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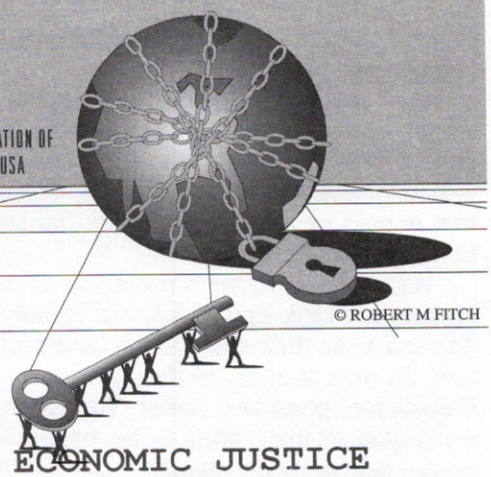

PEACE THROUGH CONFEDERAL DEMOCRACY AND ECONOMIC JUSTICE

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(The following scholarly essay, in part, was presented at the 2002 Council of Georgist Organizations conference session on the theme, "Peace, War, and Land Rights." It is reprinted here in full with the author's permission. Foldvary's articles on this theme have also appeared in "Land and Liberty" and "Geophilos".)

Social justice, based on individual empowerment and equal rights, is the key to peace. Social justice includes political rights such as voting, legal rights to equal treatment by law, and economic rights, the right to one's own labor and to an equal benefit of natural opportunities. Economic justice, as part of social justice, requires an equalization of the gifts of nature and a recognition of the supreme individual sovereignty of each human being. The way these principles can be implemented is with institutions that bring political power down to the local and individual level, equalize the rent of natural resources, and permit individuals to keep all their earnings and freely defend themselves from aggression.

Ethnic conflicts, violent political struggles, and thuggery by power seekers are afflicting peoples around the world. Key examples discussed below are the conflicts between Israelis and Palestinians, Kosovars and Serbs, Muslims and Hindus in Kashmir, Hutus and Tutsis in Rwanda, Bosnia and Herzegovina, the Chiapas Mayans versus the Mexican government, and the horrific mutilations by the rebel thugs in Sierra Leone.

The international response to conflict has typically been after-the-fact attempts at peacekeeping and democratic nation building. But these have been largely inadequate, and even if they receive greater support, such efforts just treat the problems rather than cure them. In the Biafra war, for example, aid to Biafra, while helping the Biafrans in the short run, helped perpetuate the war and suffering.

Attempts to create unitary democratic governments usually fail because in a unitary state one group must ultimately be dominant, and also because the underlying economic conflict, usually related to land, is left untouched. As Jack Snyder states, "As more people begin to play a larger role in politics, ethnic conflict within a country becomes more likely." Ethnofederalism, federal governing structures that divide government along ethnic lines while uniting the groups in a federation or confederation, is needed, rather than just a naïve imposition of voting. Even when a democracy is achieved, it can later collapse during a crisis, as did the Weimar Republic in Germany. Democracy and federalism must be combined with economic justice, grounded in a sharing of the benefits of the land.

An understanding of the remedy for such conflicts, as opposed to simply treating the symptoms with peacekeepers and aid, requires an inquiry in the causes. Despite the differing cultures and histories of these conflicts, they exhibit common themes and common causal origins. All these conflicts are rooted in social injustice with economic and political dimensions. The remedy for all these conflicts, as broadly described above, therefore has similar fundamental ethical, economic, political, and military dimensions.

The Israeli-Palestinian conflict is an archetype of ethnic conflict. Its roots go back thousands of years, and it is a struggle that has resisted solution because an understanding of the economic and ethical foundations has been lacking. It is the purpose of this paper to analyze these foundations in order to understand the remedies that are required for a lasting peace. Other conflicts will then be examined to see whether the proposed remedy for the Israeli/Palestinian conflict is general enough to apply broadly to ethno-territorial struggles.

I. Israel and Palestine

The heart of the conflict is the question of who has the proper claim to the land known through history as Canaan, Israel, Judea, Palestine, and the Holy Land. Going deeper, there is an economic and ethical question of what we mean by "the land."

The ownership of land has two basic components: 1) the right of possession, including the use of land and its transfer to others; 2) the right to the yield or return on the land, which for the pure land, excluding buildings and improvements, is land rent. Rights of possession are separable from rights to the rent.

