

A HEALTHY COMMUNITY FROM A SUSTAINABILITY PERSPECTIVE

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What constitutes a “healthy community” from an economic perspective? When I started working in the area of community economic development over 25 years ago, the conventional wisdom was that it all boiled down to jobs and income. A community could measure its economic health in terms of the ability to create jobs and increase household incomes. While the accepted wisdom on how to achieve these aims has changed, the emphasis on job and income growth – or economic growth more generally – has remained. A growing economy, with rising levels of production and consumption, is seen as a healthy economy.

From the 1950s to the early 1980s, industrial recruitment was the approach of choice. The aim was to attract outside firms that produced something for markets external to the community. This “export base” orientation was believed to generate the greatest job and income “multiplier effects.” Financial incentives and industrial parks were strategies of choice. From the early 1980s to the early 1990s, the emphasis shifted to cost competition. Communities became more interested in retaining and expanding existing businesses as the driver of growth. Tax reductions, deregulation, and industrial consolidation and cost cutting were the prevailing strategies. From the early 1990s to the present, regional competitiveness has been the name of the economic development game. The goal is to promote regional industrial “clusters” through innovation and entrepreneurship. Regional collaboration, an emphasis on distinct regional assets, and the bridging of economic and community development are seen as the keys to success.

Why this quick historical romp? First, it shows that an economic development orientation, including one at the community level, is relatively new. Economic development as a separate or identifiable field of study and practice is a postwar (World War II) phenomenon. Second, accepted notions of how to go about economic development have evolved through the three “waves” noted above. We have not come up with a timeless recipe for success. Thinking changes, as do the nature and structure of community economies. Third, each successive “wave” has entailed a broader sense of what is important to community economic development. We have progressed from a fairly narrow industrial development view to an embrace of growing and expanding your own businesses to a broader regional approach that recognizes the importance of human and social capital to community and economic development.

This is a preamble for what I maintain is a new wave of community development. It began to emerge in the early 1980s and is still evolving. The drivers are sustainable development and systems thinking. The underlying goal is sustainability. Some people see this as part of a broader sustainability revolution and paradigm change. The extent to which this is the case, or that people see it as the case, varies widely. You could argue that the level of intellectual ferment and strategy experimentation surrounding the idea of sustainable community development is characteristic of such a dynamic and fundamental change.

At a very basic level, sustainability is about time and relationships. We can see this reflected in most definitions of sustainability, and there are many to choose from. Perhaps the most fundamental relationship is that between us, humans, or the human enterprise, and the natural world. This is a relationship that has changed over time and continues to change. We have grown so numerous – now at 6.7 billion and still growing – and our technologies have become so powerful, that we are now capable of having a significant influence on the earth's ecosystems. A systems view of this relationship provides a simple way of thinking about the implications of scale, in this case scale of the growing human enterprise relative to a finite global ecosystem. Our growing economy is a fundamental player in this relationship.

Thus, sustainability calls into question the limits of growth. Can we imagine a healthy community without economic growth? Is economic development only possible when there is economic growth? Are gains in human welfare dependent upon increases in income and material standards of living? Where do markets and the market economy fit when sustainable development is the strategy? Is capitalism compatible with sustainable development and, if so, under what terms? What fundamental human needs need be met for a community to be considered healthy? This list could go on. The bottom line is that sustainability raises some very fundamental questions about how we see ourselves in relation to each other and the world around us.

This is obviously a bigger set of questions than I can deal with in twenty minutes. But it provides the context within which I will explore the idea of a healthy community. The health of our economy, our environment, and humans, both individually and collectively, are closely interrelated. I often introduce myself as a recovering economist. This is not meant to disparage the discipline. It is, however, meant to convey that I am not what you would call a mainstream economist. My strongest professional affiliation is community development and my focus is community sustainability.

Sustainability is often viewed within the context of the three E's – economy, environment, and equity – or the three P's – people, planet, and profit. A related approach in the business or private sector is the triple bottom line of sustainability, which maintains that practices that are positive socially and environmentally are also good for the bottom line of profits. The typical

sustainability framework, and this is true at the community level, emphasizes three interrelated policy goals that reflect this tripartite view.

