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# Localist Movements in a Global Economy

Sustainability, Justice, and Urban Development  
in the United States

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## Global Problems and Localist Solutions

Can the global economy solve global problems, especially the paired sustainability and justice crises? In answering the question, political and civic leaders carve out a variety of positions based on opposing political ideologies that constitute a field of debates over future policies. The mainstream debates involve various mixes of liberalism (which views relatively high levels of government intervention in the economy as necessary and desirable) and neoliberalism (which advocates less regulation, lower levels of government spending, and reliance on markets to solve social and environmental problems). In the United States, there was a transition from the dominance of liberalism during the era of Presidents Franklin Roosevelt through Jimmy Carter to neoliberalism during and after the administration of President Ronald Reagan. Against the mainstream, a radical tradition in American politics articulated a parallel set of differences between a state-centered, socialist approach to policy and a decentralized, communalist approach. In this chapter, I will map out the mainstream and radical debates as a background for understanding localism. I will argue not only that understanding the field of mainstream and radical political ideologies is essential for grasping localism as political thought, but also that localism cannot be reduced to the existing positions in the field. Rather than constituting a rehash of political traditions, localism borrows from previous political ideologies but is also in some ways a unique response to the historical situation of corporate-led globalization.

## Liberalism and Neoliberalism

In the United States and other industrialized democracies, the dominant approach to economic and social policy from 1932 to 1980 was welfare-state liberalism, sometimes also known as social democracy. Tolerant of relatively high levels of government intervention in the economy, political leaders established policies that corrected market failures such as pollution and steered the economy to full employment. The policies often drew on Keynesian economics, which was based on the idea that the economy could achieve equilibrium at undesirable levels of output and employment, and hence government intervention was needed to bring the economy to a socially desirable equilibrium. As a political ideology, liberalism invoked a broad concept of “freedom,” such as was articulated in the “four freedoms” speech of President Franklin Roosevelt. The four freedoms included freedom from want and positioned social welfare as an acceptable task of government.

During and after the 1980s an alternative perspective came to dominate policy in the United States, Britain, and increasingly other countries. As the geographer and social theorist David Harvey has argued, neoliberalism also emphasized the role of government as the protector of freedom, but the types of freedom emphasized were those of contracting individuals and large firms. In direct contrast with the Roosevelt’s interpretation of freedom, the focus on marketplace freedoms emphasized the rights of firms to engage in free trade, to hire workers without interference from unions, and to conduct business without burdensome government regulations and taxes. Under neoliberal policies the poor would be helped not by welfare and labor policies but instead by increased investment in high-technology jobs that would result in higher productivity and wages.<sup>1</sup>

Two of the principle policies associated with neoliberalism, trade liberalization and deregulation, can be viewed as exemplars of marketplace freedom. The reduction and elimination of trade barriers allowed corporations in wealthy countries to move production to countries where wages were low and profits were higher. Likewise, policies that dismantled environmental, labor, and other regulations allowed businesses to be free to pursue the most efficient opportunities anywhere in the world.

The neoliberal perspective suggested that by freeing the marketplace from government interference, the global economy would become more economically efficient. Small farms and stores, not to mention expensive factories in unionized areas of wealthy countries, would be forced to innovate or go out of business. The demise of local ownership that accompanied such changes was understood to be the result of improved policies that allowed marketplace efficiencies to take their natural course, untrammelled by government regulation.

Neoliberals readily admit that economic liberalization causes some dislocations, but they view such collateral damage as necessary for the longer term gains of increased productivity and efficiency. The developmental scenarios for neoliberalism were roughly as follows: Factories in wealthy countries would close down, and the more entrepreneurial workers would find new and even better-paying jobs in the innovation economy. They would earn higher wages as a result of the higher productivity of labor in industries such as nanotechnology, biotechnology, financial services, entertainment, and information and communication technologies. Meanwhile, the older manufacturing jobs would migrate to the low-income countries, where the rural poor would find new opportunities and higher wages as they joined the urban industrial working class. Inequality between nations would decline, and the world as a whole would become more equitable.

As liberals have been quick to point out, the record for neoliberal policies on social inequality has not corresponded to the rosy predictions. Although it is true that since 1990 there has been a decline in between-nation inequality, the improvement in global inequality is attributable largely to the growth of the newly industrializing Asian economies, and conditions have worsened in some parts of the world, especially sub-Saharan Africa. Furthermore, inequality within many countries has increased, a phenomenon that has been subjected to diverse explanations. In the United States, firms shifted their manufacturing operations to areas of the world with lower wages, first to the American South and West, then increasingly to Mexico and overseas. Hourly workers in unionized jobs lost their bargaining power and often their jobs, and their transition to lower-paying service jobs has been one factor that has caused increasing inequality. In the less wealthy countries of the world,

the structural adjustment programs of the 1980s and the 1990s forced economic changes that resulted in the rapid growth of urban slums. A liberal might admit that the neoliberal promise of a “tide that lifts all boats” was fulfilled from the limited perspective of between-nation inequality, but the tide ended up lifting the yachts more than the rafts.<sup>2</sup>

The changes associated with neoliberal policies also had direct implications for the environment. The transition to an economy independent of oil that had been envisioned by some members of the administrations of President Jimmy Carter and California Governor Jerry Brown during the 1970s never happened, and instead government investments in renewable energy research were frozen or reduced. Three decades later the United States found itself embroiled in an unpopular war that, like previous wars of the twentieth century, was largely based on geopolitical rivalry over oil. As the country continued on a foreign-policy course oriented toward control of global oil supplies, it lost valuable time that could have been spent in a transition away from fossil fuels. Opportunities to “green” manufacturing, to restore habitats, and to reduce pollution were also lost.<sup>3</sup>

Mainstream political debate in the United States on the continuing problems of inequality and environmental degradation has been largely limited to advocacy of continued neoliberalization versus a return to liberal approaches that would sanction higher levels of government intervention in the economy. Regarding environmental problems, a neoliberal purist would argue that rising prices for fossil fuels and new market opportunities for clean technologies should be the sole determinant of the transition from an economy dependent on fossil fuels. At the other extreme, an ideal typical liberal would propose huge government investment in renewable energy with mandates and targets. For neoliberals, if the world is running out of oil, then the price of oil should continue to rise, and new investments will follow. Marginal sources of oil (shale, deep ocean drilling, and coal liquidification) or substitutes such as bio-fuels will become profitable, and investment will flow into the new sources. Neoliberals are confident that the greening of the economy will occur in response to marketplace signals. In reply, liberals argue that the price signals will not come quickly or strongly enough and that the

signals will continue to be dampened by the failure of the market to capture the true value of the use of the environment as a source of new resources and a sink for waste deposits. As a result, much more government intervention is needed. Occasionally a broad political consensus is reached in favor of some type of government intervention, but then the debate between neoliberal and liberal perspectives continues between more market-oriented policies, for example a cap-and-trade approach to carbon reduction, versus more interventionist policies, such as a carbon tax.

Regarding poverty, an ideal typical neoliberal would emphasize economic development programs that reduce taxes for businesses that locate in targeted, low-income areas. Neoliberals believe that a return to government-supported poverty, labor, and welfare programs would plunge the economy into stagnation by strangling innovation and the marketplace. They argue that if liberals can be prevented from strangling the economy, then the twenty-first century will see rising incomes, enormous wealth, and spreading democracy. In contrast, an ideal typical liberal would emphasize the need for government retraining programs, assistance for the poor, education in general, and assistance to small businesses. Some proposals call for a floor below which no person would be allowed to sink. Liberals argue that neoliberal policies will plunge the twenty-first century into increasing poverty, social instability, and ultimately political instability.

Table 1.1 provides a schematic outline of mainstream political debate for environmental and social inequality issues. Regarding environmental problems, from an ideal typical neoliberal perspective the main problem is to identify government regulations that restrict the greening of the corporate sector based on profitability considerations. Government policy should identify impediments to investment, such as restrictions on distributed generation, and remove them. From the liberal perspective the main problem is to identify opportunities for government investment in new technologies and industries that need assistance in order to reach economies of scale that make them competitive, and to correct for externalities such as pollution and resource withdrawal that may not be properly priced by markets. Regarding poverty, neoliberals emphasize identifying regulations and other impediments to entrepreneurialism and

**Table 1.1**

Neoliberal and liberal approaches to environmental and social problems.

	Neoliberalism	Liberalism
Environmental problems	Eco-efficiency: reduce government impediments to eco-innovation by ending many regulations and taxes	Green interventionism: increase government regulations to address risk, crises, and externalities
Social problems	Developmentalism: solve poverty by encouraging economic development and entrepreneurialism	Welfare statism: solve poverty with government programs to provide assistance and training

economic development in low-income neighborhoods, whereas liberals emphasize the need to establish a floor for poverty and to fund government-sponsored programs for education, training, and economic development. On the whole, since 1980 the neoliberal end of the spectrum has tended to triumph, but many policy outcomes reveal elements of both strands of political thought.

