

## **Shifting Direction: From Global to Local**

**By Helena Norberg-Hodge**

*Today, every nation in the world is being induced to enlist in a single, highly-centralised economy, one which depends on vast homogenised markets and ever-increasing trade. Although the globalisation of this economic model is exacerbating a wide range of social, economic, and environmental problems, governments continue to subsidise the global economy's physical infrastructure, and to rewrite trade treaties, laws and regulations to facilitate its spread. Resistance to further globalisation is mounting, however. The protests against the World Trade Organisation in Seattle put an end to the myth that globalisation is 'inevitable', while widespread opposition to genetically-altered foods in Europe proved that people can force their political leaders to stand up to the corporate juggernaut. Meanwhile, numerous grassroots initiatives — from buy-local campaigns to community supported agriculture and local currencies — are emerging as means of renewing and revitalising local and regional economies. A number of concrete steps would allow support to be shifted from the globalising model toward 'localisation'. Such steps would set us on the road to economic and environmental health, stem the unhealthy tide of urbanisation, and support cultural diversity, thereby lessening ethnic conflict and violence. Shifting towards the local would be far less costly to taxpayers than our current globalising path, and would be less socially and environmentally disruptive.*

## **The ‘Lose-Lose’ Economy**

To open a newspaper today is to be submerged in a flood of ever-worsening crises — from runaway global warming to the extinction of species, from the destruction of cultures to rising job insecurity, from poverty and crime to the erosion of democracy. At first glance, these many problems can seem disparate and unconnected. But the fact is that much of today’s large-scale social and environmental breakdown springs from the same source: the increasingly globalised economy, with its massive, centralised system of production and distribution. Globalisation is transforming unique individuals into mass consumers, and homogenising diverse cultural traditions around the world. It is destroying wilderness and biodiversity, and creating an expanding stream of waste that the biosphere simply cannot absorb. It is widening the gap between rich and poor worldwide, and leading to increased levels of crime and violence. In the name of ‘growth’ and ‘efficiency’, it is dividing us from each other and from the natural world on which we ultimately depend.

Despite the apparent enormity of the task of making changes to our economic system, isolating this root cause can actually be very empowering. Rather than confront an overwhelming list of seemingly isolated symptoms, we can begin to discern the disease itself. Just as important, the outline of a cure starts to take shape as well.

## **A process of planned change**

Globalisation is often portrayed as the inevitable product of natural and evolutionary forces. “Globalisation is not a policy choice,” Bill Clinton used to say, “It is a fact.” But globalisation is neither an inevitable nor an evolutionary process: it is occurring because governments actively promote it and continually subsidise the framework necessary to support it.

In a sense, today’s globalised economy has been subsidised by the countries of the South for the past 500 years, at great expense to their own cultures, their land and their economies. The current dominance of the western industrial model could never have arisen without prolonged access to the South’s raw materials, labour (including slave labour) and markets.

Although it is generally believed that the infamous era of conquest and colonialism is behind us, today's 'development', 'structural adjustment' and 'free trade' are simply new forms of the same exploitative process. In its present phase — economic globalisation — policymakers are pushing the western industrial system into the farthest corners of the planet, attempting to absorb every local, regional and national economy into a single centrally managed world economy based on ever-increasing trade.

Trade between peoples and nations is nothing new — it is an activity people have engaged in for millennia. But in the past, trade was generally a secondary concern, while the primary economic goal was meeting people's needs and wants using the resources available within relatively short distances. Only once essential needs had been met locally did questions of trading surplus production with outsiders arise.

Today, however, trade has come to be pursued as an end in itself. This modern emphasis can be traced to an 1817 theory of political economist David Ricardo, which holds that nations are better off if they specialise their production in areas where they excel — those in which they hold a 'comparative advantage' in relation to other countries — and then trade their surpluses for goods they require but no longer produce. The ostensible goal is to increase 'efficiency', but the result has been a system that is highly *inefficient* and wasteful. This is largely because the theoretical model does not take into account the real additional costs of increased trade. Since most of these costs are 'externalised' onto the public or the environment or shifted to taxpayers through subsidies, the theory's shortcomings are not immediately apparent. Comparative advantage still guides government planning and decision-making today, and is at the heart of the dogma of 'free trade'.

In thrall to an outdated economic theory, governments are making massive investments in ever-expanding infrastructures, signing on to trade treaties that open their economies to outside investment, and scrapping laws and regulations designed to protect national and local businesses, jobs and resources. In many ways, national sovereignty is being relinquished to undemocratic supranational bodies like the World Trade Organisation (WTO), in the mistaken belief that trade is always good and that more trade is always better.

The result of these policies has been an explosive growth in international trade, which has multiplied **nearly** twelve-fold since **1950** — **more than twice as fast as** the growth

in output. Imports and exports now make up a much larger proportion of economic activity than ever before, with traded goods totalling some US \$5.5 trillion annually.<sup>1</sup>

Whole economies are becoming dependent on trade, and virtually every sphere of life is being affected. The impact on food — one of the only products that people everywhere need on a daily basis — is particularly revealing. Today, one can find apples shipped from New Zealand in apple-growing regions of Europe and North America; kiwis from California, in turn, have invaded the shops of New Zealand. In Mongolia — a country with 10 times as many milk-producing animals as people — shops carry more European dairy products than local ones. England imports more than 100,000 tonnes of milk each year, then turns around and *exports* roughly the same amount. In much of the industrial world, the average plate of food travels thousands of miles before reaching the dinner table.

What are the benefits of transporting basic foods such distances, when they can be (and indeed for centuries have been) produced locally? How can these arrangements be described as economically ‘efficient’? As we will see, this excessive trade actually benefits no-one. And it is not efficiency, but a wide range of subsidies and ignored costs that makes it all possible.

### **Subsidising inefficiency**

Proponents of globalisation point to the lower cost of many traded goods as proof that economic efficiency is at work. However, a close look at the way the global economy is subsidised deflates this argument. Not only do governments promote trade through international treaties, they do so by handing out direct subsidies to the trading sector of their economies. In the US, for example, The Market Access Programme provides about \$100 million annually to companies like Sunkist, Miller Beer, Campbell’s Soup, McDonald’s, and M&M Mars to advertise their products abroad; the Overseas Private Investing Corporation, meanwhile, provides loans, loan guarantees and risk insurance to companies and individuals that invest in so-called ‘emerging markets’.<sup>2</sup>

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<sup>1</sup> Korten, David. *When Corporations Rule the World*, West Hartford, CT: Kumarian Press, 1995, p. 18; IMF Statistics Department. *International Financial Statistics, February 1999*, vol. 53, no. 2. Washington, D.C.: International Monetary Fund, 1999.

<sup>2</sup> Rosenbaum, David E. "Corporate Welfare's New Enemies", *New York Times*, Feb. 2, 1997; Wayne, Leslie, "Spreading Global Risk to American Taxpayers", *New York Times*, Sept. 20, 1998, sect. 3, p. 1.

