

Helena Norberg-Hodge

Defining Poverty and Measuring Progress: where does culture stand?

Most governments and supranational organizations define poverty in terms of per capita income, and rely heavily on measures of economic growth such as GDP (Gross Domestic Product) to monitor societal progress. A growing number of economists and civil society representatives have criticised these yardsticks, pointing out that they fail to account for non-monetised economic activity (e.g. childcare at home), free ecosystem services (e.g. clean air and water provided by intact forests), as well as the difference between expenditures on “goods” (food, clothing, shelter, etc.) and “bads” (prisons, cancer treatment, toxic waste cleanup, etc.).

Not only are these common measures of well-being and progress inaccurate, they are systemically biased: they make local self-reliance look like poverty, and make conventional development (industrialisation, urbanisation, and specialised production for global trade) look like progress. The many social, environmental, political, and psychological costs of this form of development can result in a real decline in quality of life for the majority, but the biases in the measurement tools generally reflect the opposite.

Simply changing indicators will not be enough to remedy the situation. The yardstick biases that favor development for global trade are coupled with public policy biases that push in the same direction – particularly in the realm of taxes, subsidies, and regulations.

For example, building up the infrastructure needed of global trade and of large urban centres are heavily subsidised, while the infrastructure needs of villages and local economies are neglected; the use of energy and technology are given tax breaks and incentives, while human labor is heavily taxed; global trade has been increasingly deregulated, while small producers and local businesses are often strangled in red tape.

Meanwhile, educational systems – universally considered a sign of societal progress – rarely focus on local knowledge of local resources, favoring instead specialised knowledge suited for exploiting the resources of a homogenized global economy.

In addition to focusing on indices of wellbeing, it is essential that we address the key role of taxes, subsidies and regulations in shaping the direction of the economy. To truly maximise well-being and societal progress, the current biases need to be reversed.

Helena Norberg-Hodge

“Conservation and other ecological practices in architecture and urban planning”

(case study for “Culture: an enabler for environmental sustainability”)

It is not news that the global population is steadily becoming urbanised. Before asking how planning can make urban areas more sustainable, we need to ask whether massive urbanisation is *itself* sustainable. If it is not, we also need to ask why it is happening, and what might be done to reverse the trend.

My case study involves the Himalayan region of Ladakh, where I have worked for much of the last four decades. Until the mid-1970s, Ladakh’s population and its economy were highly decentralised: the capital, Leh, with about 6,000 residents, was the only city; the rest of the population lived in self-reliant villages scattered along the Indus River and in valleys where glacial meltwater could be channeled for irrigation.

By all accounts, traditional Ladakh was the embodiment of environmental sustainability. Cultural practices and a worldview that emphasised interdependence kept population numbers stable and prevented the over-exploitation of the region’s sparse resources. Ladakhi was also socially sustainable: there was virtually no unemployment, crime, or group conflict, and no one went hungry. Despite living with only simple technologies in a harsh environment, the Ladakhis not only survived, they prospered sustainably.

When the region was opened up to development and tourism, change came quickly. Goods that people once produced locally (including food) were now being trucked in over the Himalayas; the cost of transport was heavily subsidized, making the imported goods cheaper than local goods, undermining the village-based economy. At the same time, media and advertising implicitly told the Ladakhis that life on the land was primitive and backward, and that the urban consumer lifestyle was “cool” and sexy. Diesel generators were brought in to provide electricity to the newly urbanised population, facilitating the spread of television sets, video players, electric cookers, and more. Education, which had once been informal, location-specific, and geared to the needs of rural life, was transformed into centralised, western-style schools that pulled children out of agriculture, training them instead for jobs in an urban economy.

None of these changes were inevitable: they were largely the result of government policies that diminished the viability of rural life while making the city the nexus of jobs and opportunity. And as the Ladakhis flocked to the city, their way of life became less sustainable. Environmental problems that had never existed in the traditional culture – from pollution of air and water to mountains of non-biodegradable waste – appeared almost overnight. The use of diesel, kerosene, cooking gas, and other fossil fuels exploded, and the streets of Leh became jammed with cars, trucks, and motorbikes. Other problems also arose: unemployment, homelessness, crime, ethnic conflict, resource shortages, and a suddenly growing population.

The economic policies that eroded Ladakh’s sustainable culture have impacted cultures worldwide, and lay behind the massive urbanisation taking place today in the global

South. These mega-cities are inherently unsustainable: not only have their populations adopted more resource-intensive ways of life, even basic needs – food, water, energy, building materials – must be brought in from great distances at great environmental cost.

If there is to be any hope of solving our planetary environmental crises, we need to stem the urban tide. Doing so will require a rethinking of policies currently endorsed by virtually every government. First, we need to question the subsidies for global trade – particularly investments in infrastructure – which have the effect of concentrating jobs and economic vitality in urban centres. We also need to rethink tax policies that currently provide incentives to businesses that replace human labor with energy and technology. We also need to reverse the deregulation of trade and finance, which gives the large and global an unfair advantage over the small and local, which are often strangled in regulatory red tape. And we need to rethink education, acknowledging that the supposedly “universal” knowledge transmitted through western-style schools robs children of the location-specific knowledge they need to survive and prosper, sustainably, in a particular place.