The natural-law philosopher John Locke in his "Two Treatises of Government" stated that "The things of nature are given in common," whereas each person has ownership of himself. He then stated that one could claim possession of land so long as there was land (continued on page 2)

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of equal value freely available to others. If such land is no longer available, our common right to the natural heritage can be obtained by sharing the benefit of the land, which is economically manifested as its economic rent, the rent that is paid by a tenant that puts the land to its best economic use.

With respect to the possession of Israel-Palestine, according to Frank Epp, the Arabs identify with the Canaanites and base their claim to the land partly on this association, as descendants of the earliest recorded inhabitants. Palestinian peasants under Turkish rule perceived the ownership of their lands to be based on a long-standing possession and cultivation.

The Israeli-Jewish moral claim to the territory of Palestine derives from the historic Hebrew occupation of the land. The "Declaration of the Establishment of the State of Israel," enacted in 1948, begins: "Eretz Israel was the birthplace of the Jewish people." To Israelis, this moral claim was given international recognition when the League of Nations awarded Great Britain a mandate in Palestine whose purpose included "a national home for the Jewish people," so long as it did not "prejudice the civil and religious rights of existing non-Jewish communities in Palestine."

Some may claim that the Israelites lost title when they were slaves in Egypt, but Gen. 47: 13-20 relates that while Israelites were in Egypt, before they were enslaved, there was a famine in Egypt and Canaan. The Canaanites first bought food from Joseph on behalf of the Pharaoh, and when the money was gone, they sold their animals, and when the famine continued, they sold their land, and thus lost title.

There is therefore an ancient as well as historical basis for the possessory claims of both the Israeli Jews and the Palestinian Arabs. The reconciliation of these claims can be resolved in several ways; the three examined below are a unitary state, partition, and confederation.

A "unitary state" has a central government with constitutional authority over the entire territory. After the intifada, the violent struggle against the Israeli government, the major political parties of Israel abandoned attempting to govern the whole territory, and turned to partition, with Palestine demilitarized for an interim period.

But a two-state partition still would not satisfy the territorial aspirations of either side. In 1988, a study by Tel Aviv University's Jaffee Center for Strategic Studies examined various options for dealing with the occupied or disputed Territories. Regarding partition, the study warns of the danger that some Palestinians would still want to realize aspirations for a Greater Palestine. The Israeli settlers in the occupied territories would not leave without a fierce fight. Also, many Arabs within the pre-1967 borders would not prefer to live permanently in a Jewish state, with de facto discrimination by a state partial to Jews, even if the state nominally endows Arabs with political equality.

There is also a question of the economic viability of a Palestinian state. Since 1967 the economies of the West Bank and Gaza have become integrated with Israel, though with the intifada some movement in the opposite direction has occurred. The West Bank requires access to Gaza. Disputes over the use of water would require cooperative agreements. Conflicts that resulted in barriers to trade would cause economic havoc.

The third method of coexistence, as states within a confederation, could offer the benefits of unity without the danger of domination. As the American social philosopher and economist Henry George wrote, "warfare is the negation of association." Perhaps the reverse is true as well: association is the negation of warfare.

A confederate association would not interfere in the internal activities of the states. Each of the states, Israel and Palestine, would govern its domestic affairs as it saw fit.

The French called the eastern Mediterranean the Levant, from the "rising" of the sun. To give it a label here, let us call this joint-sovereignty government the Confederation of the Levant, leaving open the possibility of the inclusion of Jordan and other states in the future after peace has long been established.

The confederate concept is an idea that has been proposed previously. After the United Nations Committee on Palestine (UNSCOP) was established to study the Palestinian question and make recommendations, the majority proposal was for partition with economic union. The minority proposal called for a federation of an Arab state and a Jewish state. The federation would have authority for immigration. The Zionists favored the majority plan. The Arab governments rejected both plans, favoring instead a unitary state.

Binationalism also had an illustrious, though minority, following in the Holy Land. In 1925, Arthur Ruppin initiated Brith Shalom to promote a Zionism rooted in the "reality" of the territory, in the spirit of Ezekiel 34:25, "And I will make with them a covenant of peace." Binational sympathizers included Chaim Weitzmann and David Ben-Gurion.