As I have suggested, the positions outlined in table 1.1 are meant to be exemplary or ideal types; in practice the mainstream debate involves a wide range of contested positions, compromises, and mixed policies and proposals. Two examples of proposals made within the field of mainstream political debates to address environmental problems can give an example of how neoliberal and liberal strands of thinking tend to coexist. In their 1999 book *Natural Capitalism: Creating the Next Industrial Revolution*, Paul Hawken, Amory Lovins, and L. Hunter Lovins attempted to convince business readers that what was good for the environment was also good for a corporation's bottom line. In support of their win-win scenario that questioned the "profits-versus-environment" assumption, Hawken et al. discussed many technological innovations that could simultaneously enhance profits and improve the environmental performance of companies. Their emphasis on profitability as a driver of greening was exemplary of green neoliberalism, and their book was an excellent example of thinking that has become known as eco-efficiency. Although those strands of thinking might lead the reader to classify the book as an exemplar of a neoliberal approach to corporate

greening, the arguments put forward also revealed a liberal strand. Building on tax policies that have been implemented in some of the northern European countries, the authors suggested that a thorough tax shift was needed to motivate producers and consumers alike to make the dramatic changes in practices that would be necessary to solve the world's environmental crisis. For example, they called for the elimination of taxes on both business and personal income and their replacement with tolls on activities that generate emissions and waste, such as transportation, electricity, heating, industrial pollutants, and the use of natural resources. Such a high level of government intervention in the economy was more suggestive of liberalism, and indeed the authors were careful to distinguish their approach from the laissez-faire policies of pure neoliberalism. However, the authors generally retreated from the challenge of examining the broader relationship between the environmental crisis and global poverty. Although the subsequent work of Hawken would be more clearly classified as social liberalism, this particular book suggested policies based on a greater awareness of eco-efficiency and market-based solutions and some tax restructuring, but with relatively little attention to distributional issues.<sup>4</sup>

Another mainstream proposal, one developed at roughly the same time as *Natural Capitalism* but with a more globalist and liberal orientation, was the World Energy Modernization Plan. The plan was developed in a meeting of an international group of energy company presidents, economists, and policy experts who believed that the Kyoto Protocol process was inadequate. Addressed more to the world's political leaders than to its business leaders, the World Energy Modernization Plan suggested how to think about the environmental crisis from a more comprehensive perspective than one based on technological innovation and market-oriented tax reforms. As in the case of Hawken et al., one can find strands of liberal and neoliberal thinking in the proposal. A strand of neoliberal thinking was evident in the support for a market-based emissions trading scheme, but in the liberal tradition the plan called for a shift in energy subsidies in industrialized countries from carbon-based industries to renewable ones, and it also called for government intervention to reduce the consumption of fossil fuels by 5 percent per year. Furthermore, the plan also showed more concern than Hawken et al.

with global inequality by including a proposal for a renewable energy transfer fund, supported by small tax on international currency transactions (known as a “Tobin tax”), that would bring the new technologies to less wealthy countries at a rate of about \$300 billion per year. The internationalist and redistributive elements of the plan were in many ways continuous with the liberal or social democratic sentiment of the United Nations reports such as *Our Common Future*, which encouraged the world’s business and government leaders to develop a vision that involved government intervention in the economy to solve both environmental and inequality problems.<sup>5</sup>

As the two examples suggest, concrete policy proposals to solve global environmental and/or social problems may tilt toward liberal or neoliberal political perspectives, but they often have strands of both types of political ideology. The categories of liberal and neoliberal are useful to identify and track strands of political thought, a project that may help one to discern the values that guide policy proposals. As the two examples show, the greening of the economy can tilt toward either neoliberal or liberal solutions, and it can be either more or less separated from concern with distributional issues raised by globalization. The political debate focuses on the details of such mixed proposals and what role the government will play in steering a transition toward a greener economy.

Underneath the endless positions, counter-positions, compromises, and standoffs that characterize the political field of contestation between neoliberalism and liberalism is a body of unquestioned assumptions, or what the sociologist Pierre Bourdieu described as a “doxa” of beliefs, that neither neoliberals nor liberals question. The fundamental elements of the doxa involve reducing trade barriers, opening financial markets, harmonizing regulatory policies across world regions, and using monetary policy to keep inflation under control. The elements of the doxa are linked together by a common belief in a global economy that has as its fundamental unit the large publicly traded corporation. Other types of organizations may exist in the interstices of the global economy—“mom and pop” retail stores, micro-enterprises, cooperatives, nonprofits, and the occasional publicly owned enterprise—but they are marginal, not central to the economy. Rather, the corporate economy is the centerpiece

of a global order that ensures economic growth and technological innovation, which in turn are assumed to be central to producing the greatest good for the greatest number.<sup>6</sup>

If the advocates of mixed neoliberal and liberal policies are correct, then a combination of profit-led corporate innovation and government-sponsored regulations and incentives will soon usher in a new generation of clean technologies, including carbon sequestration, biofuels from switchgrass, hybrid-electric flex-fuel and electric vehicles, ubiquitous solar and wind energy, hydrogen fuel cells, lightweight nanomaterials, bioplastics, and smart green buildings. If the redistributive and internationalist proposals of social liberalism are integrated into the greening of the economy, then the mix of neoliberal and liberal environmental policies could also be configured to reduce global poverty. Furthermore, as the economies of the developed countries undergo greening, they will achieve energy independence, and they will no longer need to support militaries and neocolonial control of resource-rich countries. As military dominance recedes, terrorism could also recede, and democracy and peace might flourish. By 2050 the world's population will have peaked, and the positive effects of a newly green, democratic, corporate global order could be visible everywhere. At that point economic growth would coincide with greater per capita income, and poverty would begin to recede even in the worst areas of the world. The debate is all about which types of taxes, regulatory policies, government subsidies, and technology transfer are needed, and what kinds of policy reforms are best, to get from here to there. But how realistic are the hopeful scenarios of mainstream political debates?

### **Some Challenges for Mainstream Optimism**

The mainstream political debates are based on the hope that the global economy can simultaneously undergo greening and continued economic growth without destroying the environment or plunging the world's poor into epidemics and starvation. The hope is based on the assumption that technological innovation can be rapid enough to compensate for the environmental impact that accompanies increased economic growth, and that governments can provide adequate policy solutions before the

catastrophic environmental effects of ongoing economic growth are widely felt.

Critics of mainstream economics and policy have long raised skeptical questions about the capacity of the capitalist system to solve the world's problems of social inequality. In the nineteenth century Karl Marx viewed the conflict between the profit-seeking activities of elites and the quality of life of the working class as generating increasing misery and eventually revolutionary potential in the advanced industrial societies. Since that time Marx's prognosis has been partially borne out in a century of worker-peasant revolutions in less developed countries, including Russia and China, but in the advanced industrial societies the class conflict was kept under control by the development of the welfare state and collective bargaining. To some degree the wealthy, democratic countries were also able to export class conflict to less developed countries by establishing terms of trade that allowed for higher wages for the working class of their own countries. From the Marxist perspective, the fundamental conflict between the desire of owners of capital for profitability and the desire of workers for fair working conditions and wages did not disappear. Rather, the history of the twentieth century involved developing institutions to manage the conflict, ranging from labor negotiations in wealthy, democratic countries to violent repression and military dictatorships in colonial and post-colonial countries. Awareness of the fundamental conflict between labor and capital has been the basis of skepticism that mainstream policies will ever solve the pervasive and growing problems of social inequality.<sup>7</sup>

During the 1970s a related critique drew attention to another fundamental problem of capitalism: the conflict between the quest for ongoing profitability and the quality of the natural environment. The concern raised was that the ongoing quest for increased profits, which drives economic growth in general, will eventually hit a wall of ecological limits, because economic growth entails increasing use of natural resources and deposits of waste and pollution. In order to surmount the fundamental conflict between economic growth and environmental limits, growth must coincide with the dematerialization of the economy. In other words, economic growth must take place in a way that reduces the ecological impact of the global economy. For example, if a source of

cheap, plentiful, clean energy were to become available, it might be possible to have 9 billion people all living at a high standard of living without causing the global ecosystem to crash. Such was once the promise of nuclear energy, and it is now replaced by visions of a wind-solar-hydrogen economy with virtual workplaces enabled by information technology and dense cities redesigned along smart growth principles. In theory the large industrial corporation could be tapped to serve technological innovation in energy conservation, renewable energy, green chemistry, building design, and urban design. This vision of the ecological modernization of the economy as a solution to the conflict between growth and environmental limits would require, at the minimum, government intervention in the economy in a manner similar to the construction of the welfare state as a means of mitigating the conflict between capital and labor. In other words, in addition to building a welfare state, the world's national governments would also have to build an environmental state.<sup>8</sup>

