

# Globalisation *versus* Community

Helena Norberg-Hodge

Society today is faced with a choice between two diverging paths. The path endorsed by government and industry leads towards an ever more globalised economy, one in which the distance between producers and consumers will continue to grow. The other path is being built from the grassroots, and leads towards strong local economies in which producer-consumer links are shortened.

I believe that moving in the latter direction may be one of the best ways of solving a whole range of serious social and environmental problems, from rising rates of crime and violence to the greenhouse effect. This may sound absurdly simplistic, but it is a conviction based on long-term observations in societies at very different levels of dependence on the global economy—including heavily-industrialised America, socialist Sweden, rural Spain, and most importantly, Ladakh, a traditional culture on the Tibetan Plateau.

When I first came to Ladakh the Western macroeconomy had not yet arrived, and the local economy was still rooted in its own soils. Producers and consumers were closely linked in a community-based economy. Two decades of development in Ladakh, however, have led to a number of fundamental changes, the most important of which is perhaps the fact that people are now dependent on food and energy from thousands of miles away. The effects of this increasing distance between producers and

consumers are worth looking at as we consider our own future.

## Globalisation Destroys Local Economies and Communities

The path towards globalisation is dependent upon continuous government investments. It requires the building-up of a large-scale industrial infrastructure, including roads, mass communications facilities, energy installations, and schools for specialised education. Among other things, this heavily subsidised infrastructure allows goods produced on a large scale and transported long distances to be sold at artificially low prices—in many cases at lower prices than goods produced locally. In Ladakh, the Indian government is not only subsidising roads, schools and energy installations, but is also bringing in subsidised food from India's breadbasket, the Punjab. Ladakh's local economy—which has provided enough food for its people for 2000 years—is now being invaded by produce from industrial farms located on the other side of the Himalayas. The food arriving in lorries by the tonne is cheaper in the local bazaar than food grown five minutes walk away. For many Ladakhis, it is no longer worthwhile to continue farming.

In Ladakh this same process is affecting not just food, but a whole range of goods, from clothes to household utensils to building materials. Imports from distant parts of India can often be produced and distributed at lower prices than goods produced locally—again, because of a heavily subsidised industrial infrastructure. The end result of all this long-distance transport of subsidised goods is that Ladakh's local economy is being steadily dismantled, and with it the local community that was once tied together by bonds of interdependence.

## Globalisation has led to Several Social Problems

This trend is exacerbated by other changes that have accompanied economic development. Traditionally, children learned how to farm from relatives and neighbours; now they are put into Western-style schools that prepare them for specialised jobs in an industrial economy. In Ladakh, these jobs are very few and far between. As more and more people are pulled off the land, the number of unemployed Ladakhis competing with each other for these scarce jobs is growing exponentially. What's more, the course of the economy, once controlled locally, is increasingly dominated by distant market forces and anonymous bureaucracies.

The result has been a growing insecurity and competitiveness—even leading to ethnic conflict—amongst a once secure and cooperative people. A range of related social problems has appeared almost overnight, including crime, family breakup and homelessness. And as the Ladakhis have become separated from the land, their awareness of the limits of local resources has dimmed. Pollution is on the increase, and the population is growing at unsustainable rates.

Economists, of course, would dismiss these negative impacts, which are not as easily quantifiable as the monetary transactions that are the goal of economic development. They would also say that regions like the Punjab enjoy a comparative advantage over Ladakh in food production, and that it makes economic sense for the Punjab to specialise in growing food while Ladakh specialises in some other product, and that each trade with the other. But when distantly produced goods are heavily subsidised, often in hidden ways, one cannot really talk about comparative advantage, or for that matter 'free

markets', 'open competition in the setting of prices', or any of the other principles by which economists and planners rationalise the changes they advocate. In fact, we should instead be talking about the unfair advantage that industrial producers enjoy, thanks to a heavily subsidised infrastructure geared toward large-scale, centralised production.

