



the Economics of Happiness



DISCUSSION GUIDE
and COMPANION TO THE FILM

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Discussion Guide and Companion to the Film

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DIRECTORS' NOTE

At the International Society for Ecology and Culture, we have spent the last three decades raising awareness of the underlying causes of the many crises we face today. From climate change to terrorism, financial insecurity to the epidemic of depression – we have argued that most of our most pressing problems can be traced back to an unsustainable global economic system. More importantly, we have pointed to a strategic way to address these problems simultaneously: economic localization.

The Economics of Happiness offers not only a big-picture analysis of globalization, but a powerful message of hope for the future. The thinkers and activists we interviewed for the film come from every continent, and represent the interests of the great majority of people on the planet today. Their message is unambiguous: in order to respect and revitalize diversity, both cultural and biological, we need to localize economic activity. They argue that a systemic shift – away from globalizing economic activity and towards the local – is an almost magic formula that allows us to reduce our ecological footprint while increasing human well-being.

When people start connecting the dots between climate change, global economic instability and their own personal suffering – stress, loneliness, depression – there is the potential for a movement that will truly change the world. Featuring a wealth of diverse perspectives, the film illustrates these often hidden connections. We go beyond the narrow analysis of the mainstream to show that antagonism between human needs and the needs of nature is not inevitable.

Resistance to further economic globalization has created powerful new alliances: deep ecologists linking hands with labor unionists, independent businessmen collaborating with small farmers. Now, at the grassroots, localization is also bridging divides in a completely new way – bringing people together across ethnic, religious, economic and even partisan divides.

We have found the process of making this film incredibly inspiring. Simply to see the multitude of grassroots movements afoot has been heartening – a testimony to human goodwill and resilience. We hope that *The Economics of Happiness* will bring the same inspiration to viewers around the world. It provides insight, hope, reassurance and above all, motivation to join in the growing localization movement. Bringing the economy closer to home can not only save us from environmental and economic catastrophe, it can help us to rediscover spiritual values and those essential relationships – both with the living world and with one another – that ultimately give our lives meaning and joy.

≈ Helena Norberg-Hodge, Steven Gorelick, John Page



INTRODUCTION

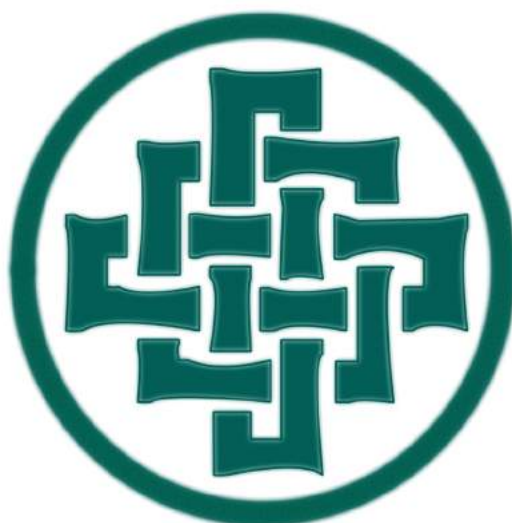
The Economics of Happiness describes a world moving simultaneously in two opposing directions. On the one hand, an unholy alliance of governments and big business continues to promote globalization and the consolidation of corporate power. At the same time, people all over the world are resisting those policies, and – far from the old institutions of power – they’re starting to forge a very different future. Communities are coming together to re-build more human scale, ecological economies based on a new paradigm – an economics of localization.

The film shows how globalization breeds cultural self-rejection, competition and divisiveness; how it structurally promotes the growth of slums and urban sprawl; how it is decimating democracy. We learn about the obscene waste that results from trade for the sake of trade: apples sent from the UK to South Africa to be washed and waxed, then shipped back to British supermarkets; tuna caught off the coast of America, flown to Japan to be processed, then flown back to the US. We hear about the suicides of Indian farmers; about the demise of land-based cultures in every corner of the world.

The second half of *The Economics of Happiness* argues that economic localization is a strategic solution-multiplier that can solve our most serious problems, and spells out the policy changes needed to localize our economies. We are introduced to community initiatives that are moving the localization agenda forward, including urban gardens in Detroit, Michigan and the Transition Town movement in Totnes, UK. We see the benefits of an expanding local food movement that is restoring biological diversity, communities and local economies worldwide. And we are introduced to Via Campesina, the largest social movement in the world, with more than 400 million members.

This discussion guide follows the film, chapter by chapter, expanding on the arguments and pointing to a wealth of resources for further learning, reflection and action. Each chapter begins with a short essay elaborating on the film, followed a set of suggested discussion questions and activities, a short list of recommended readings, links to related organizations, and links to other learning resources (films, lectures, tool-kits, slideshows, etc.).

The discussion guide and companion to the film is an education-for-action resource. As with the film, we hope it empowers you to take back the economy from the “experts”, join the global movement for economic localization, and help create a genuine economics of happiness.



1 ◦ LADAKH



Ladakh, on the Tibetan Plateau in northernmost India, is one of the highest inhabited places on earth. Isolated from the outside world by almost impenetrable mountain passes, the region was spared the disastrous impact of colonialism—impacts that destroyed traditional societies nearly everywhere else. Even after independence in 1947, the Indian government kept Ladakh closed to outsiders because of border disputes with Pakistan and China. In 1962 the first road was constructed over the mountains into Ladakh, but it was built and primarily used by the military.

In 1975, however, the government changed course, and opened the region up to “development” and tourism. Helena Norberg-Hodge was one of the first westerners to arrive, working as a translator with a film team. A trained linguist, she learned the difficult language quickly, giving her valuable insights into the culture. For more than 35 years she has returned to Ladakh almost every year.

One of the first things she noticed was how happy the people were: “There was this sort of radiance and vitality that I had never experienced anywhere else.” But Ladakh’s culture and land-based economy worked well on other levels, too:

- there was no pollution, and no shortage of resources;
- though there was little money, there was no unemployment, poverty, or hunger;
- homelessness was unknown: most people lived in spacious houses on their own land;
- women had remarkably high status – higher, in fact, than in most modern western cultures;
- though the population was comprised of both Buddhists and Muslims, cooperation was the norm and there was no record of any group conflict;
- despite having to produce all their own food using only animal power and simple tools, the Ladakhis enjoyed far more leisure time than most people in the west.

Helena concluded that although the Ladakhis “didn’t have our comforts and luxuries, their way of life was vastly more sustainable than ours, and also far more joyous and rich.”

But that way of life was now under threat. With the opening up of the region, cheap subsidized food, trucked in on subsidized roads by vehicles running on subsidized fuel, undermined the local economy. Meanwhile, the Ladakhis were bombarded with advertising and media images that romanticized western-style consumerism and made their own culture seem pitiful by comparison.

Helena witnessed the effect of these psychological pressures: “I saw how people started to think of themselves as backward, primitive, and poor. In the early years I went to a beautiful village, and just out of curiosity I asked a young man from the village to show me the poorest house. He thought for a bit and then he said, ‘We don’t have any poor houses here.’ Ten years later I heard the same young man say to a tourist, ‘Oh, if you could only help us Ladakhis, we’re so poor.’”

Within a decade, Ladakh was facing a wide range of problems that were unknown in the traditional culture: pollution, unemployment, a widening gap between rich and poor, divisiveness and depression.

Having seen this transformation from the start, Helena was able to pinpoint its root causes: it wasn't the result of innate human greed or an evolutionary force, it was the direct result of exposure to outside economic pressures. "I witnessed how these pressures created intense competition, breaking down community and the connection to nature that had been the cornerstone of Ladakhi culture for centuries. This was Ladakh's introduction to globalization."

Questions & Activities for Reflection and Debate

- Comparing Ladakh and your own culture, can you see similar changes that have taken place where you live?
- It often looks as though people in traditional societies are eager to adopt Western ways of living. How do you think outside economic forces contribute to this? Do you think it is possible for societies to progress without abandoning their own traditions and trying to emulate "modern" societies?
- Are there lessons that we can take from the Ladakhis that would improve our own societies?
- Anthropologist Franz Boas once remarked that knowledge of other cultures "enables us to look with greater freedom at the problems confronting our civilization." Reflect on this quote and relate it to Helena's experience in Ladakh.
- Traditional/land-based cultures such as Ladakh's are often considered "backward" and "impoverished", because per capita income is usually very low. What do such assessments leave out? What might be some of the consequences of trying to "improve" such cultures?
- Why do you think the young man Helena talked to in the village could say that there were no poor houses in his village, and then 10 years later describe the Ladakhis as being poor – even though the material conditions of life had changed very little in that same period? What does this tell you about the meaning of wealth and poverty?
- Compare traditional Ladakh and your own culture, using factors that you think are important for a healthy society. First you'll have to decide which factors to compare. Is income level a good measurement? Access to adequate housing, food and clear water? Careful use of natural resources? Waste and pollution? Physical and mental health? Security? Conflict?
- Westerners who praise aspects of traditional cultures are frequently accused of naïve romanticism. What do you think of this charge? In what ways has Western industrial society also been "romanticized"?

Learn More

- Reading:** Norberg-Hodge, N. (2009) *Ancient Futures: Lessons from Ladakh for a Globalizing World*, San Francisco: Sierra Club Books.
- Films & Videos:** Ancient Futures: Learning From Ladakh
www.localfutures.org/multimedia/our-films/our-films
- Paradise With Side Effects
www.localfutures.org/multimedia/our-films/our-films
- Links:** International Society for Ecology and Culture
www.localfutures.org

2 ◦ WHAT IS “GLOBALIZATION”?

globalization. n.

1. the deregulation of trade and finance in order to enable businesses and banks to operate globally.
2. the emergence of a single world market dominated by transnational companies.

(Often confused with international collaboration, interdependence, global community.)



We often hear the term “globalization”, but what does it mean? For some, it’s a borderless world, with new technologies facilitating the free flow of ideas and innovation. To others, it’s an interconnected planet in which webs of trade relationships make every nation dependent on every other nation, for the good of all. For still others it means a “global village”, a phrase that conjures up a peaceful, cooperative planet shrunk to human scale.

In *The Economics of Happiness*, Helena Norberg-Hodge defines globalization this way: “At its core it’s an economic process. It’s about deregulation, and that means freeing up big banks and big businesses to enter local markets worldwide. The focus is on profit, not people.”

When big businesses and banks are deregulated (for example through “free” trade agreements), local, regional, and national governments can no longer prevent outside businesses from operating within their borders. Businesses and financial institutions – no longer rooted to place – will move wherever wages and benefits are low, and where tax rules, environmental laws, and health standards are lax. The mobility of corporations and money leads to what has been called a “race to the bottom”, in which every level of government must reduce wages, taxes, and regulations, or risk losing businesses and the jobs they provide to lower-wage, less-regulated countries (i.e. “off-shoring”). This process undermines local economies and increases economic instability, causing massive dislocations which profoundly erode communities and weaken social ties. This has taken many forms: firm relocation leading to deindustrialization and decay in the US “rust belt” in the US; forcible displacement of villagers for development projects in China and India; and free-trade-induced migration of *campesinos* in Mexico (see “Globalization destroys livelihoods”).

With greater mobility thanks to “free” trade treaties, corporations have woven a complex global web of economic activity that has rendered them less responsive to place and community as well as less accountable. In fact, the global economy has profoundly subverted democratic institutions. Transnational institutions and corporate interests routinely overpower the democratic initiatives of entire nation-states. Free market reforms, part and parcel of corporate globalization, have both

narrowed the “policy space” within which democracies can operate, and helped to further concentrate this corporate power. Everywhere, it seems, democracy is being eroded. Billions are spent by corporations each year lobbying public officials and financing political campaigns; the “revolving door” connecting corporate boardrooms with government chambers ensures that government is responsive to big business interests; and the corporate-controlled media bombards the public with misleading “news” and meaningless distractions from the issues that confront us.

Paul Hellyer, former Deputy Prime Minister of Canada, described the process this way:

“Globalization is really a code name for corporatization. It’s an attempt by the largest corporations in the world, and the largest banks in the world, to re-engineer the world in such a way that they won’t have to pay decent wages to their employees, and they won’t have to pay taxes to fix potholes and to maintain parks, and to pay pensions to the old and handicapped.”

The global economy has become increasingly volatile. This is due both to the growth of highly speculative “casino capitalism”, as well as to the degree of global economic integration, which facilitates the rapid spread of crises across the globe. Thus, it is more and more common that financial turmoil in one place ripples across the planet, destabilizing and increasing the vulnerability of communities everywhere.

While most people tend to think of globalization as a process that began relatively recently – perhaps in the 1980s when the big push for “free” trade treaties began – many experts see globalization as the current phase of a process that began over 500 years ago, in the era of conquest and colonialism.

Beginning in the late 15th century, powerful kingdoms and nation-states, predominantly European, conquered and claimed territory across the world. In the centuries that followed, the colonial powers conducted social engineering on a massive scale, rearranging for their own purposes the political, economic and social institutions of countless diverse cultures. Place-based economies, farming systems, and knowledge systems were undermined or dismantled. Lands previously held as commons were enclosed and appropriated.

In the early part of this process, brute force was used, especially where indigenous people resisted or where slave labor was required. Later, more subtle methods were used: children were pulled into western-style schools, preventing the traditional knowledge system from continuing; taxes were imposed to ensure that every family had to earn a cash income; imported goods were subsidized (as in Ladakh), undermining the local economy. Even when the colonies achieved independence, western-educated government elites incurred massive debts for “development” projects – roads and highways, shipping terminals, airports, massive hydro-electric dams, and so on – all aimed at “modernizing” the country. In order to repay the debts, economies had to be oriented towards global trade, and natural resources had to be sold off. If the loans could not be repaid, as was often the case, the country would be forced – through sanctions imposed by the IMF – to orient its economy even more fully towards global trade.

In the end, conquest, colonialism, and development all served to pry open new markets and break down local self-reliance around the world, replacing it with dependence on a single global economy. They worked to erode cultural diversity, replacing it with an increasingly homogenized consumer monoculture.

When the term “globalization” is used throughout this guide, it is this history and these processes to which we refer.

Is globalization inevitable?

Despite mainstream assertions that globalization is inevitable, it is actually the product of specific economic policies that seek to create conditions favorable to global businesses and the corporate elite. These include:

- creating and/or legitimizing undemocratic international economic institutions (e.g. the WTO, IMF, World Bank, Inter-American Development Bank, Asian Development Bank, etc.)
- passing free trade agreements (e.g. North America Free Trade Agreement, Central America Free Trade Agreement, Trans-Pacific Partnership, Trans-Atlantic Free Trade Agreement)
- subverting local labor and environmental protections and instituting corporate-friendly regulations to attract foreign investment;
- creating businesses-friendly “zones” (e.g. “free trade”, “special economic”, “export-processing”) that are essentially regulation-free enclaves enabling businesses to maximize profit while undermining worker rights and environmental protection
- instituting corporate-friendly tax policies, tax havens and tax “holidays”
- creating laws that grant corporations superior rights to natural persons and that treat money as “free speech” in political elections
- directly subsidizing corporations and banks and bailing them out when they fail
- providing indirect subsidies for the resources and infrastructure needed for global trade
- allowing for the concentration of corporate power (e.g. failing to enforce antitrust laws that could break up “too big to fail” banks)
- funding research and development that has directly benefited corporations (e.g. the Internet, military equipment, transportation technologies, hybrid/GMO seeds and other industrial agricultural technologies)
- mandating educational institutions and curricula that train young people for jobs in a competitive corporate-led economy

Far from a global free market, then, what we really have is corporate-friendly, state-interventionism on an unprecedented scale. Though corporations are creations of, and wholly dependent on the state, the corporate elite are the loudest proponents of global “free” market capitalism.

Questions & Activities for Reflection and Debate

- Why do you think globalization is so popular among policymakers? Why do governments support it to the detriment of democracy, equality and the environment?
- In what ways is the “free” market economy not free? What would a truly free market look like?
- How has globalization impacted your life and your community?
- In what ways do you think globalization is linked to the erosion of democracy?

- How is the recent period of economic globalization similar to the colonial era? In what ways is it different?
- Read the Text Box: Is globalization inevitable? Do you agree or disagree with this analysis? Why do you think the narrative about globalization's "inevitability" is so pervasive? Who benefits from this framing? What does it do to our sense of agency and possibilities for change?

