

## SUSTAINABLE LIVING GUIDE

### 2. IMPLEMENTING A LOCAL LIVING ECONOMY

#### Introduction

What is our vision for a local living economy (the new sustainable economy) which generates real and enduring wealth? The Business Alliance for Local Living Economies (BALLE) has the following vision:<sup>1</sup>

*“Within a generation, we envision a global system of human-scale, interconnected Local Living Economies that functions in harmony with local ecosystems, meets the basic needs of all people, supports just and democratic societies, and fosters joyful community life.”*

What follows in this guide is information on how we as individuals or collectives of individuals (neighbourhoods, communities) can strategize the creation and implementation of a local living economy. There is some repetition of what is in Agenda for a Sustainable Economy 2 but this paper deals more at the individual level.

#### A Local Living Economy

The primary purpose of a true market economy is not to make money for the rich and powerful, but to allocate human and material resources justly and sustainably to meet the self-defined needs of people and community. When enterprises are locally rooted, human-scale, owned by stakeholders, and held accountable to the rule of law by democratically-elected governments, there is a natural incentive for all concerned to take human and community needs and interests into account. When income and ownership are equitably distributed, justice is served and political democracy is strong. When needs are met locally by locally-owned enterprises, people have greater control over their lives, money is recycled in the community rather than leaking off into the global financial casino, jobs are more secure, economies are more stable, and there are the means and the incentives to protect the environment and to build the relationships of mutual trust and responsibility that are the foundations of the concept of community.

Our quality of life would be stunningly different if we based economic decisions on life values rather than purely financial values — a natural choice if owners had to live with the non-financial consequences of their decisions. Full-cost pricing of energy, materials and land use could expose the real inefficiencies of factory farming, conventional construction, and urban sprawl, and make life-serving alternatives comparatively cost-effective.

**Awakening majority:** The ideal of a living economy might seem an impossible dream, except for the fact that so many of its elements are already in place. There are millions of for- and not-for-profit enterprises and public initiatives around the world which are aligned with the values and organizational principles of living economies. They include local independent businesses of

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<sup>1</sup> This discussion paper borrows heavily from the following website: Business Alliance for Local Living Economies – [www.livingeconomies.org](http://www.livingeconomies.org).

all sorts, from bookstores to bakeries, community banks to independent media outlets. Indeed, independent, human-scale businesses are by far the majority of all businesses, provide most jobs, create nearly all new jobs, and are the source of most innovation.

So how do we get from a few million living enterprises that are struggling to survive at the fringes of the current global economy to a healthy planetary system of thriving living economies? The answer is, “We grow it into being ourselves.” A system that no longer serves can be displaced only by a more powerful system. The work of change is to start over, to organize new local efforts, connect them to each other, build on existing enterprises and networks, and know that their values and practices can emerge as something even stronger.

## Guiding Principles

These guiding principles are intended to help us make choices when we are in the market for certain purchases. We need to remind ourselves that a local living economy ensures that economic power resides locally to the greatest extent possible, sustaining our vibrant, livable communities and healthy ecosystems in the process. Creating and implementing the new sustainable economy should be guided by the following principles:

- **Think Local First:** We can build and support the new economies by buying locally-produced food, products and services, by putting our capital to work through local investments, and by supporting local arts and independent local media. Thinking *local first* improves the health of the environment, strengthens community, and contributes to functional democracy.
- **Increase Self-Reliance:** We can increase our self-reliance by working to increase personal, community and regional security through building entrepreneurial capacity to produce basic needs, such as food, water and energy, as close to home as possible. Self-reliance increases local resilience, saves energy, and creates a foundation for world peace.
- **Share Prosperity:** It is vital to share prosperity while understanding that the fair and equitable distribution of resources is critical to the quality of life we seek. We must provide meaningful living-wage jobs, create opportunities for broad-based business ownership, engage in fair trade, and expect living returns from our capital.
- **Build Community:** We can foster community building through local economic exchange, by connecting producers with consumers, investors with entrepreneurs, and lenders with borrowers. Community life creates a sense of place and belonging, a comfort feeling which promotes security and happiness. Collaboration, cooperation, and fair trade among communities create a human scale-sized architecture for a sustainable regional, provincial, national and global society.
- **Work with Nature:** We must integrate our activities with the characteristics, processes and resilience of natural systems in order to create real and lasting prosperity. Every decision we make affects the vitality of our ecosystem, the health of all species and the availability of the resources that support life.
- **Celebrate Diversity:** It is imperative that we celebrate and nurture the natural diversity of ecosystems, the human family, and economies. Diversity increases resilience, propels innovation, cultivates peace, and fosters beauty and joy.