The changes in this remote region in the Himalayas are part of the same process that has been affecting us here in the West as well, although it has been going on a lot longer and has proceeded a lot further. It is a trend that I have witnessed in Europe over the years with the expansion of the Common Market, and in America, where 'bigger' has long been assumed to be 'better'. Trillions of dollars have been spent all over the industrialised world creating superhighways and communications infrastructures that facilitate long-distance transport. Still more is being spent on highly specialised education that makes possible and promotes industrial technologies—from satellite communications to chemical- and energy-intensive -agriculture. In the last decade, vast sums of taxpayers' money have been spent on research

for biotechnology—with the aim of allowing food to be transported even greater distances, survive even greater doses of pesticides, and ultimately to be produced without the troublesome need for farmers. The 'unfair advantage' these many subsidies give to large-scale producers and marketers is making it all but impossible for family farmers to compete with industrial agribusinesses, for the small shopkeeper to compete with huge supermarkets, or for any small producer to compete with corporations that can be located wherever production costs are lowest.

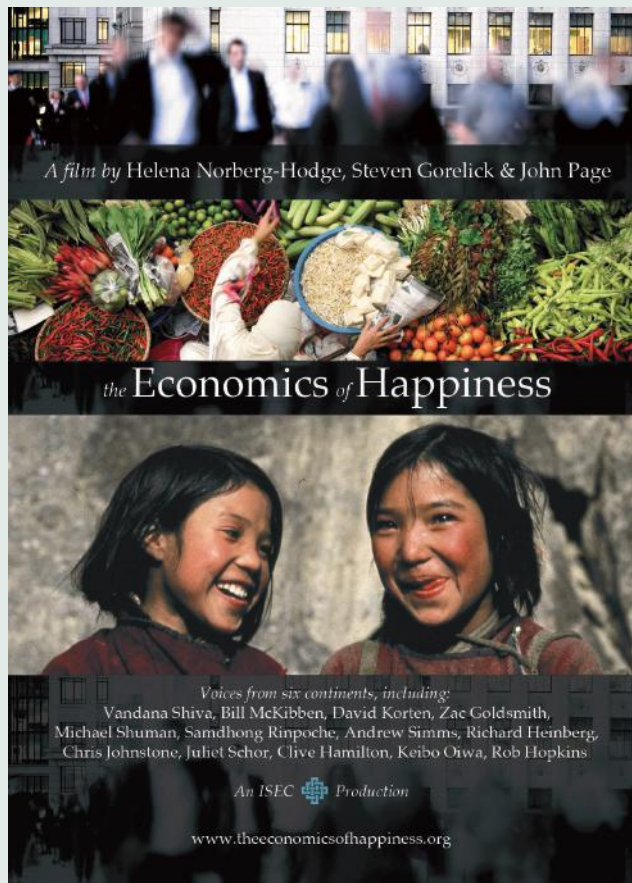
### Unfair Advantage to Large Corporations

Large corporate producers are given further advantages by policies that promote 'free trade'. The premise underlying trade agreements like Maastricht, GATT, and NAFTA is that we will all be better off if we continue to increase the distance between producers and consumers. As a consequence, Spanish markets sell Danish butter, while Danish stores sell butter produced in France; England exports roughly as much wheat as it imports; the average pound of food in

America travels 1,200 miles before it reaches the kitchen table, and the total transport distances of the ingredients in a pot of German yogurt totals over 6,000 miles—even though all are available within 50 miles.

Governments around the world, without exception, are promoting these trends in the belief that their ailing economies will be cured by throwing themselves open to economic globalisation. Ironically, these policies undermine the economies not only of local and regional communities, but even of the nation-states that so zealously promote them.

The mobility of capital today means that the comparative advantage once enjoyed by states or regions has been usurped by transnational corporations, which are in the best position to take 'unfair advantage' of free trade and the many hidden subsidies implicit in a publically- financed industrial infrastructure. The result has been the further centralisation of political and economic power in huge transnational corporations, global joblessness, the erosion of community, the rapid depletion of natural resources and the further breakdown of the environment.