Learn More

- Readings:**
- Bodley, J. (2008) *Victims of Progress*, 5th E, Lanham: AltaMira Press.
- Dunkley, G. (2004) *Free Trade: Myth, Reality and Alternatives*, London: Zed Books.
- Ellwood, W. (2010) *The No-Nonsense Guide to Globalization*, Oxford: New Internationalist and London: Verso.
- Klein, N. (2007) *The Shock Doctrine*, New York: Picador.
- Mander, J. and Goldsmith, E. (eds.) (1996) *The Case Against the Global Economy*, San Francisco: Sierra Club

- Films & Videos:**
- Life and Debt*
www.lifeanddebt.org
- The Corporation*
<http://thecorporation.com>
- The Shock Doctrine*
www.imdb.com/video/screenplay/vi3815966489/
- The New Rulers of the World*
www.bullfrogfilms.com/catalog/new.html

- Links:**
- Bilaterals.org
www.bilaterals.org
- International Forum on Globalization
www.ifg.org
- Institute for Agriculture and Trade Policy
www.iatp.org/issue/globalization
- Public Citizen
www.citizen.org/tradewatch
- The Transnational Institute
www.tni.org
- Third World Network
www.twinside.org.sg

3 ◦ GLOBALIZATION MAKES US UNHAPPY

“Every year since the end of World War II one of the big polling firms has asked Americans, “Are you happy with your life?” The number of Americans who say, “Yes, I’m very happy with my life” — the percentage — peaks in 1956, and goes slowly but steadily downhill ever since. That’s interesting because in that same fifty years we have gotten immeasurably richer. We have three times as much stuff. Somehow it hasn’t worked, because that same affluence tends to undermine community.” ~ Bill McKibben

“I think the only people who are happy, deeply happy, and deeply secure are people who know they can rely on someone else in life: people who know they are not alone in this world. Lonely people have never been happy people. Globalization is creating a very lonely planet.” ~ Vandana Shiva



The *Economics of Happiness* argues that globalization creates conditions that undermine our personal and social well-being. At a structural level, economic globalization undermines communities by severing people’s connections with each other and the natural world. These connections are fundamental human needs and are critical for personal happiness and well-being. In addition, economic globalization spreads a global consumerist lifestyle, with significant negative psychological consequences (see next chapter, “Globalization breeds insecurity”).

Proponents of globalization claim that it leads to economic growth, which in turn, is supposed to lead to greater personal and societal well-being. Yet researchers have found that neither economic growth, growth in income, nor material prosperity necessarily lead to increased happiness or well-being (in economics, this is known as the “Easterlin Paradox”). In fact, in many countries – the US, UK, Japan, China, and others – survey data has found that once basic needs are met, further increases in income, economic growth does not lead to greater happiness. In some cases, psychological well-being has actually declined as the economy has grown. Nowhere is this more true than in the industrialized world. As psychologist Chris Johnstone says in the film, “What we’re seeing is rising levels of depression in the West. Some studies show rises of doubling, other studies show rising as much as tenfold.”

Not only is globalization undermining happiness, but research shows that a whole range of other indicators of well-being are worsening, including stress, loneliness, overwork, suicide rates, inequality, drug abuse and poverty. In the US, for example, the Index of Social Health has declined by nearly 25 percent since 1970.

What *does* makes us happy? Research has shown that strong social ties and direct connection to place and nature are critical to human happiness and well-being, and these connections are precisely what globalization is undermining. For example, the “race to the bottom” described in the

previous chapter leads to dislocation of workers and farmers, creating economic refugees, economic insecurity, unemployment, marginalization and psychological hardship for families. This can destroy communities at both ends of the process – those that people abandon, and those to which they flee.

Globalization has many other consequences for community and personal well-being. It undermines:

- local social ties
- people's sense of belonging and shared identity
- human-scale, face-to-face relations of care – which are replaced with impersonal commercial relations
- mutual interdependence – people no longer rely on each other to meet their needs
- community interdependence – replaced by isolation, individualism, insecurity, competition for scarce jobs, envy, distrust, and fear

Furthermore, as globalization has proceeded inequality has soared, both within and between countries: today, the richest 300 people on earth have the same wealth as the poorest 3 billion. As the wealth gap increases, social cohesion and social health deteriorate, and as a result psychological well-being also declines.

In sum, globalization is the economics of un-happiness.

Global Wealth Inequality

Watch this short animated video to learn more about the startling scale of global inequality:



<http://www.youtube.com/watch?v=uWSxzjyMNpU>

Questions & Activities for Reflection and Debate

- Happiness is difficult to define and measure. Discuss what happiness means to you. Is it different from what it means to others?
- Have you or someone you know been dislocated by globalization? What have the social and psychological impacts been?
- In the opening of *The Economics of Happiness*, Helena Norberg-Hodge emphasizes the importance of a sense of belonging and community interdependence to psychological well-being in traditional Ladakhi culture. Is this also true in your life?

➤ Watch and discuss the talk by John Cacioppo: “Connected Minds: Loneliness, Social Brains and the Need for Community” <http://www.thersa.org/events/video/archive/professor-john-cacioppo---connected-minds-loneliness,-social-brains-and-the-need-for-community>

Learn More

Readings: Cacioppo, J. (2009) *Loneliness: Human Nature and the Need for Social Connection*, New York: W. W. Norton & Co.

Layard, R. (2006) *Happiness: Lessons from a New Science*, New York: Penguin.

McKibben, B. (2007) *Deep Economy*, New York: Times Books.

New Economics Foundation (2005) *Well-being and the Environment* (www.neweconomics.org/publications/entry/well-being-and-the-environment)

Putnam, R. (2000) *Bowling Alone*, New York: Simon and Schuster.

Schor, J. (2011) *True Wealth*, New York: Penguin.

Films & Videos: *Connected Minds: Loneliness, Social Brains and the Need for Community*
www.thersa.org/events/video/archive/professor-john-cacioppo---connected-minds-loneliness,-social-brains-and-the-need-for-community

Richard Wilkinson lecture: *How economic inequality harms societies*
www.ted.com/talks/richard_wilkinson.html

The Spirit Level Documentary: How Greater Equality Makes Societies Stronger
(also a book)
<http://thespiritleveldocumentary.com>

Links: Crumbling American Dreams
<http://opinionator.blogs.nytimes.com/2013/08/03/crumbling-american-dreams>

Equality Trust
www.equalitytrust.org.uk/research

Five Ways to Well-being: The Evidence
www.neweconomics.org/publications/entry/five-ways-to-well-being-the-evidence

Index of Social Health
<http://iisp.vassar.edu/ish.html>

Social Costs of Globalization
www.localfutures.org/publications/online-articles/social-costs-of-globalisation

4 ◦ GLOBALIZATION BREEDS INSECURITY

“Our enormously productive economy . . . demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption . . . we need things consumed, burned up, replaced and discarded at an ever-accelerating rate.” ~ retailing analyst Victor Lebow, in the Journal of Retailing

“The average television viewer watching television for four-plus hours per day is hit with about twenty-five thousand commercials per year, and by age sixty-five, that number exceeds two million. That would be twenty-five thousand annual repetitions of basically the same message: You will be happier if you buy something.” ~ Jerry Mander, The Privatization of Consciousness



Economic globalization is spreading a consumer monoculture to every corner of the world. Institutions like the World Trade Organization and the International Monetary Fund, and “free” trade agreements like NAFTA require nations to open their borders to transnational corporations in search of new markets and higher profits. As they enter these countries they bring large, sophisticated marketing and public relations (PR) campaigns. Global advertising expenditures in 2012 alone totaled some \$500 billion.

Corporate PR firms and advertising agencies deliberately manipulate and exploit natural human insecurities, feelings of inferiority, social comparison, greed, fear, envy, and shame. In the name of expanding markets, corporations create new needs, dreams, expectations, and dissatisfactions. They undermine the sense of “enough”, and expose people everywhere to romanticized, glamorized images of affluent lifestyles and “perfect” bodies. As Helena Norberg-Hodge says in the film, “even if you are blond, blue-eyed and beautiful, you’re never quite beautiful enough.”

For those who can’t possibly conform to these stereotypes, the cost is even higher: “The role models that are beamed across the world today look very different from people in Africa, South America, or Asia. They marginalize the majority of the global population.” As a result, sales of blue contact lenses are escalating and more and more people are using chemicals to lighten their skin and hair. According to a recent article, India’s skin-whitening cream market was worth \$432 million in 2010, and was growing at 18 percent per year. In 2011, Indians reportedly consumed 233 tons of skin-whitening products.

All of this is carefully designed to erode a secure sense of self in order to prepare people for an endless treadmill of consumption. At the same time, corporations are moving in to fill the psychic voids left in the barren furrows of globalization. As Clive Hamilton says in the film, “In a previous era, before

the modern era of consumer capitalism, people's sense of self, their personal identities, were shaped largely through their communities, their neighborhoods. Nowadays, where all of those supports have fallen away, the gap that was left has been filled by the marketers, who came in and said, 'Don't worry if you don't know who you are. We will provide you with a packaged identity which you can use – by buying our products, of course – to create a sense of self, which you can then project onto the world.'" Not only are products being sold as the road to personal fulfillment, but also as substitutes for real human relationships and the need for connection and belonging.

One especially troubling aspect of the consumer culture is the commercialization of childhood. In the name of profit, corporations are cynically exploiting the unique psychological vulnerabilities and fragilities of children, inculcating deep insecurities. As Helena Norberg-Hodge notes: "Young people are looking for acceptance; they want to belong. And they're now being told that if they want to have the respect of their peer group, they've got to have the latest running shoes, the latest gadgets, the latest clothing. And, of course, as they go down that consumer path it leads to separation and envy, not to the sense of connection – to the love – that at a deep level they're really looking for."

This process affects not just individuals and children, but entire cultures as well. Globalization tends to create what Helena Norberg-Hodge has called a "cultural inferiority complex", whereby entire peoples come to see their way of life as backward and shameful compared to the glamorous media depictions of affluent-consumerist lifestyles. There are many vehicles pushing this, including:

- **Modern schools.** A form of schooling that originated in the West has been almost universally spread around the world, at the expense of local knowledge and learning systems. This imported system frequently carries value-laden curricula that denigrates traditional lifestyles and worldviews. As Eliana Espillico says in the film, "Our children learn to reject their own culture in school. Why? Because the teacher tells them, 'If you don't learn multiplication you'll

The Commercialization of Childhood

The amount of money spent by corporations targeting children has been steadily increasing in recent decades. Children are thus the latest and most defenseless victims of corporate globalization. As Juliet Schor puts it poignantly in the film: "It's corporations who are raising our children. Who's driving the food choices of children, who's driving the entertainment choices of children, who's driving what they want to buy and what they care about? More and more it's a set of corporations that sell to kids."

The figures on this trend are truly disturbing:

- companies spend around \$17 billion in the United States on advertising targeting children
- tens of millions of dollars support psychological research on ways to manipulate children to 'nag' their parents to buy certain products

According to the Campaign for a Commercial-Free Childhood, research shows that:

- exposure to media and marketing contributes to children's materialism
- children who are more materialistic are less happy, more depressed, have lower self-esteem, and report more symptoms of anxiety.
- a study in the British Journal of Psychiatry found that prolonged exposure to television among ethnic Fiji adolescent girls led to changes in their view of body image and increases in eating disorders.

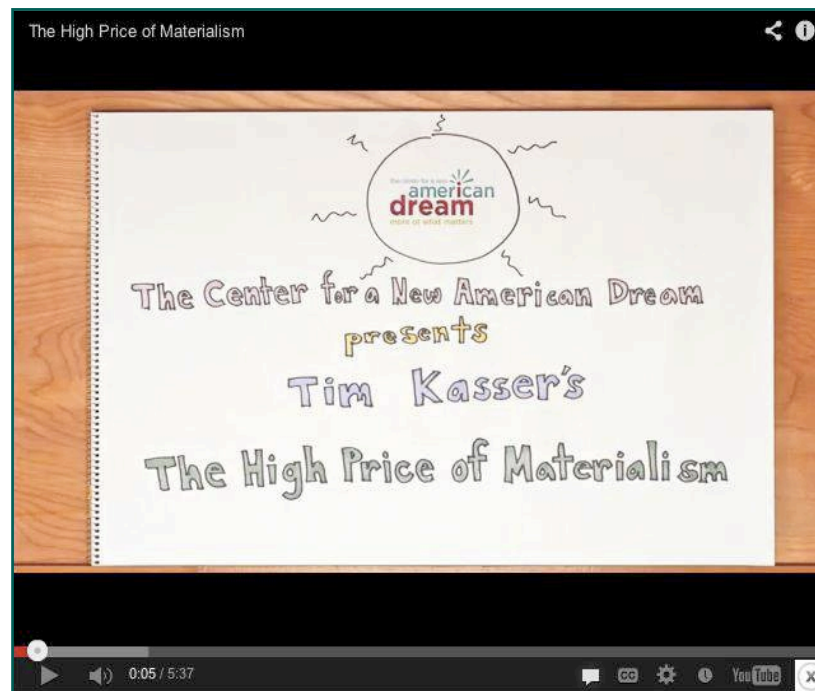
go to feed the pigs', 'If you don't learn multiplication you'll go to farm like your father' —as if to farm would be an offence or a crime or something bad."

- **Mass media.** Television, magazines, radio, internet, Hollywood movies, and more, are all powerful mechanisms for spreading Western consumer culture.
- **Conventional development.** "Development" really means emulating the way of life in the industrialized world. Writer Maria Mies describes this as "catching-up development", in which it is assumed that people in the affluent societies of the USA, Europe and Japan are living "the good life". This form of development inevitably leads to the "devaluation of one's own ... culture, work, technology, lifestyle and often also philosophy of life and social institutions."

Questions & Activities for Reflection and Debate

- Watch this short animated video online, and relate it to the arguments presented in *The Economics of Happiness*:

The High Price of Materialism



<http://www.newdream.org/resources/high-price-of-materialism>

- Reflect on and discuss how media imagery and messaging affect your own sense of self-worth and self-esteem.
- How are globalization, consumerism and Mies' idea of "catch-up" development related?

Learn More

Readings:

Ewen, S. (2004) *Captains of Consciousness: Advertising and the Social Roots of the Consumer Culture*, New York: Basic Books.

Kanner, A. (2005) "Globalization and the Commercialization of Childhood", *Tikkun* (www.commercialfreechildhood.org/resource/globalization-and-commercialization-childhood).

Kasser, T. (2002) *The High Price of Materialism*, Cambridge MA: MIT Press.

Norberg-Hodge, H. (1992) "The Pressure to Modernize" (www.localfutures.org/publications/online-articles/the-pressure-to-modernise)

Seabrook, J. (2004) *Consuming Cultures: Globalization and Local Lives*, London: New Internationalist.

Films & Videos:

Consuming Kids: The Commercialization of Childhood
www.mediaed.org/cgi-bin/commerce.cgi?preadd=action&key=134

Killing Us Softly - Advertising's Image of Women
www.mediaed.org/cgi-bin/commerce.cgi?preadd=action&key=241

Merchants of Cool
www.pbs.org/wgbh/pages/frontline/shows/cool/

Schooling the World
<http://schoolingtheworld.org/>

The Century of the Self
www.youtube.com/playlist?list=PL360F404CB1C0EF86

Links:

Campaign for a Commercial-Free Childhood
www.commercialexploitation.org

Center for a New American Dream
www.newdream.org

India's Unfair Obsession with Lighter Skin, *The Guardian*, 14 August, 2013
www.theguardian.com/world/shortcuts/2013/aug/14/indias-dark-obsession-fair-skin

Privatization of Consciousness by Jerry Mander
<http://monthlyreview.org/2012/10/01/privatization-of-consciousness>

Think Of Me As Evil? Opening The Ethical Debates In Advertising
www.wwf.org.uk/wwf_articles.cfm?unewsid=5374

5 ◦ GLOBALIZATION WASTES NATURAL RESOURCES

"Mother Earth has enough for the healthy appetites of her children and something extra for rare cases of abnormality. But she has not nearly enough for the sudden growth of a whole world of spoilt and pampered children." ~ Rabindranath Tagore

"...no place on earth is immune to the negative social and cultural effects of global economic 'success' – hence the desperate efforts of governments and elites worldwide to keep all measurements of human wellbeing firmly within the indices that demonstrate permanent economic improvement, and not to stray into the areas of daily life where so much value-added misery accumulates, just as the waste and rubbish of industrial society polluted the waterways, air and forests of the earth." ~ Jeremy Seabrook



In addition to its many social and psychological costs, the globalized consumer culture results in more and more of nature being drawn into the production of unneeded, disposable, and frequently toxic commodities. Consumerism is at dramatically unsustainable levels in the industrialized societies, and yet globalization is foisting the same pattern across the world, expanding the exploitation of nature and the output of harmful waste.

"Ecological footprint" analyses (measurements of the total environmental impacts of different lifestyles) illustrate that humanity as a whole is overshooting the regenerative and absorptive capacities of the biosphere. For all of the countries of the world to follow the industrial growth model would require from two to six additional earths. One entire planet would be needed for China and India alone to reach the same level of consumption as in Japan today.

Globalization is also accelerating urbanization. This is particularly true in the South, where deliberate policies make traditional land-based cultures unviable or force people to migrate to cities – usually the sprawling slums – in order to survive. It is commonly thought that cities are actually better for the environment than rural communities. But in fact, as the film explains, "this is only true when compared with life in the suburbs. Compared to more genuinely decentralized living patterns, urbanization is extremely resource-intensive." To take just the case of China – the most rapidly urbanizing country in the world – a number of studies have shown that Chinese cities have dramatically larger ecological footprints than the country's rural areas. For example, while the national per capita ecological footprint in China is a bit smaller than the world's average, the average in Beijing was 2.8 times that – larger even than the Japanese average. Other studies come to a similar conclusion: in a hitherto agrarian society like China, urbanization dramatically intensifies ecological footprints and environmental costs.

