

Pulling it all together: imagining a new future for Northland

Tēnā koutou katoa.

My name is Clive McKegg. I grew up around Whangarei, and have spent time living in Kaikohe and Doubtless Bay. I am a trustee of Local Food Northland along with Peter and Jeff. As we reach the end of our time together I want to try to start bringing together what we've talked about.

Standard thinking for increasing the economic wellbeing of Northland tends to emphasise increasing exports and tourism and attracting investment from outside of the region.¹ All well and good. But what if there is a more sustainable path to a vibrant economy with full employment - maybe not so flashy for some but perhaps more satisfying for more of us? What if we focussed on cultivating a more internally focussed local economy where external trade is a healthy bi-product rather than the central goal?

In his book *Going Local - Creating Self-Reliant Communities in a Global Age*², (which Jeff has already quoted) author Michael Shuman³ says:

"Going local does not mean walling off the outside world. It means nurturing locally owned businesses which use local resources sustainably, employ local workers at decent wages, and serve primarily local consumers. It means becoming more self-sufficient, and less dependant on imports. Control moves from the boardrooms of distant corporations and back to the community, where it belongs" (p6)

He gives evidence and examples from around the world suggesting that higher levels of reliance on the global economy is often a slippery slope into loss of autonomy, community powerlessness and accompanying worsening social and economic outcomes - hooked to the train wreck that is the global economy. Concentrating on generating a vibrant local economy instead empowers a community to feel as if it is able to address its own problems, and is not, as Shuman says, at the mercy of distant corporations who will happily bring us down to prop up their million dollar bonuses.

"The only way communities can ensure their economic well-being is to stop chasing multinational firms with no community loyalties, and start investing in community corporations. Prosperity follows when ownership, production, and consumption become intimately connected with place." (p7)

Shuman suggests the following approach:

- develop clear shared values and goals to benefit our region over as wide a consensus as possible,
- assess our assets and resources;
- build those up through minimising leakage
- enhancing co-operation between local government, businesses, training institutions and;
- out of that to develop a new "normal".

¹ For example in the *Tai Tokerau Northland Growth Study (2015)* <http://www.med.govt.nz/sectors-industries/regions-cities/research/regional-growth-programme/Tai%20Tokerau%20Regional%20Growth%20Study.pdf> - virtually all of the Industry Opportunities identified were around attracting wealth from outside the region.

² *"Going Local: Creating Self-Reliant Communities in a Global Age"* (Routledge, 2000)

³ *Michael H. Shuman is an economist, attorney, author, and entrepreneur, and a globally recognized expert on community economics. Shuman is currently Director of Community Portals for Mission Markets and a Fellow at Cutting Edge Capital and Post-Carbon Institute. He's also a founding board member of the Business Alliance for Local Living Economies (BALLE). He is also an adjunct instructor in community economic development for Simon Fraser University in Vancouver.* <http://michaelshuman.com/>

He has some great examples of cities and regions abandoned by large industry who have faced social and economic disaster, but instead assessed what was left and found ways to recover a more buoyant local economy. His hypothesis is that the costs of courting large-scale overseas investment is too high. The advantages are temporary at best. A long-term, robust economy is founded instead on solid, locally owned sustainable businesses.

The final chapter in the book addresses ten steps toward community self-resilience - This is like a twelve step programme for recovering addicts - from our bingeing on "cheap" imports and addiction to a global economy that is unsustainable at best and at worst is rapidly becoming the means of our extinction. There is actually a direct connection between the spread of the global economy to addiction of all kinds.

One of the connections that I've studied that for me, really cements my commitment to localisation is expressed by Bruce K. Alexander, Professor in Psychology Department, Simon Fraser University, Burnaby, Canada in his book "The Globalization of Addiction" where he says:

*"Dislocation is the condition of a great number of human beings who have been shorn from their cultures and individual identities by the globalisation of the "free-market society" in which the needs of the people are subordinated to the imperatives of markets and the economy. Dislocation afflicts both people who have been physically displaced, such as economic immigrants and refugees, and people who have remained in place while their cultures disintegrated around them. Dislocation occurs during boom times as well as recessions, among the rich as well as the poor, along capitalists as well as workers."*⁴

Just as colonisation resulted in massive social dislocation and invariably social and addiction problems, so Globalisation is effectively Colonisation 2.0 - at the heart of our serious social dislocation and with that all the fallout of displaced, disempowered, disenfranchised people - addictions, violence, crime, community breakdown. Not just among the poor, but as he says at all levels of society as more traditional social capital and cohesion is deliberately eroded to make us easier to be marketed to and exploited. Another writer says:

*"As we move further down the road to giantism, globalism, and dependance, we make it harder and harder to back up and take another path. If we lose our skills, our productive base, our culture, our traditions, our natural resources; if we erode the bonds of personal and familial responsibility, it becomes even more difficult recreate community. It is very, very hard to put Humpty Dumpty back together again."*⁵

In this rest of this talk I will explore how we are adapting Shuman's ten step recovery programme to Northland. I just want to focus on the first four steps today.

