

Privatization: What? Whose?

by Sunny Akuopha

Since the mid 80s, the word “privatization” has entered the daily vocabulary of Africans, although few have any clear sense of what they mean when they say it. People speak of “democracy” in a similar way — because everyone else is talking about “democracy”. It is a pity that Henry George is not around to steer us away from the misery brought about by misunderstanding the concept of privatization — and I feel that georgists have a duty to cast some light on what privatization should be, so that proper recommendations can be made to the World Bank, the IMF, the UN and various national governments.

Which companies are being privatized today? State owned and operated companies, and state shares in companies. These assets were purchased with

- the taxpayers’ money directly, or
- revenues from the natural resources that belong to all citizens of the country, or
- external borrowing, repaid by the above two sources of revenue.

Who benefits from this privatization? Multi-national corporations, and a small core of well-placed domestic investors. The true owners — those who created the assets and whose wealth was used to “nationalize” them in the first place — are thus victims of their own industrious toil.

It is important to consider how stock markets operate in Africa and other developing countries. Most voters have no idea about the stock market’s role in the economy. The possessions that most poor and working people own are owned only informally — they are not “assets” in the modern sense, and such people have utterly no access to modern “financial” wealth. So, these people have no means of participating in the “capitalizing” of the nation’s assets — wealth that they have created. Under such conditions, the stock market can serve only to further concentrate wealth in the hands of the well-connected few.

If the citizens that vote in a country’s general elections do not participate in any privatization exercise, then it is clear that such an exercise is a sham, designed to rob the nation’s people. Nevertheless, we welcome the foreign investor, for his technical acumen and exchange, in the name of “world solidarity”.

We heard much stirring rhetoric about “Health for All, Shelter for All, Food for All, Education for All by the year 2000” but poverty and unemployment go on like a repeating decimal in the (continued on page 31)



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we more studies, more personnel analyzing the effects of the LVT shift, we could more effectively consolidate the progress made and move forward. There is ample work for each new class of people educated by our teams of georgist educators!

Unfortunately, there has not been anywhere near enough cooperation between our educators and our activists. Too much time has been wasted in pointless wrangling between two-raters and educators, each insisting that the other's program is utterly worthless. What nonsense! Others, thank goodness, support creativity where they find it in our movement, keep their eyes on the prize, and, egos in check, move the action forward.

That's not easy to do. There are many ways in which poor morale can hamper our efforts. If one has been teaching the same lesson, making the same pitch, for years with very little positive feedback, it is easy to fall into a sort of "autopilot mode". No one is listening anyway, so why work to improve one's presentations, techniques or materials? Here is an area where those pounding the drum for "professionalism" ought to be listened to. We should insist on competence, and we should unsentimentally monitor and evaluate our efforts. As much as possible without giving up the truth of our message, we should address people in terms that they can understand. One way to move toward this is to make it fun! If there are people who enjoy doing certain aspects of georgist outreach and demonstrate a flair for the tasks they do, why not let them do those tasks — and maybe even give them a few dollars for doing them?

On one hand, we have the power of the georgist message: eternal truths, of the utmost relevance; the only political-economic program that really has any long-term chance of delivering what it promises. One might think that, having such quality material to work with, we might proffer it with more verve, more gusto, than, lately, we do. If the early Christians had, after one century of work, spent their time wrangling over the control of what little kitty they had managed to collect, or debating about changing the name of their sect, where would they be today? ❶

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lives of Africans. Africa has entered into another millenium, lame and hopeless. African leaders talk about ten-year plans, but they don't mean it. They have absolutely no plans to change; the "privatization" process has placed them in charge in the first place.

The people must see that there is a moral basis of ownership, as George described — that natural law dictates what truly belongs to the community and what must belong to individuals. Today's brand of "privatization" flies in the face of natural laws and it is doomed to fail. ❷