

Going Local: The Economics of Happiness

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For too long, people and the planet have suffered the consequences of a global economic model in which wealth is extracted for the few at the expense of the many – at the expense of life itself. It's a model made possible by government policies that have historically favoured the large over the small. Regulations, taxes and subsidies have all been used to promote bigger businesses, more technology and energy use, and longer transport distances.

Judged by conventional yardsticks like GDP, this global economy has been a big success; we have, it seems, been doing better and better. But look behind the graphs and pie-charts, and you see a very different, and deeply disturbing, reality. Across the world, economic development has erased diversity, degraded the environment, undermined democracy, and widened the gap between rich and poor.

We are now at a crossroads. If we want to create a liveable future, we need to rethink basic economic principles. We need to abandon the blind pursuit of so-called 'economic growth', which ends up benefiting only a small minority, and dedicate ourselves instead to the growth of thriving ecosystems, healthy communities, and meaningful livelihoods for us all.

The essential first step in this process is to scale down and localize economic activity, with the goal of meeting our needs—our basic needs, in particular—from closer to home. This does not mean an end to trade—not even international trade. Insisting that everything we consume be produced within a hundred or five hundred miles is neither practicable nor desirable. But it does categorically mean an end to corporate capitalism. As it is today, giant corporations are free to roam the world in search of new markets, cheap labour, and easily accessible resources. Their allegiance is not to any particular place, people, or (heaven forbid!) to the natural world, but to their continuously expanding bottom line. As their wealth and power have increased, so has their ability to control the world we live in. Healthcare, education, the environment, the laws that govern us, even our desires and values—all are shaped by big business.

In localized economies, on the other hand, businesses belong to a place, and adhere to the rules of that place. In other words, society shapes business, rather than the other way around.

Going local is a real solution multiplier, with immediate economic, social and ecological benefits. Take the central issue of food and farming. As we bring the economy home, small, bio-diverse farms are able to thrive. In fact, providing for local markets positively encourages farmers to increase the variety of their crops, and this in turn leads to an increase in wild biodiversity as well. Smaller farms are also less energy and resource-intensive; they produce more food per unit of land than large monocultures, and more jobs, too.

Smaller-scale production processes mean less pollution. And as we eliminate redundant trade—the wasteful shipping of identical products across the planet—CO2 emissions will be significantly reduced. What's more, reducing the scale of the economy will enable us to reduce the size of government as well—in the process making political leaders more accountable, and amplifying the voice of the ordinary citizen.

In more human-scale economies, people are more connected to each other—something that, as we are increasingly realising, is crucial to our well-being. This is particularly important for children. In contrast to today's images of distant media stars and airbrushed fashion models, which all too often promote feelings of self-hatred, anger and resentment, role models of the future can be real flesh-and-blood people from within the community—as, of course, they have been for the vast majority of human history. And while the increasing scale of the economy systematically separates us from nature, going local will make it easier for us to experience our profound, inextricable connection to the living world around us.

Localization is already happening. Without help or approval from governments and industry, a multitude of initiatives are quietly demonstrating the potential for localized systems to provide for our needs without borrowing from future generations. So far these grassroots projects have yet to be supported by public policy, a necessary condition for a real and lasting shift towards the local. But people are clamouring for change. From the suburbs of Sydney to the *favelas* of Rio de Janeiro, from the cornfields of Kansas to the streets of New York City, a powerful movement is emerging. Our challenge is to replace a single, monolithic global economy with a kaleidoscope of vibrant local economies, together reflecting the extraordinary, even sacred, diversity of cultures and environments across the planet. This is now the economics of necessity, of survival. It is also the economics of happiness.

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