- **Measure What Matters:** We must measure success by things that matter to us – knowledge, creativity, relationships, health, consciousness and happiness – rather than continuous material growth (e.g., GDP). We employ business metrics which support this philosophy, such as living wages, living returns, and the triple bottom line.

Local living economies are created through the building blocks of independent retail, sustainable agriculture, renewable energy, green building, local zero-waste manufacturing, and community capital.

### **The New Sustainable Economy: Making it Happen**

Those interested in helping to grow a living economy in their own community might start with a few simple questions:

- What do local people and businesses regularly buy that is or could be supplied locally by socially and environmentally-responsible, independent enterprises?
- Which existing local businesses are trying to practice living economy values? In what sectors are they clustered?
- Are there collaborative efforts aligned with local living economy values already underway?

The answers will point to promising opportunities. Food is often a logical place to start. Everyone needs and cares about food, and food can be grown almost everywhere, is freshest and most wholesome when local, and is our most intimate connection to the land.

Countless local living economy initiatives are being launched all across North America and around the world. The greater the number and diversity of such initiatives, the more rapidly the web of an emergent planetary system of local living economies can grow, and the more readily each of us can re-direct our life energy toward living economies in our shopping, employment, and investment choices. Through our individual and collective choices, we can grow the economic institutions, relationships, and culture of a just, sustainable, and compassionate world of living economies that work for all.

### **Sustainable Agriculture**

A local food system is made up of many elements. It includes a region's farmers, ranchers, fishers, and food producers as well as the restaurants, retailers, and institutions that sell and serve food. It also includes the end-consumer of those products – us – because local food is produced primarily for local consumption. Many networks are working to strengthen their local food systems, with programs connecting local farmers with local chefs and local residents, community-supported agriculture, food business incubators, and other innovations.

### **Ten Reasons to Eat Locally (and Sustainably):**

- (1) **The food tastes better.** Local food was probably picked within the 24 hours and is crisp, sweet, and loaded with flavor. The closer you are to your food source, the fresher and healthier that food is for you and your community. From farmers' markets, talented chefs and their fabulous restaurants, and our own back yards to food co-ops, we have lots of opportunities to obtain local food. Produce flown or trucked in from across the

country, the United States, Mexico, Chile, or New Zealand is much older. We are lucky in many parts of British Columbia to have an exceptional diversity of fruit orchards, berry farms, vegetable farms, vineyards, fisheries, meat markets, and more.

- (2) **The food is better for you.** Fresh produce loses nutrients quickly: sugars turn to starches, plant cells shrink, and produce loses its vitality. Buying local lets you obtain food at the peak of its flavor and nutritive value. Our bodies naturally crave seasonal crops, requiring more hearty potatoes and cabbages when the weather turns colder, and lighter salad greens and cucumbers, tomatoes, peppers, fruits, berries, and melons when it is warmer. Shopping locally tunes you into the seasons.
- (3) **Local food supports local farming families.** We can support talented and hardworking farm families so that they may stay on their land. Many families have left the farming sector. A typical farmer may receive ten cents of each retail food dollar, but buying directly from the producer or conscientious retailer puts more money in the farmer's pocket and helps keep a family on the land.
- (4) **Local food creates a strong agricultural economy.** Local food means a strong local economy and preserves the viability of local agriculture. Local farms and food producers are crucial to a healthy and diversified economy. While dollars spent with large corporations almost immediately leave the community, dollars spent on local food products circulate within the community eight to 15 times, drastically improving the value of your purchase and the local economy.
- (5) **Local food builds community.** Communicate with your farmers – let them know your views on their produce, their presentation, and their marketing. Ask after their well-being. Visit the farm and the farm family. It's a great connection for eater and grower. Knowing farmers gives you insight into the seasons, the weather, and the accessible miracle of raising food.
- (6) **Local food preserves genetic diversity.** The modern industrial food system favors crop varieties with thick skins that can survive packing and shipping, leaving few varietal options. Family farmers place value on different things, such as varieties that are uniquely suited to their region, often favoring heirloom varieties that have been passed down from generation to generation. Old varieties contain genetic material from hundreds of years of human selection; they may someday provide the genes needed to create varieties that will thrive in a changing climate.
- (7) **Local food is free of genetically modified organisms (GMOs).** A large percentage of consumers want labels on GMO food so that they can avoid it. Biotech companies currently license GMO fruits and vegetables only to large commercial growers, which means that local farmers should be a guaranteed non-GMO source.
- (8) **Local food is better for the environment.** Local food means fewer food miles and dramatically reduces transportation, days of refrigeration, and tons of pollution and packaging. Unlike most food in North America, which travels an average of 2,400 km over the course of seven to 14 days to reach your plate, local food is usually sold within 24 hours of harvest. A family farm is a place that values resources, such as fertile soils and clean water. According to some estimates, farmers who practice conservation tillage can sequester 12-14% of the carbon emitted by vehicles and industry. And the habitat of