How Globalisation is Sending the World Mad

Helena Norberg-Hodge

For most of human history our survival has depended on intimate and enduring bonds of interdependence with one another and with the Earth. We evolved in tight-knit communities with a deep connection to the plants, the animals – the living world – around us. But today we seem to have lost our way: we're isolated from one another, and the natural environment has ended up little more than a source of distant resources to sustain consumer lifestyles. And all the signs are that we are less and less contented.

In order to shift direction from the destructive path we're on, it's essential that we look closely at the root cause of our social and environmental problems: an economic system that separates us further and further from one another and from nature.

Like most Westerners, I grew up under the impression that economic growth meant progress, and that the environmental costs of growth were unfortunate but necessary. After the Second World War, the government of my native country, Sweden – as well as almost every other industrialized nation – dismantled smaller-scale, diversified food production in favor of large-scale agriculture, and weakened community life in favor of rapid urbanization. As people found themselves living alone in high-rise urban apartments, the result was diminished biological diversity on the land, and a weakening of the deep ties between family, community, and the land. By the 1980s more than half of the dwellings in Stockholm were inhabited by one person living alone and, at the same time, the rates of depression, alcoholism and suicide were on the increase.

I might not have seen these links between the economy, community and the environment had I not had the privilege, as a young woman, of living in relatively intact local economies in rural Spain, Bhutan, and Ladakh (or Little Tibet). Though none of these societies were perfect, the changes I have experienced over the past 3 decades, show clearly that we are headed in the wrong direction.

I arrived in Ladakh in 1975, learned to speak the language fluently and lived among the people, almost as one of them. At that time, the Ladakhis still lived in large, extended families. I witnessed how they nurtured children in ways that led them to feel appreciated, seen and heard; this, in turn, led to a positive, relaxed sense of self. Intergenerational care and exchange was part of daily life, and there was much less fear of growing old than in the modern western world. Ladakh was no paradise, but because of the intricate webs of mutual support there was also less strain on individual relationships; there was more peace and collaboration, less strife and conflict.

I also observed how the benefits of being able to depend on one another within a community dramatically increase when you have real economic interdependence. Economic exchanges provide a structural relationship of give-and-take that binds people together in ways that provide material, as well as, psychological security. People were not only linked to one another, but to the rest of the living world around them. Their food, clothing and shelter were produced and traded within the region. Most

necessities were met within walking distance, providing a sense of empowerment at the local level. Overall, the Ladakhis were the most peaceful and contented people I had ever encountered - they sparkled with humour and vitality.

In the 35 years since I first arrived in Ladakh, I have seen how the outside global economy undermined their economy, culture and inner wellbeing. The changes I witnessed led me to recognise the connections between our economic system and overpopulation, overconsumption and a decline in human and ecological health. I saw how advertising and the media affected young children with the message: if you want to have the respect of your peer group, you've got to have the latest blue jeans, the latest Iphone, you've got to join the consumer culture, or else you're no one. Sophisticated advertising techniques developed by corporations in other parts of the world were in effect perverting a truly universal human need, the need to belong, to feel loved and connected, into a need to consume. And as children went down that path, the result was competition and envy, which in turn fuelled further consumerism.

At the same time as I witnessed the tragic psychological effects of a corporate led economy, I also saw the effects on the environment and employment. Products from the other side of the Himalayas sold for half the price of local products, destroying the market for local farmers, builders and shop owners, and this of course destroyed local jobs while all the transport and packaging polluted the pristine environment. Having had my eyes opened, I studied this process around the world, finding that the giant tobacco company Philip Morris was the largest food corporation in Sweden. And among other insanities, potatoes were being shipped by road to Italy to be washed, put in plastic bags and shipped back again to Sweden. Today, apples are flown from the UK to South Africa to be washed and waxed, and flown back again. I've discovered in the meanwhile that these are not isolated examples but part of a global process whereby local economies are being destroyed. In Devon, England, famous for its butter and cream, butter from New Zealand cost a third of local butter.

It is now increasingly recognized that a global casino of banks and corporations is threatening the viability of whole nation states. But the structural path to this irrational system has gone largely unnoticed.

Our tax monies have been used to industrialize and corporatize production in ways that have concentrated profits in the hands of giant corporations like Coca Cola and Monsanto, and big banks like Morgan Stanley and Goldman Sachs. To increase global trade, transport and energy infrastructures were built up to serve megacities and sprawling metropolises, while neglecting smaller cities, towns and rural areas. At the same time, governments from both the right and left signed on to trade treaties that opened their economies to outside investment, while scrapping laws and regulations designed to protect national and local businesses, jobs, and resources. In the process, national sovereignty has been relinquished to giant transnational corporations and undemocratic supranational bodies like the World Trade Organization (WTO) and the Bank of International Settlements (BIS). In the name of growth through increased trade

and comparative advantage, governments have blindly hollowed out their own economies.

