginning. Dealing with all the programs at once is crucial or you cannot sustain the local people who alone will do the community development.

DEPTH  
ISSUE

In the midst of this you have to deal with the depth human issue. Here my mind goes to Maliwada. I may change my opinion by the time we get through the consult there, but if somebody asked me now what the depth human problem is of Maliwada, I would say something like this: This village is at the foot of a huge Mountain. Some centuries ago Hindus moved into that area. The mountain is round, perhaps two miles around. The sides are carved in such a fashion that there is a wall thirty feet high of sheer rock surrounded by a huge moat outside. Then the people built underground tunnels that extend half a mile to watch places. It seems impregnable. Around that the people built a fort out of the stone. It is unbelievable. It has seven walls that you have to pass through to get to that rock which is the final defense. In the early days they called it Deogiri, which means the abode of God. The Muslims came in, and when they conquered that place they renamed it Dalatabad, which means City of Fortune. I thought that was rather interesting.

Maliwada is a little village at the foot of that mountain just outside the walls. Maliwada means "Farmer's Village." Here live the people whose ancestors supplied the labor for the building of the fort. Now they are sitting in a village that is absolutely broken down. Their collapsed buildings are right beside that fantastic building that centuries ago their ancestors created. Now they're broken down people without strength enough to do anything more than barely keep themselves alive. What is the depth human problem? I talked to an old man in Maliwada and pointed to the fort and asked, "Why can't they start building now?" He answered, "We can't do it, we don't have the drive, the initiative. But, if eight people like you worked with us, we could start tomorrow!" The depth human issue is standing

in the shadow of fantastic creativity of your forebears without enough get up and go to do anything. When our group goes there my guess is their first job is to pave the streets, and then to take one of those broken down buildings and put it back up. Now it is crucial to discern the depth human problem in Kawangware.

ALL  
AGES

Then you have to deal with all ages at all times. If you work with the youth alone the project will not be actualized. If you work with the preschool children alone you might as well save your energy. If you work with the elders alone, you're wasting your time. You must work with all phases all at once.

SYMBOLS

Finally, symbol is the key. The day you put up that sign which reads "You are entering Kawangware, the Town of Glory" you will have done it. You can sit around with your feet up on the tables from then on so long as you occasionally come out and dig sewers and pour concrete and renovate the market place. One of the first things I would do if I were assigned here is to buy a Guinea hen. I'd put it on the top of something like that telephone pole out there. Symbolism is key. For example, when you dig the drainage ditch, it is not the ditch itself that is important, it's the symbolism of that ditch. That's why it's so fanatically important to get it done. It's not that you want to get rid of unsanitary conditions of the toilets, or even the odor, it's the symbolism.

If you take this approach, effective accomplishment of social and economic development on the local level shall occur.

#### SOCIO-ECONOMIC DEVELOPMENT

DEVELOPMENT  
PHILOSOPHY

In these lecturettes at breakfast, we try to give the underlying philosophy of community development. On Monday, you remember, we dealt with the rational methodologies employed in the consult. On Tuesday we attempted, in a simple form, to give our philosophy of effective economic development on the local level. Yesterday we attempted to do the same relative to effective social change on the local level. Today, we're in an area in which I do not feel as clear; but it has to do with effective socio-economic development or the formation of the socio-economic project.

The first principle is that social development and economic development must go hand-in-hand. To do one without the other is to act in vain. In the West, for centuries, the emphasis was upon the social advancement or the cultural advancement of humanity. The economic was left to its own to grow up like a stray goat to the detriment of the masses of humanity. There

SOCIO-ECONOMIC

never have been poor in history like the poor that have come into the whole world as a result of that emphasis in Western civilization. This whole process has now been called into question as a result of this process. In the nineteenth century Marx switched the emphasis and stressed the economic to the detriment of cultural development. I believe that in our time it is simply astounding that we have seen and been persuaded that these two must move together; for this tiny, little term "socio-economic," is far more significant than it appears. Superficial social change only takes place when one of these is emphasized in abstraction from the other. Superficial social change also takes place when you emphasize simply the political. Indeed, when you emphasize radical profound social change in both the social and the economic at the same time, the political takes care of itself.

PUBLIC  
AND  
PRIVATE

The second principle is that the public and the private sector have to work together for significant, lasting social change. The public sector cannot do it alone. When it tries, it ends up in frustration; either nothing happens and they see that or they see that they have spent huge fortunes uselessly. One of the most important things that dawned on us was that whenever you deal with the public sector they're always concerned with all the villages--for example in Korea with 30,000--never with one particular village. The private sector is concerned with seeing something concretely happen in the particularity of one village. It is always more concerned with the human or social, whereas the public sector, whether or not they know it, always is concerned with economy.

INTERNA  
AND  
EXTERNAL

The third principle is that an effective demonstration project requires both the internal and external dynamics: the local people and the people from other places. We have already talked about that, so I will not say more, except to point out that, as we saw in the contradictions yesterday, no local community without the assistance of that which is objective to the community could even begin to be present to the underlying contradictions. For the underlying contradictions in Kawangware have more to do with what is happening in London or Bombay or Tokyo than with what happen in Nairobi. This has to do with the deep currents of history.

The fourth principle has to do with the local and the global. Without a perspective beyond a particular community one cannot effectively operate within that community. Finally, as beloved as our families are, as beloved as our communities are, if we cannot see beyond our fmailies and beyond our communities, we are not going to give ourselves to our families or communities, even though we may deceive ourselves that it is otherwise. The

LOCAL  
AND  
GLOBAL

young men and women of Kawangware, the old men and women of Kawangware are not going to give their lives to develop this community if they do not see that this also relates to helping communities in India, communities in Latin America, communities in Australia, communities in Europe, and so on. The other is true also, though I am not as much interested in that at this moment. Harry Bliss cannot pretend to be a global man if he does not concretize that globality in some place like Kawangware or Kwangyung Il.

CATALYTIC  
FORCE

The last principle is even less clear to me. It has to do with the fact that only local people themselves can accomplish the development of their community. Nobody from the outside can do it for them. However, if on Saturday when the consult is over all of us left, nothing would happen. It hasn't anything to do with the particular local people; it has to do with a social dynamic. This would be as true in Chicago where I live as it is true in Kawangware. Therefore, for a period of time, there is required in this community an external dynamic which sometimes, in Australia, they call an "auxiliary staff." At any rate, they are simply a catalyzing force. If this catalyzing force labors 24 hours a day themselves digging out the drainage ditches, themselves carrying rocks and laying them, as well as late into the night holding classes and courses for training, then such a staff is only needed for a relatively short time--one year, two years, three years. Their basic function is to provide incentive and to provide training. If they sit around on their posterior, then they are finally useless, for they are neither incentive nor are they a training factor. For this training is not basically classroom; it is slopping the pigs and calving the cows and cleaning the garbage out of the drainage ditches and spreading murram on the roads. It is done by example, not by pedagogy, not by teaching. If back in Chicago where I live I could speak the way you can speak, they would consider me an orator.



toward actualizing the socio-economic development project