Perhaps more importantly, governments also subsidise the global economy *indirectly* through investments in the infrastructures a trade-based economy requires. These taxpayer-funded infrastructures include:

- *Long-distance transport networks* — multi-lane highways and motorway networks, shipping terminals, airports, high-speed rail, container facilities, etc.;
- *Energy infrastructures* — large, centralised electric power plants (including nuclear power stations and huge hydroelectric dams), petroleum facilities, gas and coal slurry pipelines, etc.;
- *High-speed communications and information networks* — satellites, telephone networks, television, radio, and the ‘information superhighway’;
- *Research and development institutions* — facilities that develop labour-displacing technologies for industry and agriculture, and technologies to expand and modernise the physical infrastructures supporting the global economy.

One effect of this system of direct and indirect subsidies is that the price of goods transported halfway around the world seem artificially ‘cheap’ in comparison to goods produced next door. Ignoring or externalising environmental costs has a similar effect. Thus, garlic transported to Spain all the way from China can be half the price of locally-grown garlic mainly because neither the pollution involved in its transport nor the cost of the transport infrastructure itself are reflected in its price.

### **Corporations über alles**

Subsidised trade-based infrastructures have helped to expand the size of markets to global proportions. In the process they have enabled large-scale, globally oriented corporations to invade and absorb the markets of small-scale, locally oriented enterprises. Though they are unaccountable to any electorate, many of these corporations are now so large that they wield more economic and political power than national governments: at least half of the 100 largest economies in the world are, in

fact, not countries but corporations.<sup>3</sup> Five hundred corporations now control 70 percent of total world trade.<sup>4</sup> Just two companies, Cargill and Archer Daniels Midland, control 70 to 80 percent of the world's grain trade.<sup>5</sup> And two others, General Motors and Ford, have total annual sales greater than the combined Gross Domestic Products (GDPs) of all sub-Saharan Africa.<sup>6</sup>

'Free trade' treaties like NAFTA and GATT were designed to give those corporations freer reign by forcing countries to remove any tariffs or regulations that could be seen as 'barriers to trade'. Traditionally, governments have used regulations and duties on imports in order to nurture home-grown industries, and thereby protect their economic stability, the livelihood of their citizens, and their environment. But proponents of 'free trade' insist that corporations should have the right to invade any and every market. Already, many measures adopted by national governments in the public interest have been construed as trade barriers by the WTO, and have been struck down.

Nonetheless, governments naively support what they think of as 'their' multinationals, even though corporations today demonstrate no loyalty to place. Tax breaks, capital grants, free land, and lax environmental and worker safety rules can easily lure a corporation away from its country or region of origin; equal or greater handouts must be offered to induce them to stay where they are. A typical company providing several hundred jobs can expect to be provided capital grants for its building and machinery costs, low-interest loans, subsidised training for its new labour force, and a host of tax relief measures. Small local businesses, which receive none of these subsidies, cannot hope to survive such unfair competition. This process has contributed greatly to the loss of vitality of entire communities, and has triggered an international 'race to the bottom', with social, environmental and health standards in all countries heading towards the lowest common denominator.

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<sup>3</sup> The comparison between corporate sales and GDPs was made using data from the following sources: Hoover's Inc. *Hoover's Handbook of World Business*, 1997. Austin, TX: Hoover's Business Press, 1997; *The World Economic Factbook*, 4th ed. London: Euromonitor, 1996.

<sup>4</sup> Kaplan, Robert D., "Was Democracy Just a Moment?", *Atlantic Monthly*, Dec. 1997.

<sup>5</sup> Krebs, A. V. "It is Plain, Cargill's Reign in the Grain Has Become Profane", *The Agribusiness Examiner*, no. 9, Nov. 12, 1998.

<sup>6</sup> *Hoover's Handbook of World Business* and *The World Economic Factbook*, op. cit.

If there is anything free about ‘free trade’, it is the freedom it confers on corporations to move their operations to countries where taxes and labour costs are low, environmental regulations are weak, and taxpayer-funded subsidies are large.

### **Eradicating the smallholder**

By design, the global economy systematically favours footloose corporations over small, rooted businesses. Long-distance transport networks, for example, make it possible for huge agribusinesses and corporate marketers to deliver their products worldwide, helping them to absorb the markets of businesses selling locally-produced goods. Publicly-funded global communications networks are of little use to the family farmer or the corner shop, but they enable transnational corporations to wield centralised control over their widely dispersed activities and to transfer capital around the world at the stroke of a computer key. And while small local enterprises thrive by filling the numerous economic niches cultural diversity provides, transnational corporations depend on markets that have been homogenised — in part by advertising campaigns conducted through global media. As they grow in economic power, the sheer size and financial power of transnational corporations enables them to extract price breaks from suppliers and lending institutions, as well as concessions from governments and regulatory bodies.

On such a tilted playing field, how can a local shop possibly hope to compete with a large supermarket chain? How can family farmers survive when pitted against heavily subsidised corporate agribusinesses? Is it any surprise that with each year the number of independent businesses, shopkeepers, and small farmers continues to plummet?

### **Counting the costs**

The globalised economy has not only been disastrous for the small shopkeeper and the family farmer: economic globalisation is affecting us all — as individuals, families and communities — and is putting the biosphere under increasing strain. More specifically, globalisation is leading to:

- *Erosion of democracy.* As decision-making becomes centralised into unelected, unaccountable bodies like the WTO, the International Monetary Fund (IMF), and the European Commission, the influence of the individual steadily shrinks — even in nominally democratic countries. People may still have the right to vote for national and local leaders, but as political institutions, both left and right, adopt identical policy measures influenced by and reflecting the wishes of corporate interests, voting can become all but meaningless.
- *Loss of government autonomy.* As dependence on the global economy grows, it becomes increasingly difficult for even nation-states to protect their citizenry or environment from the dictates of international finance and transnational capital. In the South (and increasingly in the North as well) governments themselves are losing autonomy, as they are forced to reshape their economies to fit the contours of the global economy.

In accordance with the theory of comparative advantage, these countries have been pressured to make their production more ‘efficient’ by focusing on just two or three key commodities for the global marketplace. Countries are also pressured to ‘develop’ — which means building up the infrastructures necessary for export-oriented industry and agriculture, requiring tremendous amounts of capital. This capital must be borrowed, and if global demand for a country’s exports declines, it may be unable to repay its loans, forcing it further into debt. It is then pressured to undertake ‘structural adjustment’ programmes to further enhance international ‘competitiveness’. This means cutting back on social spending, limiting restrictions on investment, and providing still more funding for infrastructures.

World Bank/IMF lending to Southern countries is typically made conditional on such programmes, and indeed the vast majority of these countries have been subjected to them. The continual loan repayments, for which the interest alone may be equal to a large percentage of the country’s annual budget, require surpluses that can only be generated by trading away natural resources or a significant portion of national output. In this way, entire nations are not only impoverished by a vicious debt cycle, they are also ensnared into ever greater dependence on the global economy.