Since the 1970s the world's national governments have begun constructing environmental agencies and programs, but the mainstream scenarios of corporate greening and environmental regulation face several shortcomings as solutions to growth within ecological limits. One limitation involves the sincerity and pace of the greening of industry. On a first impression, the ostensible greening of large corporations appears to be a hopeful sign of a transition toward the scenario of dematerialization and sustainable production. Certainly the business press shows increasing interest in corporate greening. However, when one looks a little more carefully at the actions of even the greenest of corporations, the record is often more complicated. For example, the sociologist Leslie Sklair has found that corporate greening is often highly opportunistic and not deeply embedded in corporate strategy. Even the business press has recognized the difficulties that corporate environmental officers face when attempting to gain support for green innovations that do not have an equivalent return on investment to other investment options. From Sklair's analysis and the ongoing coverage of greenwashing in both the business press and the environmentalist media a picture of the modern corporation as a Janus-faced enterprise emerges. One side looks like a case study of corporate greening, whereas the other side reveals a record

of ongoing environmental destruction and support of anti-environmental policies. The split in corporate strategy on the issue of greening is not due to dishonesty or mere greed; rather, it is a product of structural conditions that require corporate leaders to maximize shareholder value, even when the goal runs into conflict with plans for corporate greening.<sup>9</sup>

Another weakness that critics identify in mainstream nostrums is the failure of corporate greening to lead to a decline in absolute environmental impact. To date corporate greening has coincided with continued growth in absolute levels of resource consumption and environmental degradation at a global level. For example, automobile companies have continued to develop fabulous green concept vehicles and a new generation of hybrid and flex-fuel vehicles, but they also compete to put increasing numbers of cars and trucks on the roads rather than envision a transition to intensive use of public transportation. Likewise, the big-box retailers are greening their stores and their product lines along the best eco-efficiency principles, but they continue to construct global commodity chains that require increasing amounts of fossil-fuel energy for transportation. The electrical utilities are building some wind farms and offering some energy-conservation measures, but their revenues remain tied to increased electricity consumption, much of which, in the United States, is based on coal and natural gas. Some oil companies are diversifying to reposition themselves as energy companies, but their profits remain linked to increased petroleum consumption, and they continue to compete with each other to explore and exploit new oil fields all over the world. Furthermore, there are many other environmental issues for which change seems much less likely to be forthcoming, such as the environmental risks associated with nanotechnology and persistent chemical pollutants, the ongoing destruction of habitats as a result of mineral extraction and agriculture, the continued use of coal as an energy source, and the depletion of aquifers.<sup>10</sup>

A third obstacle to the credibility of the rosy scenarios of mainstream political debate is the continued existence of “brown corporations,” that is, anti-green companies that continue to support the longstanding battle against environmental reform. After a wave of environmental legislation during the 1960s and the 1970s that addressed some of the most egre-

gious environmental challenges in the United States, brown corporations in industries most affected by environmental regulations regrouped and developed increasingly stiff opposition to environmental regulations under the banner of neoliberalism. By the 1990s the companies had developed a wide range of techniques used to convince voters to oppose environmental regulation. For example, in attempts to manage the influence of science on environmental policy for global warming, brown corporations funded climate change skeptics, who served as a small minority of contrarian scientists but leveraged a disproportionately large amount of media coverage throughout the 1990s and well into the first decade of the twenty-first century. Brown corporations also influenced political leadership to stifle environmentally oriented science. For example, one corporation's memo in 2001 to the administration of President George W. Bush called for the removal of Robert Watson as chair of the Intergovernmental Panel on Climate Change, and within a year the administration had achieved the goal of receiving Watson's resignation.<sup>11</sup>

A fourth deficiency in mainstream scenarios is that even where innovation in favor of green technology is successful, the innovations may generate a new wave of environmental problems that will in turn take years to solve. From a technological perspective, many of the promised new technologies are possible but undeveloped and unproven. For example, carbon sequestration for coal-burning plants has unknown risks, especially when the carbon is stored as a gas. As the lethal carbon eruption in the Lake Nyos region in Cameroon indicated, concentrated eruptions of carbon dioxide are both odorless and fatal. Regarding the promise of biofuels as a bridge technology to a hydrogen-based or electricity-based transportation system, coal is used to run ethanol distilleries; petroleum is used as a basis for fertilizer and to run farm equipment and tanker trucks; more pesticides must be applied, resulting in increased land and water pollution; conversion of forested or fallow land to cropland will result in increased greenhouse-gas emissions; the net energy return on energy invested is, at least for corn and under some assumptions, negative; the emissions of ethanol may be less healthy than those of gasoline; and food prices are rising in response to higher demand for corn and other feedstocks. Fuel-cell and hydrogen technologies remain

very expensive and replete with technical problems, especially if one assumes that the source of hydrogen will be renewable energy. Wind and solar are promising alternatives, but they remain tiny percentages of energy production, and a transition to them is slowed by many technical and economic problems. Furthermore, the negative side effects of new green innovations would likely be borne most heavily by the poor: people located near carbon-sequestration sites or nuclear waste sites, small farmers who lose access to land and water as their resources are absorbed into biofuel production, factory workers in nanotechnology plants, and those whose family budgets are heavily affected by rising food prices.<sup>12</sup>

As the new side effects of environmentally oriented technological innovations become evident, it takes another 20 years of scientific research and grassroots mobilization to point out the problems, work out solutions, and develop the political will to convert the solutions into policy. In each case we are likely to make a new history that repeats that of carbon emissions, where interested corporations resist attempts to remediate known environmental problems. A new segment of the private sector that is benefiting substantially from pollution and other negative environmental externalities is likely to slow down attempts to ameliorate the situation until well after a crisis has become widely visible. Although it is true that some large publicly traded corporations can, in some cases, be enrolled in efforts to solve environmental problems—indeed, we are unlikely to solve environmental problems if they are not—the enrollment often occurs after a huge amount of damage has been done, a significant mobilization of civil society and scientific research has been brought to bear on the problem, and the industry gives up on its first-line strategy to suppress or slow reform efforts.

A fifth shortcoming is the tendency for the very definition of “greening” to undergo dilution. Under the gun of profitability considerations, companies are tempted to water down sustainable design (that is, design that utilizes zero-waste cycles of production and consumption with a goal of dematerializing the economy so that ecological collapse is avoided) to green tech (design that addresses problems such as chemical pollution and greenhouse gases, but not necessarily at sufficient scale) to clean tech (design that mitigates some of the worse effects of existing technologies).

Far from a mere question of semantics, the changes involve a shift in perspective from solution to reduction of harm, often in the form of technologies that create new problems of their own. It is too easy to lose track of the fundamental driver of the environmental crises: a global economy that is continuing to grow in absolute levels of environmental sinks and withdrawals. Instead, the focus shifts to innovation that reduces impacts but ignores the difficult politics of the environmental impact of continued growth.

From the perspective of critics of mainstream neoliberal and liberal politics, the five deficiencies just outlined—the Janus-faced attributes of many of the self-proclaimed green corporations, the coexistence of corporate greening and continued expansion of environmental sinks and withdrawals, the rearguard actions of brown corporations, the potential negative environmental effects of green technology, and the tendency to water down sustainable design to clean tech—make it very unlikely that the rosy scenarios of mainstream political prognostication will be realized in the coming decades. The solutions have been around for a while, such as those proposed by Hawken et al. or the advocates of the World Energy Modernization Plan. There is little doubt that the greener segments of the corporate world will support some environmental reforms, such as carbon-based emissions trading, partly because the reforms have become necessary in the United States in order to harmonize state-level initiatives. However, a deep and lasting ecological transition of the economy is likely to be held up by the brown corporations that benefit most from environmental degradation or by groups within so-called green corporations whose profitability growth is threatened by new regulatory proposals. The policy-making process will continue to involve conflicts between relatively green and brown segments of industry and society, and to the extent that solutions emerge from the political process, the solutions are likely to be piecemeal and watered down. Because the solutions are likely to be diluted in comparison with what needs to be done to bring about the high degree of dematerialization of the economy that would allow economic growth to occur within environmental limits, critics of mainstream political scenarios envision a much less rosy future: an ongoing environmental crisis and an uneven, decades-long historical transition to societal collapse.<sup>13</sup>

To be clear, the critique of mainstream debate and policies is less about the technical capacity of the political and economic system to solve problems and more about its political capacity to realize its technical potential in a comprehensive and timely way. There is little doubt that under liberal and neoliberal policies the economy will undergo a greening process, and we may even see declines in energy intensity or other metrics of relative sustainability, but the problem is that environmental reforms will not keep pace with the need to limit the absolute growth of global ecosystem sinks and withdrawals to a sustainable level. Furthermore, the reforms will also tend to define one aspect of environmental destruction, such as climate change, as *the* global crisis. As policies emerge to address carbon emissions, there will be great rounds of self-congratulations for a job well done. But if one looks a little more carefully, overall growth in emissions will continue, new generations of toxic chemicals will be released on the environment, and habitats will continue to degrade. Furthermore, in the political compromises that emerge, environmental solutions are likely to be severed from social problems such as poverty. Indeed, the potential of the large corporation to generate an effective response to global problems of poverty and inequality appears to be even weaker than that of governments. Companies that are under siege for questionable labor practices—such as sweatshops, minimal benefits, lock-ins, and race and gender discrimination—have in some cases put forward major public-relations campaigns about their eco-efficiency measures as way to burnish images that have been tarnished by labor controversies.<sup>14</sup>

Rather than approach environmental and social problems as an interwoven whole, the greening of the corporate world can end up driving a wedge between them. From the perspective of critics of the mainstream political debates, it is likely that under a regime of neoliberalism, and even one of timid liberalism, a situation of “one step forward, one step backward” will continue to characterize environmental policy in the United States and many other countries for much of the twenty-first century. Large publicly traded industrial corporations will continue to undergo greening, and regulatory policy will continue to address environmental issues, but the changes are likely to be too little, too late to solve the full range of interconnected environmental and social problems,

not to mention the side effects generated from the new technological fixes.