Step 1: Identify shared values (A Community Bill of Rights)

By this he means developing a shared vision of a better future, asking questions like: What do we want to produce? How? Where? What kinds of goods and services are necessities? What should be our standard of worker rights and wages? What should be our stand on preserving our land, water and sea? What kind of ownership structures will best serve our community well-being? He says:

"...It enables residents to assert, fundamentally, that ends come before means - that businesses are welcome if they serve the community. It creates a set of public norms about commercial behaviour that protects the public and provides fair notice to corporations. A business's faithfulness to the Rights. while voluntary, carries consequences. Every time a citizen considers making a purchase...he or she will have the list of qualifying companies in mind." (p182)

⁴ Bruce K. Alexander, *The Globalization of Addiction*

⁵ David Morris in - *The Case Against the Global Economy and for a Turn Toward the Local*

Defining the goals of our community will determine the ends to which we use our assets. We get to choose! We vote with our spending and consumption. If for instance our goal was the maximisation of short-term wealth into the hands of a few people it would make sense to sell off our capital assets, or to exploit them as quickly as possible, treating our communities, our people and environment as raw materials to be burned up and discarded. Of course very few would see that as desirable, yet often it seems that the need for short-term results in a world demanding ramped-up industrial-scale production for a global market has pushed us towards this kind of thinking.

If our goal on the other hand is the long-term well-being of our place and of our descendants we would do our best to preserve and build up our capital. We would ensure we maintained diversity of skill-sets, diversity of agriculture, horticulture and manufacturing. We would preserve our waterways, seas, ground-water, air and soil. We would ensure our fishing grounds and forests were harvested in a way that increased rather than decreased their long-term viability. We would retain local ownership of our lands and businesses. We would ensure that irreplaceable resources like minerals were used in a way that would enable them to be recycled to get the maximum from them for generations. We would put great care into passing on values, culture and skills to our young people so that they - our greatest assets - would have a future in the place they sprang from.

These values resonate with Maori tikanga. There is a natural fit between principles of localisation, sustainability and Iwi values making way for a strong partnership between Maori and so-called "mainstream" economics around these values. For example this is from Rangimarie Price in her 2015 report on the Taitokerau Maori Economy:

*"Uppermost is the sanctity of life because of divine origins. Thus the obligation to uphold the mana and wellbeing of people and the life supporting capacity of Papatuanuku in perpetuity is non-negotiable."*⁶

Localisation emphasises community and environmental values. These include (from our business plan document):

- Retaining local ownership of our lands and businesses, to the greatest degree possible, thus reducing leakage of wealth out of the region and enhancing self-determination;
- Maintaining a diversity of skill sets in such areas as agriculture, horticulture and manufacturing to reduce dependence on fragile and expensive supply chains and increase local jobs;
- Optimising irreplaceable resources, by using/recycling them in a way that enables them to be of use to future generations;
- Preserving and enhancing our waterways, seas, ground-water, air and soil so that they will continue to meet the needs of our descendants;
- Ensuring our fishing grounds and forests are harvested in a way that increases rather than decreases their long-term viability;
- Rethinking all our processes at an overall systems level so as to eliminate, or at least minimise, waste; (Laupepa and Carol are working on this)
- Education and training around the benefits of localisation backed by sound research to change the entrenched TINA mindset (There Is No Alternative);
- Passing on of values, culture and skills to young people so that they may have a strong personal identity and a future life in the place from which they originated if they choose to;
- Viewing economic systems from an organic, whole-system perspective - permaculture style;
- A commitment to healthy collaboration for the good of the community as a whole.

We have started a project to develop a networking database of Northland organisations who subscribe to these kinds of values built on local ownership, production and trade so that individuals, businesses and social enterprises that are on-board with these values may support one-another and build clusters for powerful synergies that this collaborative energy brings - Sean Stanley is working on this and the first version will be released shortly. A specialist on cluster development, lead a workshop for Northland Inc in Whangarei a couple of years ago. Joseph Stuart from Northland Inc is working on this:

⁶ See *He Tangata, He Whenua, Ho Oranga, An Economic Growth Strategy for the Taitokerau Maori Economy* http://www.terarawa.iwi.nz/uploads/7/4/6/3/7463762/growth_strategy_141214_final.pdf, February 2015, p22.

