

# Local Economic Self-Determination

One part of social change strategy involves transforming existing governmental, multilateral and corporate structures, policies and practices toward justice, nonviolence, and authentic inclusion of those affected by their decisions.

But there's another part: Creating and maintaining our own just, nonviolent, and authentically inclusive structures, policies and practices – from the global to the local (“glocal”).

One set of alternative glocal structures, policies and practices is economic. Local economic structures, policies, and practices seek to:

1. Meet people's tangible needs.
2. Build community and relationships.
3. Promote self-determination and self-governance.
4. Develop leadership.
5. Serve as a model in a microcosm of what we advocate for at the “macrocosm.”
6. Provide local arenas for energy and interest to be directed when macro change social movements are stalled.

Transforming existing structures, policies, and practices and creating and maintaining our own are not mutually exclusive. They should be thought of and strategized as interdependent and connected.

## Examples of local economic institutions, policies, and practices

### 1. Community currencies

---

*“Money is like an iron ring we've put through our noses. We've forgotten that we designed it, and it's now leading us around. I think it's time to figure out where we want to go -- in my opinion toward sustainability and community -- and then design a money system that gets us there.*

*“The origin of the word ‘community’ comes from the Latin ‘munus,’ which means ‘the gift,’ and ‘cum,’ which means ‘together, among each other’. So community literally means to give among each other. Therefore I define my community as a group of people who welcome and honor my gifts, and from whom I can reasonably expect to receive gifts in return.*

*--Bernard Lietaer in *Beyond Greed and Scarcity**

### What are community/local currencies?

- Money printed, circulated within, and accepted by people within a designated community. Money with boundaries that communities can control.
- Money that facilitates transactions between individuals and businesses that are rich in goods and services rich but dollar poor.
- Money that is meant to be constantly circulating – not hoarded, gaining interest, or speculated.
- Money that is backed by goods and services offered by participating individuals and businesses.
- Money that can be used by itself or in combination with barter and/or private Federal Reserve Notes.
- Money that is often only accepted by local businesses – thus a means to support local jobs and businesses.
- Money that can build or reinforce community pride and identity, as notes can honor local people, natural attractions, historical events, etc.

- Money that is legal (so long as currency does not resemble private Federal Reserve Notes) and taxable.
- Local currencies were widespread during the Great Depression and are growing in popularity today in the US and around the world.
- This can be a wonderful local project to complement work to change federal banking and monetary policies.

### Contacts

Ithaca HOURS, <http://www.ithacahours.com>  
 BerkShares, <http://www.berkshares.org>

## 2. Cooperatives

---

*“Autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.”*

- International Cooperative Alliance’s Statement on the Cooperative Identity

Economic and business cooperatives are owned and democratically controlled by their members—the people who use their services or buy their goods— and not by investors. They return any revenues to members in proportion to the member’s cooperative use, not to her or his share of ownership. Their motives are to meet their members’ goods and services needs, not to make or to maximize profit.

Cooperatives are widespread and numerous, are of every size, operate in virtually every industry in more than 100 countries, and serve more than 750 million members. In the US alone, there are 30,000 cooperatives, employing 2 million people, generating \$652 billion in revenue, \$3 trillion in assets, and \$133 billion in income.

Cooperatives follow 7 internationally recognized principles:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community

Types:

1. **Producer** : Owned by producers of farm commodities or crafts, who band together to process or market their products.  
*Examples:* Land O'Lakes, Sunkist, Sun-Maid, Blue Diamond and Florida's Natural.
2. **Purchasing**: Owned by small, for-profit businesses that band together to enhance their purchasing power and competitiveness.  
*Examples:* ACE Hardware and TruServ, Carpet One, Independent Pharmacy Cooperative
3. **Worker**: Owned and governed by their employees.  
*Examples:* Evergreen Cooperative Laundry, Cleveland;  
*Note:* In August, Pittsburgh hosted the 5<sup>th</sup> Eastern Conference on Workplace Democracy at Duquesne University attended by over 200 cooperative economy advocates.
4. **Consumer**: Owned by the people who buy the goods or use the services of the cooperative. They operate in areas including retailing, energy, financial services, health care, and housing.