One of the reasons that people believe cities are less resource-intensive is that many of their impacts occur so far from the city itself. As the founders of the ecological footprint concept, William Rees and Mathis Wackernagel, explained over a decade ago:

“...the ecological locations of high-density human settlements no longer coincide with their geographic locations. Twentieth-century cities and industrial regions for survival and growth depend on a vast and increasingly global hinterland of ecologically productive landscapes. Cities necessarily ‘appropriate’ the ecological output and life support functions of distant regions all over the world through commercial trade and natural biogeochemical cycles. ... the mass migration of humans to the cities in this century has turned urban industrial regions into nodes of intense consumption. The wealthier the city and the more connected to the rest of the world, the greater the load it is able to impose on the ecosphere through trade and other forms of economic leverage. Seen in this light and contrary to popular wisdom, the seeming depopulation of many rural areas does not mean they are being abandoned in any ecofunctional sense. Whereas most of the people may have moved elsewhere, rural lands and ecosystem functions are being exploited more intensely than ever in the service of newly urbanized human populations.”

The stark reality is that while they are home to only half the global population, the world’s cities account for 75 percent of global energy consumption, 80 percent of greenhouse gas emissions, and a disproportionate share of resource use, such as food, timber, and steel.

At the same time that mega-cities are exploding across the global South with dire environmental repercussions, something different is happening in parts of the global North, as globalization leads to a “throwaway city” phenomenon. There, industry closure and relocation has depopulated many older cities, at great cost to the environment. Why? As one researcher explains, “as jobs move in and out of cities in uncontrolled ways we literally throw away housing, roads, schools, hospitals, and public facilities—only to have to build the same facilities elsewhere at great financial, energy, and carbon costs” (Alperovitz et al 2012).

Worldwide urbanization: An impossibility theorem

Environmental sociologists John Bellamy Foster and Brett Clark explain why worldwide urbanization along the lines taken in the West is not only ecologically disastrous, but physically impossible:

“The notion that the areas of the global South, including China and India, can easily incorporate the billions of people now engaged in small-scale agriculture into the overcrowded urban centers of the third world is the product of a development ideology according to which the rich countries of Western Europe are said to have rapidly absorbed their own rural populations within their emerging, industrialized cities. In reality there were huge waves of emigration of Europeans to the colonies taking the pressure off the cities.... Such an industrialization-urbanization pattern, relying on mass emigration, is clearly not feasible in today’s global South, which does not have the outlet of mass emigration on the scale now needed.... Nor does it have the favorable economic conditions—expansion into a whole “new” continent ... under which the United States emerged as a world industrial power. What is happening instead in many countries is the huge growth of urban slums as people migrate from the countryside into cities that contain insufficient employment opportunities.”

Foster, J. B. and Clark, B. (2012) ‘The Planetary Emergency’, Monthly Review (<http://monthlyreview.org/2012/12/01/the-planetary-emergency>).

Questions & Activities for Reflection and Debate

- A common argument about urbanization is that it actually benefits the environment because it is “more efficient.” What assumptions are being made in this argument? What is “efficiency” and how is it measured? What does it leave out? In what ways could the argument be correct, and in what ways incorrect?
- If you live in a city, try to map out the resource infrastructures that furnish the city with basic things like water, energy and food. Imagine the “life histories” of things consumed in the city: where they originate, who produces them and how, and where they end up.
- View and discuss the collection of images by photographer Lu Guang of industrial pollution in China today: “Infernal Landscapes: Pollution in China”, *The New York Times* 14 Oct., http://lens.blogs.nytimes.com/2009/10/14/showcase-65/?ref=global-home&_r=0
- See the new collection of time-lapse satellite videos showing the truly terrifying scale of environmental destruction that has resulted from urbanization/industrialization around the world in the last 30 years: <http://world.time.com/timelapse/>. See in particular the video, Chapter 4: Urban Explosion. Pay attention to the text that accompanies this video, and how it reflects the mainstream narrative about urbanization.
- Watch this short animated film to learn more about the ecological impacts of consumerism.

The Story of Stuff



<http://www.storyofstuff.org/movies-all/story-of-stuff/>

Learn More

Readings:

Alperovitz, G. et al. (2012) “Beyond Throwaway Cities: How To Build An Export-Proof Local Economy”, *Alternet*, July 26 (<http://www.alternet.org/beyond-throwaway-cities-how-build-export-proof-local-economy>).

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Rees, W. and Wackernagel, M. (1996) "Urban Ecological Footprints: Why Cities Cannot Be Sustainable and Why They Are a Key to Sustainability", *Environmental Impact Assessment Review* 16, 223-248.

Films & Videos:

Manufactured Landscapes

www.zeitgeistfilms.com/film.php?%20directoryname=manufacturedlandscapes

Samsara

www.barakasamsara.com

Trashed

www.trashedfilm.com

What is Ecological Overshoot?

www.footprintnetwork.org/en/index.php/GFN/page/video_overshoot_explained/

Links:

Earth Policy Institute

www.earth-policy.org

Global Footprint Network

www.footprintnetwork.org

Infernal Landscapes: Pollution in China, *The New York Times* 14 Oct., 2009

http://lens.blogs.nytimes.com/2009/10/14/showcase-65/?ref=global-home&_r=0

Timelapse: Urban Explosion (Watch the world change over the course of nearly three decades of satellite photography)

<http://world.time.com/timelapse/>

Urbanization Is Not Inevitable - We Refuse To Disappear Say Indian Farmers

<http://lvcsouthasia.blogspot.com/2011/10/urbanization-is-not-inevitable-we.html>

Worldwatch Institute

<http://www.worldwatch.org/>

6 ◦ GLOBALIZATION ACCELERATES CLIMATE CHANGE

"The urgency of the situation crystallized only in the past few years. We now have clear evidence of the crisis ... the startling conclusion is that continued exploitation of all fossil fuels on earth threatens not only the other millions of species on the planet, but also the survival of humanity itself – and the timetable is shorter than we thought." ~James Hansen, climate scientist

"We're shifting goods around the world in a way that looks really bizarre" ~ Paul Watkiss, Oxford economist

"Americans import Danish sugar cookies, and Danes import American sugar cookies. Exchanging recipes would surely be more efficient." ~Herman Daly, ecological economist



The *Economics of Happiness* argues that economic globalization accelerates climate change, one of the most significant global environmental challenges of our time. The situation confronting us is dire: to stabilize the climate at even the uppermost limit before irreversible “tipping points” are reached will require massive reductions of global greenhouse gas (GHG) emissions.

The combination of new transportation and communications technologies, “free-trade” policies, fossil fuels made artificially cheap by subsidies and externalized environmental costs, and the desire of firms to exploit low-wage labor have led corporations to move their production facilities to wherever costs are lowest, while sourcing raw materials and other components from further and further away. This has resulted in increased global trade, a lengthening of supply chains, and greater distances between consumer and producer. This, in turn, has hugely expanded the unnecessary burning of fossil fuel and consequent GHG emissions. GHG emissions for transport is one of the fastest growing contributions to climate change. Road freight and aviation, the most polluting modes, are rising dramatically. Overseas shipping, often thought to be the “greenest” mode of transport, also has a huge carbon footprint.

Even the WTO – an organization dedicated to the endless expansion of trade – has reported:

“The past half century has been marked by an unprecedented expansion of international trade. In terms of volume, world trade is nearly thirty-two times greater than it was in 1950....This dramatic expansion may be one reason why trade is increasingly being taken into consideration in climate change discussions.... Most of the econometric studies suggest that more open trade would be likely to increase CO2 emissions.”

Over the past four decades, the amount of food shipped between countries has grown fourfold. Other studies strongly link expansion in countries' degree of export-orientation and foreign direct investments, and increasing GHG emissions. All this reinforces an emerging consensus amongst ecological economists that the reductions needed to avoid catastrophic climate changes are radically incompatible with the continued expansion of globalization and economic growth, even with efficiency gains from new technology.

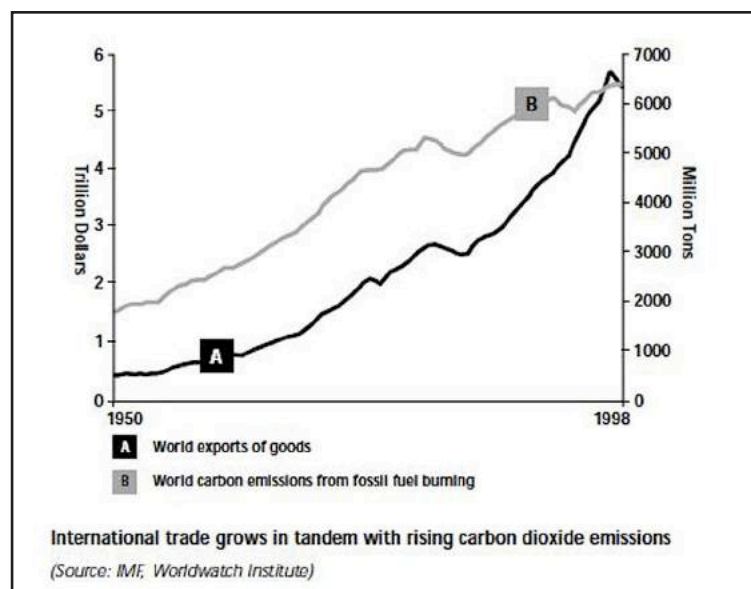
Meanwhile, the same factors that have led to the expansion of the global economy have also yielded absurd forms of completely unnecessary "redundant trade." As observed in *The Economics of Happiness*, countries today routinely import and export nearly identical quantities of identical products. A *New York Times* article quotes Oxford economist Paul Watkiss: "...Britain ... imports – and exports – 15,000 tons of waffles a year, and similarly exchanges 20 tons of bottled water with Australia." The article continues:

"Cod caught off Norway is shipped to China to be turned into filets, then shipped back to Norway for sale. Argentine lemons fill supermarket shelves on the Citrus Coast of Spain, as local lemons rot on the ground. Half of Europe's peas are grown and packaged in Kenya."

Though significant, the transportation of goods isn't the only source of GHG emissions resulting from economic globalization. Arguably, the most important way globalization accelerates climate change is how it shifts millions of people from comparatively sustainable, self-sufficient rural communities (especially in the global South), into rapidly growing urban-industrial centers where they become dependent on GHG-intensive patterns of production and consumption.

Not only has globalization accelerated climate change, but it has resulted in the loss of diverse local knowledge and more sustainable, place-based economies. This loss of knowledge and sustainable living patterns will make it harder to cope with and adapt to climate change, undermining community resilience.

If continued globalization and economic growth is incompatible with a stable climate, an obvious and necessary part of the solution is to re-localize our economies, producing many more of our basic needs closer to home, leaving long-distance trade for those things that can't be sustainably produced nearby.



From Simms, A. (2000) *Collision Course: Free Trade's Free Ride on the Global Climate*, New Economics Foundation.

Questions & Activities for Reflection and Debate

- Go to your grocery store and perform an informal inventory on where goods have been imported from, and compare that to what has and could be produced locally.
- Do you think efficiency gains from new technologies will be sufficient to tackle climate change without also confronting globalization and economic growth?
- Watch and discuss Post-Carbon Institute's animated film, *300 Years of Fossil Fuels in 300 Seconds*
<https://www.youtube.com/watch?v=cJ-J91SwP8w>

Learn More

Readings:

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Rosenthal, E. (2008) "Environmental cost of shipping groceries around the world", *The New York Times*, April 26.

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Films & Videos:

Climate Refugees
www.climate Refugees.com/Home.html

The Age of Stupid
www.ageofstupid.net/

Links:

Post Carbon Institute
www.postcarbon.org/

Real Climate Economics
www.realclimateeconomics.org/

Resilience.org
www.resilience.org

Transition Network
www.transitionnetwork.org/

7 ◦ GLOBALIZATION DESTROYS LIVELIHOODS

"The present development model encourages urbanization, and intentionally works to reduce the number of farmers. All those displaced farmers have no place to go but the city, where they become cheap labor for industry, for investment from abroad." ~ Pracha Hutanuwatr



Contrary to popular belief, globalized economic growth actually exacerbates – sometimes even creates – job insecurity and unemployment. The recent international financial crises, which saw over 30 million jobs lost from all sectors, was not a temporary dysfunction of the economy. These kinds of booms and busts are inherent parts of the global economic system.

Even when we are not in a recession, globalization threatens jobs. For example, Public Citizen has found that, since the North American Free Trade Agreement (NAFTA) took effect, nearly 5 million manufacturing jobs (one out of every four) have been lost in the US, and over 60,000 facilities have closed. At the same time, NAFTA has driven 1.5 million Mexican farmers off the land (see “Case study: Mexico”, below).

As corporations search the world for bigger subsidies and lower costs, jobs move with them, and sometimes families as well. These impacts are particularly obvious in the US, where the typical American moves eleven times during their lifetime, repeatedly severing connections to relatives, neighbors and friends. Within almost every family, the economic pressures on parents systematically rob them of time with even their own children.

In the South, far more people still live on the land. But farmers who are still part of local economic systems are being pressured to enlist in global food system that is heavily tilted towards the biggest players. Government funding, as well as foreign aid, goes toward production for export rather than production for local needs. This inevitably means monocultural production, with all its agricultural and economic instability. Since food is now sold on global markets rather than supporting local people, farmers and the communities they once fed now have to buy imported food to survive. Whole communities in developing countries can easily be destroyed by events over which they have no control. While globalization is destroying rural livelihoods, the urban jobs that are supposed to compensate for this loss are almost always insufficient to employ all those who have been displaced.

We are told that this is progress – that Third World farmers need Westerners to buy their exports to lift them out of poverty. But most farmers who try to succeed within the global food system end up squeezed between the huge corporations that supply their expensive equipment and inputs, and those that buy their production, all the while finding it more and more difficult to feed themselves and their families. Those who are pulled off the land are forced to leave their ancestral homes and

rural communities for the anonymity of one of the South's ever-expanding urban slums. Over half the global population now lives in cities, and around one-third of them – a staggering 1 billion people as recently as 2005 – now live in slums, a number expected to double by 2030. Here they are likely to end up without community, without connection to the land, without a secure and healthy food supply. The “lucky” ones become part of the huge pool of cheap labor toiling in factories and sweatshops contracted out to multinational corporations.

Why Do Mexican Workers Head North?

Watch this short video to learn more about how NAFTA has impacted Mexican farmers:

http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=5863



Case Study: Mexico

NAFTA – the North American Free Trade Agreement – has become notorious for its disastrous effects on both sides of the Mexican-US border. Especially hard hit have been Mexican farmers. Since NAFTA, heavily-subsidized US corn imports to Mexico have shot up threefold, reducing prices for Mexican corn farmers 50 percent. In some states, small farmers' income fell by 50 - 70 percent from 1993 to 2005. Anywhere from 2.5 to 3.2 million campesinos have been economically affected, with an estimated 1.5 million forced out of farming altogether since NAFTA's inception. Contrary to claims by proponents of NAFTA, jobs in industries have not materialized to replace the destroyed agrarian livelihoods. It's no coincidence, as journalist Peter Canby writes, that "the tide of immigration to the United States swelled during these years to about the same number—half a million a year."

Case Study: China

If anything, the coercive nature of mass urbanization is even more stark in China. The official policy of China's planning elites involves social engineering on an unprecedented scale: hundreds of millions of rural Chinese will be forced into urban areas over the next few decades. The ultimate goal of the government's modernization plan is to fully integrate 70 percent of the country's population, or roughly 900 million people, into city living by 2025. It is argued that this represents an unqualified improvement in the prospects for the great masses of Chinese peasants who are its targets. But as the AFL-CIO has pointed out, China's chief comparative advantage rests on the government's "unremitting repression of workers' rights [and] the ruthless exploitation of an estimated 100 million rural migrants."

Case Study: India

Indian Prime Minister Manmohan Singh recently intoned, “Our salvation lies in moving people out of agriculture.” Government officials overwhelmingly share the same viewpoint. The globalization development model in India not only encourages, but actually forces urbanization through its intentional reduction of farmers and its assault on the small peasant economy. This is most blatant in the mass displacement of rural peoples by industrial projects occurring all across the country. Land seizures for these projects are provoking massive social upheavals and sometimes violent conflicts in numerous states. The dispossessed rural populations are left with few options besides migration to India’s swelling metropolises, where survival is precarious and undignified, secure livelihoods are difficult if not impossible to find.

The stated purpose of this development model is to increase economic growth, which in turn is supposed to ‘create employment’. On the contrary, the period from the early 1980s to the mid-2000s – during which the Indian government fully embraced the globalization mode – was a “quarter century of jobless growth.” The much-ballyhooed employment that is supposed to accompany heavy industrialization and urbanization simply isn’t there for the majority of India’s displaced rural people.