“...from an economic development perspective, the evidence is clear that with strong clusters comes growth in employment.... economies with strong clusters have higher levels of innovation, higher productivity, more entrepreneurship, more new business start-ups, higher export and economic growth, higher wages and better productivity.”⁷

Questions to consider:

- How do we develop these values and who should do it?
- How do we ensure widespread involvement and consensus?
- How do we keep these in the public eye, retaining an ongoing focus?

Step 2: Taking stock (The State of the Region Report)

This is about taking stock of what our city, town or region is and has. Every community has resources, assets and culture that are capable of being revived and empowered. Sometimes we forget how blessed we are in Northland in terms of climate, resources and history. Shuman recommends recording and publishing this to remind ourselves of who we are and what we have. This not only gives us a starting point for moving forward, but inspires a new sense of collective identity.

“Virtually every community... has a gold mine which economists have yet to discover. Along its veins and other deposits may be found unemployed human resources, underused civic institutions, and discarded economic assets.... Many kinds of human assets now lie fallow..... the inventiveness of the young, the forgotten skills of retirees...tally the inanimate objects that have been all but written off: empty buildings, idle machinery, wasted energy...” (p184)

Our natural resources include our soil, our waterways and water reserves, our seas, our forests, our plants, birds and animals, our history, our skill-sets, our experience, our culture and the raw materials provided for us to make things that we need. We also have existing infrastructure in terms of power reticulation, roading, harbours, and modes of transport (vehicles, boats, planes etc). We also have our people. In fact this is not just about one report but gathering together of information and commissioning new reports to fill in the gaps. Peter’s reports on the Growers Market and his subsequent research have given some answers, but like all good research they help us to ask the right questions for more study.

We need research around our local renewable resources, non-renewables, community organisations, measures of current exports and imports, indebtedness and investment on a region-wide basis and so on. This is not so much about finding answers, but identifying where we are at – that in many ways we are richly resourced, but just need co-ordination and vision for that to be utilised in a sustainable and empowering way for the whole community.

This requires research and coordination – an essential part of the process. In 2015 the Ministry of Economic Development commissioned the Tai Tokerau Northland Regional Growth Study Opportunities Report⁸ collecting much data around the Northland economy and environment. The information provides a great resource for a State of the Region Report. In the summary of findings the authors of the report state:

“While the report recognises that there is no “silver bullet” or industry that will transform the Northland economy, it recognises that the Northland region has significant untapped potential.”⁹

⁷ If for Ffowcs-Williams, *Regional Cluster Initiative in the Pacific - Cluster Development and Management Manual*. <http://cdn-asset-lax-1.airsquare.com/clusternavigators/limited/library/cluster-development-manual-pipso.pdf?201505182349>, November 2014.

⁸ *Tai Tokerau Northland Regional Growth Study Opportunities Report*. <http://www.med.govt.nz/sectors-industries/regions-cities/research/regional-growth-studies/Tai%20Tokerau%20Regional%20Growth%20Study.pdf> February 2015

⁹ *Tai Tokerau Northland Regional Growth Study Report - Questions and Answers* <http://www.med.govt.nz/sectors-industries/regions-cities/research/regional-growth-programme/Q-As.pdf> pg2

The report stresses that there is no One Big Answer for Northland, but as a region of great diversity there are many, many small answers that together can bring sustainable well-being. Diversity is always better anyway! Remember the Irish potato famine! My tupuna came to New Zealand on waka from Ireland very likely came because of the starvation and destruction of their community and economy due to greedy corporations forcing the Irish into monoculture cropping! This is not a recent problem.

Questions to consider:

- Who will do this work of developing the current data into report written from a local resilience perspective?
- How do we ensure widespread involvement and consensus?
- How do we keep this in the public eye once it is complete?

Step 3: Identify who is leading the way and learn from them (Anchor Corporations)

From this State of the Region Report, Shuman says, there will be obvious ripe business opportunities. Unmet needs suggest new markets for local businesses. Under-utilised or poorly utilised resources may then be matched with people with ideas but lacking capital or land – unused buildings or land for instance, discarded goods that may be recycled or up-cycled. Import replacing businesses will begin to emerge based on a joint commitment made at step one. This is where a few companies must step up as champions to point the way forward. He says:

“The existence of one or two successful community corporations – using local inputs, producing quality goods, operating in harmony with the environment, selling to local consumers, treating workers well, delivering profit to local shareholders – should inspire others to follow... As they increase the demand for inputs to production, new firms will be motivated to set up shop.” (p187-188)

In Northland we have a great example of a Social Enterprise that has lead the way in CBEC¹⁰ (Community, Business and Environment Centre). Based in Kaitaia, CBEC has ventures throughout Northland - such as Eco Solutions here in Whangarei which is where Ruth serves. With a focus on creating employment and running community services (transport, home insulation, solar power, conservation and recycling) in a sustainable way they have proven the viability of the Social Enterprise model in Northland.