The first is the notion of sustainable scale. It focuses on the size and functioning of the economy and its “throughput” of resources relative to the health of both the supporting ecosystem and its human residents. This looks at depletion of resources on one side of the equation and pollution and waste streams that result from production and consumption decisions on the other side. The second is the idea of just distribution or equity. This focuses on whether peoples’ fundamental human needs are being met and identifying and removing barriers that prevent this from happening. The third is an emphasis on the efficient allocation of resources. Markets are the mechanism of choice in this case, but they need to be structured in ways to minimize the impacts of “market failure” due to external costs, provision of public goods such as clean air and water, and so on. These three policy goals are listed in their order of implementation. Policies to ensure sustainable scale and just distribution are preconditions for efficient allocation.

We are clearly moving toward a new economy. It remains to be seen what this economy will look like, but current approaches and descriptions include green economy, green collar economy, clean economy, post-carbon (or carbon neutral) economy, circular (recycling) economy, steady-state economy, human-scale economy, and local living economy. Similarly, there is ongoing conceptual reform within the economics profession anchored around these ideas: adjusting economic scale, shifting from growth to development, making prices tell the ecological truth, accounting for nature’s contribution (valuing ecosystem services), applying the precautionary principle (to assess technological change), revitalizing the management of the commons (open access resources), and valuing women.

My remarks at the symposium will explore what I feel are key elements of the new thinking and practices that will shape a healthy, sustainable community economy. I will build on the basic introductory context I have offered here. The following themes will be emphasized:

- **Localization.** This emphasizes localizing economic production, thinking local first, relocalization, local ownership, and import substitution. These are not new ideas but they are attracting increasing interest as communities embrace sustainability. The local foods movement is an excellent example of such ideas in practice, and their applicability to other types of production and consumption is being explored.
- **Modeling sustainability.** This emphasizes working with nature as we integrate human activities with our natural systems. It includes physical design, attention to ecosystem services, and community-based natural resource management.
- **Mobilizing local assets.** Localization has local financial implications. There is support for local financial institutions that emphasize matching local resources with local

investments. Communities are experimenting with local currencies, microfinance, and notions like “slow money” to promote a more equitable distribution of resources.

- **Meeting human needs.** Manfred Max-Neef, a Chilean economist, has identified nine fundamental human needs: subsistence, protection, participation, idleness, affection, understanding, creativity, identity, and freedom. They are seen as the same in all cultures and historical periods; what changes are the ways they are satisfied. Any fundamental human need that is not satisfied reveals a form of human poverty.
- **Cultivating connections.** This looks at the social capital in a community. All of the previously listed themes play a role in promoting this by creating a sense of place, by connecting producers with consumers and lenders with borrowers, and so on.
- **Increasing community resilience.** Resilience is the ability of a community (or system) to retain its integrity and ability to function in the face of changes and external shocks. Descriptors such as sturdy, stable, durable, and hardy come to mind. Although there are elements of self-reliance in resilience, it is a broader concept that reflects a movement away from rapid growth as the guiding economic principle.
- **Precautionary principle.** This principle relates to science, uncertainty, technological change, and the decisions that surround policies and actions. “This principle allows policy makers to make discretionary decisions in situations where there is the possibility of harm from taking a particular course or making a certain decision when extensive scientific knowledge on the matter is lacking. The principle implies that there is a social responsibility to protect the public from exposure to harm, when scientific investigation has found a plausible risk. These protections can be relaxed only if further scientific findings emerge that provide sound evidence that no harm will result.”
- **Metrics that matter.** What we measure should be things that really matter and that show success with respect to community sustainability.

This list is not all-inclusive but clearly indicates that it’s no longer just about jobs and income. A healthy community economy localizes production and finance as much as possible, works to ensure that everyone’s human needs are being met, functions in harmony with local ecosystems, and strives for community resilience.