With scenarios of collapse rather than amelioration looming, why do the world's economic and political elites not embrace a precautionary politics and rush to enact a wide range of social and environmental reforms? To answer the question, one needs to remember that collapse will mean many things to many people. In a world of increasing natural disasters and climate-generated risk, the wealthy have much less to lose than do the poor, and indeed they have much to gain. Elites have the financial resources to diversify their wealth, insure their investments against risk, and get out of harm's way when the disasters strike. The more conservative segments of the elites, those who support the neoliberal dream of dismantling the public sector, have also begun to find new economic opportunities in a world of privatized disaster relief. A halting policy process of taking one step backward on solving environmental problems, followed by one step forward, provides the wealthy with all sorts of economic opportunities to benefit from both the greening of the economy and the unraveling of the ecology, at least in the short term, which is the only time horizon for the publicly traded corporations in which they are invested. If the critics of mainstream political debate are correct, then the mainstream political field, with its mixes of aggressive neoliberalism and timid liberalism, will provide an ongoing mixture of half-hearted responses that lead to uneven collapse, environmental degradation, and human immiseration throughout the world.<sup>15</sup>

### **Radical Alternatives**

Whereas the mainstream political debate draws attention to the problem of more or less government steering of the economy, and what kinds of steering are necessary, the radical perspective—and one might remember that the word “radical” comes from “radix,” Latin for “root”—suggests that the problem goes much deeper. There is a fundamental contradiction between an economy based on the large publicly traded industrial corporation, with its narrow focus on earnings growth and stock prices, and the general societal goal of adapting the global economy to ecological limits and distributing wealth in a manner that accords with widely

held understandings of basic fairness. The fundamental economic organization of modern society, the industrial corporation, was developed during an era when the society-environment relationship was considerably different. Five hundred years ago, when the first modern corporations were chartered, the contours of the world's continents were largely unmapped, and the agricultural societies of both colonizing and colonized societies had much smaller ecological footprints than their industrial successors do today. In an era of colonial expansion, the corporation was a valuable tool for European political elites who wished to motivate their subjects to extend the rule of national governments across the world. Likewise, in the nineteenth century a central challenge for the US government was to extend sovereignty over a large continent, much of which was populated by native peoples who wreaked much lower levels of ecological destruction on the environment. During that period public offerings of stock became necessary to raise the capital required for railroads, and a more modernized species of capitalist organization emerged: the publicly traded corporation.<sup>16</sup>

The publicly traded corporation as an engine of economic growth served the interests of colonizing nation-states well. In a world with relatively distant ecological limits, as was the case throughout the nineteenth century for the United States, the growth orientation of the large corporation was beneficial for both workers and elites. However, the era of ecological limits has now set in, and we are faced with the question of how well adapted the publicly traded corporation is to a world in which economic growth needs to occur within global ecological limits. Radical sociologists and heterodox economists have suggested that in order to put our modern societies on a path toward life within sustainable limits, economic policy would have to end economic growth or at least shift to a low growth scenario that would enable a "steady state" of ecosystem sinks and withdrawals. Although they recognize that technological developments will enable some economic growth without additional environmental destruction, they argue that to date the pace of technological innovation has not been rapid enough to make up for the environmental effects of economic growth. The greening of industry creates the illusion of motion toward a goal, but because absolute levels of environmental withdrawals and sinks increase as a result of economic

growth, there is no forward motion on the fundamental issue of creating a global economy that operates within sustainable limits.<sup>17</sup>

Radical critics of the twinned global crises of sustainability and poverty offer a perceptive diagnosis and prognosis of the patient, but their prescriptions tend to be less satisfying. When pushed, many radical critics embrace the need for changes in taxes, regulations, treaties, and other government policies that place them in the camp of aggressive liberalism in the political field. However, there is also a tradition of radical solutions that charts out an alternative set of policy directions to that of the liberal-neoliberal debate. The solutions, which I will discuss here under the loose rubrics of socialism and communalism, are outlined, again as ideal types, in table 1.2.

Socialism, the most widely known of the radical policy proposals, has historically been viewed as a means of redistributing wealth in society from elites to working-class and poor people. If large corporations were nationalized, profits that would have gone to wealthy shareholders would instead accrue to the government owner, which could then redistribute the wealth either directly to the workers via higher wages or indirectly through welfare programs. Although socialism is widely understood through the lens of distributive justice, it can also be configured as a radical solution to the environmental problems outlined in the previous section. The nationalization of industry under a socialist government

**Table 1.2**  
Socialist and communalist approaches to environmental and social problems.

	Socialism	Communalism
Environmental problems	Restriction of growth in environmental damage by government ownership of corporations with a dematerialization mandate	Restriction of growth in environmental damage by local, communal organization of society and use of sustainable technologies
Social problems	Government ownership of large corporations to appropriate profits for redistribution to the poor and working class	Local sharing of wealth through collective decision making and ownership

provides one possible resolution of the conflict between the publicly traded corporation's endless thirst for profitability and growth and society's need for changes in production that reduce the growth in the effect of the economy on the environment. If a government were to nationalize the most environmentally damaging industries or even just the brownest corporations, it could potentially transform industrial priorities to meet environmental goals. The leaders of the nationalized companies would not need to worry about short-term profits and their fiduciary responsibility to shareholders, because their shareholders would be government owners with a different approach to the balance between economic growth and social and environmental responsibility. If the government were to demand sustainable technology and dematerialization of production ahead of growth in profits and revenue, industry could be brought in line with the goal of a radical restructuring of the economy, and an environmental state would become something more than the mirage that it has become after decades of neoliberal policy making.

An example of a socialist approach to environmental issues in the United States is the proposal of Barry Commoner (a biologist who ran for president in 1980 as the candidate of the Citizens Party) for limited nationalization of industry. Commoner has sometimes been portrayed as advocating the “deindustrialization” or “demodernization” of industry, but the terms can be misleading if interpreted to imply that he wanted to close down advanced industry and return to an agrarian past. Instead, Commoner advocated a mixture of green liberalism—that is, a strong government role in the steering of the economy—and limited socialism in the form of the nationalization of the energy, transportation, and health industries. He hoped that a combination of liberal and socialist approaches to industrial policy would bring about a rapid greening of industry. He argued that twentieth-century industrial technology was faulty from an ecological perspective, and he suggested instead that industry had to be rebuilt along “ecologically sound lines.” In order to accomplish the radical restructuring of the technological basis of crucial industries, he argued, government ownership was necessary.<sup>18</sup>

Commoner, like many other twentieth-century radical critics of capitalism, recognized the imperfections of socialist policies. Specifically, the environmental record of government ownership in communist countries

appeared to be no better than in the capitalist West. One could extend the point and argue that with some exceptions the former communist governments, like other countries that nationalized some industries, did not make environmental goals prominent in the mission of the state-owned corporations. However, as Commoner noted, “socialist economics does not appear to require that growth should continue indefinitely” (1971: 281). If cases could be found where national governments had mandated that government-owned corporations pursue environmental goals, it might be possible to demonstrate that a socialist approach could contribute to a rapid greening of industrial technologies. But even if it would be possible to make that argument in a convincing way, another problem haunts the history of government-owned corporations: a record of lack of innovation and inefficiency. The lack of efficiency is enough for some to claim that the history of the twentieth century proves that socialism is a failure. Socialist solutions continue to be explored in some of the newly industrializing countries and in the former communist countries, where foreign corporations have extracted national resources at low prices, and government ownership has been used to recapture profits for national governments. Those cases would provide the empirical basis for making an ongoing assessment of the social and environmental benefits of publicly owned corporations. There are also instances of relatively uncontroversial forms of government ownership of industry in the United States. For example, local government ownership of public transit and electrical services has been both successful and popular in various urban areas. This small-scale, American variant of socialism, which one might call “localist socialism,” remains a vibrant part of the local economy and political culture in many towns and cities. As I will explore in chapter 6, there is evidence that public ownership of electricity generation and transmission has been accompanied by environmental leadership.<sup>19</sup>