North power¹¹ is another successful, long-standing community owned enterprise that has proven the feasibility of vibrant and viable local ownership and management. Based in the Whangarei and Kaipara areas Northpower returns profits from its electricity and fibre communications businesses back to the local community.

The Whangarei Growers Market is effectively a cluster of local growers who have developed a worldwide reputation, attract visitors to Northland and have a significant impact on the local economy.¹² The Kai Kohekohe food co-op and night market is a great new initiative (Mike Shaw), Sean Stanley’s Whangarei Food Co-op¹³ has proved to be a successful model and the software he has developed is being used elsewhere in NZ. George Lavich’s Fresh Food Collective and ¹⁴new Whangarei Wednesday market is going well. Plus there are numerous markets and initiatives springing up across Northland. And some great cafe’s and restaurants committed to local food.

¹⁰ <http://www.cbec.co.nz/>

¹¹ <https://www.electricitycareers.northpower.com>

¹² <http://www.northtec.ac.nz/news/2014/thriving-growers-market-part-of-whangarei%E2%80%99s-social>

¹³ <https://foodcoop.nz/>

¹⁴ <http://www.freshfoodcollective.com/>

Questions to consider:

- How do we identify more of these type of organisations?
- How do we champion the work of these as models to be emulated?
- How do we network these and other organisations together in clusters for increased effectiveness?

Step 4: Community friendly business schools and business mentoring

Most people who have been employed by large companies all their lives or have been unemployed haven't had the opportunity to learn the skills of business ownership. The availability of coaching and mentoring around the values identified at step one has been rare in the past. Shuman says:

"The transformation of business schools and university economics departments is another imperative. These institutions now celebrate personal profit over community service....Economics and business need to become professions with the highest principles of charity and public service." (p189)

Fortunately we have organisations like Akina Foundation who are leading the way in ethical Social Enterprise and locally Northtec is playing a significant part in sustainable development and training - sponsoring Peter's studies such as of the impact of the Whangarei Growers Market¹⁵ and providing us with the venue for this conference for free. We welcome the participation of Massey University in this conference and Johns Hopkins University.

Collaborative work-spaces like The Orchard¹⁶ funded by Northland Inc and the Northland District Council are being developed in Northland with this type of new approach in mind with business mentoring and sustainable development as an integral part.

Traditional business training has often been framed in terms of unsustainable industrial driving forces. There is a great need for new models of collaborative economics and new reporting paradigms that fit with the realisation that this old model is being superseded. From the accounting world where I come from there is a big move towards new forms of reporting that include all the "externalised costs" that traditionally have been outside the scope of accounting, and have driven the commodification of everything including human life. Can accountants save the planet? You bet!

From my background as a Chartered Accountant in Northland I have seen the common disconnect between inspired people with exciting ideas and the realities of compliance with regulations and reporting requirements. There is a great need for mentoring and assistance with development, birthing and incubation of new ventures - not just large scale but micro-enterprise owner-operated and family business ventures which provide a naturally nurturing environment for community well-being and care for our young people. There is need to for assistance with GAP compliance for small growers which I know is something Joseph is working on.

Questions to consider:

- How do we maintain effective open channels with these organisations?
- How do we encourage and develop focussed small-business mentoring and tools?
- How do we fund new incubators and development of new tools?

From here?:

¹⁵ <http://www.northtec.ac.nz/news/2014/thriving-growers-market-part-of-whangarei%E2%80%99s-social>

¹⁶ <http://www.theorchard.co.nz/>

In the two years since I prepared the original version of this paper¹⁷ we have seen massively encouraging signs in this movement. The breadth of networking and support we have received has been phenomenal, as we see today by the fact that we are meeting and the diversity of this gathering. We are truly into the edge of exciting times - scary yes - but exciting. I just want to leave you with a quote from another of my favourite authors, Wendell Berry, that to me reflects the paradigm shift that we need to embrace. He says:

"The standard of the exploiter is efficiency; the standard of the nurturer is care. The exploiter's goal is money, profit; the nurturer's goal is health - the land's health, his own, his family's, his community's, his country's...The exploiter wishes to earn as much as possible by as little work as possible; the nurturer expects, certainly, to have a decent living from his work, but his characteristic wish is to work as well as possible." (Wendell Berry, "The Unsettling of America" - from The Art of the Commonplace)

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¹⁷ <https://localfoodnorthlandorgblog.files.wordpress.com/2015/10/going-local-ideas-for-northland-24-july.pdf>

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