Other organizations advocating binationalism included the League for Jewish-American Rapprochement and cooperation, 1939. Several parties within the Yishuv (the Jewish community in Palestine) endorsed the League's program of a binational state. In 1946, the League signed an agreement with Falestin-al-Jedida (the New Palestine) endorsing binationalism.

Martin Buber in 1921 ("A Proposed Resolution on the Arab Question") proposed a "just alliance with the Arab peoples," with "unhampered independent development" for each in a binational state. He also favored (in a 1939 letter to Gandhi) the "communal ownership of land" (citing Lev. 25:23) and "the independence of each individual". With "joint sovereignty," neither people need fear "domination by the other through numerical superiority," hence immigration need not be restricted. In a 1947 radio lecture in the Netherlands, Buber said, "The demands for an Arab state or a Jewish state in the entire Land of Israel fall into the category of political (continued on page 6)

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'surplus,' of the desire to achieve more than what is truly needed". Buber called the binational state an "intra-national approach". The two essential prerequisites for an agreement, said Buber, were "the precedence of economics over politics" and the "intra-national principle". In a 1956 article, "Socialism and Peace," Buber wrote that the only thing that can bring about peace in Israel is "a just distribution of the soil, and the formulation of small communities which would be organic cells of this new economy and this new society." But he said he had no blueprint of how to bring this about.

Binationalist Arabs included Adil Jabr, member of the Jerusalem Municipal Council, who drafted a proposal for a federated binationalist state in 1940-41, and Fauzi al-Hussaini, head of Falestin-al-Jedida. The Arabs who entered into a dialogue with Jews regarding binationalism "were regarded as traitors to the national cause," and some were murdered. After 1948, The Democratic Front for the Liberation of Palestine has favored a confederal state of the Yugoslavian model.

Noam Chomsky advocates principles for a settlement which include: no domination of one group by another, self-government for each nation, the ability of each individual to live where he chooses, and a state which is neither Jewish nor Arab but multinational. Chomsky suggests, as an alternative to the usual proposals, "parallel national institutions throughout the whole territory with a free option for each individual; and also the option of dissociation from national institutions with retention of full rights of citizenship for those who prefer." On the specifics, he added, "I will not sketch out details...."

The confederate plan presented here would bring back the minority federal plan submitted to the United Nations in 1947 by India, Iran, and Yugoslavia. The Indian representative felt that with partition, Jewish-Arab cooperation would be unlikely and there would be a constant danger of war. He was right.

The Confederation would have three main functions. First, it would establish courts to resolve disputes both among the constituent states and the citizens of different states. The Confederation would also have a police force for interstate matters and to help in law enforcement in border areas.

The second function of the Levant would be defense and foreign affairs. Israel and Palestine would still be considered international agents, able to maintain diplomatic relations with foreign states, just as the countries within the European Union do today. But the Levant would also have its own foreign service representing the interests of the Confederation.

Israel would retain its own defense forces, but could, at its option, gradually transfer some of its military to the Confederation as it gains confidence in its viability. The assumption of defense expenses by the Confederation would be an incentive for Israelis to transfer the forces.

Each state would elect representatives to the legislature of the Confederation. Following the U.S. model, one house could be elected on the basis of population, and the other (which I will call the "Senate" just to provide a label) could have a fixed number of representatives per state, protecting the interests of the smaller state.

A constitutional technique for restraining the abuse of power is to require supermajority votes, such as 60 or 66% to pass legislation. The Senate, where the states would be represented equally, would be able to block legislation, but this could be overridden by a 2/3 vote of the other house, thus requiring a large majority for controversial legislation without letting any two states block any significant legislation. The president of the confederation could be elected for a short one-year term, reducing the potential power of the executive.

Some Israelis might fear that even within a confederation, Palestine would be hostile to Israel. But two factors would diminish the potential hostility. First, a settlement of the conflict perceived as just by many Palestinians would remove the major cause of the hostility, the domination, humiliation, and perceived loss of identity suffered by the Palestinians.

Secondly, the economic dependence of the Palestinians on the Israeli economy makes it in the long-term interest of Palestinians to coexist peacefully. The violent uprising in 2000 by the Palestinians is a struggle against domination rather than an attempt at economic separation.