A broader problem than inefficiency is that the nationalization of industry presupposes that the new owner of the corporation, the national government, is capable of wanting a more radical transition to a more socially just and less environmentally damaging economy than private shareholders. However, national governments are often as deeply invested in the growth economy as the publicly traded corporation, because a

growing national economy is necessary to maintain political hegemony and to maintain a standard of living for a growing population. For example, the population of the United States is projected to rise to about 400 million by 2050 and nearly 600 million by 2100. The continued growth in population will place exceptional demands on global resources, especially as other countries with large populations, such as China and India, continue to increase per capita resource consumption. When one large economy, such as China, is growing much more rapidly than another, such as the United States, then it will not be long before the smaller economy catches up with the larger one. China has already surpassed Germany as the world's third-largest economy, and it is projected to surpass Japan by 2020 and the United States by 2050. As the smaller economy continues to grow, it will compete not only economically for precious global commodities such as oil and natural gas but also politically, because it has a greater surplus available to convert into military resources, foreign aid, and general geopolitical influence. In such circumstances, a national policy of slow or no growth could dramatically alter the international balance of power. Without rapid growth, the United States could become the "Argentina" of the twenty-first century. Indeed, financial projections by Goldman Sachs suggest that by 2050 the economies of the "BRIC" countries (Brazil, Russia, India, and China) will be larger than those of France, Germany, Italy, Japan, the United Kingdom, and the United States combined. If purchasing-power parity is used as the metric, then the Chinese economy will surpass that of the United States by as early as 2015.<sup>20</sup>

Owing to geopolitical competition, a powerful nation-state that undertakes a transition to a low-growth economy, and does so while its own population is growing and its competitors' economies are growing more rapidly, could be committing political suicide. A rapidly growing private sector can help ensure that a country will have the resources to support an extensive military, maintain its geopolitical position on the world stage, and therefore maintain access to commodities, especially oil and natural gas under conditions of post-peak shortages. Even if the country were to socialize only the largest corporations in the energy and transportation industries, it would still need to have a growing economy in order to compete militarily. As a result, the government would probably

put pressure on the publicly owned corporations to grow, and the end result might not be different from an economy based on publicly traded corporations. Although socialism may provide a better solution to problems of justice, especially in developing countries that wish to recapture profits from extractive industries, the nationalization of industries is of questionable value as a solution to the fundamental contradiction between economic growth and environmental limits. As long as there is an international system based on competition among nation-states, with war as the ultimate measure of power, the ameliorative capacity for socialism will be limited.

The argument about the environmental weaknesses of socialism should not be interpreted to imply that there might be some benefits of the nationalization of resource-intensive industries over a liberal order with no public ownership. For example, government ownership of brown corporations would reduce the flows of capital toward anti-environmental think tanks and political candidates. Consequently, the nationalization of some companies may increase the political system's autonomy and its capacity to develop effective policies to reduce the energy intensity of the economy. Socialism might also be more effective for countries that are not militarily dominant and are less concerned with geopolitical hegemony. However, in the United States, which requires ongoing growth to retain its position as global hegemon, socialism would be unlikely to enable the radical shift of the economy toward lower growth with dematerialization. Socialism would work as a solution to the sustainability problem only if the United States were to solve its dependence on foreign fossil fuels, which would then allow it to relax the need to maintain geopolitical dominance, which in turn would allow it to focus on dematerialization more than on economic growth. The question, which will be left unanswered here, is whether the transition to an economy based on self-sufficient and renewable energy sources can take place rapidly under mainstream policy regimes, or whether the nationalization of the fossil-fuel industries would be necessary to achieve the rapid transition without undue political obstruction.

Another branch of radical political thought, communalism, also purports to provide a better solution than policies developed within the frameworks of mainstream political thought. In the United States the

communalist tradition can be traced back to religious communities of the colonial era and to the utopian experiments of the nineteenth century. The debate between the socialist and communalist strategies for social change was already well formulated by the middle of the nineteenth century, when Friedrich Engels criticized utopian socialism as an unrealistic response to the social ills of industrialism. By the late nineteenth century, socialists and anarchists were debating their differing approaches to radical solutions. In the twentieth century, the countercultural communes of the 1960s and the “back to the land” movement of the 1970s provided further experiments in the tradition.<sup>21</sup>

In a commune, wealth is typically owned collectively and distributed through a collective decision-making process. Although there is usually some limited private ownership, tools, vehicles, computers, land, buildings, food, energy, and other things are collectively owned. As a result, the gap in wealth and income between the richest and the poorest members of the community is very small. Even more than socialism, communalism provides a solution to the problem of inequality. Of course, the per capita wealth of a commune may be much lower than that of the society as a whole, and consequently there is a range of collectivist experiments that permit varying mixes of individual and collective ownership. Modifications of the ideal typical commune, such as the ecovillage and cohousing, allow even greater degrees of family ownership and wealth accumulation. In effect they trade inequality for flexibility and attractiveness.

Many of the communes of the 1960s and the 1970s were deeply concerned with sustainability, at least at the local level. The anarchist intellectual Murray Bookchin brought communalist politics into dialogue with environmental concerns and advocated the formation of liberatory, decentralized communities that he variously described as anarchist, social ecological, communalist, and libertarian socialist. Bookchin advocated decentralization less as communal living than as a return to direct democracy in the form of federations of neighborhood assemblies that would own and direct fundamental economic units. Collective, local ownership of the means of production would replace both private-sector capitalism and federal-government socialism as the fundamental basis of the US economy. Municipalization of the economy based on local, direct democ-

racy would coincide with a technological shift toward sustainable agriculture, renewable energy, and other green technologies. Bookchin's position on technology was complicated. Although in some ways he might be classified as advocating de-industrialization, he saw computerization and other forms of modern technology as offering the potential for a more decentralized society with greater leisure.<sup>22</sup>

Eco-anarchist thought influenced some of the communal experiments of the 1960s and the 1970s, but the colorful history of attempts to communalize American society during that period is largely one of failure. Utopian communities often faced transition crises as members adjusted their ideals of shared ownership and collective decision making to the realities of interpersonal conflict. Communes and related community experiments that lasted more than 10 years faced problems of reproduction and recruitment. Many children of the hippie communes migrated back to the world their parents had left behind, and some of the older and more successful American communes faced a problem of caring for an aging population. Although urban ecovillages and environmentally oriented cohousing have been more successful, those variants of communalism have not proven to have mass appeal.<sup>23</sup>

Nationalization, municipalization, or communalization could, in theory, solve the fundamental contradictions of capitalism by fostering a deep restructuring of the economy so that additions and withdrawals to the environment would be managed under a democratic political process and brought within ecologically sustainable limits. Likewise, the solutions could enhance social equality through the redistribution of corporate profits from elites to the working class and the poor. However, if the United States were to embark on an extensive program of reform such as outlined by Commoner or Bookchin, the shifts of wealth would likely entail intense resistance from elites, who benefit from the status quo of economic growth and military domination. As revolutionary socialists suggested in the nineteenth century, a violent confrontation would be a likely outcome of such radical restructurings. Although in theory a radical policy program that blends ecosocialism and ecocommunalism could bring about a significant social and technological transformation of the economy, it does not appear to have especially good prospects in our time. Both socialist and communalist approaches to

organizing society were outside mainstream political debate during the 1960s and the 1970s, and they became even more marginal in the decades that followed. The prospects for policy approaches that draw on radical political thought of either the socialist or the communalist variety are quite low in the United States of the early twenty-first century.

Although the radical alternatives are politically quite marginal in the United States, they are important for the purpose of understanding localism as political thought and action. It may even be tempting to situate localist thought historically as a continuation of socialist or communalist politics, but there is almost no evidence that radicals such as Barry Commoner and Murray Bookchin have influenced the present-day US localist movement. Nevertheless, there are some connecting strands. The primary example is E. F. Schumacher, the author of *Small Is Beautiful*. Schumacher had an enthusiastic audience in the United States, especially on college campuses, between 1973 (the year his book was published) and 1977 (when he died). *Small Is Beautiful* can still be found for sale at the annual BALLE meetings, and the E. F. Schumacher Society (headquartered in Great Barrington, Massachusetts) has built on his legacy by developing local currencies and other localist initiatives in the United States.

Schumacher was a socialist who spent most of his career working as an economist for the National Coal Board, an organization that controlled the United Kingdom's nationalized coal industry. From that vantage point he was able to see the limitations of government ownership of industry and the unflattering similarities between large publicly owned companies and large publicly traded corporations. His thinking also drew on his experiences as a director on the board of an employee-owned company, as an economic advisor for the country of Burma, as an organic gardener, and as a student of the Gandhian, village-centered strategy of rural development. Those experiences came together in his advocacy of a transition to economies based on renewable resources, people-centered and employee-owned business organizations, and technologies of development appropriate to the needs of a country's poor and working-class people. In terms of the typology of political positions developed above, his work synthesized elements of socialist and com-

munist thinking, especially the cooperativist strand of socialist thought that emphasized employee ownership and the Gandhian version of village-centered communalism. In an intellectual move that was in many ways a precursor of twenty-first-century localist politics, Schumacher also (to a degree) stepped out of the classic “state-versus-economy” debate by analyzing the type of economic organization that would be the best to solve environmental and social problems. He concluded that neither the large publicly traded corporation nor the large government-owned corporation was necessarily the best solution for building a more socially just and environmentally sustainable society. Instead, he sought answers in new forms of economic organization and ownership.<sup>24</sup>

Schumacher’s legacy of appropriate technology and small firms owned by employees, much like the thought and the policy prescriptions of Commoner and Bookchin, seems almost quaint after decades of neoliberal policies and corporate globalization. For the less wealthy economies, the legacy of the appropriate-technology movement can be found today in organizations such as Engineers Without Borders, but Schumacher’s focus on appropriate technology and national economic self-sufficiency has been marginalized by waves of structural adjustment programs and direct foreign investment. For the developed Western countries, Schumacher’s goals of reforming the large publicly owned enterprise and awakening the potential of employee ownership have also been swept aside, in this case by waves of privatization and industrial consolidation. Here, there is some influence of Schumacher’s thought on the present-day localist movement. For example, there is considerable interest in employee ownership as an exit strategy for aging entrepreneurs who do not wish to take their company public or sell their business to Multinational, Inc. Cooperatives and credit unions, which have democratic organizational structures, have also been active in the localist organizations with which I am familiar.

