



Who's Building the Do-It-Ourselves Economy?

Corporations aren't hiring, and Washington is gridlocked. Here's how we take charge of our own livelihoods.

by Sarah van Gelder, Doug Pibel
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TAKE A PEEK INSIDE THE FALL 2011 ISSUE OF YES! MAGAZINE

Corbyn Hightower was doing everything right. She worked long hours selling natural skin care products, flying between cities to meet customers, staying in posh hotels. She pulled down a salary that provided her family of five with a comfortable home in a planned community, a Honda SUV, health insurance, and regular shopping trips for the best natural foods, clothes, shoes, and toys.

Then the recession hit. Her commissions dried up, and the layoff soon followed. Life for Corbyn, her stay-at-home husband, and three children changed quickly.

First the family moved to a low-rent house down the street from a homeless shelter. They dropped cable TV, Wi-Fi, gym membership, and most of the shopping. Giving up health insurance was the most difficult step—it seemed to Corbyn that she was failing to provide for her young daughters. Giving up the car was nearly as difficult.

As our economy goes through tectonic shifts, this sort of adaptation is becoming the new normal. Security for our families will increasingly depend on rebuilding our local and regional economies and on our own adaptability and skills at working together. At the same time, we need government to work on behalf of struggling families and to make the investments that create jobs now and opportunities for coming generations. That will require popular movements of ordinary people, willing to push back against powerful moneyed interests.



Corbyn Hightower and her husband, Larry, created a way of life that combines frugality, creativity, community exchange, and enough paid work to make ends meet.

Photo by Lane Hartwell for YES! Magazine.

Where Are the Jobs?

How did we get to an economy in which millions are struggling?

Officially, the “Great Recession” ended in the second quarter of 2009. For some people, the recovery is well under way. Corporate profits are at or above pre-recession levels, and the CEOs of the 200 biggest corporations averaged over \$10 million in compensation in 2010—a 23 percent increase over 2009.

But for most Americans, there’s no recovery, and some are confronting homelessness and hunger. Twenty-five million are unemployed, under-employed, or have given up looking for work. Forty-five percent of unemployed people have been without a job for more than 27 weeks, the highest percentage since the Bureau of Labor Statistics started keeping track in 1948. There’s a growing army of “99ers,” people who have been unemployed for more than 99 weeks and have exhausted all unemployment benefits.

Fifty-three percent of Americans say jobs and the economy are the most important issues facing the country; just 7 percent say the deficit is the most important. Yet budget cuts and austerity have replaced job creation in the national dialogue.

American workers have become expendable to many of the corporations that run the economy; NAFTA and other trade laws opened the floodgates of outsourcing to low-wage countries. Many of the jobs that can’t be outsourced are being eliminated, or hours, pay, and benefits are being cut.

As corporations amass greater power, wealth, and influence, they successfully lobby for tax breaks and federal subsidies and set the national policy agenda. As long as the giveaways continue, along with massive military spending, governments have to cut education, public services, and infrastructure investments—and the jobs that go with these public benefits.

Real Solutions

Leaders in both parties tell us growth is what’s needed, but the evidence suggests growth alone won’t help most Americans. GDP has grown steadily and is now back to pre-recession levels.

But since the official end of the recession, virtually all of the new income—92 percent as of the first quarter of 2011—has gone to corporate profits, according to a May report by the Center for Labor Market Studies at Northeastern University. None of the increased GDP has gone to boost wages and salaries.

More importantly, since World War II, growth has been built on cheap energy—particularly petroleum—and low-cost dumping of the effluents of a wasteful global economy. Now the easy-to-pump oil is nearly used up, and the cost of extracting petroleum is rising. At the same time, we've used up the Earth's capacity to absorb climate-changing gases and other forms of pollution. Changes in the delicate balance of atmospheric gases are already disrupting the climate, and extreme weather events are happening with increasing frequency. Growth has failed to yield prosperity, and the planet cannot bear more of it.

So how do we create an economy that provides dignified livelihoods to all who are willing to work, without undermining the natural systems we, and our children, rely on?

A real solution requires a vision that is both humble in terms of the material wealth we can expect and ambitious about the fairness, mutual support, and quality of life we can build.

