PART IV: BUILDING COMMUNITY RESILIENCE

Community Resilience and Social Justice / Equity / Ownership

In video 17 we saw how economic localization can promote resilience. But localization isn't a solution to all our economic problems. One problem it only partially addresses is that of inequality.

Well, why is inequality a problem? Most people have an intuitive feeling that it's unfair for a few people to own far more wealth than they could conceivably enjoy during a hundred lifetimes (perhaps simply because they were born into a privileged family), while others (again perhaps through circumstances of birth or institutionalized racism) spend part or all of their lives in grinding poverty. As we'll see, systemic inequality reduces the sustainability and resilience of society as a whole.

Well, where does inequality come from? ***Capital***—defined as money and goods set aside for making *more* money and goods—inevitably tends to reproduce itself and become more consolidated and centralized over time. That's its purpose. But only some members of society are motivated or able to set aside money and goods for the purpose of capital accumulation. Think of the problem just in terms of money. Some people are in a position to lend money, while others need to borrow it. Borrowing money usually entails the requirement to pay interest to the lender. So, over time, money tends to flow from borrowers to lenders. Therefore, without any mechanism to rebalance this flow of money, the overall level of inequality in society will always tend to increase.

Inequality is also created, sustained, and worsened over time through institutionalized racism, which results in chronic conditions of poverty and lack of access.

The process I've just described also works internationally: global corporations and banks tend to be headquartered in rich nations, while poor nations are encouraged to take out big loans, often to finance infrastructure projects that, in turn, employ the global corporations. Over all, resources and wealth tend to flow from poor nations to rich nations.

The rich often get richer and the poor poorer also at the local level, even without globalization. Although locally owned retailers may be better for the economy than chain stores, local banks and other businesses are sometimes owned by just a few families, which can become not just the leaders of the community, but its ultimate power brokers. This local consolidation of wealth can be addressed through profit sharing and the cooperative ownership of businesses, which we'll consider further in a moment.

The ***Gini index*** shows the income distribution within a nation; the higher the Gini number, the greater the inequality. The Gini numbers for many nations, including the U.S. and China, have been increasing in recent years.[1] And the world's poorest peoples and nations have seen only marginal improvements in per capita wealth and income in the last couple of decades. Most political and social scientists say this is a dangerous situation because very high levels of inequality erode the legitimacy of formal and informal governance—elected leaders and economic institutions. Historically, such erosion of legitimacy has led to revolutions or the fall of great nations. This is why the subject of inequality belongs in a course on community resilience; if we want a more resilient society, we can't at the same time tolerate high and growing levels of inequality.

So how do we improve equity? Throughout the past century, industrial nations have used progressive taxation, as well as public spending on health care, pensions, and unemployment insurance as ways of restraining the trend

1 http://data.worldbank.org/indicator/SI.POV.GINI?end=2001&locations=TN&start=1981&year_high_desc=true

toward wealth becoming concentrated in ever-fewer hands. These measures have certainly helped, but they don't go far enough. After all, today, just 300 individuals together enjoy as great a share of the world's wealth as the poorest half of humanity—over 3.5 billion people! What we're doing isn't working adequately. Perhaps that's because it doesn't get at the root of the problem.

To gain a historical and systemic perspective, it's helpful to think about wealth inequality in terms of what's known as the ***commons***—the cultural and natural resources that are accessible to all members of a society, and not privately owned. In most pre-industrial economies, the commons included sources of food as well as natural materials for making tools and building shelters. Everyone who used the commons had a stake in preserving it for the next generation. During and especially after the Middle Ages in Britain and then Europe, common lands were gradually enclosed with fences and claimed as private property by people who were wealthy and powerful enough to be able to defend this appropriation by law and force of arms. During the past century the trend toward privatization has spread to encompass practically the whole world. The result is that people who would otherwise have been able to subsist on common resources now must buy or rent access to basic necessities. Again, the rich get richer, while the poor fall further behind.

Ultimately, promoting equity will require expanding the commons once more. The ethical basis for doing this is clear: no human being made land, rivers, or deposits of iron ore, gold, or fossil fuels through their own labor. Why, then, should a person or corporation be entitled to extract wealth from natural resources for purely private benefit? An obvious alternative is for all natural resources to be declared public goods to be owned and protected in common—a commonwealth. A widely respected American economist in the late 19th century named Henry George proposed we do just this, and his ideas have been put into successful practice in a few cases.

But restoration of the commons will require time and profound changes in public policy, including a revision of the legal definition of land ownership.

Meanwhile there are specific, immediately accessible ways to build equity in our communities through common ownership.

One way is through the promotion of cooperative enterprises. The original purpose of corporations was to pool capital to achieve socially useful but risky purposes, like building a bridge or roadway. Cooperatives—or co-ops—pool capital as well, but they are owned by their workers and/or customers, thereby granting ownership to the very people most involved and interested in the enterprise. And cooperatives have a long history of success. Credit unions are cooperative banks; some utility companies operate as cooperatives; and there are also housing, manufacturing, and agricultural cooperatives. The thousands of cooperatives across America deliberately foster voluntary and open membership, democratic member control, member economic participation, cooperation among cooperatives, and concern for community.

In addition to increasing equity, cooperatives have the potential to avert overuse of resources by placing other values, including the interests of future generations, ahead of profit. Indeed, the organization "Co-op America," which began as a sort of cooperative of U.S. cooperatives, in 2009 changed its name to "Green America."

Of course, equity in communities is not just a matter of ownership and income. Access to political power, public services, and legal protections are just as important. Laws are the rules that determine how we all coexist in community, and politics is the process by which we make and enforce those laws. If all community members do not have fair influence in how governmental policies are made, then inequities can arise in any number of ways.

Throughout the 20th century in American cities, big disruptive infrastructure projects like highways and garbage transfer stations were located in neighborhoods that didn’t have the political power to stop them. Today, even well-meaning policies can still have negative effects on those whose voices are not usually at the table: for example, climate change policies that favor high-density urban “smart growth” can--if they’re not conceived and implemented right--as an unintended side effect, result in gentrified neighborhoods. And while “Cap and Trade” greenhouse gas reduction programs create pollution markets, they threaten to raise the cost of food, energy, water, transportation, and housing for people who can already barely afford the basics.

Resilience and sustainability require justice. Therefore much of the leadership for resilience-building efforts must ultimately come from communities on the frontlines of ecological disruption. These communities know that solving one problem by worsening another is self-defeating. A truly resilient community must foster equity and democracy, as well as ecological renewal.