## The Documentary: the Economics of Happiness

This is an award winning film by ISEC (International Society for Ecology and Culture) co-directed by its founder, Helena Norberg Hodge.

The Economics of Happiness 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.

The second half of the film provides not only inspiration, but practical solutions. We hear a chorus of voices from six continents, including Vandana Shiva, Bill McKibben, David Korten, Samdhong Rinpoche, Helena Norberg-Hodge, Michael Shuman, Zac Goldsmith and Keibo Oiwa. The film challenges us to restore our faith in humanity, to believe that it is possible to build a better world.

Learn more about this film at:  
[www.theeconomicsofhappiness.org](http://www.theeconomicsofhappiness.org)

Community is based on close connections between people, and an understanding of their dependence on one another. As we all can see when we visit a small shop in a village, people know each other and talk to one another. Nearby farmers that sell to the shop—and know the people who will be buying their produce—are far less likely to put toxic chemicals on their crops.

## The Alternative Path

But as I said at the outset, there is an alternative path, a significant counter trend that, despite a lack of support from government or industry, continues to flourish. Throughout the world, particularly in the industrialised countries, increasing numbers of people are recognising the importance of supporting the local economy. And within this countercurrent, attempts to link farmers and consumers are of the greatest significance. Something called Community Supported Agriculture (CSA) is sweeping the world—from Switzerland, where it first started 25 years ago, to Japan where the movement affects many thousands of people. Without support from above, people at the grassroots are taking the CSA idea and succeeding. In America, where all but 2% of the population has already been pulled off the land, the number of CSAs has climbed from only two in 1986 to 200 in 1992, and is closer to 600 today. Significantly, in a country where small farmers linked to the industrial system continue to fail every year at an alarming rate, not a single CSA in America has failed for economic reasons.

Bringing producers and consumers closer together has an amazing number of positive implications. Perhaps the most significant of these is that we thereby rebuild real community. Community is based on close connections between people, and an understanding of their dependence on one another. As we all can see when we visit a small shop in a village, people know each other and talk to one another. Nearby farmers that sell to the shop—and know the people who will be buying their produce—are far less likely to put toxic chemicals on their crops. Conversely, people who know the person who grows their food are more apt to help him out in difficult times, as did the CSA group in Kentucky that helped their farmer get his harvest in before an early frost.

The stronger sense of community that stems from shorter producer-consumer links in turn has important psychological benefits. My own experience in Ladakh, as well as research here in the West, makes it clear that the rise in crime, violence, depression, even divorce, is to a very great extent a consequence of the breakdown of community. Conversely, children growing up with a sense of connection to their place on the earth and to others around them—in other words, children who are imbedded in a community—grow up with a stronger sense of self-esteem and healthier identities.

## Benefits of Community Supported Agriculture

Environmentally, the benefits of CSAs are enormous. The forces within the industrial system that pressure farmers to practice monocropping are reversed, since CSA farms need to grow a wide variety of produce to meet the needs of their members. In other words, CSAs lead to an increase in biodiversity since consumers—now dependent on a local market—need a range of products, unlike the large-scale food distributors that demand large supplies of one crop. And almost all consumers that have the opportunity to communicate directly with the farmers that produce their food make it clear that they prefer a reduction in the amount of chemicals in their food—again turning market pressures towards practices that benefit rather than harm the environment. Vegetable varieties can also be chosen for their suitability to local conditions and for their taste and nutritional value, rather than their ability to withstand the rigours of long distance transport or their conformity to supermarket standards. The cucumbers need not be perfectly straight, nor the apples perfectly round. The absence of packaging means a significant reduction in the huge amount of non-reusable, non-biodegradable waste

that is daily thrown into waste dumps all over the world. Meanwhile, the shorter transport distance means a reduction in the use of fossil fuels, less pollution, and lowered amounts of greenhouse gases released to the atmosphere.

