

SOCIAL DIVERSITY AND THE SUSTAINABILITY OF COMMUNITY ECONOMIES

by Patricia E. Perkins
Assistant Professor
Faculty of Environmental Studies
York University
North York, Ontario M3J 1P3
CANADA

Phone: (416) 736-5252
Fax: (416) 736-5679
E-mail: ESPERK@Orion.YorkU.CA

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ABSTRACT

Economic restructuring related to globalization is producing a bifurcation in economic activity throughout the OECD countries: a split between those workers/industries/areas which are competitive in the global market, and those which are being phased out. Partly in response, community economies -- which use local resources and labour to produce locally-needed goods and services -- are growing rapidly in some parts of North America and Europe.

This paper discusses the relationship between these two macro trends, describing some typical institutions and characteristics of community economies and the requisites for their sustainability. The implications of this development in terms of the environmental impacts of economic change, meaning and value of social diversity, gender issues and educational needs, receive particular focus.

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I. Introduction

Bioregional and "ecological economics" theory describes the growth of local economic linkages as vital to move post-industrial economies in the direction of sustainability.¹ This involves expanding local stewardship over environmental and economic resources, so that progressively more production for local needs can be done within the community. Far from existing solely in the realm of theory, this is a pattern which is becoming more and more familiar in many parts of North America and Europe.²

The blossoming initiatives to create local, community economies can be understood in light of the long history of environmental challenges faced by people living in the industrialized North, and the double economic blows of recession and trade liberalization/globalization exemplified by the passage of GATT and NAFTA. Many communities in North America and Europe have been organizing around environmental concerns for decades. Recession or trade-related layoffs in the early 1990s have given many people both time and incentives to exercise long-dormant skills for generating incomes and exchanging goods and services. Environmental awareness, community organizing, and "alternative" employment creation (e.g. in environmental remediation and energy conservation activities) form a natural and dynamic synergy.

¹See, for example: Carolyn Merchant, Radical Ecology (New York: Routledge, 1992), pp. 86-87; Jeremy Rifkin, Biosphere Politics (New York: HarperCollins, 1991), p. 310; Kirkpatrick Sale, Dwellers in the Land (San Francisco: Sierra Club Books, 1985), p. 77; Herman Daly and John Cobb Jr., For the Common Good (New York: Beacon Press, 1989), p. 214; and the discussion in my paper "Exploring Sustainable Trade: Definitions and Indicators", in David Bell, Roger Keil, Leesa Fawcett and Peter Penz, Global Political Ecology. (Montreal: McGill/Queen's University Press, forthcoming).

²See, for example, Vidal Rajan, Rebuilding Communities: Experiences and Experiments in Europe (Totnes, Devon: Resurgence Book, 1993); Helen Forsey (ed.), Circles of Strength: Community Alternatives to Alienation (Gabriola Island, BC/Philadelphia: New Society Publishers, 1993); "Pathways to Prosperity: Across America, Experiments in Community Economy are Changing the Landscape", Human Economy, vol. 14 no. 4, Winter 1995, pp 12-15; Ross Dobson, Bringing the Economy Home From the Market; Marcia Nozick, No Place Like Home (Ottawa: Canadian Council on Social Development, 1992). Communities in the South, of course, have struggled for centuries to maintain social and economic autonomy in the face of colonialism and neo-colonialism. The focus in this paper is on the North, although many parallels exist between South and North with regard to the role of diversity in community economies.

II. Characteristics of Community Economies

As Community Economic Development (CED) practitioners have demonstrated for decades, strong interactive multiplier effects can be created in communities by generating jobs and needed local services, and keeping money circulating within the local area.³ "Green CED", as currently practiced, involves the extension of CED ideas to include financing of local economic initiatives via energy and other conservation measures, and environmental remediation as an important job creation focus. The particulars of how this works, and the potential for CED in a given community, are of course closely related to the specific situation.

Toronto, for example, is home to a vast and growing network of locally-based initiatives aimed at creating jobs by addressing environmental problems, and increasing local control of basic economic necessities: food, shelter, transportation, money.