a farm – the patchwork of fields, meadows, woods, ponds, and buildings – is the perfect environment for many species of wildlife, including song birds, herons, bats, rabbits, and eagles (and other raptors).

- (9) **Local food preserves open space.** When more people put their dollars into the pockets of farmers and show that their work is valuable, farmland becomes less likely to be developed into residential properties and alienated from the sector. We face enormous pressures on Vancouver Island and indeed all over North America to develop farmland close to our communities into suburban housing and shopping facilities.
- (10) **Local food helps to create and preserve a region's unique character.** By supporting local farmers today, we can help ensure that there will be farms in our community tomorrow. By preserving farmland, we are guaranteeing that our rural landscape remains beautiful and productive, and that future generations will have the opportunity to work in environmentally-sustainable and culturally-valuable industries such as food production.

### **Saving Farm Land:**

Productive farm land is a disappearing item on the British Columbia landscape. It is imperative to preserve productive farm land for a number of reasons, but some of the more important reasons such lands should be preserved are:

- (1) to maintain or enhance local biodiversity;
- (2) to provide a better quality of fresh food to the communities;
- (3) to promote and expand local food production within a region;
- (4) to serve as food-production hubs for neighbourhoods as well as the community as a whole; and
- (5) to contribute to local economic diversity and stability.

Some agricultural lands in British Columbia are currently under the 'protection' of the BC Agricultural Land Reserve but the 'protected' status of such lands is becoming more and more open to negotiation. Local communities, as a first step, should declare that: (a) lands currently within the BCALR will remain protected, and (b) agricultural lands currently not under the protection of the BCALR will be given the same level of protection. It should be community policy that no agricultural land adjacent to or within a community's boundaries will be converted to industrial, commercial or residential usage.

### **Renewable Energy**

North America relies heavily on fossil fuels – coal, oil, and natural gas – to power its homes and businesses. Fossil fuels are non-renewable, meaning they draw on finite resources that will eventually become too expensive or too environmentally damaging to retrieve. In contrast, nature constantly replenishes renewable energy resources, such as wind and solar energy, and they will never run out. Many networks have started or nurtured renewable energy cooperatives and companies as a way of fostering more community control of essential energy supplies.

There are several types of renewable energy available for residential, commercial and industrial usage. A complete review of all available types of renewable energy would be quite extensive.

More detail on each of the types of renewable energy listed below will be provided in subsequent BCISE Sustainable Living Guides.

**Solar Energy:** Most renewable energy comes either directly or indirectly from the sun. Sunlight, or solar energy, can be used directly for heating and lighting homes and other buildings, for generating electricity, and for water heating, solar cooling, and a variety of commercial and industrial uses.

**Wind Energy:** The sun's heat also drives the winds, whose energy can be captured with wind turbines.

**Biomass Energy:** Sunlight also makes plants grow. The organic matter that makes up those plants is known as biomass. Biomass can be processed to produce transportation fuels (ethanol, methane, bio-diesel), and chemicals (lignin- and cellulose-based chemical). Biomass can also be utilized to make fuel pellets which can be burned to generate electricity and heat.

**Hydrogen Energy:** Hydrogen can be found in many organic compounds, as well as water. It's the most abundant element on earth. But it doesn't occur naturally as a gas. It's always combined with other elements, such as with oxygen to make water. Once separated from another element, hydrogen can be burned very efficiently as a fuel or converted into electricity.

**Geothermal Energy:** Geothermal energy taps the earth's internal heat for a variety of uses, including electric power production and the heating and cooling of buildings.