Here is a three-part plan for building real prosperity in an age of limits:

1. Local Economies, Local Ecosystems

The corporate economy has failed to offer economic security to most Americans and has undermined the environment and the living standards of people around the world. Strong local and regional economies are the way to a sustainable and resilient recovery. Small businesses actually create more jobs and innovation than big corporations. And entrepreneurs with long-term stakes in their local environment and economy have both the means and the motivation to protect them. There are many simple ways individuals and communities can support the transition to local economies.

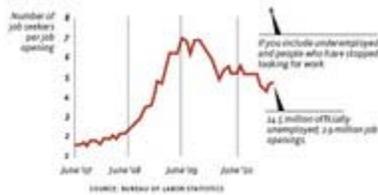
Buy local. By buying goods and services locally and regionally, we keep money circulating in the Main Street economy, where new jobs are most likely to be created. Shop at a big box store, and the money goes to corporate headquarters almost immediately. Buy local food and your money stays home. We can also generate energy locally. Farmers are earning extra income by installing windmills. In Cleveland, a university and the city government are contracting to buy the electricity generated by solar panels a worker-owned co-op installs on their buildings (see page 26). Investment in weatherization immediately creates local jobs while reducing energy payments that leave the community. State and local governments, too, can strengthen their economies, and ultimately their tax bases, by buying as locally as possible. Substitute local for “imported,” and you create local jobs built on the solid foundation of local demand.

Bank local, too. Capital is the life-blood of enterprise. When banks are located in the community, they come to know local businesses and what sorts of loans are likely to work. When banks hold the loans, rather than sell them, they have an incentive to make wise loans. Credit unions, community-rooted banks, and state banks (see page 46) invest in the local economy, instead of siphoning off our bank deposits to use for global speculation.

Start with strengths. Under the old economic development strategy, communities compete with each other for jobs by offering corporations ever greater tax breaks and concessions on health and safety regulations and union rights. This race-to-the-bottom strategy may yield occasional wins, but it's a long-term loser. A more successful strategy is to build economies from the grassroots up, starting with existing assets. For some communities, their primary asset might be a vibrant local arts scene (see page 29). For others, it's a natural resource, like forests or farmland. Or it might be a hospital, university, high-tech enterprise, or other “anchor institution” that isn't going away (see page 26).

Start by finding ways to turn these assets into sustainable livelihoods. An unused building could provide a place for start-up farmers to try vertical farming, for example. Then look for ways to link these core enterprises to local customers, vendors, a skilled labor pool, and so on.

Use wasted resources. Instead of demolishing and landfilling obsolete buildings, local entrepreneurs are creating jobs by disassembling them and selling components. Other common wastes: used clothes and books and repairable appliances. Unharvested fruit trees. Church kitchens that sit empty most of the week but could be health department certified for food processing start-ups. Methane from landfills, which could heat homes instead of the climate. Front yards that could be farmed. Each wasted resource could be transformed into a job.



Lies, Damned Lies, and Economics
Busting 3 big myths about jobs today.

Do it cooperatively. Well-paid workers are a community asset, and even more so when they own their workplaces. Cooperative work arrangements are available not just to well-educated entrepreneurs. Home health care workers, house cleaners, grocery store clerks, and laundry workers have all become worker-owners of successful cooperatives. These workers tend to spend their paychecks, and with a steady family income they are more able to contribute to the well-being of their community. And, since they share in the profits of their enterprise, they develop a nest egg they can use for buying a home, educating their children, and helping relatives through difficult times.

Allow communities to control their resources. Community-controlled forests are more likely to be sustainably managed than corporate-controlled ones; sustainable agriculture is more labor-intensive but less polluting. Sustainable and fair practices create jobs that last while boosting local resilience.

Keep ownership human. When owners are workers, customers, or the community at large, an enterprise can operate in accordance with multiple values, such as human well-being, the good of future generations, and ecological health. Corporate owners are constrained by law to put profits first.

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2. Redefining Middle-Class

Building the local and regional economy will create real prosperity and keep the benefits circulating among ordinary people. But we are approaching the end of an era of cheap energy and seemingly limitless growth. To live within our means, we'll need to produce and consume less stuff. That may mean less paid work available, at least in some sectors of the economy, so it makes sense to share those jobs and work fewer hours.

Many Americans work too much and are starved for downtime. A shorter workweek could benefit them while opening new jobs for the unemployed. Productivity increases when workers aren't overstretched. Profits now going to the wealthiest could be distributed to workers so they could afford to work fewer hours and have more time for the rest of life.