Although it is important to recognize the influence of E. F. Schumacher, there are significant differences between his vision of an alternative economy and that of present-day localists. For today’s localist movement in the United States, the emphasis on appropriate technology has been replaced by a more general concern with sustainability and community, and likewise the organizational focus is much more on small

businesses than on employee-owned firms. If one wishes to push the comparison, it may be best to think of present-day localism as “Small Is Beautiful 2.0,” this time with an economic base in a pre-existing economic class and with greater concern for independent ownership than for appropriate technology. Even that qualified comparison should not be pushed too far, because the class basis of present-day localism is considerably different from that of “small is beautiful” economics, which remained rooted in a vision of building appropriate organizations and technologies for the world’s working-class and poor people.

### **Localism as a Political Ideology**

Although one can identify pro-localist individuals who are influenced by Schumacher and other political thinkers in the socialist or communalist tradition, it would be a mistake to position localism merely as a continuation of radical political thought. Instead, one can identify affinities between localism and all four strands of political ideology. To the radical side, the support of locally owned public enterprises and employee-owned enterprises resonates with socialism. But there are also wings of the localist movement that draw on the radical heritage of decentralization and communalism; for example, on the agricultural side of localism, there is an emphasis on developing local food networks. In this sense one might classify localism as a continuation of radical political traditions and debates. However, strands of mainstream political thought also are evident in the localist movement. For example, localism is consistent with the neoliberal trend in favor of the devolution of national government responsibilities to the states and to communities. A focus on local governance has flourished in the neoliberal climate of government-driven devolution and privatization. Furthermore, by asking consumers to support locally owned independent businesses, “buy local” campaigns, and other localist mobilizations, advocates of localism work through the market under the consumerist logic of voting by spending. But against this neoliberal strand one can also find strands of thought and policy advocacy that would be better characterized as liberal. For example, localist campaigns can also involve local government regulatory interventions and calls for policy support from the federal government, both of

which are consistent with the tradition of twentieth-century political liberalism.<sup>25</sup>

The continuities of localism with socialist, communalist, neoliberal, and liberal politics should all be recognized, and likewise any attempts to reduce localism to one or the other strands of political ideologies would best be greeted with questions about oversimplification. It is too easy for analysts who have sympathies with positions within the existing political field of mainstream and radical politics to misinterpret localism as small-scale socialism or liberalism, an iteration of the communalist politics of the late 1960s and the early 1970s, or an expression of neoliberalism via marketplace reformism. Rather, if one starts with recognition of the diversity of the localist movement, it becomes possible to recognize that the new types of coalitions are being built at the grassroots and to explore both the continuities with and differences from political legacies. Localism can appeal to socialists who want to see more local government ownership, to communalists and decentralists who wish to see the growth of independent local economies, to neoliberals who support the small-business sector as a solution to social and environmental problems, and to liberals who seek greater regulation of local land use and federal legislation that ends corporate handouts. The bluest of Democrats may find themselves agreeing with the reddest of Republicans, at least on the strategy of local economic control as a means for improving the environmental, health, and quality of life of their shared, place-based communities. Furthermore, the selection of which strands come to the fore is likely to vary depending on broader political opportunities.<sup>26</sup>

To some degree, localism reveals the *doxa*, or the “peace in the feud,” that occurs between advocates of mainstream policies and the radical alternatives. The debates largely assume that the central political issue is the degree of participation of the national government in the economy: from very little at the extreme of anarcho-communalists to significantly reduced among neoliberals to moderate and aggressive among liberals to government ownership among socialists. The terms of the radical and mainstream political debate can be used to inform an analysis of the articulations of localist politics with existing political ideologies, but they can also become a template that fails to reveal the departures from those ideologies. Just as the radical critique steps outside the mainstream

debate between neoliberalism and liberalism, so the localist perspective cannot be understood as limited by the terms of the debate between mainstream and radical politics. To avoid the misinterpretation and to understand localism on its own terms, it is necessary to develop a more succinct vocabulary for its politics.

I suggest that the crucial differences between localist political thought and both radical and mainstream ideologies are the emphasis on the role of small-businesses and nonprofit organizations, the call for independent and local ownership, and the goal of extending that project to locations throughout the world in the form of a global economy based on locally owned independent enterprises. Local autonomy translates largely into a concern with ownership, that is, the question of who owns the means of production. However, in contrast with both radical and mainstream traditions, localism does not entail framing the ownership issue in terms of more or less public ownership, as occurs in debates over privatization and nationalization. The mainstream political debates focus on more or less government intervention in the economy, and the radical debate pushes either for federal ownership in the socialist tradition or for municipal and communal ownership in the communalist tradition. Localism departs somewhat from the existing political debates by shifting attention from the government-economy relationship to the relationship between multinational corporations and society. At the heart of concept of local independent ownership is a political project of building an alternative economy that is distinct from the world of the large publicly traded corporation. This position has resonances with radical critiques of capitalism, either from a socialist or an anarchist perspective. However, the focus on small-business development through market development and government programs also has resonances with neoliberalism and liberalism. The strong attention drawn to the shortcomings of a global economy dominated by enormous corporations with little concern for nation-states or for place-based communities, and often with little concern for the environment and hourly workers, represents a kind of politics that seems especially geared toward addressing the problems that have emerged in an era of globalization.

In addition to drawing attention to the large publicly traded corporation as the central unit in need of reform, localism also adopts a “one-

off” position from existing political traditions by configuring the problem of justice in a different way. The “peace in the feud” between mainstream and radical debates on justice concerned the problem of social inequality, especially the fates of working-class and poor people. The debate has always been about how to solve the problem of helping those at the bottom of the social ladder, both at home and abroad. The solutions range from neoliberals’ emphasis on enterprise development zones and workfare to welfare-state liberalism to redistribution of profits through communal or government ownership. Although the positions are quite different from each other, the overall debate shares an emphasis on justice in the distributive sense of solving social inequality and poverty.

Localist politics broaden the discussion of justice by injecting what might be considered a procedural perspective into the debate. For localist politics the more central justice issue is the loss of economic and political sovereignty of place-based communities to global capital, which implements new regimes of governance through control of federal government policies, continental trade agreements, and global trade and financial organizations. By sovereignty I mean nothing more complicated than the traditional understanding of a government’s ability to regulate and otherwise control the economics and politics of its territory and population. In a world dominated by multinational corporations, it has become increasingly difficult for local communities, and even large nation-states, to achieve autonomy from the priorities set by global capital. Localism draws attention to an underlying problem that is a precondition for a community or larger political unit to be able to address issues of distributive justice. If the democratic governance of the economy is broken as a result of corporate control of local, state, national, and international governments and governing bodies, then it will be difficult for governments to address significant social and environmental problems. Conversely, a community with high economic sovereignty could be in a better position to address issues of poverty within its boundaries than one that is governed by outside forces. However, the two issues are analytically distinct, and the difference is crucial if one is to understand what localism is about as a form of political thought and action.<sup>27</sup>

A helpful context for understanding the localist concern with sovereignty is found in the work of the anthropologists James Ferguson and

Aihwa Ong, who draw attention to the shifts in sovereignty that have occurred in an era of neoliberal globalization. They note that although governments retain formal sovereignty over a territory, in some cases multinational corporations or non-governmental organizations have achieved *de facto* control. Their examples are drawn from fieldwork in Asia and Africa, but there are parallels with some cities in the United States. Increasingly cities have ceded territorial control over some areas to enclaves of mostly global capital, such as occurs in office parks, shopping malls, and clusters of big-box stores, and other parts of American cities have become largely abandoned to the nonprofit sector. Although neither the corporate enclaves nor the abandoned neighborhoods in American cities are identical to similar shifts of sovereignty in Africa, Asia, and Latin America, the parallels are notable. The comparative work of anthropologists on the transformations of sovereignty associated with globalization provides a good context for understanding the sense of loss of local sovereignty and the desire to reinstate it that is found in the localist movement.<sup>28</sup>

When used as a way of understanding localism in the United States, the concept of sovereignty should be used more loosely than its meaning in international law, where one speaks of a government's military sovereignty over a territory. However, the struggles of indigenous peoples, colonized countries, and post-colonial nations for rights of self-determination provide helpful parallels for understanding the desire for renewed sovereignty that is characteristic of the localist movement in the United States. As in the case of colonized peoples, place-based communities begin with a sense of loss of autonomy, with local knowledge of the degradation of their quality of life and awareness of the gradual shift of economic control to the headquarters of distant corporations. Notwithstanding the parallels, there are also two main differences between concerns with enhanced sovereignty in post-colonial countries and the concept of sovereignty that is crucial to localism in the United States: localist sovereignty is focused more on the question of ownership of economic enterprises, and it is configured within a federated political system. As a result, the idea of local sovereignty is closely connected with a concept of vigorous democracy, the valorization of small businesses, and the insulation of the political system from domination by economic

elites. Those concerns are, I suggest, more characteristic of the liberal and radical political traditions than neoliberal thought.