Some Israelis may fear that with this plan, Jerusalem would be divided again. However, the city could have a united government across the state jurisdictions. Precedents for this kind of arrangement include the town of Takoma Park in Maryland, under the jurisdiction of two counties; the New Hebrides islands in the South Pacific, which as a colony was under the joint jurisdiction of France and the United Kingdom; and Andorra, which is still under the joint rule by France and Spain.

One may also question whether the city has been truly united. Journalist Moshe Amirav notes, "the illusion that the city is united has been shattered. Jerusalem is nearly as divided today as it was prior to the Six Day War." The Arab section faces discrimination in Jerusalem no less than in the rest of Israel. Only 2.6% of the city's development budget has been earmarked for the eastern sector.

The challenge in formulating a proposal is, to put it in economic terms, to maximize the opportunity to fulfill individual and ethnic interests subject to the constraint of justice. A union between Israeli and Palestinian states within the Holy Land resolves the governance problem, but not by itself the land problem. A confederate plan also needs to incorporate principles of economic justice, without which social justice is incomplete and unfulfilled.

As stated above, the right of possession of land in terms of occupation and use is separable from the right to receive the benefits yielded by (continued on page 7)

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the land, as measured by its market rent.

Since there are two peoples that have an equal claim to the same territory, Jews and Palestinian Arabs (and Bedouins) have an equal title to the entire territory, and each resident in the Holy Land has an equal share of the title. How can the rights of both sides be implemented? Any purely geographical redivision of sites would leave each person with less than his full share.

An owner who rents land to a tenant transfers rights of possession to the tenant in exchange for the payment of rent by the tenant. The rent reflects the benefits of the use of the land, since this is what a tenant is willing to pay for possession. The Jewish and Palestinian residents could in effect jointly rent the land to those who have current possession.

The land would be jointly owned in common by both Israelis and Palestinian Arabs, and members of both groups would share the rent. Such common ownership of land is in the Jewish tradition. Leviticus 25:23 states, "The land shall not be sold for ever." Ecclesiastes 5:9 states that "the profit of the earth is for all." The "profit of the earth" is land rent.

The third function of the Confederation would therefore be to assess all the land annually and collect the land rent from the owners, including governmental titleholders. Mechanically, it would be the same as a property tax, except that it would exempt all personal property, buildings, and improvements to land, and would collect most of what the land would rent for in a market rental auction, i.e. based on the highest potential market rent regardless of the current use of the site or whether it is owner-occupied or rented out. The Confederation would impose no land use restrictions or regulations. The land would include water above and beneath the surface, which the Confederation would sell at market prices in amounts that would sustain the supply.

The concept of commonly-shared rent in conjunction with a confederation will be referred to here as a "geo-confederacy," encompassing commonly-owned land ("geo") in conjunction with confederated states and citizenship. Under a geo-confederacy, the governments of Israel and Palestine would own land at a price. At present, land held by either side now has no carrying cost. But if each had to pay dearly for each acre it holds, perhaps the price of holding it would induce a less intense desire to maximize land area and land value.

The Levant could, as an example, distribute 30% of the rent to the governments of the constituent states on the basis of their population. Another 30% of the rents could be paid equally to the two states, each getting 15%. This would act as a counterweight to a population war. The Confederation would retain the remaining land rent for its administration and the retirement of any debts or for agreed-on compensation for losses.

For the Israelis to accept a settlement, they need to regard it not as yielding territory, but changing its governance; not as a withdrawal, but an agreement to share sovereignty; not as the establishment of a hostile neighboring state, but as the preservation of Jewish autonomy within a common government over which they will have significant control.

The Palestinians are under pressure for a settlement. The economy of the Palestinian Authority has been devastated and cannot long endure the restrictions imposed by Israel in response to the continuing violence. But Palestinians too will nevertheless resist a settlement unless they see it as a just plan. Obtaining their share of the rent from all the land in Israel and Palestine as compensation for not possessing it would go a long way towards the perception of economic justice.

The ultimate source of resentment and hatred is the feeling that another is enjoying a privilege, an unfair advantage, or a position of dominance. When all are politically equal, such feelings would subside and then and only then would cooperation and friendship be possible. The political struggle for land would be transformed into an economic marketplace where those who use the land compensate the others for their use of their common homeland.