The connection between the continuing *deregulation* of global corporations and banks - or *globalisation* - needs to be examined if we want to turn away from an economic path that today threatens our children's identities, our health, our jobs and, in fact, all life on Earth. The problem is not international trade per se, but the scale and power of global corporations. Whether it's gas fracking, CO2 emissions, plastic islands in the Pacific, extinction of species, clearcutting of rainforests, or the growth of poverty and social breakdown, the roots of our problems lie in the destruction of more diversified, and productive local and national economies.

The realization is growing that we need fundamental change. The political left tends to favor big government and strong regulations while being suspicious of big business, while the right favors big business and rejects big government. At the grassroots, however, *both* are being rejected, creating a vacuum and uncertainty. By strengthening the economy at the community level, the growing localization movement is beginning to provide some answers.

Localization for community and the environment

At its core, localization is about shortening the distances between production and consumption, while also encouraging smaller scale and more diversified production – particularly in food, farming, forestry, and fisheries. All forms of primary production are expressions of a society's environmental stewardship or lack thereof. Yet, it is the way we produce food that provides an ideal example of the differences between global and local economies.

The global food system is extremely energy-intensive and inefficient, wasting precious fossil fuels to needlessly ship identical products around the globe. It has systematically driven people from the land, increasing both unemployment and urbanization in North and South alike. It is behind the absurd distribution of food, which causes starvation in one part of the world and obesity in another. Because the global food system is homogenizing diets and food production worldwide, biodiversity is under assault and food security is increasingly at risk.

The continued expansion of the global economy means that local food rarely accounts for more than 10 percent of total consumption. This is a dangerous position to be in: it is estimated that with any major breakdown in infrastructure or supplies of transport fuel, people in most parts of the world will be scrambling for food within three days. For environmental, economic, and survival reasons, we should be aiming to meet 60-90 percent of our food needs locally or regionally, depending, of course, on the agricultural capacities of the local area.

The local food movement has shown that rebuilding local systems provides huge benefits for both communities and the environment. A report co-authored by Michael Shuman, an economist with the Business Alliance for Local Living Economies (BALLE), looked at examples of locally-owned food initiatives around the world. Community food enterprises not only helped build local skills and economic networks, but provided tastier,

fresher food and cheaper delivery costs. As just one example, the study found that a \$470 share from a CSA provided the equivalent of \$700 of produce bought at a store. Further benefits of these projects included a closer relationship between producer and consumer, and incentives for the farmer to diversify production to meet consumer demands.

Diversified systems help to sustain the numerous crop varieties that ensure long-term food security. They also lend themselves better to organic methods, which translates into greater biological diversity on the farm and in the surrounding environment. They provide more job opportunities, with people power replacing the use of chemicals and gas-guzzling machinery. Finally, small, diversified farms can actually produce more food per acre and unit of water and energy than large, industrialized monocultures. Thus it is clear that local food is one of the most vital links between healthy communities and ecological stewardship.

Going local

There is a heartening movement now of young people choosing to grow food. They are debunking the myth that farming is drudgery and non-stop, backbreaking labor. When farms are smaller scale and more diversified the work can be far more healthy, rewarding and enjoyable than sitting at a computer all day.

There are numerous other examples of localization in action: local business alliances, local investment and finance strategies, Local Exchange Trading Systems (LETS), co-operatives, locally-run farmers markets, credit unions, and municipal bonds. However, many widespread assumptions – often cultivated by vested interests – continue to undermine the localization movement. They include charges of isolationism, elitism, and NIMBYism. I believe there is a great need for think-tank/awareness-raising activities to counter these reactionary ideas.

Think-tanks could help to debunk a pervasive myth that undermines localization in both North and South: that poverty in developing countries will be reduced through ever more global trade. After years of colonialism and debt enslavement, it would make more sense to free people up to use their labor and precious natural resources to provide for their own needs as a first priority. To pretend otherwise merely serves the interests of those who stand to profit from exploiting the cheap labor and resources of the global South.

The localization movement could also be strengthened by promoting a deeper and broader understanding of how our current crises are linked to the global economic system. Localists have been very action-oriented, which has been essential in establishing many thousands of encouraging initiatives around the world. However, devoting resources to raising awareness about the social and ecological benefits of localization, as well as alerting people to the pitfalls of the global system, could help make all of our efforts more strategic and effective.

Communities that go local are not turning their backs on the poor; rather, they are giving themselves and others the opportunity to become community-reliant rather than dependent on distant bureaucracies and corporations. There is no fundamental trade-off between ecological and human needs. By going local, we can organize our economies

around the ideas of interdependence and diversity, at a more human scale and human pace. By acknowledging what we lost when we abandoned community life and more diversified economies, we can redesign our societies – not by going backwards, but by embracing our ecological roots and our common humanity.

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