However, because distributive justice is not necessarily congruent with sovereignty, localism departs from the tradition liberal and radical debates on justice. It is possible for localist politics to slide into class-based exclusion and come into conflict with the goal of distributive justice, but the localist concern with sovereignty can also be aligned with struggles to rebuild low-income neighborhoods via the development of small businesses, the growth of the local nonprofit sector, and the invigoration of local governments. In this book I will draw attention to some of the convergences between localism and distributive justice to underscore the argument that localism need not take a path of middle-class retreatism. Nevertheless, the argument that the fundamental concerns of localism focus on the loss of local political and economic sovereignty will be helpful in sorting through the somewhat confusing politics that, in terms of the mainstream and radical field of political positions and traditional left-right polarities, may appear to be all over the political map.

To summarize: Localism emphasizes the problems of the corporatization of the economy and the loss of local sovereignty, and it draws attention to the project of building an economy based on economic units other than large corporations, rather than finding solutions that adjust the role of the government in the economy and that address the pervasive growth of within-nation inequality. (See table 1.3.) The problems that preoccupy the ongoing political field of mainstream and radical positions do not disappear, but instead the terms of the debate about the economy, sustainability, and justice are widened. Just as the radical alternatives to mainstream politics opened up a broader set of political issues for consideration and contestation, so localism opens up the debate of mainstream and radical politics and policies to a broader field of issues.

### **Middle-Class Radicalism**

If one is looking for a historical point of reference for understanding the twenty-first-century localist movement in the United States, in my view the best starting point is what the historian Robert D. Johnston has

**Table 1.3**

Localist approaches to environmental and social problems.

	Mainstream and radical politics	Localism
Environmental problems	Reforming the government-economy relationship, via either more or less regulation (mainstream) or new forms of ownership (radical, communalist)	Building an alternative global economy to one based on the large industrial corporation
Social problems	Distributive justice either via the state (liberal, socialist) or nonstate institutions (neoliberal, communalist)	Sovereignty in the sense of the right of self-determination of communities

described as the “middle-class radicalism” of the Progressive Era. His book rejected common interpretations of the middle class as politically conservative, interpretations that I would argue are colored by the debates about post-New Deal liberalism. Instead, Johnston argued that during the early twentieth century the middle class of small-business owners can be found in political alliance with the working class in opposition to the politics and policies of the corporate elites.<sup>29</sup>

Progressive political thought also played a significant role in the politically diverse coalitions of the anti-chain-store movement of the 1920s and the 1930s, a direct predecessor of present-day localism and a movement that will be discussed in more detail in chapter 4. The legal scholar Richard Schragger notes that the anti-chain-store movement of the 1920s and the 1930s was “rooted in the anti-monopoly ideology of the Progressive Era” (2005: 1014). As the New Deal coalition emerged, small-town America became a source of opposition to Franklin Roosevelt’s centralist liberalism, and “the [anti-chain-store] movement fell on the reactionary side of these new political-cultural lines” (ibid.: 1083). To understand the localism of the early twenty-first century as political thought and action,

I suggest, it is necessary to return to the localism of the early twentieth century, when support for local ownership of the economy was deeply connected to a variety of reform movements. One example from that era is the defense of localism by Supreme Court Justice Louis Brandeis, who had supported Senator Robert LaFollette's presidential bid and had been a founding member of the National Progressive Republican League. Brandeis articulated a doctrine of economic localism that was later displaced by the emerging liberalism of the New Deal. Schragger writes:

The decentralist strand of the Progressive movement that Brandeis represented fused a localist ideology with political and economic reform—a program that turned out to be more radical in many ways than the New Deal itself. As the commitment to decentralization turned into opposition to the New Deal, however, the reformist valence dissipated, and the remnants of Brandeis's progressive constitution were increasingly associated with resistance to reform. After the New Deal revolution, localist arguments became the province of states' righters. A rhetoric of defensive federalism replaced the Brandeisian rhetoric of reformist localism. (*ibid.*: 1083–1084)

Anti-corporate but not anti-capitalist, the politics of LaFollette and Brandeis, and more generally the politics of the lower-middle-class movements of the early twentieth century, are better points of comparison for understanding twenty-first-century localism than the mainstream and radical political traditions discussed so far. Nevertheless, present-day advocates of localism share the concern that liberals and radicals have with environmental sustainability and social justice, although the concern is far from universal. In other words, issues that were linked to liberal and radical politics since the 1930s are becoming reconnected with the small-business sector (or, to use the traditional term, the *petite bourgeoisie*). To the extent that the new linkages, which I will trace out empirically, continue to grow and strengthen, a potential exists for a political reconfiguration that has not been seen since the shifts from the Progressive Era to New Deal liberalism. If one agrees that the liberal tradition from Franklin Roosevelt to present-day liberal Democrats has been unable to stop the advance of corporate domination of the political system, and that the radical alternatives have lacked political traction, then one may be willing to consider that the reconfiguration of the politics of the small-business sector represents a political development of potential historical consequence.

To underscore the point that an important goal of the localist movement is envisioning alternative economies in a world of corporate globalization, consider as an example the political and economic positions articulated by Judy Wicks, a co-founder of BALLE and a leader of the localist movement, at the Twenty-Fourth Annual E. F. Schumacher Lectures:

In order to protect all that I care deeply about, I needed to step out of my own company, out of the White Dog Café, and start to work together with other businesses to build an alternative to corporate globalization. . . . Rather than a global economy controlled by large multinational corporations, our movement envisions a global economy with a decentralized network of local economies made up of what we call living enterprises: small, independent, locally owned businesses of human scale. These living enterprises create community wealth and vitality while working in harmony with natural systems. (2004: 5)

As a vision articulated by a movement leader, Wicks's views are not necessarily shared by all independent business owners or even by all business owners who are affiliated with BALLE, but Wicks does present a way of thinking that explores the potential for this sector of the economy to provide solutions that have not been forthcoming from big business. She opens up a pathway that links the small-business sector to the politics of local, living economies based on principles of increased local ownership, functioning democracies, environmental sustainability, and social justice.

Wicks's vision includes both the ideal typical localist concern with the sovereignty of place-based communities and the invigoration of small businesses (a goal of political reform that echoes the Progressive Era politics of the early twentieth century) and the more conventionally liberal political project of making business more socially and environmentally responsible. In other words, it is suggestive of a configuration of politics that, if Schragger is correct, has been largely absent in the American political landscape since the centralist liberalism of the New Deal displaced Progressivism. For example, Wicks notes that she pays her workers a living wage, that she has campaigned for universal health care, and that her business was the first in the state to have its electricity completely supplied by wind power. In making those decisions, she explicitly rejected the management mantra of "grow or die" and instead created a foundation using the profits from her business. She describes

her daughter's experiences in Seattle in 1999 as a protestor against the World Trade Organization, a suggestion of the possible linkages between localism and the politics of anti-globalization movements. "Politicians and government administrators," she writes, "who are frequently former CEOs and lobbyists, often owe their jobs to the corporations that fund political campaigns. The merger of corporate interests with government is defined as fascism." (2004: 27)<sup>30</sup>

Wicks is not alone in linking a defense of locally owned independent enterprises with a critique of a globalized economy based on large publicly traded corporations. For example, Stacy Mitchell, chair of the board of the other major umbrella organization of local independent businesses, AMIBA (American Independent Business Alliance), writes in her book *The Big-Box Swindle*:

The megachains contribute far less to our local economies than they take away. For all of the new jobs that the chains have created, they have destroyed many thousands more—at small businesses and American factories especially, but also, as we will see, at enterprises as diverse as family farms and local newspapers. (2006: 35)

Likewise, David Korten, who sat on the board of BALLE and also served on the advisory board of AMIBA, writes in *The Post-Corporate World*: "What we know as the global capitalist economy is dominated by a few financial speculators and a handful of globe-spanning megacorporations able to use their financial clout and media outreach to manipulate prices, determine what products will be available to consumers, absorb or drive competitors from the market, and reshape the values of popular culture to create demand for what corporations choose to offer." (1999: 40) And Michael Shuman, a board member of BALLE, wrote in the chapter "Wreckonomics" of his book *The Small-Mart Revolution*:

In the TINA ["there is no alternative"] mindset . . . the unemployed are simply excess capacity to be shipped to another community. We're told to keep our bags packed so we can migrate at a moment's notice to another job hundreds or thousands of miles away. Forget about your friends and neighbors. Tell your kids to let go of their silly attachments to teachers and friends. Put away all those memories around your house. Community is just another obstacle to progress. (2006: 38)

Localist leaders' concerns about the negative side effects of a globalized, corporate-dominated economy and their hope for the potential of

building a more humane, community-oriented private sector are not just the musings of the leadership of national organizations such as BALLE and AMIBA. I have heard such views expressed widely in meetings and conferences dedicated to local living economies and related topics. Likewise, in dozens of conversations with concerned independent business owners in my own region I have encountered a widespread sense that the region was a more friendly, community-oriented place before the era of big-box retail stores and franchise restaurants. This form of small-business radicalism is not anti-capitalist in the tradition of socialist and communalist politics, nor is it identical to Progressive Era anti-corporatism. Rather, present-day localism reopens a conversation about how markets can be made responsive to social and environmental goals, including the goal of maintaining and strengthening democracy at all levels of government.