- *Economic destabilisation.* Tied to a complex system of imports and exports, countries are becoming ever-more tightly linked to a volatile global economy over which they have no control. Natural disasters, wars and economic slumps in one part of the world can have a direct impact on countries many thousands of miles away. American farmers, for example, found no market for half of their grain harvest in 1999, thanks to the financial crisis that struck Asia — a market on which those farmers had become dependent.<sup>7</sup>

The speculative nature of most global investment makes the entire system even more unstable. In fact, the most traded product on global markets today is not something you can clothe or feed yourself with — it is money. Every day of the year, roughly \$1.3 trillion is gambled on international currency markets — 30 times more than the daily GDP of all the developed countries combined.<sup>8</sup> More than 95 percent of this involves pure speculation, leading many experts to conclude that the system is so unstable its eventual breakdown is assured: “It is only a question of when,” argues international financier George Soros.<sup>9</sup> A small sample of that breakdown occurred in 1998, when unfettered speculation in the currencies of Southeast Asia led to financial crisis and recession across the region, with severe economic repercussions felt worldwide.

- *Urbanisation.* Industrial economic growth so erodes rural economies that only 2% of the population remains on the land in highly industrialised countries. Globalisation is accelerating that trend, leading to a massive population shift from rural areas to the cities. This is particularly true in the South, where the growth economy is steadily breaking down more self-reliant systems, leaving people little alternative but to migrate to ever-expanding cities. Even in the most industrialised countries, the urbanising process continues: jobs in the global economy are concentrated in sprawling metropolitan areas and their suburbs, while rural regions are systematically sapped of economic vitality.

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<sup>7</sup> Weiner, Tim. “Aid to Farmers Puts Parties in ‘Political Bidding Contest’”, *The New York Times*, August 4, 1999, p. A14; Johnson, Dirk. “As Agriculture Struggles, Iowa Psychologist Helps His Fellow Farmers Cope”, *The New York Times*, May 30, 1999, (National Report Pages), p. 12.

<sup>8</sup> Lietaer, Bernard. “Beyond Greed and Scarcity”, *Yes! Magazine*, Spring, 1997, p. 37.

<sup>9</sup> Morris, David. “When Money Usurps Economy, Something Is Seriously Wrong”, *St. Paul Pioneer Press*, October 21, 1997.

This unhealthy urbanisation not only hollows out rural communities, it also leads to a host of urban problems: overcrowded slums (particularly in the South), loneliness, alienation, family break-up, poverty, crime, and violence. Urbanisation also contributes to a massive increase in resource use and pollution: virtually every material need of urbanised populations must be shipped in from elsewhere, while the resulting waste — much of which would be of use in a rural setting — becomes a highly concentrated source of pollution. If the urbanisation of the world's population continues at present rates, it will only lead to further social and environmental breakdown.

- *Loss of food security.* The heavy emphasis on exports has led to a rapid decrease in agricultural diversity, with thousands of local varieties abandoned for the relative few suited to monocultural production and favoured by short-term economic trends. Overall, approximately 75 percent of the world's agricultural diversity has been lost in the last century, a dangerous narrowing of the genetic base that threatens food security everywhere.<sup>10</sup>

Increasing control by a handful of corporations over the world's food supply is another threat to food security, particularly for those without enough money to meet corporate profit expectations. For a poor person in Thailand, Brazil or Haiti, a marginally lower number on a computer screen in New York, London or Tokyo may be the difference between eating and going hungry. Today, in fact, when food is more tightly controlled by corporations than ever before, some 790 million people are undernourished<sup>11</sup> — even though more than enough food is produced to adequately feed everyone on the planet.

- *Growing gap between the 'haves' and the 'have-nots'.* Economic globalisation is leading to a widening gap between rich and poor — both between the countries of the North and the South, and within individual countries themselves. Already, the wealth of 350 billionaires equals the annual income of the poorest 45 percent of the world's population, and yet the inequity continues to grow. The situation is exacerbated by the mobility of transnational corporations and capital, which operates to drive down wages everywhere. Production for global markets, meanwhile, is

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<sup>10</sup> From an FAO study, based on 150 country reports. Food and Agriculture Organisation. *State of the World's Plant Genetic Resources*. Rome: FAO, 1996.

<sup>11</sup> Food and Agriculture Organisation. *The State of Food Security in the World, 1999*. Rome: FAO, 1999.

increasingly dependent on large-scale computerised and automated processes, thereby further marginalising human labour. If much of the world's population is to continue leaving their villages in search of scarce jobs in the cities, how will the majority survive, jobless and with little prospect of future employment?

- *Increased ethnic and racial conflict.* Globalisation is replacing the earth's cultural diversity with a uniform Western monoculture. Historically, the erosion of indigenous cultural integrity was a conscious goal of the architects of colonialism: colonial officers were advised to "deliberately tamper with the equilibrium of the traditional culture so that change will become imperative."<sup>12</sup> This process continues into the present day, both as conscious policy and as a result of the insidious effects of global media and advertising.

Every day, people around the world are bombarded with media images that present the modern, Western consumer lifestyle as the ideal, while implicitly denigrating local traditions and land-based ways of life. The message is that the urban is sophisticated and the rural is backward; that imports of processed food and manufactured goods are superior to local products; that "imported is good, local is crap," in the words of an advertising executive in China.<sup>13</sup>

People are not only being lured to abandon local foods for McDonald's hamburgers and local dress for designer jeans, they are induced to remake their own identities to emulate the glamorous blonde-haired, blue-eyed stars of "Baywatch" or "Dallas". For the vast majority around the world, the attempt to live up to this artificial ideal will prove impossible. What follows is often a profound sense of failure, inferiority and self-rejection. When combined with the cultural uprooting, poverty and hopelessness that permeates much of the 'developing' world, the predictable outcome is a rise in fundamentalism, ethnic conflict, and violence.

- *Environmental breakdown.* Globalisation is intensifying the already serious ecological consequences of industrialisation. Despite western faith in the ability of high technology and human ingenuity to solve these problems, we have already exceeded the biosphere's capacity to absorb the impact of industrial activities. The soil upon which food production ultimately depends is being rapidly lost thanks to

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<sup>12</sup> Quoted in Bodley, John. *Victims of Progress*. Mountain View, CA: Mayfield Publishing, 1982, pp. 111-112.

<sup>13</sup> "Where the Admen Are", *Newsweek*, March 14, 1994, p. 34.

industrial farm practices. Whole tracts of irreplaceable forest have been decimated by the global timber industry, land speculators and oil and mining industries. Our air and water are increasingly polluted, and mountains of toxic waste and nuclear debris continue to grow. The introduction of genetically modified crops poses the threat of irreversible 'genetic pollution'. The planet's immense diversity of plant and animal species is being eroded at the rate of at least 50,000 species annually, ranking this as one of the planet's great extinction waves.<sup>14</sup> Perhaps worst of all, deforestation, ozone depletion, and greenhouse gas emissions are making global weather patterns more extreme, unpredictable, and violent.

Further globalisation can only exacerbate these trends. More trade means more transport, which means more pollution and CO<sub>2</sub> emissions; the consolidation and 'modernisation' of agriculture means more soil erosion, more toxic agro-chemicals and more resource-intensive urbanisation; the continued building of transport infrastructures and extraction of fossil fuels means more destruction of habitats and loss of biodiversity. Clearly, this finite planet does not have the capacity to sustain an economic system based on unlimited growth. Yet the premise of globalisation is that more of the world's people — all of them, in fact — should be encouraged to enlist in this destructive system.