The Community Supported Agriculture movement has provided real grassroots momentum for shorter producer-consumer links. But lasting progress will require changes at the policy level as well. The unfair advantages now given to large-scale producers and marketers continue to threaten the success of all kinds of enterprises and initiatives—including CSAs. For national economies and local communities to flourish we need to rethink 'free trade' policies that favour transnational corporate producers, and instead aim at a better balance between long-distance trade and local, regional and national production. Most importantly we need to lobby for energy taxation on the production and transportation of goods. We should also critically question further direct and indirect subsidies for transport infrastructures and large-scale corporate production. We need to oppose government support of biotechnology and other environmentally risky, job-destroying technologies.

Finally, we have to actively promote shorter links between producers and consumers—a process we can start today by publicising the incredible social and environmental benefits of CSAs. We can honestly tell people that eating fresh, delicious food may be one of the most effective ways of saving the world!



*Helena Norberg-Hodge is a pioneer of the localization movement, and the Founder and Director of the International Society for Ecology and Culture (ISEC), a non-profit organization concerned with the protection of both biological and cultural diversity.*

*Ancient Futures has been described as an "inspirational classic" by The Times and has been translated into 42 languages. She has also co-authored Bringing the Food Economy Home and From the Ground Up: Rethinking Industrial Agriculture.*





**Given below is an extract from the concept note by Helena Norberg-Hodge for the Conference on Economics for Happiness to be held at Bangalore on 15th March 2014**

Since globalisation is at the root of so many problems, localisation — a shift away from the global and towards the local — is an obvious part of the solution.

### **The central principles of localisation**

- Localisation is the diversification and decentralisation of economic activity.
- Localisation strengthens human-scale business — especially for basic needs such as food, water, and energy, but also in housing, banking and healthcare.
- Localisation relies more on human labour and skill and depends less on energy and technology.
- Localisation requires less transportation, less packaging, and less processing, thereby reducing waste, pollution and fossil fuel use.
- Localisation adapts economic activity to the diversity of ecosystems, restoring cultural and biological diversity.
- Localisation fosters a deeper connection between people and nature.
- Localisation rebuilds social interdependence and cohesion, providing a more secure sense of identity and belonging, which in turn is a prerequisite for peaceful coexistence.
- Localisation challenges conventional notions of international development, instead reclaiming and regenerating diverse knowledge systems, languages, aesthetics and wisdom traditions.

### **Global to local policy changes:**

- The renegotiation of international trade treaties, this time putting local needs first.
- A shift in taxes and subsidies that currently favor the large and multinational.

- A re-direction of public investments in infrastructure focussing on the needs of local economies.
- Government control and regulation of the creation of money and debt, which now widens the gap between rich and poor.

At the grassroots, a powerful localisation movement is emerging worldwide. India itself has a rich history of innovation and activism. Here and elsewhere, the localisation movement is showing that strengthening community and the local economy can undo many of the problems created by the mad rush towards globalisation.

We believe that in particular the local food movement as well as various other initiatives (see page 30) can gain strength by forging alliances under the localisation banner. Together, we can build a movement that will challenge the might of the mega-corporations and bring the economy back home.

Some of the initiatives under the Localisation banner that are already underway around the world, include the Transition Towns movement, Local Banking, Eco-villages, Gift Economies, School Gardens and Biodiversity Economics.

### **The Annual Conference on the Economics of Happiness**

The conference on Economics of Happiness was held in Berkeley, US, in 2012 and in Australia in 2013. The 2014 conference will be held at Bangalore, India and again, will be a space to listen to inspiring speakers and participate in workshops and discussions that explore the impacts of the global economy as well as Localisation - an obvious part of the solution.

*For more details see the back cover of this issue and look up [www.theeconomicsofhappiness.org](http://www.theeconomicsofhappiness.org)*