Localism, I suggest, identifies a new political opportunity and a new possible configuration of political alliances. The control of global capital over the media, think tanks, and political parties has ushered in an era of neoliberalism and timid liberalism, just as it has removed aggressive liberalism, not to mention socialist or communalist politics, from the acceptable spectrum of political debate. But as political opportunities have closed in some ways, localists have discovered, they have opened in other ways. The very success of neoliberal globalization has generated increasing concern over local quality of life. The concern rests on a local knowledge that cannot easily be distorted through the rhetoric of neoliberal think-tank studies, media pundits of corporate news channels, and corrupted politicians. For example, the question of economic growth and environmental degradation, which at a national level is often abstracted in the form of economic statistics, translates at the local level into debates over green spaces and economic development projects that affect a regional environment and quality of life. Here the question of the limits to growth becomes visceral in political debates over issues such as the preservation of green spaces versus the development of new roads, shopping centers, manufacturing facilities, and housing. Although local governments can be captured by local growth coalitions, there is also substantial potential for provoking a public debate on planning and growth within the local political arena, where citizens who ordinarily

might not care about growth and environmental quality may become more involved.

Of course, the opening of a political opportunity is accompanied by some political risk. The growth of localist politics could siphon energy away from the liberal and socialist projects of achieving government policy reform at a national and international level, thereby contributing to the closure of political opportunities at those levels. In other words, localism can play into the neoliberal politics of devolution and privatization. However, it is also possible that participation in localist politics may open the door to a new appreciation of the importance of government policy reform as a strategy for dismantling the corporatocracy. The risk that localism siphons political energy away from government-oriented mobilizations at national and international levels versus the possibility that it mobilizes relatively nonpolitical people to become politically active can be examined empirically and should not be prejudged in a dismissive analysis. What I can say from attending localist meetings and conferences is that there is a confluence between the narrow goal of protecting locally owned businesses and place-based communities from corporate predation and the broader goal of building a more just and equitable global economy. If the first strategy of localism is to develop an alternative global economy that is based on locally owned, independent, values-based businesses rather than global corporations, the strategy can be, and sometimes is, connected with social and environmental responsibility activism oriented toward global corporations. Judy Wicks writes: "I see now that there are two fronts in the movement for responsible business. One front is trying to reform large corporations; the other front is working to create an alternative to corporative globalization that will build economic power in our communities through local business ownership." (2004: 27) Here, there is a potential to reformulate politics in a way that does not cede to the political right the deep concern that citizens across the political field have with place-based communities, local democracy, and local economies.

For some people, affiliation with localist organizations translates into broader political action: to stop a local big-box development project, to engage in shareholder activism and other corporate reform projects, to

support political candidates who favor a range of socially and environmentally oriented regulatory interventions in the economy, to attend an anti-globalization protest rally. The call to “buy local” may be the hook that brings in the local independent business owner, but once owners have joined an independent business association they may discover that they are not just small businesses but stewards of their communities with a variety of social, economic, environmental, and political benefits to offer the customers and citizens of a region. In this sense, it would be simplistic to dismiss localism as a reactionary movement of the petite bourgeoisie or of green, middle-class suburbanites who are just trying to save their own skins when confronted with the flood tides of the global economy and ecological collapse. That would be too resolutely economic, too encompassed by the logic of self-interested class politics, and too tinted by the lenses of New Deal liberalism. Although it is important to keep such criticisms in mind to identify challenges and pitfalls, localists are also concerned with building alternative economic institutions that are dedicated to policies that could transition the world’s economy away from a collapse scenario, corporate greed, and a planet of slums. In the words of Seventh Generation CEO Jeffrey Hollender, the localist movement draws attention to “what matters most”; it encourages businesses not to let economic profitability trump social and environmental goals. In the words of an invitation to small-business owners issued by another founder of BALLE, Laury Hammel: “Over the next thirty years . . . entrepreneurs like you can help transform the world of commerce so that human values lead business growth, not only the drive for higher profits. We invite you to join thousands of others in this mission to grow local value and build a just and sustainable world.” (Hammel and Denhart 2007: 160–161)<sup>31</sup>

Such are the promises of localism that constitute the basis of its appeal and its potential to reframe positions in the political field. Are the promises credible? What kinds of research support the claims of localism? How do localist businesses and advocacy organizations handle the challenges of conducting business and developing public policies in a more socially and environmentally responsible way? What are the more specific criticisms of localism, and how well founded are they? Which industries work best and worst for localism? What policy changes would

make localism more likely to succeed? By avoiding the temptation to situate localism in a template of an existing political ideology, we are prepared to pose a different set of questions with new insights.

## **Conclusion**

Fifty or a hundred years from now, people may look back and say that neoliberals and liberals were right: that the world was able to solve its pressing environmental and social crises without changing the fundamental economic organization of society. When a crisis becomes visible and evident enough, it is possible that an adequate governmental and inter-governmental response will occur. However, I remain skeptical that the political leaders of the twenty-first century will solve its deep problems without first addressing the growing and untrammelled power of corporate globalization and the influence of the economic behemoths on governmental decision making. The growth logic of the large publicly traded corporation is poorly adapted to today's global ecology. Furthermore, the current tendency is for the corporate sector to drive a wedge between environmental and equality issues, so that some limited greening of the private sector occurs while hundreds of millions of people are plunged into worse poverty.

Because corporate power has so much influence over national policy making and the media in the United States, there has been little debate at the national level on the root causes of the environmental and social crises. Politicians who raise such "populist" questions are skewered by the pundits of corporate media and shunned by most wealthy potential donors. With mainstream political debate focused on issues such as renewable portfolio standards and carbon trading, there is little or no space for a deeper discussion of the likelihood that an economic system based on short-term earnings growth is, in the long run, not adapted to life within global ecological limits. The idea that substantial economic reform is a precondition for avoiding a gradual descent into deepening global sustainability and justice crises is outside the limits of the field of mainstream debate.

Those who are concerned with such issues face four not especially palatable strategies:

- They may work within frameworks of neoliberal reasoning as corporate insiders to try to convince managers and owners that eco-efficiency reforms and better labor standards will improve brand image, not to mention profits and stock prices, and therefore should be implemented voluntarily.
- They may take a place within the government and court system as reformers to fight a rearguard battle against ongoing attempts to undo regulations and to gain occasional incremental changes when political opportunities open.
- They may directly confront as activists the worst failures of government regulation by organizing social movements and campaigns in favor of deeper political reforms than those advocated by insiders and reformers.
- They may withdraw into intentional communities where it is possible to enact a better world on a small scale and to test what kinds of arrangements succeed and fail.

In view of the stalemate that has arisen in attempts to transform corporations from amoral engines of growth into social and environmental stewards, it is not surprising that some people have turned to localist strategies of change. Rather than see localist strategies as supplanting the others, it is probably better to view them as constituting an additional pathway to change—one that, like the others, has unique limitations and potentials.

Although localists articulate a message of the need for corporate reform and for support of locally owned independent organizations, the message should not be oversimplified. Not all publicly traded corporations uniformly contribute to injustice and environmental degradation; the emergence of publicly traded corporations in the solar and conservation industries provides one hopeful sign of how financial markets can support dematerialization, especially when government policies and incentives are in place to encourage such developments. Likewise, many small businesses, nonprofit organizations, and public enterprises are far from beacons of social and environmental responsibility. But localism raises an important structural question: closely held private companies; small nonprofit organizations; and local public agencies are not required

to set aside social and environmental responsibility goals when stock prices decline and when analysts' reports turn sour. In the place of anonymous stockholders are individual proprietors, employee-owners, small partnerships, volunteer boards, and elected or appointed government officials who are in a position to think about their organizations in terms of the triple bottom line of economic viability, social responsibility, and environmental sustainability. Such organizations have the potential to form the basis of a different type of economy, one which operates more along the lines of civil society organizations than large corporations. An economy governed by such organizations may be in a better position to adapt to the pressing social and environmental problems of the twenty-first century, because such organizations are rooted in their communities and responsive to their needs. Such is the promise and potential of localism.<sup>32</sup>