Ultimately, today's increasingly globalised economy has no winners. More and more workers around the world are left either unemployed or in low-paying jobs with minimal safety conditions and little job security. Millions of small and medium-sized businesses are closing down, as transnational corporations take over markets of every kind. Small farmers are devalued, financially destroyed, and drawn off to the megacities, leaving behind villages and small towns devoid of economic and cultural vitality. The environment is becoming increasingly polluted and destabilised. In the long run, not even the wealthy few can escape these problems: they too must survive on an ecologically degraded planet, and suffer the consequences of a social fabric ripped apart.

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<sup>14</sup> Wilson, E. O. *The Diversity of Life*. New York: W. W. Norton & Co., 1992.

## **From Global to Local**

If globalisation is the root of so many problems, *localisation* — a shift away from the global and towards the local — is an obvious part of the solution. Localisation would not mean encouraging every community to be entirely self-reliant; it would simply mean shortening the distance between producers and consumers wherever possible, and striking a healthier balance between trade and local production. Localisation would not mean that everyone must go ‘back to the land’, but that the policies now causing rapid urbanisation would be changed. Localisation would not mean that people in cold climates would be denied oranges or avocados, but that their wheat, rice or milk — in short, their basic food needs — would not travel thousands of miles when they could all be produced within a fifty mile radius. Rather than ending all trade, steps towards localisation would aim at reducing unnecessary transport while encouraging changes to strengthen and diversify economies at the community as well as national level. The degree of diversification, the goods produced, and the amount of trade would naturally vary from region to region.

Reversing our headlong rush towards globalisation would have benefits on a number of levels. Rural economies in both North and South would be revitalised, helping to stem the unhealthy tide of urbanisation. Farmers would be growing primarily for local and regional rather than global markets, allowing them to choose varieties in tune with local conditions and local needs, thus allowing agricultural diversity to rebound. Production processes would be far smaller in scale, and therefore less stressful to the environment. Transport would be minimised, and so the greenhouse gas and pollution toll would decrease, as would both the financial and ecological costs of energy extraction. People would no longer be forced to conform to the impossible ideals of a global consumer monoculture, thereby lessening the psychological pressures that often lead to ethnic conflict and violence. Ending the manic pursuit of trade would reduce the economic and hence political power of TNCs, and eliminate the need to hand power to such supranational institutions as the WTO, thereby helping to reverse the erosion of democracy

## **Countering the objections**

In these and many other ways, a shift towards the local simply makes sense. Nonetheless, calling for a fundamental shift in direction tends to elicit a chorus of objections. Some claim that the promotion of decentralisation is ‘social engineering’, involving serious dislocations in the lives of many people. While it is true that some disruption would inevitably accompany a shift toward the local, it is far *less* than is already resulting from the current rush towards globalisation. It is in fact today’s ‘jobless growth’ society that entails social and environmental engineering on an unprecedented scale: vast stretches of the planet and entire economies being remade to conform to the needs of global growth, just as people around the world are being encouraged to abandon their languages, their foods, and their architectural styles for a standardised monoculture.

Another objection is the belief that people in countries of the South need Northern markets in a globalised economy to lift themselves out of poverty, and that a greater degree of self-reliance in the North would therefore undermine the economies of the Third World. In large measure, this view arises from the erroneous belief that poverty in the South is simply due to a lack of development — that this is how people lived before they had benefited from western-style modernisation. However, an honest appraisal of the historical record — beginning in the *pre-colonial* era — reveals that Third World poverty is primarily a *consequence* of development, from the colonial period to the present day.

The truth of the matter is that a gradual shift towards smaller scale and more localised production would benefit both North *and* South, and would facilitate meaningful work and fuller employment everywhere. The globalised economy requires the South to send a large portion of its natural resources to the North as raw materials; its best agricultural land must be devoted to growing food, fibres, and even flowers for the North; and a good deal of the South’s labour is employed in the cheap manufacture of goods for Northern markets. Rather than further impoverishing the South, producing more *ourselves* would allow the South to keep more of its own resources, labour and production for *itself*. Globalisation means pulling millions of people away from sure subsistence in a land-based economy into urban slums from which they have little hope of ever escaping. Diversifying and localising economic activity offers the majority, in both North and South, far better prospects.

## **Modern prejudice**

The idea of localisation also runs counter to today's general belief that fast-paced urban areas are the locus of 'real' culture, while small, local communities are isolated backwaters, relics of a past when small-mindedness and prejudice were the norm. The past is assumed to have been brutish, a time when exploitation was fierce, intolerance rampant, and violence commonplace — a situation that the modern world has largely risen above. These assumptions echo the elitist or racist belief that modernised people are superior — more highly evolved even — than their 'underdeveloped' rural counterparts. It is noteworthy that these areas are described in development literature as backward, poor and primitive, while in tourist literature, the very same regions are presented as idyllic, peaceful and beautiful. Millions of wealthy city-dwellers will spend a substantial proportion of their salary to escape for a few weeks to enjoy life in these 'primitive backwaters'. It is also perfectly normal for the overstressed businessman to seek out, as a place to retire, precisely the kind of simple village that is deemed to be 'underdeveloped' — indeed, it is such a widespread desire that small cottages in rural areas now often cost more than city apartments.

Yet the whole process of industrialisation has meant a systematic removal of political and economic power from rural areas, and a concomitant loss of self-respect in rural populations. In small communities today, people are often living on the periphery, while power — and even what we call 'culture' — is centralised somewhere else.

In order to see what communities are like when people retain real self-respect and economic power at the local level, we would have to look back — in some cases hundreds of years — before the enclosures in England, for example, or before the colonial era in the South. Though such information is not widely publicised, there are numerous accounts that show what life in largely self-reliant communities was like. The isolated region of Ladakh, or 'Little Tibet', is just one place that can provide some clues about life in largely self-reliant communities. Unaffected by colonialism or, until recently, development, Ladakh's community-based economy provided people with a sense of self-esteem and control over their own lives. But since the early 1970s, in less than a generation, this culture has been dramatically changed by economic development. Development has effectively dismantled the local economy; it has shifted decision-making power away from the household and village to bureaucracies in distant urban centres; it has changed the education of children away from a focus on local resources

and needs towards a lifestyle completely unrelated to Ladakh; and it has implicitly informed them that urban life is glamorous, exciting and easy, and that the life of a farmer is backward and dull. Because of these changes, there has been a loss of self-esteem, an increase in pettiness and small-minded gossip, and unprecedented levels of divisiveness and friction. If these trends continue, future impressions of village life in Ladakh may soon differ little from unfavourable western stereotypes of small town life.

### **To urbanise or ruralise?**

An equally common myth employed in arguments against localisation is that ‘there are too many people to go back to the land.’ Interestingly enough, a similar scepticism does not accompany the notion of *urbanising* the world’s population. What is too easily forgotten is that roughly half the global population today — mostly in the Third World — *is* currently on the land. Ignoring them — speaking as if people are urbanised as part of the human condition — is a very dangerous misconception, one that is helping to fuel the whole process of urbanisation. It is considered ‘utopian’ to suggest a ruralisation of America’s or Europe’s population, while China’s plans to move 440 million people *off* the land and into cities in the next few decades is accepted without argument. This ‘modernisation’ of China’s economy is part of the same process that has led to unmanageable urban explosions all over the South — from Bangkok and Mexico City to Bombay, Jakarta and Lagos. In these cities, unemployment is rampant, millions are homeless or live in slums, and the social fabric is unravelling.