Kosovo and Metohija

Kosovo and Metohija (also spelled "Metohia") make up the southern part of Serbia and are populated mainly by ethnic Albanians. The Serbs were defeated by the Ottoman Turks in the Battle of Kosovo in 1389. Previously Catholic, most of the Albanians converted to Islam under the Ottoman Turkish Empire. Serbia achieved autonomy in the early 1800s, and the Congress of Berlin recognized Serbian independence in 1878, Kosovo becoming part of Serbia after the First Balkan War of 1912. After World War I, Serbia merged with the Austro-Hungarian Slavic territories to create the Kingdom of Serbs, Croats, and Slovenes, later called Yugoslavia. Until 1966, ethnic Serbs controlled the administration in Kosovo.

In 1974, the second regional name, Metohija (from the Greek metoch, an estate owned by the church, hence identified with the Serbs and the Christian Orthodox Church) was dropped, and Kosovo became an autonomous province of Serbia. Ethnic Albanians now had the freedom to express their culture, but autonomy was abolished after 1989 by the Milosevic regime.

The Kosovo Liberation Army was formed in 1996, which led to violent confrontations with the Serbs. In March 1999, NATO began bombing Yugoslavia allegedly to stop the Yugoslavian army from "ethnic cleansing" or the expulsion of the Albanian Muslims. After the Serbian forces left in June, the United Nations along with NATO assumed responsibility for administering the province. Whether Kosovo will become an independent country, a republic within Yugoslavia like Serbia and Montenegro, or an autonomous province within Serbia, the geo-confederate peace plan proposed above for Israel and Palestine could be applied to share the land with rent as compensation and to provide self-governance to both the Serb and Kosovar residents as a Confederate Republic of Kosovo and Metohija. As in the Levant case, the confederation would assess and collect the land rent and distribute (continued on page 8)

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some of it to the ethnic governments.

Within Kosovo, the Serbs would have self-governing villages or districts within towns, which together could again be called "Metohija" under an ethnic Serbian government. Ethnic Albanians would have their own ethnic Kosovar government. These two ethnically based governments would be responsible for domestic policy such as education.

To prevent the ethnic governments from being captured by KLA and Serb extremists, their constitutions should implement a bottom-up democracy with power centered in villages and urban district neighborhoods. The village and district councils would elect some or all of the ethnic governments.

Thus, the geo-confederate idea would be as suitable for Kosovo and Metohija as it is for Israel and Palestine.

Jammu and Kashmir

Kashmir is the disputed area in northern India and Pakistan, which is currently partitioned between them. There too the national conflict has a religious dimension, the Muslims claiming all of Kashmir, which is 80 percent Islamic. In 1947, the princely states of India were to choose whether to become part of India or Pakistan. The majority of the people wished to belong to Pakistan, but the maharajah, under pressure, chose India during an interim period, subject to a plebiscite that did not take place. Since then there have been several wars and continuing conflict over the status of the territory.

Here, India and Pakistan could both have joint sovereignty over the territory, as Spain and France do in Andorra, with a confederation [that] would provide one government for the Muslims and one for the Hindus, each person choosing his affiliation. The confederate government would collect and distribute the land rent, provide courts, and have administrative functions for the whole territory. Joint territorial sovereignty with a confederate government over the whole area would avoid the perception for each side that it had given up territory, and the payment of rent to the confederation would be a compensation for the loss of full possession.

Northern Ireland

In 1920, Ireland was granted home rule, but the six counties of Ulster, with a Protestant, pro-British majority, remained in the United Kingdom. There has been continuing conflict in Northern Ireland since the 1950s.

Similar to the case of Kashmir, rather than one or the other side having exclusive rule, Ireland and the United Kingdom could have joint sovereignty over Northern Ireland, with domestic self-government by a confederation of the Irish and the British Unionists. The payment of rent by all holders of land would implement a land reform that would compensate the whole population for the use of the land by the titleholders.

This would be an extension of the "Good Friday" peace settlement of 1998, approved by the voters on May 22 and honored by a Nobel Peace Prize for the party leaders. But instead of one assembly, there would be three: one for the Irish, one for the British, and one for the confederation. Having their own government for domestic policy should satisfy the desire of both sides to avoid domination by the British or Irish, and joint sovereignty would let the Irish in Northern Ireland be citizens of Ireland while the Protestants could be citizens of the U.K.

