

## Protesting and property rights

*By Dr. Michael S. Coffman*

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**P**rotesting everything from AIDS to globalism, an estimated 10,000 people marched five miles from the shanty township of Alexandra to the posh environs of the World Summit Sandton Convention Center Saturday. Worried about violence, the World Summit leaders, organizers and security positioned an army of thousands of heavily armed police.

Guarded by razor wire, armored vehicles, helicopters, and concrete barriers, protestors sported banners, signs and T-shirts saying, "Osama bin Laden -- Bomb Sandton," "Hands Off Iraq," "Globalise the Intifada," "Stop Thabo Mbeki's AIDS genocide," "Factory Gases and Waste are Killing," or "Bush, you belong in the Bush."

Meanwhile, at a separate pro-government rally that drew just 3,000 people, South African President Thabo Mbeki renewed calls for the World Summit on Sustainable Development to end the "global apartheid" dividing a few rich from the legions of the world's poor. "There is no reason that the poor of the world should be poor for ever," he told supporters in Alexandra's soccer stadium. "The time has come for action." Back at the World Summit itself, that is exactly what the delegates from 186 countries were trying to do -- trying to break a deadlock on an ambitious plan to halve poverty and protect the environment.

Many believe that if the deadlock is to be broken, it will have to be done by the world leaders who started arriving on Sunday. One of the first to arrive was Zimbabwean President Robert Mugabe, who had issued the order that all white farmers must leave their farms, implements and all, without a dime of compensation. The farms and land are being given to landless blacks under the pretense that the white farmers took the land from the native blacks in the 1800s. According to Dr. Kelvin Kemm, a nuclear physicist in South Africa who is affiliated with the Committee for a Constructive Tomorrow (CFACT) in Washington D.C., some of the most valuable farms are being given to Mugabe's wife and family. Kemm also noted that Magube himself comes from a tribe in South Africa that was forced to migrate to what is now Zimbabwe in the 1800s because of tribal wars -- in some cases after the white farmers settled the land.



**At least 10,000 people turned out to protest everything from AIDS to perceived environmental problems. There were almost as many police.**

Many South African blacks also want to take over the farms of white South African farmers and have called Mbeki's African National Congress a tool of white imperialists because he has not done the same thing as Mugabe. While many thousands of black South Africans are landless and extremely poor, expropriating land from legal owners will not solve their problems. CFACT President, David Rothbard says that "only the honoring of property rights and capitalism will solve these problems."

The problem that exists today, however, is that capitalism has gotten a bad name after its disastrous failures in the developing nations in the 1980s and Russia and its former satellites in the 1990s. Capitalism has been virtually discarded as a viable means of getting the poor out of poverty. Yet, claims Rothbard, "it is the only hope for poverty-stricken developing nations. The reason why capitalism has worked so well in the developed nations, especially the United States, and failed so badly in the rest of the world seems to be an enigma. Everything in the capitalist's handbag has been tried - except property rights. Therein lies the reason for failure after failure."

Citizens of Western nations have a well-defined bundle of property rights that ensure that the property owner can use their land in the way that the owner desires as long as it does not harm their neighbors or their property. Property is bought and sold quickly, titles being transferred in a matter of days. Not so in the developing nations. Exchanges of property titles can take not days, not months, not even years. They often take decades. Therefore, most property is never registered, and has no legal asset value.

Property that has no legal asset value cannot be used to secure investment loans for impoverished entrepreneurs and their potential businesses are never born. They cannot be born because corrupt bureaucracies and overbearing regulatory systems keep the poor from ever getting out of poverty. Extensive research by the Institute of Liberty and Democracy in Peru has shown that the total value of property held, but not legally owned, by the poor of the developing nations and former communist countries is at least \$9.3 trillion! Hernando de Soto, President of the institute, reports these mind bending research results in his book, *The Mystery of Capital*.

De Soto notes that 9.3 trillion dollars is about twice as much as the total circulating U.S. money supply. It is very nearly as much as the total value of all the companies listed on the main stock exchanges of the world's twenty most developed countries. It is more than twenty times the total direct foreign investment into all Third World and former communist countries in the ten years after 1989, and forty-six times as much as all the World Bank loans of the past three decades. Finally, it is ninety-three times as much as all development assistance to the developing nations from all advanced countries during the same period.

In other words, the value of the property "owned" by the poor in these nations is far greater than anything the developed nations could possibly give them in foreign aid. De Soto calls it "dead capital". If it were legalized, it could be used as collateral for investment loans, just like it is in the West. This would allow the economy of these nations to build real wealth that would stay in their pockets, not those of multinational corporations.

This opportunity would not be possible, however, with U.N.-style sustainable development based on Agenda 21. It is clear from U.N. documents and the ongoing proceedings of the World Summit, that in order to implement sustainable development, a

la Agenda 21, property rights must be controlled by the U.N. Private property that is controlled by constantly changing government regulation has very low value for collateral purposes.

This principle seemed to have been understood in a broad sense, if not in detail, by an estimated 400 protestors who marched last Wednesday who wanted less government regulation. Comprised of dispossessed street vendors, farmers and potential entrepreneurs, the protestors wanted free markets, free trade, the use of genetically modified crop seed, and the ability to conduct business without government restrictions. The protestors believed that Agenda 21 and the U.N. brand of sustainable development are designed to create 'sustainable poverty.' "Everything they are discussing here is actually going to retard development, and this is being done in the name of the poor. I think that is appalling, I think that is criminal," said marcher Barun Mitra, a farming advocate for India and a member of the Liberty Institute of New Delhi.

Mitra also presented a special "B.S. award" to international environmental groups for "sustaining poverty." The award was a plaque heaped with two piles of animal excrement. "This is the B.S. Award that we want to present on behalf of the poor and poverty-stricken people of the Third World to the multinational NGO's (nongovernmental organizations), who led this conference into sustaining poverty instead of sustaining development," said Mitra to a cheering crowd. The protestors carried signs proclaiming "Profit Beats Poverty"; "People First"; "Trade Not Aid"; "Freedom to Farm"; "People Not Pandas"; and "Save the Earth from Sustainable Development."

The protestors also deeply appreciated the support of American sympathizers. Five students of Collegians for a Constructive Tomorrow joined in the protest. Rochelle Palmer, one of the students, spoke to the crowd and told the applauding protestors that the students joined them in their fight for economic freedom.

Actually, South Africa is implementing a plan not unlike America's Homestead Act where the landless are given deed to property that was once federal land. Called the Rural Development Program (RDP), the federal government, in cooperation with local industry, put in water and sewer and then deed the land to what were once squatters. Although the dwellings are nothing more than corrugated huts, they are worth 20,000 to 40,000 thousand Rand (\$2,000 to \$4,000), which can eventually be used as collateral for capital. Presently, however, the people still have not found that they can use the equity effectively, so loans are not yet forthcoming. That will come, however, in time. Their biggest challenge is the lack of business opportunities miles from the nearest major city. It may be necessary for the entire village to manufacture a product in demand, that can be sold elsewhere.

It is unlikely, however, that the villages involved in the RDP in South Africa will ever be given the chance because of new sustainable development agreements coming out of the World Summit. The asset value of property now owned by them and others of the world's poor may never be realized. Sustainable development will likely doom them to eternal poverty. What those in the developed world do not yet realize is that the same loss in property value will occur to them as well. Rather than saving the world, sustainable development is likely to destroy it by strangling the economies of all the nations of the world, making all nations poor. And, poor nations do not protect their environment.

Read our alternative to U.N. Sustainable Development and Agenda 21. Go to [Freedom](#)

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