Even in the North, an unhealthy urbanisation continues. Rural communities are being steadily dismantled, their populations pushed into spreading suburbanised megalopolises, where the vast majority of available jobs are located. In the United States, where only 2% still live on the land, there are now fewer farmers than there are people incarcerated; yet farms continue to disappear rapidly.<sup>15</sup> It is impossible to offer that model to the rest of the world, where the majority of people earn their living as farmers. But where are people saying: “we are too many to move to the city”?

That question is rarely asked because it is implicitly assumed that centralisation is somehow more efficient, that urbanised populations use fewer resources. When we

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<sup>15</sup> Vidal, John. “eco soundings”, *The Guardian* (London and Manchester), September 6, 2000, “Society” section, p. 8.



take a close look at the real costs of urbanisation in the global economy, however, we can see how the opposite is true. Urban centres around the world are extremely resource intensive. The large-scale, centralised systems they require are almost without exception more stressful to the environment than small-scale, diversified, locally adapted production. Food and water, building materials and energy must all be transported great distances via vast energy-consuming infrastructures; their concentrated wastes must be hauled away in trucks and barges, or incinerated at great cost to the environment. In their identical glass and steel towers with windows that never open, even air to breathe must be provided by fans, pumps and non-renewable energy. From the most affluent sections of Paris to the slums of Calcutta, urban populations depend on increasing amounts of packaging and transport for their food, so that every pound of food consumed is accompanied by a dramatic increase in petroleum consumption, as well as significant amounts of pollution and waste.

Precisely because there *are* so many people, a globalised economic model which can adequately feed, house and clothe only a small minority has to be abandoned. It is essential to support instead knowledge systems and economic models that are based on an intimate understanding of diverse regions and their unique climates, soils and resources.

In the North, where we have for the most part been separated from the land and from each other, we have large steps to take. But even in regions that are highly urbanised, it is possible to nurture a connection to place. By reweaving the fabric of smaller communities within large cities and by redirecting their economic activities toward the natural resources around them, cities can regain their regional character, become more 'liveable' and less burdensome to the environment. Our task will be made easier if we support our remaining rural communities and small farmers. They are the key to rebuilding a healthy agricultural base for stronger, more diversified economies.

### **People power**

A final objection to shifting course is that there is already too much momentum towards globalisation, with policy-makers the world over wedded to it. But the scope and potential for public pressure to bring about changes in government policy is actually quite significant, as recent history shows.

A very visible example has been the massive public resistance in Europe against the genetic modification of foods. Despite the attempt of the biotechnology industry and the United States government to force GM foods down the throats of European consumers, public pressure to severely restrict or even ban imports of these foods has escalated. As a consequence, it has become impossible for European governments to ignore their voters. In the name of sovereignty and consumers' rights, some of these governments even seem willing to risk a trade war with the US. And in 1999 the four major supermarket chains in Britain, and several others on the continent, publicly stated that they would not allow genetically modified ingredients to be used in their own brands — again, as a result of enough consumers making their opinions known.

Another, less publicised, victory for citizens has been the stalling of the Multilateral Agreement on Investment. The MAI was an international agreement, written mainly by representatives of transnational banks, global corporations and government trade officials, which aimed to force governments to relinquish much of their power, especially their ability to protect their citizens and maintain social, environmental and health standards. A relatively small number of activists and informed citizens put pressure on governments around the world and forced the stalling of the agreement — a feat made even more impressive by the fact that these negotiations were conducted in total secrecy. Most elected officials, including many ministers, were not even aware of the MAI's existence!

A third example is the US Department of Agriculture's (USDA) retreat from its attempt in 1998 to weaken organic standards, in order to allow large agribusinesses to take advantage of the increasingly lucrative market for organically grown foods. Among other flaws, the proposed rules would have allowed 'organic' foods to be grown from genetically modified seed, fertilised with chemically tainted municipal waste, and sterilised by irradiation — techniques considered 'acceptable' within the global food system, but consistently repudiated by organic farmers. After USDA offices were flooded with thousands of irate letters, calls, and emails from consumers and farmers, the department backed down.

But undoubtedly the most encouraging and significant expression of resistance was the mass protest in Seattle during the WTO meeting at the end of 1999. The demonstrations there involved an extraordinary array of farmers, business people, mothers with young

children, environmentalists, indigenous people and members of labour unions. Protestors numbered in the tens of thousands, and brought worldwide attention to a process that has over the years taken place behind closed doors. The message of the people marching in the streets was very clear: globalisation is not a natural or evolutionary process; it is about specific trade agreements and government policies, and these must be changed. The atmosphere of resistance created by these protests undoubtedly played a major role in the collapse of the Seattle talks, and has certainly ensured that future trade decisions — which so fundamentally affect the well-being of the planet and its citizens — will no longer be made outside the glare of public scrutiny.

These examples show that ordinary citizens can force changes in policy. Even a relatively small group of well-organised and informed people can have a huge impact. Getting governments to shift course is not impossible, or even unlikely, once enough people understand how disastrous our present course really is.

### **Signs of renewal**

The increasingly globalised economy is not only leading to active resistance, it is also giving rise to a wide range of spontaneous efforts to reweave the social and economic fabric in ways that mesh with the needs of nature — both wild and human. Evidence of such changes are emerging everywhere: increasing numbers of doctors and patients are rejecting the commercialised and mechanistic medical mainstream in favour of more preventative and holistic approaches; many architects are finding inspiration in vernacular building styles, and are employing more natural materials in their work; awareness of the harmful health and environmental effects of large-scale industrial agriculture is on the rise, and thousands of farmers are switching to organic practices; dietary preferences among consumers are shifting away from processed foods with artificial colourings, flavourings, and preservatives, towards fresher foods in their natural state.

Positive trends like these are growing stronger and more numerous day by day, and point to people's longing to attune themselves and their communities to the natural world and its processes. These and other positive 'micro-trends' are further evidence that people are ready — even eager — for a fundamental shift in direction. Now let's consider some concrete ways such a shift can occur.



## Getting from Here to There

For a shift towards the local to occur, steps will be needed on several levels. Already, many individuals and organisations are working from the grassroots to strengthen their communities and local economies, creating many of the positive ‘micro-trends’ mentioned earlier. Yet for these efforts to succeed, they need to be accompanied by policy changes at the national and international level. How, for example, can participatory democracy be strengthened if corporations are allowed control government policy and manipulate public opinion? How can small farmers and locally owned shops flourish if governments continue to champion ‘free trade’ and subsidise global TNCs? How can cultural diversity be nurtured if monocultural media images continue to bombard children in every corner of the planet? How can small-scale renewable energy projects compete against massive subsidies for huge dams and nuclear power plants?

Clearly, local initiatives need to go hand in hand with policy changes if the globalisation process is to be reversed. Rather than just thinking in terms of isolated, scattered grassroots efforts, it is necessary to encourage government policies that would promote *small scale on a large scale*, allowing space for more community-based economies to flourish and spread.