Globalization and the Indian farmer suicide crisis

The shocking tragedy of farmer suicides has only worsened since *The Economics of Happiness* was made in 2006. Arguably the most well-documented research on farmer suicides linked to globalization has been done by the noted Indian journalist P. Sainath.

A recent article by Sainath provides a gruesome update: “At least 270,940 Indian farmers have taken their lives since 1995, NCRB [National Crime Records Bureau] records show. This occurred at an annual average of 14,462 in six years, from 1995 to 2000. And at a yearly average of 16,743 in 11 years between 2001 and 2011. That is around 46 farmers’ suicides each day, on average. Or nearly one every half-hour since 2001.”

How is this crisis connected to economic globalization? Sainath connects the dots powerfully, explaining why this tragedy, like so many others, is no coincidence or random accident. Rather, as Sainath writes, “The spate of farm suicides – the largest sustained wave of such deaths recorded in history – accompanies India’s embrace of the brave new world of neoliberalism [corporate globalization]. The rate of farmers’ suicides has worsened particularly after 2001, by which time India was well down the WTO garden path in agriculture. ... India’s agrarian crisis can be summed up in five words (call it Ag Crisis 101): the drive toward corporate farming. The route (in five words): predatory commercialization of the countryside. The result: The biggest displacement in our history.”

Sainath, P. (2009) ‘Neoliberal Terrorism in India: The Largest Wave of Suicides in History’, *Counterpunch*, 12 February (www.counterpunch.org/2009/02/12/the-largest-wave-of-suicides-in-history/); (2010) ‘Farm Suicides: A 12-Year Saga’, *The Hindu*, 25 January (<http://beta.thehindu.com/opinion/columns/sainath/article94324.ece>); (2013) ‘Farmers’ suicide rates soar above the rest’, *The Hindu*, 18 May (<http://www.thehindu.com/opinion/columns/sainath/farmers-suicide-rates-soar-above-the-rest/article4725101.ece>).

Questions & Activities for Reflection and Debate

- Migration from rural to urban areas is often reported as the “natural” desire for people to improve their lives. Based on the film and previous chapters in this discussion guide, what is missing from this simple narrative?
- How has globalization affected jobs and livelihoods in your area, or for you personally?
- Research a company that has relocated to a low-wage country. What have been the effects on communities on both sides of the process?
- In the mainstream media, the immigration debate in many countries is often clouded by shallow analysis, racism and bigotry. What could a broader perspective contribute? Why are there so many “economic refugees” in the world today?

Learn More

Readings:

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Wise, T. (2003) “Fields of Free Trade: Mexico’s Small Farmers in a Global Economy”, *Dollars & Sense*, November/December

Films & Videos:

Good Fortune
<http://goodfortunefilm.com/>

The End of Poverty?
<http://theendofpoverty.com/>

The Big One
<http://dogeatdog.michaelmoore.com/tbo.html>

Why Do Mexican Workers Head North?

http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=5863

Links:

Economic Policy Institute – Trade and Globalization

www.epi.org/research/trade-and-globalization/

www.epi.org/publication/infographic-free-trade-agreements-have-hurt-american-workers/

Farm Land Grab

www.farmlandgrab.org

Food First: Institute for Food and Development Policy

www.foodfirst.org

Institute for Agriculture and Trade Policy

www.iatp.org/issue/globalization

Public Citizen

www.citizen.org/Page.aspx?pid=2124

Survival International

www.survivalinternational.org

Via Campesina

www.viacampesina.org

8 ◦ GLOBALIZATION INCREASES CONFLICT

“When people are pushed off the land into crowded cities, members of diverse ethnic and religious groups are forced into intense competition for the few available jobs. Differences that were once accepted become a source of fear, fundamentalism, and conflict.” ~ Economics of Happiness

Because it leads to massive urbanization and the destruction of livelihoods, globalization creates intense competition for jobs; at the same time, the rising gap between rich and poor leaves the majority in situations of economic insecurity and desperation. The result is greater social tension and stress. For example, the film relates the experience of Ladakh under the pressures of globalization, which provoked conflict where traditionally there had been ethnic and religious harmony. The experience of Ladakh is part of a broader pattern, observed by other analysts. As Asoka Bandarage writes:

“As economic crises worsen, ethnic cleavages sharpen escalating into conflicts and even large-scale civil wars....The frustration and anger of the masses of the poor – the “surplus population” – of the world provide fertile soil for mobilizing resentment along religious, ethnic and other cultural differences. However, ethno-religious mobilization today is hardly a traditional phenomenon.... It is a modern ideology fashioned in reaction to globalization and Western imperialism.”

The issue of globalization and conflict is of course much broader than the sectarian violence discussed in *The Economics of Happiness*. The various ways in which globalization is destroying livelihoods, communities, the environment, and human health are all expressions of what has been called “structural violence”, where

Global agribusiness is violence against small farmers

Globally, the emerging trend of “land grabbing” by corporations and investors for the production of export commodities on lands that formerly provided food security for local populations is causing massive social conflict and violence against peasants.

For example, peasants who have resisted the takeover of their lands for agribusiness pursuits like biofuel plantations are frequently met with violent reprisals. In Honduras, over 80 peasants have been killed in the Aguan Valley alone in 2013 for resisting the seizure of land for palm oil plantations. In another example, the soy monocultures that have exploded across countries like Paraguay, largely to serve the needs of industrial meat production in the industrialized countries, have expelled peasants from their communities, and subjected the majority of families in the region to toxic pesticide exposures.

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GRAIN (2008) *Seized: The 2008 Landgrab for Food and Financial Security*, Barcelona: GRAIN, 24 October (<http://www.grain.org/article/entries/93-seized-the-2008-landgrab-for-food-and-financial-security>).

Holt-Gimenez, E. (2013) *Land Grabs vs. Land Sovereignty*, Food First Backgrounder 18(4) (http://www.foodfirst.org/sites/www.foodfirst.org/files/pdf/2012-13_Winter_Backgrounder_-_Land_Grabs_vs._Land_Sovereignty_vol_18_number_4.pdf).

Palau, T., Cabello, D., Maeyens, A., Rulli, J. & Segovia, D. (2007) *The Refugees of the Agroexport Model - Impacts of soy monoculture in Paraguayan campesino communities*, BASE Investigaciones Sociales [Paraguay] October.

the welfare of people and nature is harmed not by direct physical attack but by economic policies and power structures.

For instance, the growing power of transnational corporations (TNCs) in recent decades has been ominous for human rights. TNCs are structurally driven to maximize profits, leading them to turn a blind eye to – or even instigate – human rights abuses. This significantly undercuts the notion, widely popularized by pundits like Thomas Friedman, that globalization inherently fosters international peace and human rights by making economies interdependent. The numerous human rights violations occurring every day, however, paint a different picture. One need only trace the life histories of many consumer products to begin linking them to TNC abuses, bringing the “hidden shame” of consumer culture into focus. Taking Friedman’s example of the peace-promoting virtues of computers, a deeper analysis would reveal civil war and child slavery surrounding the extraction of coltan (needed for electronics like cell phones and computers) in Central Africa; dispossession and persecution of tribals in India for bauxite mining; and of course the innumerable abuses related to energy extraction, on which the manufacturing and running of computers depends. More broadly, the evidence simply fails to support the simplistic notion that trade automatically promotes peace. On the contrary, researcher Katherine Barbieri has shown that “in situations of extensive trade dependence, states...were found to be more conflictual.”

Finally, recent wars involving the countries of the Middle East – especially clear in the invasion of Iraq – can be seen as waged in the service of corporations, from defense contractors to petrochemical companies. Because globalization, as shown in the last chapter, is utterly dependent on fossil fuels, especially oil, it cannot be dissociated from this worst form of violence. Indeed, much of the foreign policy initiatives of powerful nations are designed to ensure access to the resources needed to further economic growth .

Questions & Activities for Reflection and Debate

- “How Many Slaves Work for You?” in the production of common consumer products? Find out with the “Slavery Footprint”: <http://slaveryfootprint.org/>
- Peace and global trade are often assumed to go hand-in-hand. Discuss the ways in which this could be true, and in what ways false. What does the assumption leave out?
- If, as this chapter suggests, globalization increases conflict, in what ways could localization work to reduce it?

Learn More

Readings:

Ayers, E. (2004) “The Hidden Shame in the Global Industrial Economy”, *Worldwatch Magazine*, 17(1), January/February.

Bandarage, A. (2004) “Beyond globalization and ethno-religious fundamentalism”, *Development*, 47 (1).

Barbieri, K. (2002) *The Liberal Illusion: Does Trade Promote Peace?* Ann Arbor: University of Michigan Press.

Bhaduri, A. (2007) "Development or Developmental Terrorism?", *Economic and Political Weekly*, 17 February.

Clare, M. (2001) *Resource Wars: The New Landscape of Global Conflict*, NY: Henry Holt & Co.

Films:

Blood and Oil

www.bloodandoilmovie.com/

Development Flows from the Barrel of a Gun

<https://www.youtube.com/watch?v=zHmD90hmYqI>

Fourth World War

www.bignoisefilms.com/films/features/89-fourth-%20world-war

Gold Fever

www.goldfevermovie.com

Links:

Business: Rights at Risk in the Global Economy, Human Rights Watch
www.hrw.org/news/2008/02/18/business-rights-risk-global-economy

Farm Land Grab

<http://farmlandgrab.org>

Mines and Communities

www.minesandcommunities.org

Rights Action

www.rightsaction.org

Most Wanted Corporate Human Rights Violators, Global Exchange

www.globalexchange.org/corporateHRviolators

9 ◦ GLOBALIZATION IS BUILT ON HANDOUTS TO BIG BUSINESS

“The fact is, global corporations have no allegiance to any country; their only objective is to make as much money as possible — and play off one country against another to keep their taxes down and subsidies up...”

~ Robert Reich, former US Secretary of Labor



In the past 50 years, the economy has become both more globalized and heavily dominated by large, transnational corporations. “Free” trade treaties, the deregulation of finance and investment, tax incentives, direct financial support to particular industries, free land, taxpayer-funded transportation, communication and other trade-related infrastructure – all of these public policy and spending decisions have contributed to the globalization of the economy, with dire consequences for small businesses, small farmers, and local economies everywhere.

One of the most striking examples of how the rules have been rigged in favor of the large and the global is in the area of taxpayer-financed supports known as subsidies. Subsidies come in a complex variety of forms:

- direct payments, when governments simply hand out money to particular corporations, e.g. agriculture commodity payments;
- indirect subsidies such as export assistance, tax breaks, marketing support, disaster management/cleanup and insurance;
- systemic subsidies such as funding for research and development later used by corporations, energy and transport infrastructure investments, and government healthcare and social services for poorly paid workers; and
- hidden subsidies, including the externalized environmental costs of production and distribution.

Whatever their form, subsidies serve to promote certain industries and patterns of economic activity over others. They provide a way of shaping the economy toward particular ends. Here are some more detailed examples of how governments shape the economy toward big business and long-distance trade:

- ➔ During the financial crisis of 2008, the federal government rescued America’s largest banks with a bailout package worth US \$700 billion because it considered these banks “too big to fail”. Small community banks and credit unions, on the other hand, were left in the lurch and allowed

to go bankrupt in the aftermath of a crisis not of their making. Incredibly, the result of the crisis and subsequent bailouts was further consolidation in the banking industry: the big global banks that were bailed out grew even bigger. Because these banks are still considered “too big to fail”, creditors believe them to be less risky, assuming the government will bail them out again if necessary. As a result, the biggest banks are able to borrow money at artificially low interest rates, which translates into a further hidden subsidy of \$83 billion per year. According to Bloomberg.com: “The top five banks – JPMorgan, Bank of America Corp., Citigroup Inc., Wells Fargo & Co. and Goldman Sachs Group Inc. – account for \$64 billion of the total subsidy, an amount roughly equal to their typical annual profit”.

➔ The Worldwatch Institute reports that global subsidies for oil, gas and coal totaled between \$775 billion and more than \$1 trillion in 2012. In contrast, they found that subsidies for renewable energy totaled \$66 billion in 2010. More recently, in 2013 an International Monetary Fund study found that global fossil fuel subsidies – including the hidden subsidy of ignored environmental costs – accounted for a staggering \$1.9 trillion. Direct and hidden subsidies for fossil fuels reduce the cost of transporting goods over long distances, thereby supporting the expansion of global trade.

➔ The US government has committed \$77 billion to the nuclear power industry from 2013-2022. In liability insurance alone (a systemic subsidy), the US provides roughly \$33 million per nuclear plant per year! (see “The Nuclear Cost Shell Game” and “Green Scissor” links below) This far exceeds the support the US has provided to renewable energy such as wind and solar power. Importantly, while renewable energy offers the possibility of decentralized power generation and can therefore be more compatible with local economic control and self-reliance, nuclear energy requires large-scale, capital-intensive facilities and massive security measures, thus centralizing power (in both senses of the word).

➔ According to the Environmental Working Group, from 1995 to 2012 the US government doled out \$256 billion dollars in farm subsidies to large-scale industrial agribusinesses that grew a narrow range of commodity crops (corn, cotton, rice, wheat and soybeans) for the global marketplace. The great preponderance of these subsidies – 75 percent – went to the largest 10 percent of agribusinesses. Meanwhile, 62 percent of farms, mostly small farms serving local markets, did not receive any subsidies. In 2012 alone, the US spent \$19 billion on agricultural subsidies, the EU spent \$67 billion, and China spent an estimated \$160 billion. Many of these subsidized agricultural commodities are dumped at prices below the cost of production into local food economies around the world, undercutting local farmer livelihoods.

➔ A *New York Times* investigative report found that state and local governments in the US provide over \$80 billion dollars per year in tax incentives, free public land, infrastructure assistance, low-cost financing and other subsidies to attract and retain large, non-local businesses. These subsidy programs are administered “almost exclusively to the benefit of big corporations (aided by highly paid lobbyists) at the expense of small businesses.” (see NYT’s editorial “Race to the Bottom”, linked below.)

➔ Another study by Good Jobs First found 240 economic development “megadeal” subsidy awards, wherein local and state governments in the US offered \$75 million or more per company. The list of recipients included many familiar transnational corporations, including Exxon-Mobil, Royal Dutch Shell, Citigroup, Goldman Sachs, Walt Disney, General Electric, Dow Chemical, Amazon, Apple, Intel and Samsung. One corporation alone, Wal-Mart, has received over a billion

dollars in state economic development subsidies, just from the US government. Another, General Motors, has been awarded at least \$1.7 billion since 2007.

➔ A 2013 study by the TEEB for Business Coalition estimates that the “top 100 global environmental externalities [e.g. global warming, pollution] are costing the economy world-wide around US \$4.7 trillion a year.” A similar study conducted for the UN estimated the combined environmental externalities of the world’s 3,000 biggest companies to be \$2.2 trillion in 2008, “a figure bigger than the national economies of all but seven countries in the world that year.” (see Jowit reading below.) Such externalized costs are hidden subsidies to big businesses.

In addition to subsidies, large, globally-oriented businesses also benefit from a range of government regulations (and deregulation) at the expense of smaller, more localized enterprises. Every year corporations spend millions of dollars lobbying to rig the game in their favor. Corporate lobbyists with access to decision-making arenas (such as closed-door trade ministerial meetings or the World Trade Organization) work diligently to ensure that international trade agreements and domestic regulations favor big businesses.

“Free” trade agreements pry open local markets across the world to a flood of cheap, subsidized products, undermining local producers. At the same time, these trade regimes tie local governments’ hands, restricting their ability to favor local businesses or discriminate against foreign ones, even if there are important reasons for doing so.

Though big business complains loudly of “red tape”, much of today’s regulatory burden falls on small businesses and local producers that are increasingly hindered by unfair laws that criminalize local economic activity. For example, there has been a massive culling of small-scale traditional fowl producers in India and Burma in response to avian flu, – a disease linked to factory-farming operations – while local milk producers in the US have been labeled as criminals for selling raw milk to customers who want it. Meanwhile, giant agribusiness corporations have the power to challenge or ignore rules that reduce their profits, or to just pick up and move to a location where food “safety” laws are more to their liking. As Vandana Shiva states in the film, “It’s basically a system which criminalizes the small producer and processor and deregulates the giant business.”

Economic globalization is often discussed in the media as if it is a natural or inevitable process; however, the truth is that globalization is the product of government policies. The good news is that those policies can be changed for the better. It’s up to us to decide what kind of economy we want to support.

Questions & Activities for Reflection and Debate

- Global trade depends on cheap, long-distance freight transportation. How might the global economy change if fossil fuel subsidies disappeared, and the full environmental costs of transportation were included in the price of goods?
- In the *The Economics of Happiness* Zac Goldsmith says “it would be impossible to maintain the current global economy as it is today without enormous support from government around the world. We’re about as far away from a free market as it is possible to be.” Do you think subsidies should be redirected to support small enterprises and the local economy, or eliminated altogether in the name

achieving a genuinely “free” market? Is there such a thing?