When Central American refugees form an agricultural cooperative, lease land outside Toronto, and provide weekly food baskets of organic vegetables to urban consumers in a "community shared agriculture" project; or when the City of Toronto provides seed loans for energy-efficient retrofits of private housing which create construction jobs and save both energy and money; or when a largely abandoned industrial area along the Lake Ontario waterfront is converted to a "green industry" center, this contributes to the development of a more ecological, less wasteful, more locally-centred economy.

There are countless more examples in Toronto of small-scale organizing and local economic initiatives involving people of all ethnicities and backgrounds:⁴

- Ethiopian immigrants create loan pools like those they knew in Africa, giving members of the group access to far more credit than commercial banks would provide.

³An overview of this literature is contained in P. Boothroyd and C. Davis, "The Meaning of Community Economic Development" (UBC Planning Papers, Discussion Paper 25, School of Community and Regional Planning, University of British Columbia, Vancouver BC, 1991); see also Nozick.

⁴Sources on "Green CED" in Toronto include Wayne Roberts, John Bacher and Brian Nelson, *Get a Life! A Green Cure For Canada's Economic Blues* (Toronto: Get A Life Publishing House, 1993); *Community Economics* (130 Spadina Ave., Suite 402, Toronto M5V 2L4); *Toronto Community Ventures News* (158 Eastern Ave., Toronto M5A 4C4).

- The Waterfront Regeneration Trust facilitates the growth of employment-generating "green industries", such as recycling plants and composting stations, on industrial lands bordering Lake Ontario.
- Neighbourhood activists in South Riverdale and other areas work with government and industry representatives to carry out environmental clean-ups, meet the challenges posed by plant closings/"restructuring", and plan for healthy neighbourhood development.
- Toronto's Local Exchange Trading System (LETS) allows people to barter a wide range of locally-generated goods and services, without the need for cash.
- The Toronto Island Community Land Trust, negotiated by local residents, shows how complex land ownership and stewardship issues can be resolved using unconventional institutional approaches.
- Pioneering eco-technology pilot projects include the Toronto Board of Education's Boyne River Ecology School and the award-winning Codicile House, both autonomous "off-the-energy-grid" buildings featuring "living machine" natural wastewater treatment.
- "Green Communities" initiatives in both the East and West sides of Toronto have forged wide-ranging partnerships to create jobs by upgrading the energy efficiency and environmental quality of neighbourhood life.
- The Environmental Centre for New Canadians organizes recent immigrants to Canada around environmental issues, providing a focus for advocacy and job creation.

Several factors particular to Toronto have contributed to the development of a local economy: as the largest city in Canada, Toronto benefits from ethnic and cultural diversity and a wide range of community traditions; it also has relatively well-developed environmental and community organizations, and well-defined downtown urban neighbourhoods; existence of a New Democratic provincial government and Canadian federal government with clearly-stated environmental priorities have made some alternative projects politically feasible in recent years; at the same time, pressing urban environmental problems and an unemployment rate of well over 10 percent

have put attention to local environmental and job creation issues at the top of the public agenda.

The fact that similar examples of burgeoning local economies can be found all over North America and Europe, however, indicates that in many different contexts the trend persists. This raises a number of interesting research questions, especially concerning the relationship between globalization and the growth of local economies.

III. Globalization and Community Economies

The "restructuring" which is part of globalization inevitably leads to layoffs in some places, and laid-off workers often cannot move to where the jobs are, or be retrained for them. They may either have the wrong skills or be in the wrong places for the global economy to make use of them. They also, however, are likely to have very important knowledge of the places where they live -- and community connections -- which allow them to substitute local economic activity for whatever they formerly did.

Such a substitution:

- provides personal satisfaction and contact with others
- can provide basic goods and services which people need (food, clothing, shelter, personal services such as childcare and home repairs)
- makes money less necessary at a time when money is probably less available
- facilitates the development, "remembering", and transmission of skills which are necessary for personal and community self-sufficiency (such as gardening, food preparation, craft, construction and repair, music, etc.)
- encourages thrift and efficiency of resource use, and intrapersonal specialization.