## Policy shifts

Changing the direction of the economy means rethinking global economic and financial policies. It means looking at trade agreements, public expenditures, regulatory reform, and development policies. Here are some examples of the way shifts in government financial support could lead towards more diversified and localised economies:

- *Transport.* The money currently spent on long-distance ground transport alone offers an idea of how heavily subsidised the global economy is. In the United States, where there are about 3.9 million miles of public roads, another \$175 billion has been earmarked for ground transportation in the next few years, with the goal of

“improving access to markets worldwide.”<sup>16</sup> The European Community, not to be outdone, is planning to spend \$465 to \$580 billion on a ‘Trans-European Network’ that includes new high-speed rail links in and between France, England, Italy, Austria, Germany and Spain; motorways in Greece, Bulgaria, Portugal, Spain, Ireland, Great Britain and all the Scandinavian countries; and surface crossings between Denmark and Sweden, and between Britain and Ireland.<sup>17</sup> Throughout the South, scarce resources are being similarly spent. The World Bank, for example, is lending \$400 million to China for highways that “will improve long-distance travel and promote trade.”<sup>18</sup>

Rather than continually paying to expand trade-based transport networks, a portion of those funds could instead go towards a range of transport options that favour smaller, more local enterprises. This shift would bring enormous benefits — from the creation of jobs, to a healthier environment, to a more equitable distribution of resources. Depending on the local situation, transport money could be spent on building bike paths, footpaths, boat and rail service, and where appropriate, paths for animal transport. Even in the highly industrialised world, where dependence on centralised infrastructures is deeply entrenched, a move in this direction can be made. In Amsterdam, for example, steps are being taken to ban cars from the city’s centre, thus allowing pavements to be widened and more bicycle lanes to be built.

- *Markets and public spaces.* High-speed motorways built with government funds (or through public and private ‘partnerships’) inherently promote the growth of corporate super-stores, hyper-markets, and sprawling shopping malls. Spending some of that money instead to build or improve spaces for public markets — such as those that were once found in virtually every European town and village — would enable local merchants and artisans with limited capital to sell their wares. This would enliven town centres while reducing car use, fossil fuel burning and pollution. Similarly, support for farmers’ markets would not only benefit cities, it would help to revitalise the agricultural economy of surrounding regions, while reducing the

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<sup>16</sup> Slater, Rodney E., Secretary of Transportation, letter to Al Gore, March 12, 1997, p. 2; US Department of Transportation. “Highlights of the FY 1997 Transportation Budget”, Washington D.C.: US Department of Transportation, 1997.

<sup>17</sup> “Ten Questions on TENS”, European Federation for Transport and Environment, Rue de la Victoire 26, 1060, Brussels, Belgium, pp. 3-6.

<sup>18</sup> “Loan & Credit Summary” (projects approved at World Bank’s December 1996 board meeting.), [www.worldbank.org](http://www.worldbank.org)

resources wasted on processing, packaging and transporting food. Creating and improving spaces for public meetings — from town halls to village squares — would encourage face-to-face exchanges between decision-makers and the public, serving both to enliven communities and to strengthen participatory democracy.

- *Energy.* From nuclear power stations to big dams, large-scale centralised energy projects are today heavily subsidised, their environmental costs largely ignored. Phasing out these multi-billion dollar investments while offering real support for locally available renewable energy supplies would result in lower pollution levels, reduced greenhouse gas emissions, and less dependence on dwindling petroleum supplies and dangerous nuclear technologies. These decentralised energy sources would also help to keep money from ‘leaking’ out of local economies.

In the South, large-scale energy plants are systematically geared towards the needs of urban areas and export-oriented production — thus promoting both urbanisation and globalisation. Supporting decentralised renewable energy infrastructures instead would strengthen villages, smaller towns and rural economies in general, and thereby help halt the urbanising process. Since the energy infrastructure in the South is not yet very developed, there is a realistic possibility that this strategy could be implemented in the near future if there were sufficient pressure from the public on banks and funding agencies. Awareness of global warming may help to encourage a rapid shift in this direction.

- *Agriculture.* Farm subsidies in most countries today heavily favour large-scale industrial agribusinesses. In the UK, for example, only 0.2% of the £3.2 billion in direct subsidies for agriculture are used to encourage organic farming practices.<sup>19</sup> It is not only direct payments to farmers that are biased towards large-scale agriculture: funding for agricultural research is heavily skewed in favour of biotechnology and chemical- and energy-intensive monoculture. Shifting these expenditures towards simpler technologies needed for smaller-scale, diversified farming would help to revitalise rural economies in both North and South, while promoting biodiversity, healthier soils, food security, balanced and diverse diets, and fresher food.

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<sup>19</sup> Ministry of Agriculture, Fisheries and Food. *Agriculture in the United Kingdom*. London: MAFF, The Stationary Office, 1999, pp 9:1-9:8.

In countries of the South, colonialism, development and globalisation have meant that the best land is devoted to crops for Northern markets. Shifting the emphasis to diversified, low-input production for local consumption would not only improve economic stability, it would also reduce the gap between rich and poor, while eliminating much of the hunger that is now so endemic in the ‘developing’ parts of the world.

- *Global media.* Television and other centralised mass media have been the recipients of massive subsidies in the form of research and development, infrastructure development, educational training, and other direct and indirect support. Now even national broadcasting companies are threatened by takeover by global media empires. These conglomerates are rapidly homogenising diverse traditions around the world. Supporting facilities for *regional* entertainment — from music and drama to dances and festivals — would offer a healthy alternative. Communities and nations should have the right to restrict the bombardment of their children by violent and commercial media images.
- *Education.* Schooling is being increasingly geared towards the needs of corporations, which are presumed to be the future employers of today’s children. Curricula are ever more standardised and technology-focused. Shifting course so as to provide training in regional agriculture, architecture and appropriate technology would further a real decentralisation of production for basic needs. Rather than encouraging specialisation for a competitive, ‘jobless growth’ economy, children would be educated for diverse environments, cultures and economic systems. This does not imply that the flow of information from other cultures would be curtailed; in fact cultural exchange would be an important part of education.

In much of the South, formal education continues to be based on the colonial model — with rote-learning in the language of the colonial power, with cultural, historical and other information coming from abroad, and with training in skills relevant to the export economy rather than the local or regional economy. In most countries, this form of education filters out any information from around the world about widespread social and economic problems, leaving idealised myths about ‘development’ and western urban life intact. The South would benefit enormously from a shift away from this monocultural model towards diverse forms of education that are related to living and working in specific environments and cultures.



- *Healthcare.* At present, investments in healthcare favour huge, centralised hospitals serving urban populations. The inevitable pressure to cut costs means that doctors and nurses have to serve more and more patients, inevitably eroding the quality of attention given to each patient. Spending the same money instead on a greater number of smaller local clinics — relying less on high technology and more on health practitioners, local health education and preventative medicine — would bring healthcare to more people while boosting national and local economies.

In the South, local economies and communities would similarly benefit if support for capital- and energy-intensive, centralised healthcare based on a western model were shifted towards more localised and indigenous alternatives that are affordable to the majority of the population.