- Discuss some of the “hidden cost” subsidies that make corporate activity look more profitable than it really is. What are some ways that businesses could be held accountable for these costs?
- Using one of the following subsidy databases, explore corporate subsidies that impact your community:

Environmental Working Group Farm Subsidy Database
<http://farm.ewg.org/index.php>

Good Jobs First Subsidy Tracker & Corporate Subsidy Watch
www.goodjobsfirst.org/

Green Scissor
<http://greenscissors.com/>

New York Times Subsidies Database
www.nytimes.com/interactive/2012/12/01/us/government-incentives.html?_r=1&gwh=11E7CE8C6AA1175A09A016DF7B2970FE&

Wal-Mart Subsidy Watch
www.walmartsubsidywatch.org/

Learn More

Readings:

Gorelick, S. (1998) *Small is Beautiful, Big is Subsidized*. International Society for Ecology and Culture.

Hanna, A. et al. (2012) *Green Scissor 2012: Cutting Wasteful and Environmentally Harmful Spending*, Friends of the Earth, Taxpayers for Common Sense, and R-Street.

Jowit, J. (2010) “World’s top firms cause \$2.2tn of environmental damage, report estimates”. *The Guardian*. February 18th (<http://www.theguardian.com/environment/2010/feb/18/worlds-top-firms-environmental-damage>).

Mitchell, S. (2006) *Big-Box Swindle: The True Cost of Mega-Retailers and the Fight for America’s Independent Businesses*. Beacon Press.

Or for UK: Simms, A. (2007) *Tescopoly, How One Shop Came Out on Top and Why It Matters*. London: Constable.

Salatin, J. (2007) *Everything I Want To Do Is Illegal: War Stories from the Local Food Front*. Chelsea Green

Films & Videos:

NAFTA + US Farm Subsidies Devastates Mexican Agriculture
http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=5864

Wal-Mart: the High Cost of Low Price
www.walmartmovie.com/about.php

Links:

Big Box Tool Kit - Institute for Local Self-Reliance
www.ilsr.org/big-box-tool-kit/

#EndFossilFuelSubsidies! (a project of 350.org)
<http://endfossilfuelsubsidies.org/>

Energy Subsidy Reform: Lessons And Implications - IMF
<https://www.imf.org/external/np/fad/subsidies/>

Fossil Fuel and Renewable Energy Subsidies on the Rise
<http://vitalsigns.worldwatch.org/vs-trend/fossil-fuel-and-renewable-energy-subsidies-rise>

Global Subsidies Initiative
www.iisd.org/gsi

Race to the Bottom
www.nytimes.com/2012/12/06/opinion/race-to-the-bottom.html

TEEB for Business Coalition: Natural Capital at Risk - The Top 100 Externalities of Business
<http://teebforbusiness.org/how/natural-capital-risk.html>

The Nuclear Cost Shell Game
www.ipsnews.net/2011/05/the-nuclear-cost-shell-game/

The Paradox of Agricultural Subsidies - Global Development and Environment Institute
www.ase.tufts.edu/gdae/Pubs/wp/04-02AgSubsidies.pdf

10 ◦ GLOBALIZATION IS BASED ON FALSE ACCOUNTING

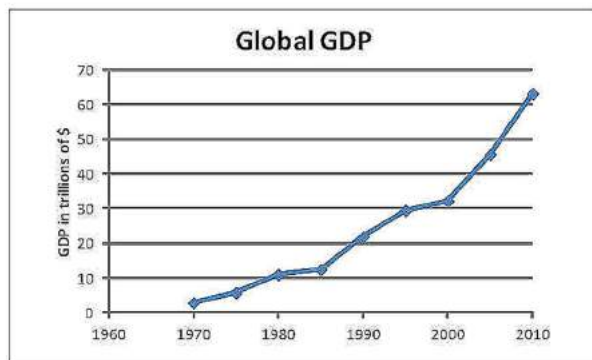
"That which seems to be wealth may in verity be only the gilded index of far-reaching ruin" ~ John Ruskin

"By spatially separating the costs and benefits of environmental exploitation, international trade makes them harder to compare. It thereby increases the tendency for economies to overshoot..." ~ Herman Daly

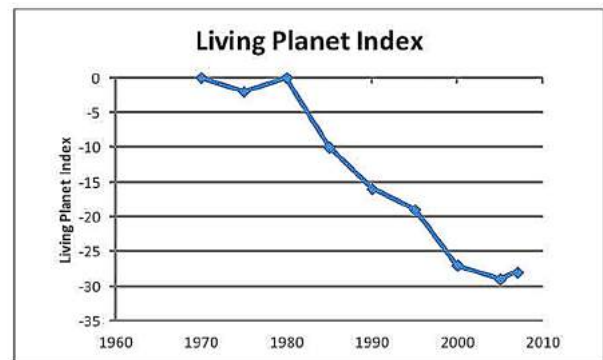
"At a structural level, the fundamental problem is one of scale. The ever-expanding scale of the global economy obscures the consequences of our actions. In effect, our arms have been so lengthened that we no longer see what our hands are doing." ~Helena Norberg-Hodge

"Our boundaries of consideration are drawn more narrow than the boundaries of our causation...we don't breath in the pollutants, drink the poisoned water, don't get cancer, don't watch the forests fall..." ~ Wes Jackson

"The only people who believe you can have infinite growth on a finite planet are madmen and economists" ~ Kenneth Boulding, economist



Data from World Bank, World Development Indicators



Data from Living Planet Index

The preceding chapters of this study guide have explored the social, psychological, and ecological costs of economic globalization. Yet, if globalization is so destructive, why have so many people promoted it? The answer: because they believe that globalization increases economic growth, and that growth is the only way to solve the world's most pressing challenges. However, the standard measure of economic growth, Gross Domestic Product (GDP) does not count its full social and ecological costs. In short, the justification for globalization is based on a faulty accounting system.

Decision-makers often point to rising levels of GDP as proof that their policies are successful. 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 benefits and costs. Increased expenditures on cancer, crime, car accidents, divorce to 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 center 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. If we turn our thermostats up and burn more fossil fuels to heat our homes, the cost of that fuels is added to GDP; if we all turned our thermostats down, the savings would be subtracted from GDP, making us appear poorer. The net result is that policymakers who rely on GDP can easily support policies that do irreparable harm.

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


Yet across the political spectrum growth is treated as a panacea – not just a means but an end in itself. Economic growth is assumed to improve quality of life, decrease poverty, create jobs, and reduce inequality. What's more, even though the environmental costs of growth are clear, policymakers consider growth necessary for (eventually) promoting environmental stewardship and the adoption of green regulations and cleaner technologies: even if it harms the environment now, the thinking goes, growth will provide the financial resources needed to clean up the mess created by growth itself. Only after people have reached a certain level of income and affluence, it's thought, can they have the "luxury" of caring for the environment. However, international polls on environmentalism expose this theory as groundless. More importantly, some of the most vibrant peoples' environmental movements are in "poor" countries (e.g. movements against destructive projects such as mega dams or polluting factories that are part and parcel of globalization).

More accurate and complete measures of economic health have been developed that reveal many of the hidden costs of our present globalizing course, and make it clear that "business as usual" is not an option. Some of the most advanced alternatives to GDP include: the Genuine Progress Indicator, Ecological Footprint, Living Planet Index, Happy Planet Index, Gross National Happiness, and the Index of Social Health (see links to each of these below). Each of these indicators is comprised of dozens of measures of social and ecological health – levels of depression, suicide, crime, inequality, pollution, species loss, GHG emissions, resource depletion, ecosystem breakdown, and more. Together they paint a truly sobering picture, which departs drastically from the one painted by GDP: almost every indicator of genuine social and ecological well-being has been either stagnant or on the decline for 40 years or more. View the following slideshow created by Demos depicting these broad trends by clicking on the link below.

Does Growth Equal Progress? The Myth of GDP

[VIEW IN SLIDESHOW](#) 
or scroll down and click on images to enlarge

DOES GROWTH EQUAL PROGRESS?
THE MYTH OF GDP


DEMOS.ORG

www.demos.org/publication/does-growth-equal-progress-myth-gdp

What these charts suggest is that we have been led to believe in an illusion of progress. We have been told that all of our troubles can be solved through economic growth, but this promise of prosperity has been a betrayal of enormous proportions. While the benefits of globalized growth have been privatized by corporate behemoths and a tiny wealthy elite, its many costs have been socialized – all the while being trumpeted as serving the common good. We are facing multiple interlinked crises that now threaten our very survival. These crises are internal to the global growth economy, not peripheral to it, yet our accounting system – and the structural distancing of the global economy itself – have blinded us to this most pressing reality.

Questions & Activities for Reflection and Debate

- What does GDP purport to measure? What does it actually measure? Using the links provided below, see where your country ranks using an alternative measure and compare it to GDP.
- Calculate your personal ecological footprint using this online tool: <http://www.footprintnetwork.org/en/index.php/GFN/page/calculators/>
How does this compare to the national average in your country? What can you do to reduce it? Finally, click here to find out if your country is an ecological debtor or creditor. http://www.footprintnetwork.org/en/index.php/GFN/page/ecological_debtors_and_creditors/ What can be done about this?
- How are questions about inequitable distribution of wealth avoided through a faith in economic growth? Can the earth sustain sufficient growth to allow the poorest populations to become “wealthy”? Why is economic growth so important to political leaders?
- As an unconventional economist once quipped, GDP could double overnight if a law were passed requiring all parents to hire their next-door neighbors to raise their children, rather than doing it themselves. Consider the sorts of activities you and others engage in that improve someone’s quality of life but which are unpaid. What would be gained if these became paid activities? What would be lost?

Learn More

Readings:

Demos (2011) *Beyond GDP: New Measures for a New Economy*, (http://www.demos.org/sites/default/files/publications/BeyondGDP_0.pdf)

Heinberg, R. (2011) *The End of Growth*, Gabriola Island BC: New Society Publishers.

Jackson, T. (2011) *Prosperity Without Growth: Economics for a Finite Planet*, London: Routledge.

New Economics Foundation (2010) *Growth Isn’t Possible: Why We Need a New Economic Direction*, London: New Economics Foundation (<http://www.neweconomics.org/publications/entry/growth-isnt-possible>).

Wackernagel, M. & W. Rees. (1995). *Our Ecological Footprint: Reducing Human Impact on the Earth*. Gabriola Island, BC and Philadelphia, PA: New Society Publishers.

Films & Videos:

Surviving Progress

<http://survivingprogress.com/>

Tim Jackson: *An economic reality check*

http://www.ted.com/talks/tim_jackson_s_economic_reality_check.html

The Happy Planet Index, Nic Marks TED Talk

http://www.ted.com/talks/nic_marks_the_happy_planet_index.html

Links:

Earth Overshoot Day

http://www.footprintnetwork.org/en/index.php/GFN/page/earth_overshoot_day/

Genuine Progress Indicator

<http://genuineprogress.net/genuine-progress-indicator/>

Global Footprint Network

<http://www.footprintnetwork.org/en/index.php/GFN/>

Gross National Happiness

<http://www.grossnationalhappiness.com/>

Happy Planet Index

<http://www.happyplanetindex.org/>

Index of Social Health

<http://iisp.vassar.edu/ish.html>

Living Planet Report

http://wwf.panda.org/about_our_earth/all_publications/living_planet_report/

Vital Signs – Worldwatch

<http://vitalsigns.worldwatch.org/>

11 ◦ WHAT IS LOCALIZATION?

localization. *n.*

1. the removal of fiscal and other supports that currently favor giant transnational corporations and banks.
2. reducing dependence on export markets in favor of production for local needs.

(Often confused with isolationism, protectionism, the elimination of trade.)

"When production and consumption both become localized, the temptation to speed up production, indefinitely and at any price, disappears. All the endless difficulties and problems that our present day economic system presents, too, would then come to an end." ~ Mahatma Gandhi, 1934

"Drawing in our economic boundaries and shorten[ing] our supply lines... permit us literally to know where we are economically. The closer we live to the ground that we live from, the more we will know about our economic life; the more we know about our economic life, the more able we will be to take responsibility for it."

~Wendell Berry



The first half of the film and discussion guide described globalization as the root cause of many of our most serious problems. The second half looks at the flip side of this relationship, showing that the most powerful solutions involve a fundamental change in direction – towards localizing economic activity. In fact, “going local” may be the single most effective thing we can do. Localization is essentially a process of de-centralization – shifting economic activity back into the hands of local businesses instead of concentrating it in fewer and fewer mega-corporations. In the film, Helena Norberg-Hodge defines localization as

“a systemic, far-reaching alternative to corporate capitalism. Fundamentally, it’s about reducing the scale of economic activity. That doesn’t mean eliminating international trade or striving for some kind of absolute self-reliance. It’s simply about creating more accountable and more sustainable economies by producing what we need closer to home.”

Later she adds, “The wonderful thing is that as we decrease the scale of economic activity, we actually increase our own well-being. That’s because at the deepest level localization is about connection. It’s about reestablishing our sense of interdependence with others and with the natural world. And this connection is a fundamental human need.”

Localization does not mean encouraging every community to be entirely self-reliant; it simply means shortening the distance between producers and consumers wherever possible, and striking a healthier balance between trade and local production. Localization does not mean that everyone must go “back to the land”, but that the forces now causing rapid urbanization should cease. Localization does not mean that people in cold climates should be denied oranges or avocados, but that their wheat,

rice or milk – in short, their basic food needs – should not travel thousands of kilometers when they could all be produced within a fifty mile radius. Rather than ending all trade, steps towards localization 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.

What's more, as Helena Norberg-Hodge points out, "Turning away from global business has nothing to do with turning away from the world – turning away from international collaboration or cultural exchange. More than ever today, with our global problems, we need global cooperation, but that is very different from the globalization of the economy."

Reversing our headlong rush towards globalization would have benefits on a number of levels. Rural economies in both North and South would be revitalized, helping to stem the unhealthy tide of urbanization. Farmers would be growing for local and regional rather than global markets, allowing them to choose varieties in tune with local conditions and local tastes, thus allowing agricultural diversity to rebound. Production processes would be far smaller in scale, and therefore less stressful to the environment. Unnecessary transport would be minimized, and so the greenhouse gas and pollution toll would decrease, as would the 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 transnational corporations, and eliminate the need to hand power to such supranational institutions as the WTO, thereby helping to reverse the erosion of democracy. Essentially, localization is about democratizing the economy, giving people everywhere more control over decisions that have long-term consequences for their own lives..

Recognizing the multiple problems caused by globalization, millions of people are beginning to reduce their dependence on giant corporations and banks by shifting where they spend and save their money – supporting instead small farmers, local businesses, and community banks and credit unions. However, while important, these efforts alone will not be enough to shift our economy in a fundamentally new direction. As localization expert, Stacy Mitchell, points out in a 2012 TEDx talk:

"... as remarkable as these trends are, they are unlikely to amount to more than an small sideshow on the margins of the mainstream if the only way we can conceive of confronting corporate power and bringing about a new economy is through our buying decisions... What we really need to do is change the underlying policies that shape our economy. We can't do that through the sum of our individual behavior in the marketplace. We can only do it by exercising our collective power as citizens."

**Watch Stacy Mitchell's short, but excellent TEDx talk,
"Why We Can't Shop Our Way to a Better Economy"**



www.ilsr.org/ted/

Rather than thinking in terms of isolated, scattered efforts, it is necessary to encourage government policies that would promote Helena Norberg-Hodge's notion of "small scale on a large scale." The same policies that were used to globalize the economy and empower giant corporations can be marshaled to shift towards the local. Helena summarizes three critical mechanisms that governments must use to make this happen:

- what they choose to *regulate*, both at the national level and internationally through trade treaties
- what they choose to *tax*
- what they choose to *subsidize*

In addition to policy shifts, we need countless diverse, local initiatives of the kind that are emerging all over the world, some of which are featured in *The Economics of Happiness*. 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. The range of possibilities for local grassroots effort is as diverse as the locales in which they take place. If supported by policy changes, such initiatives can foster a return to cultural and biological diversity and long-term sustainability. The following chapters are by no means exhaustive, but illustrate the sorts of exciting actions being taken to localize, globally.

Questions & Activities for Reflection and Debate

➤ Watch and discuss *The Power of Community: How Cuba Survived Peak Oil*
<http://www.powerofcommunity.org/>

➤ Localization is frequently criticized for implying total self-reliance, parochialism, or xenophobia. Do you think these claims are justified? Reflect on Helena Norberg-Hodge's quote above about the difference between economic globalization and global cooperation and understanding.

➤ Addressing today's most pressing problems requires acts of both resistance and renewal: those that resist the process of globalization, as well as those that help renew local economies and communities. How do you see the relative importance of these two approaches?

Learn More

Readings:

Cavanagh, J. and Mander, J. (eds.) (2004) *Alternatives to Economic Globalization*, 2nd Edition, San Francisco: Barrett-Koehler Publishers.

De Young, R. and Princen, T. (2012) *The Localization Reader: Adapting to the Coming Downshift*, Cambridge MA: MIT Press.

Hopkins, R. (2008) *Transition Handbook*, Chelsea Green.

McKibben, B. (2007) *Deep Economy*, New York: Times Books.

Shuman, M. (1998) *Going Local: Creating Self-reliant Communities in a Global Age*, NY: Free Press.