**Ocean Energy:** The ocean can produce thermal energy from the sun's heat and mechanical energy from the tides and waves. The energy of the ocean's tides comes from the gravitational pull of the moon and sun upon the earth.

**Hydropower Energy:** Flowing water creates mechanical energy which can be captured and turned into electricity.

## **Local Zero Waste Manufacturing<sup>2</sup>**

The growing international 'zero waste' movement imagines a future where everything is a renewable resource, and where industrial practices meet societal needs without damaging and depleting the planet's natural systems on which our future depends. High levels of consumption of energy and materials in industrial countries are the driving force behind the decline in virtually all major life support systems on the planet.

Of all the materials used in products, only a very small percentage is used in products 'durable' enough to still be in use six months later. In response, the zero waste movement calls for a 'whole system' approach to resource management which maximizes recycling, minimizes waste, reduces consumption, and ensures that products are made to be reused, repaired or recycled back into nature or the marketplace. Many local businesses are meeting (or are prepared to meet) this objective either wholly or in part – the biggest drawback is that the businesses with facilities to process materials for recycling, re-manufacturing, or repair are not available or are a distance away.

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<sup>2</sup> Please refer to the following discussion papers on this web site: (i) Sustainable Economy III: Sustainable Living 3: Want Naught, Waste Naught; (ii) Sustainable Economy IV: 2. Is Industrial Ecology and Answer? And (iii) Sustainable Economy IV: 3: Is the Circular Economy an Answer?

## **Green Building**

The 'green building' approach aims to reduce the negative impacts of our built environment on the planet. It takes into account every stage of a building's lifespan, beginning with the sourcing of materials for construction and keeping in mind their reusability at the end of a building's life. 'Green building' incorporates recovered or recycled materials, and materials that do not contain the toxic chemicals found in many conventional building materials. This leads to a healthier indoor environment, as do natural lighting and ventilation. Compared to conventional buildings, many green buildings produce significantly less CO<sub>2</sub>, waste, and other pollution.

Many 'green building' projects have focused on energy efficiency and waste/pollution production alone. While this is an integral part of the 'green building' approach, there needs to be greater consideration given to building site location, aspect and orientation. Residential, commercial, and industrial sites must not be chosen on convenience and access alone – the site locations must be integrated into the overall community plan which focuses on integration, connectivity, and collaboration.

## **Independent Retail**

A growing number of studies demonstrate that supporting independent businesses has positive benefits for a community's economy, cultural heritage, civic engagement, and environmental well-being. A healthy, independent, local retail sector has an undeniably large impact on a community's unique sense of place. Independent retailers are important, highly visible and influential partners in the movement toward local living economies.

## **Community Capital**

Locally-owned, small businesses constitute a significant portion of the private Canadian economy in terms of output and the creation of jobs, but they receive almost no investment from the nation's pension funds or from mutual, hedge, venture, or any other kind of investment funds. Nor are locally-owned businesses common beneficiaries of the billions of public dollars spent each year on economic development incentives and subsidy programs at the federal and provincial level (the most recent examples of which are stimulus programs and bail-out packages). Independent business networks are working to correct these market failures by creating new and better opportunities for community residents and business owners alike to financially support locally-owned enterprise.

Consumers have to be more aware of: (i) what is required to establish and run a local business successfully and profitably; (ii) what are the 'trickle-down' effects of each consumer dollar spent locally; (iii) the product-quality benefits of purchasing locally-made products and services; and (iv) the impacts of supporting local businesses on a community's capacity to control its stability and sustainability.

## **The Business Alliance for Local Living Economies**

BALLE is North America's fastest growing network of socially responsible businesses, comprised of over 80 community networks with over 21,000 independent business members across the

U.S. and Canada.<sup>3</sup> BALLE brings together independent business leaders, economic development professionals, government officials, social innovators, and community leaders to build local living economies. They provide local, state, national, and international resources to this new model of economic development.

BALLE is showing that independent locally-owned businesses can go beyond traditional measures of success and prove that they are accountable to stakeholders and the environment. BALLE is helping these businesses flourish in their local economies. And they are leveraging the power of local networks to build a web of economies that are community-based, green, and fair local living economies.

Compiled and synthesized by:

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<sup>3</sup> Check out: Values-Based Business Network – Developing and promoting a values-based, sustainable business culture in Victoria and area ([www.vbnetwork.ca](http://www.vbnetwork.ca))