Rwanda

A small republic in eastern Central Africa, Rwanda was the site of massive slaughtering in the 1990s. Its three ethnic groups are the Hutus, with 90 percent, the Tutsi, with 9 percent, and the Twa pygmies with 1 percent of the population. The Twa were the original inhabitants, followed by the Hutu and then the Tutsi conquerors. The conflict between the Hutus and Tutsis exists despite their sharing a common language and culture.

Rwanda, along with neighboring Burundi, became part of German East Africa, mandated to Belgium as Ruanda-Urundi after World War I, both colonies bordering on the Belgian Congo. The Belgians perpetuated the rule by the Tutsis, and introduced identity cards showing ethnic affiliation. The Hutus rebelled in 1959, and Rwanda became an independent republic in 1962 dominated this time by the Hutus.

There followed political instability and conflict between the Hutu and the Tutsi. In 1993, a Tutsi rebellion was stopped with the help of French troops. In a meeting in Arusha, Tanzania, the two sides agreed to share power, and the United Nations set up UNAMIR, the UN Assistance Mission to Rwanda. It received little funding or support, and UN headquarters failed to act on early warnings of the impending catastrophe. Attempts at democracy and peace finally failed in 1994, after the presidents of Rwanda and Burundi were killed when the plane carrying them was shot down.

Massive violence against the Tutsis and moderate Hutus broke out, turning into genocide as a million Rwandans, mostly Tutsis, were killed, with thousands more dying of disease. As William Shawcross points out, while ancient ethnic hatreds are blamed, the violence "also had political drivers." The leaders exploit the conflict, transforming feelings into crises and violence. Violence is chosen; it does not just happen. Institutional structures are needed that would divert the incentives of followers to more constructive methods of conflict resolution.

Clearly, in this context, plain democracy has not and will not solve the ethnic conflict because of the demographic dominance of the Hutus. A confederation where the Hutus and the Tutsis each have their own government would reduce the incentive to dominate the other side. The shared land rent would also provide needed funds for developing the country.

Bosnia-Herzegovina

Transferred from the Turkish to the Austro-Hungarian Empire and then to Yugoslavia, Bosnia-Herzegovina has three main ethnic groups, Serbs, Croats, and Muslims. Herzegovina (continued from page 9)

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was an independent duchy that was conquered by the Turks and later attached to Bosnia as a province.

After separation from Yugoslavia and the mass slaughters of warfare particularly between the Serbs and the Muslims, the peacekeeping attempts to form a unitary Bosnian state has so far not been successful for the same reasons it has failed in Israel, Northern Ireland, Kashmir, and Rwanda. The 1995 Dayton peace plan devised by the United States divided the territory among the ethnic groups, but did not implement either a confederal governing structure or the land-rent payments that would directly confront the land issue.

Western powers have repeatedly failed to create workable governing institutions for Bosnia. The first blunder was the dismantling of the Austro-Hungarian empire after World War I, letting loose weak countries that would later be easily conquered by a resurgent Germany. A second error was to create Yugoslavia with arbitrary internal boundaries that did not correspond to the ethnic realities, and without sufficient self-governance, not to speak of rent payments that would diffuse the urge to amass land.

The third failure was to let Yugoslavia break apart rather than create a confederal structure with ethnic boundaries, such as putting all the Serbs together under one Serbian government rather than leaving them split up in Serbia, Bosnia (particularly the Serb section, Republicka Srpska), and Croatia. As just one example of this, Shawcross reports, "Tens of thousands of Serbs who lived there [in Sarajevo] claimed they were horrified that the Dayton agreement, signed by President Milosevic of Serbia on their behalf, reunited the city under the rule of the Muslim-dominated government."

The geo-confederal alternative would be that the Serbs in Sarajevo, along with the others in Bosnia, would be under an all-Serb national government within a Yugoslav confederation, while Sarajevo would itself have an also united Municipal government, just as West Berlin prior to German unification had a unified city government parallel to the French, British, and American military occupation zones, and Washington, DC, has federal enclaves and jurisdiction along with the municipal government.

The geo-confederate remedy would be suitable to Bosnia, and indeed seems to be the only workable solution. Let each group have its own government, the three joined in a confederation, with all landholders paying rent to it. Again, the payment of rent would reduce the incentive to grab land; those who have it must pay, and those who don't have it receive more rent.