Woodin, M. and Lucas, C. (2004) *Green Alternatives to Globalisation*, London: Pluto.

Films & Videos:

Building Real Prosperity - Business Alliance for Local Living Economies
(BALLE) <http://vimeo.com/48970043>

In Transition 2.0
<http://www.intransitionmovie.com/>

Localization is the Economics of Happiness, Helena Norberg-Hodge's TEDx Talk
https://www.youtube.com/watch?v=4r06_F2FIKM

The Power of Community: How Cuba Survived Peak Oil
<http://www.powerofcommunity.org/>

Visualizing a Plenitude Economy
www.newdream.org/resources/2011-07-new-dream-mini-views-visualizing-a-plenitude-economy

Links:

International Society for Ecology and Culture
www.localfutures.org

Institute for Local Self Reliance
www.ilsr.org/localist-policy-agenda/

New Economics Foundation – The Great Transition
www.neweconomics.org/publications/entry/the-great-transition

New Economics Institute
<http://neweconomicsinstitute.org/>

New Economy Working Group
www.neweconomyworkinggroup.org/

Schumacher Center for a New Economics
<http://centerforneweconomics.org/>

Transition Network
<http://transitionnetwork.org>

Go Local, Yes! Magazine
www.yesmagazine.org/new-economy/go-local

12 ◦ LOCAL BUSINESS AND BANKING



Over the last four decades, conventional economists, government bureaucrats and corporate elites have pushed an export-oriented economic development model that favors large, mobile corporations at the expense of local livelihoods and community prosperity. Local, provincial and national governments have been encouraged – sometime even forced – to open their borders and allow for the free flow of resources, goods and foreign investment, regardless of the consequences to the environment or local communities. Governments have also been urged to pass corporate-friendly policies, provide lavish financial incentives, and more generally, foster “good business climates” – all with the aim of attracting and retaining large, absentee-owned corporations. Although this strategy has been undertaken in the name of job creation and economic progress, it has actually led to fewer jobs and a decline in prosperity for all but the richest few.

So-called “free” trade treaties and interstate commerce laws provide the legal means by which footloose corporations can move from one place to another, leaving trails of unemployment, insecurity, shattered families, destabilized communities, bankrupt cities, and gutted social and environmental laws. Often, livelihoods on both ends of a firm’s relocation are destroyed (see “Globalization destroys livelihoods”). As a result, the mere threat of relocation enables corporations to hold hostage not only communities but democracy itself, with elected officials offering them favored treatment and sweetheart deals (see “Globalization is built on handouts to big businesses”). On a larger scale, this leaves communities pitted against one another as they attempt to lure rootless corporations in an international “race to the bottom”. Meanwhile, local enterprises are crowded out of their own markets through unfair competition. And, though some places temporarily appear to be the “winners” in this race, no community is immune to its volatile and corrosive dynamics as long as the policies propping up the global corporate economy remain in place.

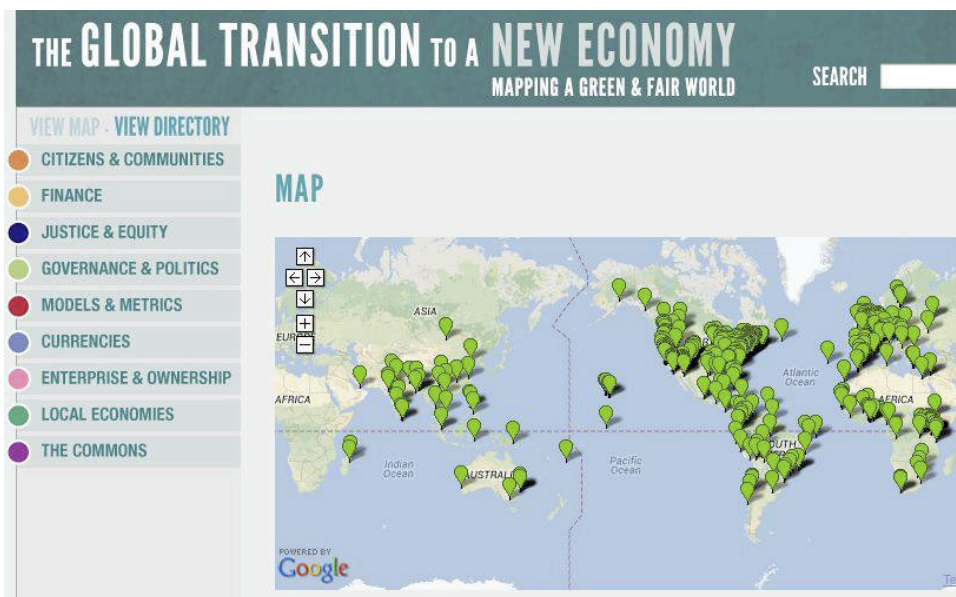
In place of this failed export-oriented, “free” trade development model, proponents of economic localization emphasize local production for local needs whenever possible, or what economist Michael Shuman has termed the “local ownership and import-substitution” model of development.

Luckily, there are thousand, perhaps millions, of community-based localization initiatives springing up on every continent. Some groups are challenging and resisting the conventional, corporate-led approach to development, while others are rebuilding and renewing more vibrant, democratic, equitable and sustainable local economies. In combination, these diverse initiatives are beginning to shift the economy in a new direction: from global competition and corporate dependence, to local interdependence. Some of the most vital elements of this global movement are in the area of local business and banking. For example:

- Anti-big-box chain store campaigns
 - Campaigns targeting corporate subsidies that undermine local businesses
 - Public procurement policies that favor local businesses (i.e. local purchasing policies for city agencies, schools, universities or hospitals)
 - “Buy Local” campaigns
 - Local business alliances and cooperative business networks
 - Grassroots economic development initiatives
 - Community economic laboratories (CELs) and small business incubators
 - Community-supported industries (CSIs)
 - Community-supported agriculture (CSA)
 - Worker-owned and community cooperatives
 - “Transition Enterprises” and social enterprises
 - “Bank local” and “Move Your Money” campaigns
 - “Transition Banks” and community lending circles
 - Community loan funds, cooperative development funds, small business revolving loan funds
 - Crowd-funding platforms for community enterprises
 - Community investment instruments
 - Local Investment Opportunities Networks (LIONs)
- ...And much, much more (see links below for examples of each of these initiatives)

These and other initiatives like them are demonstrating that more vibrant, equitable, democratic, and sustainable local economies are not just possible – they’re already being created.

Global Transition to a New Economy – an online interactive map



<http://gtne.org/map>

The Benefits of Local Business & Banking

Supporting locally owned businesses, community banks, and local credit unions benefits communities in multiple ways. Here are some of the top reasons to support local business and banking:

Reweave the fabric of community

Supporting locally owned enterprises and community-based financial institutions helps to reweave a social fabric of mutual interdependence. Small local businesses and banks are also integral components of the local “social infrastructure” — places where people interact and rebuild the social ties that have been severed in the process of globalization.

Revitalize the local economy

Locally owned businesses, banks and credit unions re-circulate a much greater portion of their revenues and deposits in the local economy. This reduces the leakage of money out of the community and increases the resources available for meeting local needs. As Michael Shuman states in the film: “One of the most important studies that we have on the effects of local business compared the impacts of \$100 spent in a local bookstore versus \$100 spent in a chain. \$100 spent at the local bookstore left \$45 in the local economy. \$100 spent in the chain left \$13. So you get three times the income effects, three times the jobs, three times the tax proceeds for local governments..”

Create jobs and more broadly-shared prosperity

As suggested in Shuman’s quote above, locally owned businesses create more local jobs than giant big-box chain stores. In addition, studies have shown that a majority of small businesses in the US are supportive of living wage ordinances, and in many sectors, already provide better wages and benefits than their corporate counterparts. What’s more, studies have shown that cities with higher densities of small, locally-owned businesses tend to have higher levels of income equality.

Reinvest in the community

Locally owned business reinvest a greater percentage of their profits in their local economies, and donate a greater percentage of their sales to local non-profits and charities than big, non-local businesses. Meanwhile community banks and local credit unions are far more responsive to the financial needs of local businesses and residents than big banks. In fact, community banks and credit unions account for a disproportionate share of small business lending, reinvesting local savings deposits into locally productive activities rather than risky financial markets that enrich the already wealthy.

Provide better, more people-oriented service

When polled, customers routinely report that small locally-owned businesses, community banks and credit unions have better service than their larger, non-local counterparts. Local banks and credit unions also offer lower fees for this better service.

Enhance community resilience and stability

Communities with a diversity of small locally-owned businesses are more stable and resilient, and less susceptible to the economic devastation caused when large, footloose corporations decide to relocate. Local businesses and cooperatives are literally anchored to their communities through ownership.

Strengthen democracy and local control

Economies comprised of a diversity of small, locally-owned enterprises strengthen democracy in a few important ways. First, the decentralized ownership structure of diversified local economies supports democracy because the political power that ownership confers is dispersed among far more people. Second, communities with more small locally-owned businesses have been found to have higher voting rates and greater levels of civic participation. Finally, when communities are less dependent on large, non-local corporations for jobs and tax revenues, they're less beholden to corporate interests, and thus have more freedom to base their economic agenda on real local needs.

Increase accountability and transparency

Rebuilding more human-scale, local economies can increase the accountability of business activity as it becomes more transparent. Greater local ownership ensures that critical economic decisions that have an impact on a community's well-being are made by people – local business owners or community bank board members – who actually reside in the community and are themselves affected by their decisions. Absentee-owned corporations and globalized supply chains are far less accountable and transparent.

Nurture diversity

Economies comprised of many small, independent local businesses are more responsive to and reflective of the distinct social, cultural and ecological characteristics of their communities. A world comprised of millions of diverse local economies creates an “adaptive mosaic” of ecologies and cultures in place of the consumer monoculture being spread by globalization.

Create a healthier environment

Local neighborhood-scale stores help sustain more compact walkable towns and cities, reduce sprawl, and utilize public infrastructure more efficiently than large big box stores. Studies have shown that residents of cities and towns with a greater percentage of small stores walk or use public transportation to go shopping more often than residents of cities dominated by large stores. This translates into less air pollution and a healthier environment. In fact, the scale of large stores itself requires them to draw consumers from larger geographic area, increasing automobile use.

Promote personal health and community well-being

Recent studies have shown that a high density of small, locally owned businesses correlates strongly with a whole host of indicators of both personal and public health (e.g. lower rates of obesity, diabetes), and community well-being.

Questions & Activities for Reflection and Debate

- Reflect on the difference you feel when you shop at a locally owned business compared with shopping at a corporate-owned chain store. Which do you prefer, and why?
- What is already being done in your community to re-localize economic activity? What policy shifts at the local, national and international level would make those efforts more likely to succeed?
- What skills and assets already exist in your community that can be used to renew the local economy? What local economic renewal initiatives have you personally been involved with? Are there projects that you'd like to start? If so, what are the opportunities and what are the barriers?
- Discuss what might be gained and what might be lost if your community were to become more economically self-reliant.

Learn More

Readings:

Gibson-Graham, J.K. et al. (2013) *Take Back the Economy: An Ethical Guide for Transforming Our Communities*, Minneapolis: U. of Minnesota Press.

Mitchell, S. (2013) "Locally owned businesses can help communities thrive — and survive climate change", *Grist* (<http://grist.org/cities/locally-owned-businesses-can-help-communities-thrive-and-survive-climate-change/>)

Shuman, M. (2006) *The Small-Mart Revolution: How Local Businesses are Beating the Global Competition*. San Francisco: Berrett Koehler Publisher, Inc

Shuman, M (2012) *Local Dollars, Local Sense: How to Shift Your Money from Wall Street to Main Street and Achieve Real Prosperity*. White River Junction: Chelsea Green.

Yes! Magazine (2009) The New Economy Starts Here (<http://www.yesmagazine.org/issues/the-new-economy/theme-guide-the-new-economy>)

Films & Videos:

Fixing the Future: Building Local Jobs, Income and Sustainability
<http://fixingthefuture.org/>

Move Your Money
<http://www.moveyourmoneyproject.org/watch-video>

The Bottom Line: A New Economy
<http://vimeo.com/70156551>

Links:

Business Alliance for Local Living Economies (BALLE)
<http://bealocalist.org/>

Buy Local Campaigns – American Independent Business Alliance
<http://www.amiba.net/buy-local-campaigns>

Community-wealth.org
<http://community-wealth.org/strategies/index.html>

Community Economic Laboratories
<http://www.postcarbon.org/blog-post/133772-community-economic-laboratories-cels>

Community Supported Industry - Schumacher Center for a New Economics
<http://centerforneweconomics.org/content/community-supported-industry-white-paper>

Guide to Going Local - Community Action Toolkit, Center for a New American Dream
<http://www.newdream.org/programs/collaborative-communities/community-action-kit/local>

Institute for Local Self Reliance
<http://www.ilsr.org/initiatives/independent-business/>
<http://www.ilsr.org/initiatives/banking/>

Mainstreaming community economic development – a Localise project
http://localisewestmidlands.org.uk/mainstreaming_CED/

Move Your Money Projects
<http://www.moveyourmoneyproject.org/> or <http://www.moveyourmoney.org.uk/>

Plugging the Leaks – toolkits & handbooks (a project of the New Economics Foundation)
<http://www.pluggingtheleaks.org/>

REconomy Project (a project of Transition Network)
<http://www.reconomy.org/>

Shared Financing of Community-Based Businesses
<http://www.shareable.net/blog/shared-financing-of-community-based-businesses>

Tescopoly Alliance
<http://tescopoly.org/>

13 ◦ LOCAL FOOD

"Agriculture and food production is one area where not only is localization desirable, in fact it is necessary."
– Vandana Shiva



The time is ripe for a shift in direction: rather than continuing to increase the distance between producers and consumers, it's time to strengthen local food economies, globally. Doing so would provide a cascade of benefits for consumers, farmers and the environment in both the global North and South. Such a shift would bring back diversity to land that has been all but destroyed by chemical-intensive monocropping, provide much-needed jobs at a local level, and help to rebuild community. Moreover, it would allow farmers to make a decent living while giving consumers access to healthy, fresh food at affordable prices.

Rebuilding local food economies means, most of all, shortening the distance food travels from the farm to table. This doesn't mean putting an end to all trade in food. It simply means limiting the needless transport of food by trying to meet as many of our basic needs as possible closer to home.

Shifting from global to local food systems can be a powerful "solutions multiplier." Local food provides:

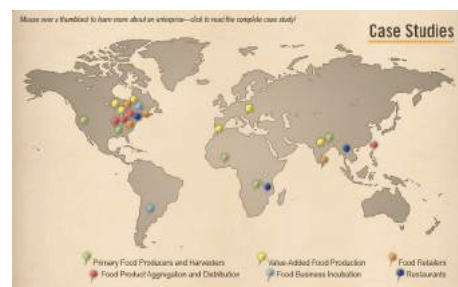
- **Healthier food.** Local food is fresher than food that has been shipped thousands of miles, which loses nutritional value every day between harvest and consumption. And while global food varieties are chosen for their ability to survive monocultural production, mechanical picking, and long-distance transport, local food varieties can be chosen for their nutritional value, flavor, and hardiness in the local environment.
- **Better incomes for farmers.** Selling direct to consumers eliminates the corporate middlemen that currently take most of the consumer's food dollar. In concert with changing the rules the now favor global agribusinesses, local food marketing can also help to reduce the cost of fresh food, making it more accessible to low-income groups.
- **Stronger local economies.** Local food systems provide far more jobs than the global food system. This is only because small-scale farming is more labor-intensive than monocultural production, but because local marketing supports locally-owned shops and businesses. This keeps money from 'leaking' out of the local economy into the coffers of distant investors and corporations.

- **Stronger communities.** By linking producers and consumers more closely, local food economies help reconnect people to one another. As Bill McKibben says of a farmers' market in the film, "it's good because it uses less energy. It's really good because it builds more community. The average shopper at the farmers' market has 10 times as many conversations as the average shopper at the supermarket."
- **Diversity on the land.** As Helena Norberg-Hodge points out in the film, "When farmers sell in the global market, they are forced to specialize in a very narrow range of standardized products. Whereas when they sell in the local market it's actually in their economic interest to increase the variety of their products."
- **A healthier environment.** The diversified farms that are the foundation of local food systems can more easily use organic production methods. Intercropping and rotations can replace dangerous pesticides, while on-farm waste like manure and crop residues can replace chemical fertilizers.
- **More food.** Smaller farms are far more productive per acre than large, chemical-intensive monocultures. A shift towards local food thus provide more food and better food security worldwide. As Balaji Shankar says in the film, "All I need is a complete integrated farm of one acre to feed 20 people. We don't need agricultural scientists, we don't need hybrid seeds, we don't need GM, we don't need anything. We just need to be left alone to do our farming."
- **Better conditions for farm animals.** Smaller-scale, diversified farms that incorporate animals are far more humane than large factory farms. There is less crowding, more time outside, and less need for antibiotics and other drugs.