Working less also means we have more time to do things for ourselves.

After Corbyn Hightower lost her corporate position, her husband started working at a low-wage job. The family saves money by fixing things that break and making things themselves. Corbyn is refurbishing an old dollhouse with her preschoolers. They spend hours together on this creative project.

Community exchanges transform the Hightowers' experience from a lonely and scary adventure into a way of life Corbyn has come to appreciate. She shares the harvest from her pear, apple, and orange trees with her neighbors and gives some fruit to a nearby homeless shelter. Her neighbors share with her their apricots, lemons, peaches, plums, blackberries, and cherries.

Learning new DIY skills and building relationships with friends and neighbors builds greater self-reliance and offers opportunities to develop multiple facets of ourselves.

And frequent exchanges among neighbors help reweave a community fabric that has been badly frayed by overstressed lives. Once you get the tools to repair your bicycle, you can fix other people's bikes or teach them how. When you're canning jam, it's easy to make some extra for gifts and exchanges.

All this means we can live with less money, so we can afford to spend less time at a job, which also becomes less central as a source of identity. And these rich networks and practical skills enhance our resilience as we face an uncertain future.

3. A Movement to Rebuild the Dream

We are still a wealthy country. We could use our tax dollars to put Americans to work replacing obsolete energy, water, transportation, and waste systems with infrastructure that can serve us in the resource-constrained times ahead.

We could invest in universal health coverage, which offers people the security to risk launching new businesses and helps make shorter workweeks more feasible. We could fully fund education and job training.

We could save money by cutting the bloated military budget, oversized prison populations, and the drug war. And we'd have the money if everyone—including the wealthiest Americans and large corporations—paid taxes at the rates they paid during the Clinton administration.

To get these sorts of changes, we need the American government to work for all of us, not just for corporations.

Powerful moneyed interests won't willingly give back the power that has allowed them to acquire most of America's wealth. We need strong people's movements to get government to work for ordinary Americans. That's the way American workers won the 8-hour day, women secured the right to vote, and African Americans ended segregation.

Enlightened politicians may cooperate with these movements, but few will lead them. We the people—through unions, community associations, advocacy groups, and local political groups—will have to set our own agenda and insist that government respond. The Movement to Rebuild the American Dream (see page 48), which is bringing together groups ranging from MoveOn.org to AFSCME, offers a promising path toward that end.

The Do-It-Ourselves Economy

Corbyn's family has not had it easy since they slipped into poverty. They sold their SUV to cover rent and other necessities, and Corbyn blogs about the challenges of biking in the rain and in the blistering heat of the Sacramento area. But she also celebrates getting in shape, saving money, and the discoveries she and her children make when they travel at a slower pace.

Her 12-year-old tells Corbyn she loves her life. Who wouldn't want chickens in the backyard, long bike rides with the family, and picking apples to take to the homeless shelter?



Living Right on the "Wrong" Side of Town:

When Corbyn Hightower's financial world fell apart, a ragtag community came together to show how a lively neighborhood grows new livelihoods.

Corbyn has come to appreciate special moments: "Yesterday we feasted on the first truly awesome strawberries of this spring, red all the way through, without the slightly-too-tart tang of previous early-season pints. We tried to savor them, to make them last, to appreciate each strawberry for how it's slightly different from the rest. The way the sparkling flavor and the seeds make it taste almost carbonated. ...

"I think we have to reinvent 'poor.' Most everyone in my life is enduring new poverty. ... It's an unfamiliar and scary leap. ... And if it turns out that some of these changes feel good, well, then it's a win-win. The

Great Recession is a watershed time for my generation, possibly the era that will live on to define us.”

Many of us have stories like Corbyn’s from our family histories or maybe from right now—stories of hard work, stubborn resilience, and neighbors helping neighbors. Stories of people waking up each day doing what had to be done for the children.

Our descendants need those qualities from us—not acquiescence to powerful interests or passive acceptance of a no-longer-tenable status quo. Our descendants need us to be as radical and as tenacious as our ancestors were.

Sarah van Gelder and Doug Pibel wrote this article for **New Livelihoods**, the Fall 2011 issue of YES! Magazine. Sarah is executive editor and Doug is managing editor of YES!

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