All these are things that people intuitively are attracted to and see as pleasant, worthwhile, and "good". De-linking from the global economy in this way allows people to relax, depend on and learn from each other in a way that is impossible when time is precious and scarce because "time is

money". When you are laid off, you can spend a week teaching your grandson how to rebuild a junked bicycle -- as long as you've got a home to live in, health care, and food on the table.

Important pre-conditions for this rosy vision of restructuring to be feasible (and they are perhaps more realistic in Canada and some European countries than in other places) are a guaranteed basic income, and basic health care, for all members of society.

Other factors which facilitate the growth of a local economy include the following:

- Flexibility in the way basic social services are provided allows people to switch to locally-sourced food, health care and housing if they wish, and use the money saved for other things. This implies welfare payments of a "guaranteed annual income" kind, rather than food stamps, government housing, etc.
- Large-scale economic change happening suddenly in a local area is more conducive to development of local economic activity than protracted, smaller shifts. This is because in the former situation, people are less likely to feel personally responsible for their being laid off. When big changes hit a community, a unified response seems easier and new institutions and lifestyles are more acceptable.
- If pilot projects or small-scale local economic endeavors pre-exist a globalization shock, this can help people to see them as a viable solution to new problems. There may be an openness to community approaches within a short time following economic upheaval which dissipates over time as people "adjust" on their own, so a strong energy for creation of community-based economic institutions may be lost in the initial learning-by-doing phase. Pre-existing trials and "fringe" projects can reduce this. Individual adjustment and alienation are dangerous because of the high costs in depression, family violence, alcoholism and other health effects, etc. This has many gender implications.
- A strong community is essential! People who know each other well, intergenerational connections, strong local institutions like churches, parents' groups, clubs, and sports leagues, create the fora for people to expand and develop their interpersonal ties into new areas. There is no substitute for this sort of community self-knowledge.

- The longer most people have lived in the area, the easier it is for a local economy to develop. People need to know each other as individuals, including each others' non-work related skills and strengths and needs. They need to know how the community works -- its institutions and history. And they need to know the local geographical area well: What grows in gardens? Where can you get sand, or walnut planks, or locally-grown apples?

To the extent that globalization depends on accelerating consumption of nonrenewable resources, it is destined to be relatively short-lived. Trade in goods which are sent long distances using fossil fuels cannot continue at current rates. Transport prices will rise, the goods' final prices will rise, and locally-produced substitutes will become competitive. Anything made from metal, or which is otherwise energy-intensive in its production processes, will see a similar trend, as will goods which generate toxic or hazardous wastes as waste disposal costs rise. Production/consumption/disposal loops are already becoming shorter, and local economic linkages more important. The use of renewable energy sources is much easier in small-scale, dispersed settings. Decentralization is congruent with ecological economic development.

Environmental crises in resource consumption and waste disposal require local responses. Global capitalism needs local economies and especially local environmental management strategies or it won't be able to continue.⁵ Socially, local economies can serve to "keep the lid on" social pressures arising from global economic restructuring, allowing globalization to continue longer than in their absence. The "economic rents" generated by local economic activity are, by definition, fairly dispersed and difficult for corporations to skim off, which is bad for the global economy; on the other hand, it may be worthwhile for corporate interests to turn a blind eye to local economic activity which makes possible the continuation of parallel activity in a global market.

Rising nationalism and the importance of ethnic and cultural identities underscore people's desire for diversity, not homogeneity. In the remainder of this paper, I wish to focus particularly on the issue of social diversity as it affects the growth of locally-based economies.