A diverse array of food-based movements and initiatives are emerging around the world cultivating more resilient, sustainable and just community food systems:

- ☀ farmers' markets
- ☀ community food enterprises
- ☀ consumer/producer cooperatives
- ☀ community supported agriculture (CSA)
- ☀ edible schoolyards
- ☀ slow food
- ☀ permaculture
- ☀ urban gardens
- ☀ municipal local food initiatives
- ☀ anti-hunger and food justice
- ☀ food sovereignty
- ☀ farm-to-school programs
- ☀ local food infrastructure (e.g. food hubs)
- ☀ local food policy councils
- ☀ young farmers movement

Community food enterprises around the world: an online interactive map



<http://communityfoodenterprise.org/>

Does localization in the North hurt small farmers in the South?

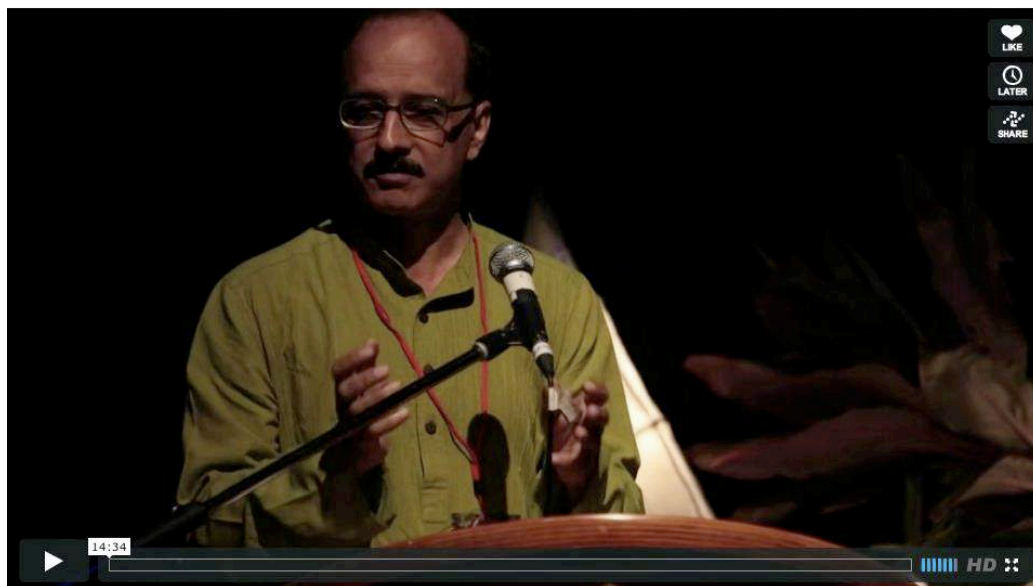
It's commonly argued that if we in the west localize, we'll be depriving the Third World of an important export market and thus harming small farmers in those countries. The reality, however, is very different. As Vandana Shiva points out in the film, "The idea that poverty reduction in the south depends on market access to northern markets is a child of globalization. We have limited resources. There's limited land, there's limited water, there's limited energy. And if we have to use that land and water and energy to produce one extra lettuce head for a British household, we can be sure we are robbing Indian peasants of their rice and their wheat. We are robbing India of her water. We are, in fact, creating a situation where we are exporting to the Third World and the South famine and drought."

Studies have found that export-dependency impairs local food security and well-being, and greatly increases the harm suffered by local farmers from exposure to toxic agrichemicals. The logical alternative to production for global markets, then, is production for local ones instead. As Michael Shuman argues in the film, "The smarter thing to do is to help communities in the global South achieve food self-reliance and other forms of self-reliance. That's a vision for eliminating global poverty I think we can stand behind."

Jorgenson, A. (2009) 'The Sociology of Unequal Exchange in Ecological Context: A Panel Study of Lower-Income Countries, 1975–2000, *Sociological Forum* 24(1), March.

Longo, S. and York, R. (2008) 'Agricultural Exports and the Environment: A Cross-National Study of Fertilizer and Pesticide Consumption', *Rural Sociology* 73(1), 82–104.

Short online video: The Virtues of Local Food – An Indian Perspective



<http://vimeo.com/66619466>

Discussion Questions for Reflection and Debate

- What do you think are the strongest arguments for local food? What are the strongest criticisms?
- Do industrial monocultures produce more food per acre, or more food per farmer? Which do you think is more important in today's world?
- What can you do personally to advance a local food system where you live?
- What policy changes could encourage the local food economy in your area? Which ones currently discourage it?
- In your area, what foods that are currently supplied by the global food system could be grown and distributed locally or regionally?

Learn More

Readings:

Ackerman-Leist, P. (2013) *Rebuilding the Foodshed: How to Create Local and Sustainable Food Systems*, Post Carbon Institute Community Resilience Guide Chelsea Green.

Ching, L.L. (2009) "Is Ecological Agriculture Productive?" The Oakland Institute
(<http://www.oaklandinstitute.org/node/2572>).

Desmarais, A. Nettie Wiebe, and Hannah Wittman (2010) *Food Sovereignty: Reconnecting Food, Nature and Community*, Oakland: Food First Books.

Holt-Gimenez, E. (2011) *Food Movements Unite! Strategies to Transform Our Food Systems*, Oakland: Food First Books.

Pinkerton, T. and Hopkins, R. (2009) *Local Food: How to Make it Happen in Your Community*, Green Books.

Norberg-Hodge, H., Merrifield, T. and Gorelick, S. (2002) *Bringing the Food Economy Home: Local Alternatives to Global Agribusiness*, London: Zed Books.

Films & Videos:

Edible City
<http://ediblecitythemovie.com/about/>

The Greenhorns
www.thegreenhorns.net/category/media/documentary/

Ingredients
<http://ingredientsfilm.com/>

Links:

Community Food Systems
<http://afsic.nal.usda.gov/farms-and-community/community-food-systems-and-civic-agriculture>

Crossroads Resource Center - Tools for Community Self-Determination
www.crcworks.org/?submit=local

ETC Group
www.etcgroup.org/

GRAIN
www.grain.org/

Food Sovereignty & Via Campesina
www.foodsovereignty.org/
<http://viacampesina.org/en/>

Know Your Farmer, Know Your Food
www.usda.gov/wps/portal/usda/usdahome?navid=KYF_COMPASS

Local Food Policy Council
www.foodfirst.org/en/about/programs/policycouncils

Local Harvest (CSAs, farmers' markets, food co-ops, etc)
www.localharvest.org/

National Young Farmers Coalition
www.youngfarmers.org/

Permaculture Activist
www.permacultureactivist.net/

Slow Food International
<http://slowfood.com/>

Social Association
www.soilassociation.org/

14 ◦ LOCAL ENERGY



Global warming and the end of cheap oil demand a dramatic shift not only in our overall use of energy, but in the kind of energy we use: we urgently need to move towards localized, decentralized, community-owned renewable energy. Many studies shown that renewable sources can meet global electricity demand, especially with a broader re-orientation of the economy towards localization and away from endless growth – i.e. sufficiency. Helena Norberg-Hodge puts it succinctly in the film: “If we cut out the outrageous waste inherent in the current system, we’d be able to meet a far higher proportion of our energy requirements from decentralized, renewable sources.”

From nuclear and coal-fired power stations to big dams, large-scale centralized energy projects are heavily subsidized, and their environmental costs largely ignored (see “Globalization is based on hand-outs to big business”). Shifting these subsidies and policies towards decentralized renewable energy systems would have a variety of benefits. Local, renewable energy systems are:

- **Environmentally superior.** They can mitigate or avoid altogether the disastrous environmental consequences of the current energy system (e.g. climate chaos, habitat destruction, ill-health from pollution, etc.).
- **More just.** All of us – those in the most marginalized communities – are being harmed by all aspects of conventional electricity production (mining, drilling, damming, transmission line and power plant construction, and fossil fuel combustion). Small-scale, decentralized renewables avoid these harmful practices.
- **Promote peace.** The conventional system often precipitates resource wars and civil strife. Local, renewable systems can sidestep this deadly equation.
- **Better for the local economy.** As Andrew Simms says in the film, “The wide range of renewable energy technologies, small, medium and large scale, will pound for pound, dollar for dollar, yen for yen give you between 2 and 4 times as many jobs as the kind of centralized, old-fashioned energy technologies we’ve got at the moment.” And because they don’t rely on fuels mined elsewhere, they help to keep money from “leaking” out of local economies.
- **More resilient.** They’re better adapted to the particular conditions of each place (e.g. sunny regions like Ladakh are well-suited to decentralized solar, while other regions will be best served by micro-hydro or wind).

- **More democratic.** They give communities more direct control over their energy sources and needs, rather than depending on distant energy corporations.
- **More secure.** They de-link and thus insulate ecommunities from volatile energy markets and global supply chains.
- **More efficient.** By producing energy close to the point of consumption, they reduce transmission line losses and other losses incurred in long-distance electricity transport and storage. Co-generation systems can make use of heat that would otherwise be wasted.
- **More quickly and easily deployed.** Centralized energy projects cost billions of dollars more and take far longer to plan and permit. These differences are crucial when it comes to rapidly responding to the global climate crisis.
- **Better for the global South.** They strengthen villages, smaller towns and rural economies, and thereby help reduce urban migration. Since the energy infrastructure in the South is not yet very developed, there is a realistic possibility of “leap-frogging” the destructive, polluting path taken by the North. As Helena Norberg-Hodge says in the film, “it’s far less expensive and much easier to introduce a decentralized, renewable energy infrastructure, than it is to build up the conventional fossil fuel-based infrastructure. And it also allows the fabric of community and social cohesion to continue.”

There is an explosion of local, community renewable energy projects and initiatives happening in every corner of the world, including community-owned solar and wind projects, village-scale micro-hydro, worker-owned clean energy businesses, and government policies and programs – especially at the city level. See “Readings” and “Links” below to learn more about this exciting movement.

Discussion Questions for Reflection and Debate

- Discuss the relationship between genuine democracy and decentralized versus centralized energy systems.
- Ted Trainer provocatively claims, “Renewable energy cannot sustain a consumer society.” Does this mean that we can’t rely on renewable energy, or that we can’t continue to base our economy on consumption?

Learn More

Readings:

Farrell, J. (2011) *Democratizing the Electricity System: A Vision for the 21st Century Grid*, Minneapolis, MN: New Rules Project/Institute for Local Self Reliance (<http://www.ilsr.org/democratizing-electricity-system-vision-21st-century-grid/>).

Lovins, A. (2011) *Reinventing Fire: Bold Business Solutions for the New Energy Era*, 2011, Chelsea Green Publishers.

Pahl, G. (2012) *Power from the People: How to Organize, Finance, and Launch Local Energy Projects* (Community Resilience Guides), Chelsea Green Publishers.

Trainer, T. (2010) *Renewable Energy Cannot Sustain a Consumer Society*, Dordrecht, The Netherlands: Springer.

Links:

Community Power Report
www.communitypowerreport.com/

Community Energy Coalition
<http://www.forumforthefuture.org/project/community-energy-coalition/overview>

Community Power Network
<http://communitypowernetwork.com/>

Green Empowerment
<http://www.greenempowerment.org>

Manifesto for a community energy revolution
<http://www.uk.coop/energymanifesto>

New Rules for Energy - Institute for Local Self Reliance
<http://www.ilsr.org/initiatives/energy/>

Local Clean Energy Alliance
<http://www.localcleanenergy.org/>

Post Carbon Institute
<http://www.postcarbon.org/>

Renewable energy can power the world, says landmark IPCC study <http://www.theguardian.com/environment/2011/may/09/ipcc-renewable-energy-power-world>

World Alliance for Decentralized Energy
<http://www.localpower.org/>

15 ◦ LOCAL IDENTITY, LOCAL KNOWLEDGE

"The mental space in which people dream and act is largely occupied today by Western imagery. The vast furrows of monoculture left behind are, as in all monocultures, both barren and dangerous. They have eliminated the innumerable varieties of being human and have turned the world into a place deprived of adventure and surprise.... Moreover, the spreading monoculture has eroded viable alternatives to the industrial, growth-oriented society and dangerously crippled humankind's capacity to meet an increasingly different future with creative responses." ~ Wolfgang Sachs



A stable local economy provides the basis for a close-knit, interdependent community. This in turn, helps to rebuild cultural self-esteem and secure identities. Strong local communities allow space for individuals to be themselves, while also encouraging a profound sense of purpose and belonging. These kind of close-knit communities also provide very different role models for children. As Helena Norberg-Hodge says in the film, "The distant images of perfection in the global media and in advertising create feelings of inferiority, which all too often in later life translate into fear, small-mindedness and prejudice. On the other hand, when children identify with real, flesh-and-blood people who all have their strengths and weaknesses, they get a much more realistic sense of who they are, of who they can be."

Revitalizing local knowledge is also essential to localization. Without retreating into cultural or economic isolationism we can nourish the traditions of our own regions. A true appreciation of cultural diversity means neither imposing our own culture on others, nor packaging, exploiting, and commercializing diverse cultures for our own consumption.

Local knowledge and local economies go hand in hand. Instead of memorizing a standardized universal knowledge, children need to be given the tools to understand their own environment. In the process, the narrow specialization and urban orientation of Western-style education would give way to a broader, more contextual and ecological perspective. Location-specific knowledge of this kind would be holistic and specific at the same time. Such an approach would seek to perpetuate or rediscover traditional knowledge. It would build on centuries of empathetic interaction and experience with the web of life in a particular place.

A place-based economy informed by local knowledge fosters a deep experiential understanding of interconnectedness – feeling oneself a part of a community and the natural world – which contrasts starkly with the atomized individualism of the consumer culture. When people are dependent on the earth under their feet and the surrounding community for survival, they experience interdependence as a fact of daily life.

There is a florescence of inspiring local knowledge initiatives all over the planet today, including:

- traditional agro-ecological knowledge projects
- ecoliteracy efforts, including bioregional curricula
- natural building workshops/courses
- permaculture and urban homesteading
- reskilling projects, craft revival and repair cafes
- alternative schools and alternatives-to-schools

...and many more – see “Additional Resources” for some ideas



Discussion Questions for Reflection and Debate

- What kinds of knowledge and skills were commonplace in your community 100 or more years ago?
- What kinds of knowledge and skills did the indigenous inhabitants of your area have? What do you think of writer Wes Jackson’s claim that the task before us is to “begin the long search and experiment to become native” to the places where we live?
- Discuss the relationship between local economy, local knowledge, and secure identities.
- Compare these two quotes from the film:
“In a previous era, before the modern era of consumer capitalism, people’s sense of self, their personal identities, were shaped largely through their communities, their neighborhoods. Nowadays, where all of those supports have fallen away, the gap that was left has been filled by the marketers, who came in and said, “Don’t worry if you don’t know who you are. We will provide you with a packaged identity, which you can use – by buying our products, of course – to create a sense of self, which you can then project onto the world.” ~ Clive Hamilton

“When we localize, we give our children role models, and I think a standard they can live by that affirms them, and affirms who they are in society without having to look outside their culture. The symbols, the people, the standards, the values are right here amongst them.” ~ Mohau Pheko
- In the film, Vandana Shiva says, “Local knowledge is knowledge that tells you about life. It is about living. I call it ‘grandmothers’ knowledge’, and I think the biggest thing we need, the task for today, is to create ‘grandmothers’ universities’ everywhere, so that local knowledge never disappears.” How would “grandmother’s universities” differ from traditional universities? What is education for?

Learn More

Readings:

Berry, W. (1987) *Home Economics*, NY: North Point Press.

Hern, M. (ed.) (2008) *Everywhere All the Time: A New Deschooling Society Reader*, Oakland: AK Press.

Illich, I. (1973) *Tools for Conviviality*. New York: Harper & Row Publishers.

Norberg-Hodge, N. (2009) *Ancient Futures: Lessons from Ladakh for a Globalizing World*, San Francisco: Sierra Club Books.

Orr, D. (2004) *Earth In Mind: On Education, Environment and the Human Prospect*, Washington DC: Island Press.

Wheatley, M. and Frieze, D. (2011) *Walk Out, Walk On*, San Francisco: Berrett-Koehler.