Chiapas, Mexico

The State of Chiapas in southern Mexico is home to the Mayan Indian nation, a civilization that flourished in southern Mexico, Guatemala, Belize, and Honduras prior to the Spanish conquest. The troubles in Chiapas are a legacy of this conquest, as the Mayans remain in effect a conquered people. As with the other ethnic conflicts, land and self-governance are the key issues. Mayan autonomy within Chiapas and Mexico would protect their culture while finally liberating the indigenous people from the rule of the heirs of the conquerors.

The payment of rent by the landholders would bring the genuine land reform that has otherwise escaped the Mexican attempts at reform by redistribution of land holdings. So long as the big landowners retain the rent, there is political pressure to preserve large estates and serf-like tenancy. When the rental profit is taken out of the latifundia, then the people would obtain land on an equal footing. The best anti-poverty device would then be to abolish the taxation of labor and sales, letting the rent revenue serve for the public finances.

Sierra Leone

Few episodes in the sorry recent history of Africa can match the horrors of the mutilations that have taken place in Sierra Leone in West Africa. In the words of Shawcross, Sierra Leoneans "had their fingers, hands, arms, noses, or lips chopped off with machetes," often by teenaged rebel armies. The lure for the greedy rebels is not just territory in this case, but diamonds.

The ultimate blame goes beyond the crazed troops to the Western powers who let the situation slide, and to the United Kingdom for colonizing land and then leaving in 1961 without a sound governing structure that would preserve social peace. The second president turned the country into a corrupt one-party state. Often such one-party regimes favor one tribe, and then the others rebel, creating civil wars and mass suffering.

The historian Tertius Chandler noted that perhaps the strongest root of democracy was tribal. American democracy has its roots in the local democracies of the English colonies. Sound governance for a country having no parliamentary experience needs to be grounded in the villages and their traditional authorities. Power would then be delegated up from below rather than being centrally imposed from above. In conjunction, the land rent must be shared to prevent land value from becoming a glittering prize, loot ripe for conquest.

Village-centered governance would also prevent the fraud and violence associated with countrywide elections in countries lacking historical voting experience and a deeply ingrained democratic culture. Voting would instead take place only in the villages, and the village councils would in turn elect higher-level governments. Mass elections often just invite trouble.

Where there is treasure such as oil or diamonds, the people will not benefit unless there are both sound governing structures and a constitutionally mandated sharing of the natural wealth. Otherwise the people would be greatly better off without this glittering prize. In such cases as Sierra Leone, the best international aid may be weapons of self-defense distributed to the people, at least until effective governance is in place.

Policy conclusions

A similar pattern exists for conflicts around the planet: the economic prize of land, and power-seeking to get that prize. There is a common (continued on page 10)

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antidote: a decentralization of power within a confederal structure that provides both self-determination and unity, and a sharing of the benefits of the natural resources by having the confederation collect the rent and distribute it to the federal constituents and the people as the mains source of public revenue.

As noted by Jack Snyder, "The centerpiece of foreign policy in the 1990s was the claim that promoting the spread of democracy would also promote peace." We have seen that these attempts fail unless there are also federal structures to provide self-governance for ethnic parties and to prevent an excessive centralization of power. As Snyder states, "Naively pressuring ethnically divided authoritarian states to hold instant elections can lead to disastrous results."

It is also evident that democracy is insufficient to provide social peace; it is also necessary to assure economic justice, and the foundation of economic justice is the compensation to all the members of the community for the use of the land which all have a claim to.

[GroundSwell does not have space to print the References for the above scholarly work, but they can be provided by emailing Dr. Foldvary at foldvary@pobox.com. Dr. Foldvary, an Economics Professor at JFK University and Santa Clara University, received his Ph.D. in Economics from George Mason University. He is the author of many books, chapters in books, academic and non-academic journal articles, and has also made numerous presentations at conferences. Dr. Foldvary's Curriculum Vitae is on the web at http://www.foldvary.net/pers/vita.html.] <<

PROGRESS AND POVERTY ON THE WEB (continued from page 3)
that the complete and unabridged "Progress and Poverty", which has long been published and marketed by the Robert Schalkenbach Foundation of New York, NY, has been posted on the website of the Schalkenbach Foundation. It is fully annotated along the left margin, with hyperlinked subject headers for each passage that addresses a new subject.
The table of contents is at http://www.schalkenbach.org/library/george.henry/ppcont.html. <<