### **Regulatory reforms**

In addition to the many direct and indirect subsidies given to them, large-scale, globally oriented businesses also benefit from a range of government regulations — and in many cases, a lack of regulations — at the expense of smaller, more localised enterprises. Although big business complains loudly of ‘red tape’, much of the regulatory bureaucracy could be dispensed with if production were smaller in scale and based more locally. In today’s climate of unfettered ‘free trade’ some regulation is clearly necessary, and citizens need to insist that governments be allowed to protect their interests. This could best come about through international treaties in which governments agree to change the ‘rules of the game’ to encourage a restoration of real diversity and decentralisation in the business world. Among the areas that need to be examined are:

- *Trade treaties.* ‘Free trade’ policies are leading to greater power and freedom for corporations, while leaving national and local economies ever more vulnerable and constrained. Instead, a careful and, ideally, internationally agreed policy of using trade tariffs to regulate the import of goods that could be produced locally would be in the best interests of the majority. Such ‘protectionism’ would not be targeted against fellow citizens in other countries; rather, it would be a way of safeguarding

jobs and defending local resources worldwide against the excessive power of transnational corporations.

Many people in the South are aware that they would be far better off if they were allowed to protect and conserve their natural resources, nurture national and local business enterprises, and limit the impact of foreign media and advertising on their cultures. In much of the South, even 'fair trade' may not be in people's long-term interest if it pulls them away from a relatively secure local economy, rather than freeing them from 'unfair trade'.

- *Capital flows.* The unregulated flow of capital has been a prerequisite for the rapid growth of transnational corporations. The ease with which they can shift profits, operating costs and investment capital to and from all of their far-flung enterprises enables them to operate anywhere in the world, and even to hold sovereign nations hostage by threatening to leave and take their jobs with them. As a consequence, they can obtain subsidies denied to smaller companies. Limiting the free flow of capital would help to reduce the advantage that huge corporations have over more local enterprises, and help to make corporations more accountable to the places where they operate.
- *Yardsticks of economic health.* Decision-makers often point to rising levels of Gross Domestic Product (GDP) as proof that their policies are succeeding. What they fail to acknowledge is that GDP is woefully inadequate as a measure of societal well-being. GDP is simply a gross measure of market activity, of money changing hands. It does not distinguish between the desirable and the undesirable, between costs and gain. Increased expenditures on cancer, crime, car accidents, and oil spills all lead to rising GDP, but any reasonable assessment would count these as symptoms of societal *ill*-health, rather than well-being.

What's more, GDP considers only the portion of economic activity that involves monetary transactions, thereby leaving out the functions of family, community, and the environment. Thus, paying to send one's children to a day-care centre adds to GDP, while care at home by members of the family does not. Similarly, a forest cut down and turned into pulp adds to GDP, but a standing forest — crucial to the health of the biosphere — does not. As a result, policymakers who rely on GDP can easily embrace policies that do irreparable harm.

In the South in particular, policies that focus on elevating GDP systematically lead to the breakdown of economies in which people's needs are provided with little use of cash. Through the process of 'development', healthy self-reliance is thus replaced by real poverty within the global economy.

More accurate and complete measures of economic health would help reveal many of the hidden costs of our present globalising course, and would make clear how much better off a shift in direction would leave us.<sup>20</sup>

- *Tax systems.* In almost every country, tax regulations systematically discriminate against small and medium-scale businesses. Smaller-scale production is usually more labour-intensive, and heavy taxes are levied on labour through income taxes, social welfare taxes, value-added taxes, payroll taxes, etc. Meanwhile, tax breaks (accelerated depreciation, investment allowances and tax credits, etc.) are afforded to the capital- and energy-intensive technologies used by large corporate producers. Reversing this bias in the tax system would not only help local economies, it would create more jobs by favouring people instead of machines. Similarly, taxes on the energy used in production would encourage businesses that are less dependent on high levels of technological input — which again means smaller, more labour-intensive enterprises. And if petrol and diesel fuel were taxed so that their price reflected their real costs — including some measure of the environmental damage their consumption causes — there would be a reduction in transport, an increase in regional production for local consumption, and a healthy diversification of the economy.
- *Banking policies.* Another area to address is the lending policies of banks, which today discriminate against small businesses by charging them significantly higher interest rates for loans than they charge big firms. They also often require that small business owners personally guarantee their loans — a guarantee not sought from the directors of large businesses. Ending these practices would eliminate one of the unfair advantages large corporations now enjoy.

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<sup>20</sup> The US-based group Redefining Progress has been working to expose the shortcomings of conventional economic yardsticks, and to promote the use of an alternative set of measures. See Clifford Cobb, Ted Halstead, and Jonathan Rowe, "If the GDP Is Up, Why Is America Down?", *Atlantic Monthly*, Oct. 1995.

Banks also encourage dependence on centralised, non-renewable energy sources through their mortgage lending policies. Homes that use wood-burning stoves or solar or wind power to provide electricity are considered ‘non-conforming’. Mortgage rates for those houses are higher than for than homes that are connected to the power grid and are centrally-heated with fossil fuels. Eliminating this hidden penalty for using local energy sources would benefit both the environment and local economies.

- *Land use regulations.* Local and regional land use rules could be amended to protect wild areas, open space and farmland from development. Political and financial support could be given to the various forms of land trusts that have been designed for this purpose. In some cases, local governments have used public money to buy the development rights to farmland, thereby protecting the land from suburban sprawl while simultaneously reducing the financial pressure on farmers. Studies have also shown that developed land costs local governments significantly more in services than the extra tax revenues generated — meaning that when land is developed, taxpayers not only lose the benefits of open space, they lose money as well.

In urban areas, zoning regulations usually segregate residential, business and manufacturing areas — a restriction necessitated by the needs and hazards of large-scale production and marketing. These could be changed to enable an integration of homes, small shops and small-scale production. A rethinking of restrictions on community-based ways of living would also be beneficial: zoning and other regulations aimed at limiting high-density developments often end up prohibiting environmentally sound living arrangements like co-housing and eco-villages.

- *Health and safety regulations.* An unfair burden often falls on small-scale enterprises through regulations aimed at problems caused by *large*-scale production. Battery-style chicken farms, for example, clearly need tough environmental and health regulations. The millions of closely confined animals are highly prone to disease; their tonnes of concentrated effluent need to be safely disposed of; and the long-distance transport of eggs and fresh chicken entails the risk of spoilage. Yet a small producer — such as a farmer with a dozen free-range chickens — is subject to essentially the same regulations, often raising costs to levels that can make it impossible for them to remain in business. Large-scale

producers can spread the cost of compliance over a far greater volume, making it appear that they enjoy ‘economies of scale’ over smaller producers. Such discriminatory regulations are widespread, and are decimating farm-based cheese production in Europe, small-scale apple cider production in America, and others.

How can regulations on large-scale operators be tightened without placing a killing burden on small operators? One solution to this dilemma is a two-tier system of regulations: stricter controls on large-scale producers and marketers, with strong safeguards against the ‘revolving door’ between regulatory agencies and Big Business; and a simpler set of locally determined regulations for small-scale localised enterprises. Such a system would acknowledge that communities deserve the right to monitor foods that are produced locally for local consumption, and that such enterprises involve far fewer processes likely to damage human health or the environment.

Community-based minimum standards for local production and retailing would likely vary from place to place, influenced by local conditions and community values. Community peer pressure would ensure compliance with the agreed upon standards much more effectively than current systems of national or statewide standards, which are largely anonymous and rely upon expensive enforcement mechanisms. Local regulation would allow more flexibility, encourage more accountability, and would dramatically reduce the cost of both monitoring and compliance.