Films & Videos:

Enlivened Learning
<http://enlivenedlearning.com/>

Localizing Knowledge, Decolonizing Our Minds, Manish Jain
<http://vimeo.com/66037716>

Schooling the World
<http://schoolingtheworld.org/>

Links:

Agroecology
<http://agroecology.org/>

Center for a New American Dream, The Great Reskilling of America <http://www.newdream.org/programs/beyond-consumerism/promoting-self-reliance/great-reskilling>

Global Ecovillage Network
<http://gen.ecovillage.org/>

Gaia Education
<http://www.gaiaeducation.org/>

Permaculture Activist
<http://www.permacultureactivist.net/>

Place-based Learning – Center for Ecoliteracy
<http://www.ecoliteracy.org/strategies/place-based-learning>

Repair Cafe
<http://repaircafe.org/>

Shikshantar: People's Institute for Rethinking Education and Development
www.swaraj.org/shikshantar

Transition Town Reskilling
<http://transitionus.org/knowledge-hub/themes/reskilling>

Universidad de la Tierra (Unitierra)
www.unitierra.org

16 ◦ LOCALIZING, GLOBALLY

“In the culture of globalization, every act of humanity, every effort to answer need locally, every shared gesture, every pooling of resources, every act of giving out of the generosity of the unsubdued spirit is a form of resistance.” ~ Jeremy Seabrook



Until recently, corporate globalization seemed unstoppable, and the imposition of a global consumer monoculture, only a matter of time. But the consumerist economy is so fundamentally at odds with the needs of people and the planet that it is triggering widespread resistance alongside a proliferation of healthier, smaller-scale alternatives. Across the world, millions of people are *resisting* globalization by challenging the deregulation of trade and investment that underpins corporate power, and demanding the democratization of the economy – bringing control back to the local and national levels. At the same time, millions of others are engaged in efforts to *rebuild* more just, ecological and human scale economies. *The Economics of Happiness* surveyed a broad range of initiatives that make up this emerging worldwide movement – or “movement of movements” – for localization. Many of these – in the areas of local economy, local food and local energy – have also been alluded to in previous chapters of this guide. Here we present a more detailed portrait of some of the most inspiring movements working to shift the economy in a new direction.

Global Trade Justice Movement

During the last three decades, activists from nearly every continent have gathered by the tens of thousands to protest “free” trade agreements (FTAs), corporate human rights abuses, and the plunder of natural resources. Large protests have greeted each new round of trade talks, helping to stall key provisions of the WTO or thwart other multilateral FTAs altogether, such as the Free Trade Area of the Americas, and the Multilateral Agreement on Investment. However, the progress of these movements has been mixed in more recent years. With the WTO effectively mired in controversy since the late 1990s, government bureaucrats and corporate elites have shifted their strategy: instead of global trade treaties, they have pursued more easily negotiated regional or bi-lateral agreements, such as the Central American Free Trade Agreement (CAFTA), or the FTA between the US and Columbia. Despite huge crowds protesting each of these agreements, they have nonetheless been ratified. Even after ratification, protestors continue to flood the streets. For example, in August 2013 over 200,000 small farmers, miners, truck-drivers, healthcare workers, teachers and students mobilized in the streets of Columbia, calling for the renegotiation of the US-Colombia Free Trade Agreement.

Two new significant FTAs are currently being negotiated, largely behind closed doors in

characteristically undemocratic fashion: the Trans-Pacific Partnership (TPP), and the Trans-Atlantic FTA (TAFTA). Both of these agreements threaten to further deregulate trade and finance and undermine the democratic sovereignty of local and national governments. There are a number of organizations currently working to raise awareness about these FTAs and mobilize large citizen protests against them. Resisting FTAs and similar agreements is a key component of the localization movement, critical for protecting local economic autonomy, globally.

Anti-Big-Box Movement

Citizens from around the world have launched campaigns pressuring their local governments to pass ordinances that restrict or ban big-box chain stores like Wal-mart and Tesco from doing business in certain areas. These campaigns have successfully prevented large, subsidized corporations from undermining small businesses, draining critical public resources from communities, and eroding the unique character of local economies.

Local Food Movements

Perhaps the most well-known element of localization, the local food movement, has gained momentum over the last decade in countries throughout the world. Farmers' markets, community supported agriculture schemes (CSAs), community food co-ops, food hubs, local food enterprises, community gardens, local food policy councils, Slow Food groups, urban agriculture projects, and other similar initiatives have begun to create more just, resilient and sustainable local food systems that are already feeding millions of people. What's more, local governments have started initiating programs and policies of their own with the explicit aim of promoting local food: they are investing in local food infrastructure, starting farm-to-school programs, removing legal barriers to growing, processing and selling local food, and making public land available to small farmers. The local food movement is often criticized as being confined to wealthy elites in the global North. However, the food justice and food sovereignty movements demonstrate that local food has a far broader based of support.

Food Sovereignty and Via Campesina

The concept of "food sovereignty" was developed by the international peasants' movement La Via Campesina at the World Food Summit in 1996. La Via Campesina defines food sovereignty as:

the right of peoples to healthy and culturally appropriate food produced through sustainable methods and their right to define their own food and agriculture systems. It develops a model of small scale sustainable production benefiting communities and their environment. It puts the aspirations, needs and livelihoods of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations.... Food sovereignty prioritizes local food production and consumption. It gives a country the right to protect its local producers from cheap imports and to control production. It ensures that the rights to use and manage lands, territories, water, seeds, livestock and biodiversity are in the hands of those who produce food and not of the corporate sector... Food sovereignty now appears as one of the most powerful response to the current food, poverty and climate crises.

La Via Campesina is easily one of the largest grassroots movements against corporate globalization and in favor of food localization in the world. It counts among its members "millions of peasants, small and medium-size farmers, landless people, women farmers, indigenous people, migrants and agricultural workers from around the world. It defends small-scale sustainable agriculture as a way to promote social justice and dignity. It strongly opposes corporate driven agriculture and transnational companies that are destroying people and nature...." La Via Campesina is comprised of nearly 150 local and national organizations representing about 200 million farmers from 70 countries across Africa, Asia, Europe and the Americas.

Transition Towns and Resilience Groups

The Transition movement started with two groups in 2006 in Kinsale, Ireland and Totnes, England, multiplying spectacularly to over 1,107 initiatives in more than 43 countries across the world by 2013. According to the Transition Network, the aim is “to help you be the catalyst in your community for an historic push to make where you live more resilient, healthier and bursting with strong local livelihoods, while also reducing its ecological footprint.” Transition is focused on transforming the wasteful, energy-intensive, corporate-dependent, alienating economies that typify much of the (over) developed world today into locally self-reliant, sufficiency-based, resilient communities. The focus is overwhelmingly on envisioning and carrying out practical local solutions that provide tangible and exciting examples of the possibilities for change. Some key areas prioritized by Transition projects for creating genuine local well-being include food-growing groups, community businesses, community renewable energy projects, the forging of community relationships, re-skilling trainings, and what are called REconomy projects (offering tools, networking and support to map and expand local economies). Resilience Groups and Resilience Circles are two similar initiatives to Transition Towns, where people join together in local groups to create more self-reliant communities that are less dependent on the volatile global economy.

Community Rights Movement

Similar to the food sovereignty movement, the community rights movement helps communities reclaim local democratic decision-making power by passing ordinances banning socially and environmentally harmful activities. In North America, one of the founding organizations of this movement is the Community Environmental Legal Defense Fund (CELDF). From their website: “CELDF works with communities to establish Community Rights – such that communities are empowered to protect the health, safety, and welfare of their residents and the natural environment, and establish environmental and economic sustainability.” To date, CELDF has helped more than 150 locales establish ‘community rights ordinances’ protecting them from such activities hydraulic fracturing (aka “fracking” or shale gas drilling) and the planting of GMO crops.

New Economy Movement

The new economy movement is a multifaceted, international movement working to create more equitable, democratic, and sustainable local economies, *from the ground up*. As noted in previous chapters, the movement includes a diverse range of projects, strategies and initiatives designed to anchor wealth in local economies through new models of finance, production, exchange, distribution and consumption. New economy initiatives include: innovative community-based financing; Move Your Money and ‘bank local’ campaigns; community wealth-building projects such as worker or consumer cooperatives, local business incubators, and social enterprises; participatory municipal budgeting programs linked to local economic development; ‘buy local’ campaigns; local currency initiatives; small business advocacy alliances, and cross-sector networks of local cooperatives. In sum, the new economy movement embodies Helena Norberg-Hodges’s strategic slogan calling for *small scale on a large scale*.

Community Energy Movement

Small scale, locally-based renewable energy initiatives are helping communities become more energy self-reliant, while at the same time creating local green jobs and reducing the negative impacts of energy production on the environment. Whether it’s community-owned wind turbines, city-level ‘solar gardens’, neighborhood-scale shared solar installations, or village-level micro-hydro systems, community renewable energy is proving its viability in both rural and urban settings around the world. In addition to these grassroots energy projects, many local governments are passing progressive energy policies that make it easier to implement community energy projects. In some cases, citizen-led campaigns have even pushed local governments to reverse decades of privatization

by reclaiming democratic control of their energy systems from the non-local energy companies that dominate them. For instance, citizens in Boulder, Colorado led a successful campaign calling for the 'municipalization' of their local energy system that is currently (legally) monopolized by Xcel Energy. The citizen campaign was launched because Xcel failed to meet the city's ambitious goals for reducing its 'carbon footprint' and promoting the clean energy economy.

Eco-Village Movement

Recognizing the fundamental human need for connection and the ecological imperative for creating more sustainable living patterns, people around the world have started forming sustainable communities called eco-villages. Eco-villages enable people to establish supportive social structures, share common resources, and achieve a high degree of community self-reliance. Eco-villages typically combine private and shared living and work spaces, and often incorporate appropriate technologies (such as small-scale renewable energy systems and handcrafting tools and workspaces), village child-care programs, permaculture design, organic food production, and natural building techniques.

Learn More

Links:

Global Trade Justice

Bilaterals.org
www.bilaterals.org

Focus on the Global South
<http://focusweb.org/>

Global Exchange
<http://www.globalexchange.org/>

International Forum on Globalization
www.ifg.org

Our World Is Not For Sale
<http://www.ourworldisnotforsale.org/>

Public Citizen – Trade Watch
www.citizen.org/tradewatch

Transnational Institute
www.tni.org

Third World Network
www.twinside.org.sg

Anti-big-box Movement

Big-Box Toolkit
<http://www.ilsr.org/big-box-tool-kit/>

Good Jobs First
<http://www.goodjobsfirst.org/>

Tescopoly Alliance
<http://tescopoly.org/>

Local Food Movement & Food Sovereignty

Food First: Institute for Food and Development Policy
www.foodfirst.org

Food Sovereignty
www.foodsovereignty.org/

GRAIN
www.grain.org/

Grassroots International
<http://www.grassrootsonline.org/>

Local Food Policy Council
www.foodfirst.org/en/about/programs/policycouncils

Local Harvest (CSAs, farmers' markets, food co-ops, etc)
www.localharvest.org/

National Young Farmers Coalition
www.youngfarmers.org/

Slow Food International
<http://slowfood.com/>

Social Association
www.soilassociation.org/

Via Campesina
<http://viacampesina.org/en/>

Transition Towns & Resilience Groups

Resilience Circles
<http://localcircles.org/>

Resilience Groups
<http://www.resilience.org/groups>

Transition Network
<http://transitionnetwork.org/>
<http://transitionnetwork.org/initiatives/national-hubs>

Community Rights Movement

Community Environmental Legal Defense Fund
<http://celdf.org/section.php?id=423>

Community Rights Program - Global Exchange
<http://www.globalexchange.org/programs/communityrights>

New Economy Movement

Business Alliance for Local Living Economies (BALLE)
<http://bealocalist.org/>

Community-wealth.org
<http://community-wealth.org/strategies/index.html>

Global Transition to a New Economy
<http://gtne.org/map>

Grassroots Economic Organizing
www.geo.coop

Institute for Local Self Reliance
www.ilsr.org/localist-policy-agenda

Move Your Money
www.moveyourmoneyproject.org
www.moveyourmoney.org.uk

New Economics Foundation
www.neweconomics.org

New Economics Institute
<http://neweconomicsinstitute.org>

New Economy Working Group
www.neweconomyworkinggroup.org

Other Worlds Are Possible
www.otherworldsarepossible.org

REconomy Project
www.reconomy.org

RIPESS - Intercontinental Network for the Promotion of Social and Solidarity Economy

www.ripest.org/about-us/?lang=en

Schumacher Center for a New Economics

<http://centerforneweconomics.org>

The Rise of the New Economy Movement

www.yesmagazine.org/new-economy/the-rise-of-the-new-economy-movement

Community Energy Movement

Boulder Votes to Free Its Electric Company

<http://www.yesmagazine.org/issues/9-strategies-to-end-corporate-rule/how-boulder-freed-its-electric-company>

Community Energy Coalition

<http://www.forumforthefuture.org/project/community-energy-coalition/overview>

Community Power Network

<http://communitypowernetwork.com/>

Community Power Report

<http://www.communitypowerreport.com/>

Eco-Village Movement

Global Eco-Village Network

<http://gen.ecovillage.org/>

Global EcoVillage and Sustainable Community Network

<http://www.globalecovillages.org/>

17 ◦ LOCAL FUTURES



The first half of *The Economics of Happiness* shows how corporate globalization has exacerbated many of the most significant social, psychological and environmental crises of our time. It is the continuation of a process that began 500 years ago, entailing the dismantling of local economies and place-based cultures around the world. At the same time, the spread of a global consumer monoculture is undermining people's sense of self and psychological well-being, as increasing numbers of people feel isolated, depressed, and insecure. Perhaps most alarming of all, the expansion of the global consumer economy is compounding an environmental crisis that threatens life as we know it.

However, *The Economics of Happiness* doesn't just show how these multiple crises are linked to globalization. The film also demonstrates how a systemic shift toward localization can act as a 'solution multiplier', simultaneously revitalizing communities and economies, improving social and psychological well-being, and restoring ecological health.

At the end of the film, Helena Norberg-Hodge states that, "at the deepest level, localization is about connection, it's about reestablishing our sense of connection with each other and the natural world. And this connection is a basic human need." Helena talks about this more fully at the conclusion of her book, *Ancient Futures*:

"The changes that we need to make can greatly enrich our lives. Yet they are often treated, even within the environmental movement, as sacrifices. The emphasis is on giving things up and making do with less, rather than recognizing how much we stand to gain. We forget that the price for never-ending economic growth and material prosperity has been spiritual and social impoverishment, psychological insecurity, and the loss of cultural vitality....

"Perhaps the most important lesson of Ladakh has to do with happiness. It was a lesson that I was slow to learn. Only after many years of peeling away layers of preconceptions did I begin to see the joy and laughter of the Ladakhis for what it really was: a genuine and unhindered appreciation of life itself. In Ladakh I have known a people who regard peace of mind and *joie de vivre* as their unquestioned birthright. I have seen that community and a close relationship to the land can enrich human life beyond all comparison with material wealth or technological sophistication. I have learned that another way is possible."

Some may argue that the kind of happiness enjoyed by the Ladakhis is simply inaccessible to us because we are too keenly aware of the many crises facing the planet: how can we be happy when we know that the world is so fraught with social, environmental economic and political problems?

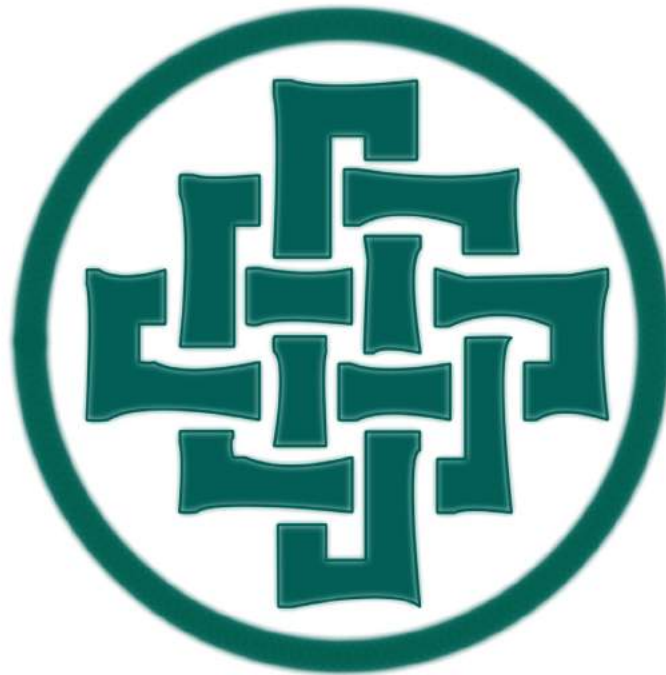
Part of the answer, we believe, is that as we localize, we not only begin to create those connections to others and to the natural world on which true happiness is based, but we are also taking steps towards the solution to those same crises. The rest of the answer lies in this poem by Wendell Berry, titled “The Peace of Wild Things”:

When despair for the world grows in me
and I wake in the night at the least sound
in fear of what my life and my children’s lives may be,
I go and lie down where the wood drake
rests in his beauty on the water, and the great heron feeds.
I come into the peace of wild things
who do not tax their lives with forethought
of grief. I come into the presence of still water.
And I feel above me the day-blind stars
waiting with their light. For a time
I rest in the grace of the world, and am free.

The Economics of Happiness tells us that shifting from global to local is one of the most effective means we have of replacing competition, anonymity, and insecurity with local networks of cooperation, interdependence, belonging, and mutual caring. This hopeful message suggests that localization is both a strategic solution to the crises we face, and the living foundation for *an economics of genuine happiness*.

**Learn more and find out how to join the
worldwide movement for localization
by visiting:**

**[www.theeconomicsofhappiness.org/
get-active-what-we-can-do](http://www.theeconomicsofhappiness.org/get-active-what-we-can-do)**



The Economics of
HAPPINESS

www.theeconomicsofhappiness.org