IV. Diversity in Community Economies

From a bioregional and ecological perspective, cultural and biological diversity is a natural response to climatic and geographical differences

⁵Martin O'Connor, (ed.) Is Capitalism Sustainable? (New York/London: Guilford Press 1994).

across the earth's surface; cultural and biological diversity have evolved together.⁶ Ecologists detail the role of diversity in increasing an ecosystem's stability and chances of survival in the face of climatic or other shocks.⁷ Diverse human cultures have played an important and largely unrecognized role worldwide in protecting plant and animal diversity, especially for species which are used as food.⁸

Humility vis-a-vis nature is linked to respect for other human cultures and diversity; cultural and social diversity allows for, accompanies, fosters and makes possible the growth of other ecological values.⁹ "Green politics" is characterized by acceptance and embracing of functional differentiation, pluralism, decentralization and complexity; it is designed to unite diverse viewpoints in a cooperative participatory democracy leading to a deepening of community.¹⁰ "If diversity is good for an ecosystem, it's good for a social movement as well!"¹¹

New models of wealth involve wide variation in meeting ecological realities, a "new elegance" in respecting subsidiarity, anti-uniformity, and a "credo of diversity".¹² Diversity must be deliberately fostered to permit adaptation to future surprises.¹³

While most CED and ecological economics literature speaks favorably of social diversity as a goal, mention can also be found of the difficulties this can pose in practice for achieving consensus in decision-making processes.

⁶ Daniel A. Coleman, Ecopolitics (New Brunswick, NJ: Rutgers University Press, 1994), p. 126; Rajan, p. 59; F. Herbert Bormann and S.R. Kellert, Ecology, Economics, Ethics (New Haven: Yale University Press, 1991), p. 39; Richard Norgaard, "Coevolution of Economy, Society and Environment", in Paul Ekins and M. Max-Neef, Real-Life Economics (London: Routledge, 1992), p. 79.

⁷See, for example, "It's Natives vs. Newcomers, Down Under in the Worm World", New York Times, March 28, 1995, p. B13; Bormann and Kellert, p. 13.

⁸Rajan, pp. 66, 72.

⁹Coleman, p. 150-159.

¹⁰David Pepper, Eco-Socialism (London: Routledge, 1993), p. 227; Coleman, pp. 150, 164.

¹¹Dave Foreman, quoted in Forsey, p. 4.

¹²Ernst Ulrich von Weizsacker, Earth Politics (London: Zed Books, 1994), pp. 207-211.

¹³Norgaard, in Ekins and Max-Neef, p. 86; Nonita T. Yap, Sustainable Community Development: An Introductory Guide (Toronto: Ontario Environment Network, 1989), p. 10.

For one thing, differences can make "community" hard to achieve.¹⁴ A non-hierarchical process, "honoring what everyone can bring to the group", takes time and care, and conflict mediation skills may be necessary.¹⁵ Moreover, decentralized communities may have the potential to become anti-woman, racist, anti-Semitic, and otherwise repressive.¹⁶ Social change may seem easier to accomplish in a group of like-minded people.¹⁷

Nonetheless, acceptance and welcoming of diversity in communities is a sign of their health; the skills required to mediate and develop community amidst diversity are extremely valuable for community stability.¹⁸

It is a common theme in virtually all writing on CED, "Green CED", and ecological economics that social diversity, mirroring and enhancing biological diversity, is desirable, beneficial, "natural", and to be cultivated.

V. Conclusion

As community economies grow in response to economic globalization and global ecological realities, their characteristics and implications will become clearer. Whether they represent an accommodation to the global economy or an alternative to it, community economies seem destined to play an important role in many people's lives. Social diversity is widely recognized as a positive contributor to their stability and potential.

¹⁴Forsey, p. xi.

¹⁵"Community as Crucible", in Forsey, p. 77, Van Andruss and E. Wright, "A People of Place", in Forsey, p. 109.

¹⁶"The More We Do, The More We Know We Haven't Done", in Forsey, p. 57.

¹⁷Paige Cousineau, "Of Mice and Elephants: The Individual, Community and Society," in Forsey, p. 71; Sonia Johnson and Jean Tait, "A Passion for Women's World", in Forsey, p. 87.

¹⁸Coleman, p. 121; Margo Adair and Sharon Howell, "Women Weave Community", in Forsey, p. 37, Cousineau, in Forsey, p. 71; Barbara Rose Johnston, Who Pays the Price? (Washington, DC: Island Press, 1994), pp. 229, 234-5.

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