These highly localised community regulations would co-exist with national and international regulations for goods produced in one region and sold in another. Small-scale businesses oriented towards local markets would not be burdened by inappropriate regulations, but people and the environment would still be protected from the excesses of distant, large-scale enterprises.

### **Grassroots initiatives**

In addition to these policy and regulatory shifts, we need countless more small, diverse, local initiatives of the kind that are already emerging. Unlike actions to halt the global economic steamroller, these small-scale steps require a slow pace and a deep, intimate

understanding of local contexts, and are best designed and implemented by local people themselves. If supported by the policy changes discussed above, such initiatives will, over time, inevitably foster a return to cultural and biological diversity and long-term sustainability.

Economic localisation implies an adaptation to cultural and biological diversity; therefore, no single ‘blueprint’ is appropriate everywhere. The range of possibilities for local grassroots effort is as diverse as the locales in which they would take place. The following survey is by no means exhaustive, but illustrates the sorts of steps being taken today.

- In a number of places, *community banks and loan funds* have been set up, thereby increasing the capital available to local residents and businesses, and allowing people to invest in their neighbours and their community, rather than in distant corporations. These schemes enable small businesses to obtain cheap start-up loans of the kind that banks typically offer only to large corporations.
- ‘*Buy-local*’ campaigns help local businesses survive, even when pitted against heavily subsidised corporate competitors. These campaigns not only help keep money from ‘leaking’ out of the local economy, but also help educate people about the hidden costs — to the environment and to the community — in purchasing artificially cheaper distantly produced products. Around the world, grassroots organisations have emerged in response to the intrusion of huge corporate marketing chains into rural and small town economies. For example, the McDonald’s Corporation — which now opens about five new restaurants each day<sup>21</sup> — has met with grassroots resistance in at least two dozen countries. In the United States, Canada and, most recently, the UK, the rapid expansion of Wal-Mart, the world’s largest retailer, has spawned a whole network of citizens groups to protect jobs and the fabric of their communities from these sprawling ‘superstores’.
- A way of guaranteeing that money stays within the local economy is through the creation of *local currencies* that are only recognised by community members and local participating businesses. Similarly, Local Exchange Trading Systems (LETS) are, in effect, large-scale local barter systems. People list the services or goods

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<sup>21</sup> McDonald’s Corporation. “McDonald’s Reports Record Global Results”, press release, January 26, 2000.

they have to offer and the amount they expect in return. Their account is credited for goods or services they provide to other LETS members, and they can use those credits to purchase goods or services from anyone else in the local system. Thus, even people with little or no 'real money' can participate in, and benefit from, the circulation of credit within the local economy.

- One of the most effective grassroots efforts is the *community supported agriculture* (CSA) movement in which consumers in towns and cities link up directly with a nearby farmer. Consumers usually have a chance to visit the farm where their food is grown, and in many cases their help on the farm is welcomed. CSAs provide small farmers with a constant and reliable market, while providing consumers with produce that is fresher and healthier than what they could buy at the supermarket. While small farmers linked to the industrial system continue to fail every year at an alarming rate, CSAs are allowing small-scale diversified farms to thrive in growing numbers. CSAs have spread rapidly throughout Europe, North America, Australia and Japan. In the United States, the number of CSAs has climbed from only two in 1986 to 200 in 1992, and is closer to 1000 today.<sup>22</sup>
- Another model, called *subscription farming*, provides the farmer even more security because consumers share the risk by paying in advance for a whole year's supply of food, or even buying a share in the farm.
- By connecting farmers directly with urban consumers, *farmers' markets* similarly benefit local economies and the environment. The number of farmers' markets in the US has grown substantially in the past few years, from 1755 in 1994 to over 2600 in 1998.<sup>23</sup> Interest in this form of marketing has grown elsewhere as well. In the U.K., the number of farmers' markets went from zero in 1996 to 270 in the year 2000.<sup>24</sup>
- Related to the enthusiasm for CSAs and the spread of farmers' markets is the growing general interest in *local organic food*. Recent outbreaks of BSE ('Mad Cow Disease'), as well as increasing incidences of *E. coli*, salmonella, and even

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<sup>22</sup> Center for Integrated Agricultural Systems. *Research Brief#21: Community supported agriculture: growing food ... and community*. Madison, WI: CIAS, University of Wisconsin, 2000.

<sup>23</sup> United States Department of Agriculture. *National Directory of Farmers' Markets*. Washington, D.C.: USDA, Agricultural Marketing Service, November 1998.

<sup>24</sup> personal correspondence, Jenny Hey, National Association of Farmers' Markets, September 8, 2000.

dioxin poisoning, have resulted in major food scares in several parts of the world, most notably in Europe. The demand for more natural, unprocessed and organically grown foods has grown exponentially in the past few years; close to 10 percent of agricultural land in some European countries now being cultivated organically.<sup>25</sup> Despite the fact that some large-scale producers oriented towards export have tapped into this burgeoning segment of the food market, organic agricultural methods are most conducive to small-scale, diversified, local production for local consumption. If chemical-intensive, industrial agriculture continues to give way to organic methods, the potential for truly sustainable local food systems will increase dramatically.

- The *eco-village* movement aims at creating a complete antidote to dependence on the global economy. Around the industrialised world, people are building communities that attempt to get away from the waste and pollution, competition and violence of contemporary life. Many rely on renewable energy and are seeking to develop more cooperative local economies. These efforts provide a significant alternative to the Western consumer model now being imposed on the less-developed parts of the world.<sup>26</sup>

## Changing ourselves

The changes discussed above would require shifts at the personal level as well. In part, these involve rediscovering the deep psychological benefits — the joy — of living in community. Children, mothers and the aged all know the importance of being able to feel they can depend on others. The values that are the hallmarks of today's fast-paced global economy, on the other hand, are those of a 'teenage boy culture'. It is a culture that demands mobility, flexibility and independence. It induces a fear of growing old, of being vulnerable and dependent.

Another fundamental shift involves reinstilling a sense of connection with the place where we live. The globalisation of culture and information has led to a way of life in

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<sup>25</sup> Lampkin, Nicholas. Welsh Institute of Rural Studies, University of Wales, Aberystwyth, UK; complete data and charts are given on the Institute's website: [www.wirs.aber.ac.uk/research/](http://www.wirs.aber.ac.uk/research/)

<sup>26</sup> The Global Eco-village Network (GEN) links many of these communities worldwide.



which the nearby is treated with contempt. We get news from China, the Middle East or Washington, D.C., but remain ignorant about what is going on in our own backyard; at the touch of a button on a TV remote control, we have access to all the wildlife of Africa, and our immediate surroundings consequently seem dull and uninteresting by comparison. A sense of place means helping ourselves and our children to see the living environment around us: reconnecting with the sources of our food, perhaps even growing some of our own, and learning to appreciate the cycles of seasons and the characteristics of the flora and fauna.

Ultimately, this involves a spiritual awakening that comes from making a connection with others, and with nature. It requires us to see the world within us — to experience more consciously the great interdependent web of life, of which we ourselves are part.

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