*Examples:*

- **Food coops:** In virtually every community, in the form of stores or buying clubs
- **Credit unions**
  - a. Cooperative, non-profit “banks” providing financial services (savings and lending) for their members often at better rates and terms overall than corporate banks. Can be federally or state chartered.
  - b. 90 million Americans are members.
  - c. To join a credit union, a person often must belong to a participating organization, such as a college alumni association, labor union, or religious institution – although more credit unions are now “community,” or open to everyone in their town, city or county.
  - d. Members are those who deposit money – regardless of amount.
  - e. Decision-making is determined by one member--one vote. Any member can inspect books, attend meetings, and run to become director.
  - f. Investments are in the community as loans for cars, college, homes – not speculated in other places on arcane financial “products” (i.e., derivatives). As far as is known, no credit union has gone bankrupt during the recent financial crisis. No member has lost savings.

#### **Contacts**

US Federation of Worker Cooperatives, <http://www.usworker.coop>

National Cooperative Business Association, <http://www.ncba.coop>

International Cooperative Alliance, <http://www.ica.coop>

National Credit Union Administration, <http://www.ncua.gov>

### **3. Sustainable alternative business networks**

---

Independent business owners, residents, community organizations, and/or local government officials who work together to find and support services and products that are substitutes for imported ones and overall promote local economies and communities. These networks prevent chain proliferation and other trends from destroying local economies. In doing so they protect local jobs and incomes and promote community-based, green, and fair sustainable living economies.

#### **Contacts**

American Independent Business Alliance, <http://www.amiba.net>

Business Alliance for Local Living Economies, <http://www.livingeconomies.org>

### **4. Community supported agriculture (CSAs)**

---

- A CSA is a community of consumers and farmers who share the risk and benefits of food production.
- Consumer members pay a certain annual fee to a farmer (less if consumers help on the farm).
- In return, members receive a portion of the harvest (vegetables, fruit, dairy and/or meat) on a weekly basis during the growing season.
- CSAs support local food production, organic food, less energy usage in transportation costs, local and locally owned farms and farm employment.
- A CSA can provide community residents with supplemental work and food discounts.
- A CSA can be a means for community residents to learn how to farm, skills which can be translated to community and home gardening.

**Contact**

Local Harvest: <http://www.localharvest.org>

**5. Use of public lands**

---

Town, city or county-owned land that can be used for farmers markets, community-based grocery stores and community gardens. Community gardens, for example, promotes local production, bringing healthy food to underserved neighborhoods, and engaging young people in healthy eating through growing healthy food.

**Contact**

American Community Garden Association, <http://communitygarden.org>

**6. Community supported enterprises (CSEs)**

---

When access to bank loans is difficult, local businesses are turning to their customers and friends for financing to stay afloat or expand. Repayments are often in goods or services of the business in excess of the original loan amount (representing interest).

For example, loyal customers of a restaurant in Morrisville, Vermont each loaned the owner \$1000. Each received, in return, a \$90 coupon every three months until the loan amount was repaid.

**Contact**

<http://www.ptvermont.org/CommunitySupportedEnterprises/communitysupported.htm>

**7. Community development financial institutions (CDFI)**

---

Community accountable, non-governmental financial institutions providing grants, loans, and other financial services to underserved communities for local businesses, affordable housing, community facilities, child care programs, and other enterprises benefiting lower-income populations. Funded by the US Department of the Treasury through the Community Development Financial Institutions Fund.

Types [with number existing nationwide as of 2006]

1. Community development loan fund [500]  
Example: New Hampshire Community Loan Fund, <http://www.nhclf.org>
2. Community development bank [350]  
Example: South Shore Bank, <http://www.sbk.com>
3. Community development credit union [290]
  - Specific mission of serving low-income and minority communities beyond the reach of banks and mainstream credit unions.
  - Specialize in serving populations generally considered the hardest to serve, including low-income wage earners, recent immigrants, and people with disabilities.
4. Community development venture capital company [80]  
Example: Community Development Venture Capital Alliance, <http://www.cdvca.org>

**Contacts**

Coalition of Community Development Financial Institutions, <http://www.cdfi.org>

National Federation of Community Development Credit Unions, <http://www.cdcu.coop>

Compiled by Greg Coleridge for the American Friends Service Committee, Economic Justice Program, <http://www.afsc.org/EconomicJustice/>  
For more information, contact [gcoleridge@afsc.org](mailto:gcoleridge@afsc.org) or 330-928-2301.