

DIVERSITY, LOCAL ECONOMIES, AND GLOBALIZATION'S LIMITS

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### I. Introduction: The Limits of Globalization

Ever since Malthus and Marx, some political economists have predicted a dire end for capitalist economic systems. Insofar as globalization represents capitalism to the nth degree, its demise is also debated using many of the same positions and much of the same rhetoric. To the traditional Marxist arguments that increasingly-exploited workers cannot consume all the goods produced in capitalist factories, and that the workers' own physical survival becomes threatened by their powerlessness in conjunction with the competitive profit motive of the propertied class, commentators in the late-20th century have added an environmental objection to globalized capitalism (see Altvater, 1993; M. O'Connor, 1994; Dauncey, 1988; Douthwaite, 1996; Sachs, 1993). The "second crisis of capitalism", in James O'Connor's phrase (1994), involves capitalism's growing demand for raw materials as these become increasingly depleted; production from nothing is a physical impossibility. Moreover, pollution and waste disposal may pose an even greater threat than resource depletion to the continuation of 'business as usual' (Altvater, 1993:182-184).

Subsets of these arguments include the "Limits to Growth" debate dating back to the 1970s, as well as the view that energy shortages, and in particular the depletion of fossil fuels, will spell doom for globalized capitalism. Countering these positions are the arguments of technological optimists who believe that substitutes for depleted raw materials and alternatives to polluting production techniques will be discovered as rising prices make these viable.

Much of the debate about globalization's limits, thus, centres around questions concerning the *political viability* of increasingly-inequitable social systems and the *environmental sustainability* of an exponentially-growing global economy.

However, there are two additional potential threats to globalized capitalism which deserve discussion. The relative absence of these considerations from mainstream debates on the future of capitalism is probably related to their gendered nature and implications. They fall under the two rubrics of *cooperation* -- the ability of the globalized economic system to maintain its ability to communicate, 'get along', and organize its activities at a fundamental inter-personal level -- and *resilience* -- the global system's flexibility and strength in the face of unexpected crises and stresses from a variety of sources. In both of these areas, globalization as an economic organizing system is quite vulnerable.

In the remainder of this paper, I would like to explore these two types of issues and discuss them from a gender perspective. Using metaphors and models from ecology and ecological economics, as well as insights from feminist economic critiques, I hope to weave together ideas

involving economic alternatives, local economies, and feminist theoretical contributions to the discussion concerning a sustainable replacement for capitalist globalization.

## II. Cooperation

Organizational theorists are well aware of the difficulties inherent in managing huge systems; the challenges of organizing the work of giant corporations, international organizations, and government bureaucracies are thoroughly discussed in business schools worldwide. This is usually seen as a management problem which can best be handled hierarchically, through the construction of incentive structures and rational human-relations policies as well as the latest technological communications infrastructures.

However, a somewhat different kind of organizational problem has far-reaching implications for globalization even though it is apparently much smaller in scale. This is the ability of individuals and groups of people acquainted with each other to work together, understand each other, and join forces at an interpersonal level to produce goods and services in ways which utilize individuals' strengths. In so doing, they can reduce wasted time, effort, energy, and materials; take advantage of the personal fulfillment that comes from enjoyable accomplishment and from working together well; and span job descriptions, categories and sometimes even social classes.

Corporate managers have attempted to capture these sorts of gains by organizing 'production teams', where workers can switch jobs, make innovations, depend on each other, and work at their chosen pace; 'Total Quality Management' and related strategies are also aimed at injecting some flexibility into the work-structure to take advantage of human beings' positive response to some degree of autonomy and control over their day-to-day environment.

What is missing from such approaches is the central role of particular individuals themselves -- each with his or her special skills, propensities and motivations. The best-designed management structure and the most seamless communications network will not function as intended if the individuals within the system do not have the ability and desire to communicate and work together with the others in their immediate group.

From a 'human relations' point of view, the solution is simple: just don't hire uncooperative employees. Individuals are the proprietors of their own human capital, the story goes; if needed, they will change and adapt to fit the needs of the labour market. But this is an example of the kinds of "sticky" situations which abound in capitalism, preventing the smooth functioning of ratchets of all kinds: it's very hard to modify human personalities. Someone who is (or is labeled) uncooperative and hard-to-communicate-with, and who has that reputation with co-workers, will probably find it very difficult to change within the system. Even if such people end up unemployed -- rejected by the globalized capitalist labour market -- they are still a drain on the overall economy; the skills they have are wasted; and they can also gum up nearly any process by objecting, grieving, returning goods, clogging customer help lines, and otherwise

causing inordinate trouble which requires huge amounts of time and resources to rectify.

The more such uncooperative people there are (and the higher their proportion in relation to those obliging souls preferred by corporate management systems), the less sustainable the overall economy. Because of the growing complexity of the global system – with ever-increasing forms of human interaction as well as more opportunities for disgruntled people to “mess things up” – this kind of problem is pressing.<sup>1</sup> In my view, it may rank with resource depletion and pollution as a significant threat to the sustainability of capitalism. Despite the offloading by governments of much social responsibility under the guise of structural adjustment, and just as with escalating pollution and wastes, on a finite Earth there is no “away” to throw the economy’s rejects. The only real solution is not to produce them in the first place.

People learn cooperation (or conversely, they learn how not to cooperate) in their early years, at home or daycare. The socialization of the workforce is now even more important than the preservation of its physical survival was in Malthus’s day. While people can change their actions as adults, the behaviour patterns and skills laid down in childhood are crucial. These skills can also be enhanced and developed in fair, caring and democratic communities where negotiation and conflict resolution are valued, and where those with such skills are recognized and respected.

A sustainable global capitalist system would take precautions to ensure that its human workforce is not only physically as healthy as possible, but also emotionally mature and able to interact to meet the needs of the system’s complex work-organization and communications systems. The ‘sustaining service’ (to use Sabine O’Hara’s term) of child-rearing, education, socialization and community-based conflict resolution may serve as a key constraint on globalization (O’Hara, 1997).

Moreover, like resource depletion and pollution, the erosion of communications skills and cooperative behaviour in the human population represents a “positive-feedback” process (each stage feeds on the one before) which has the potential to spiral out of control. Prenatal and child care expenditures, allowances and services are usually last-added and first-cut from budgets stressed by the competitive pressures of globalization. This is true whether children are cared for at home, collectively, by the private or the public sector. And just as for resource depletion and pollution, the implications are long-term, lasting one generation (approximately 75 years) and probably much longer due to intergenerational effects.

Globalization-related pressures on communities -- local governments and neighbourhoods -- are likewise reducing their potential to meet all members’ needs and make collective decisions

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<sup>1</sup>I am distinguishing here between politically-motivated acts of sabotage, for example, and personal grievances, although I do not mean to imply that there is not usually a spectrum linking the two.

democratically (thus training their members in cooperative behaviour and skills). For example, cuts to social services, women's shelters, recreation programs, and "rationalization"-motivated reductions in local-level autonomy and diversity within urban areas all reduce individuals' commitment to and familiarity with collective decision processes. We are all becoming de-skilled in conflict resolution, communication, and the ability to reach across differences to find solutions to complex interpersonal problems as they arise.

The threat to globalization -- or, viewed from another perspective, the impetus for its transformation -- lies in the reality that such organization and cooperation skills are increasingly-needed, at all levels within the workforce and society at large, in order to handle the growing complexity of globalized production, consumption, distribution and waste disposal. No degree of 'management' or centralization can substitute for the widespread diffusion of these skills in individuals across society.

### III. Resilience

A second type of 'sustaining service' which is eroded by globalization is the system's ability to 'land on its feet' in the event of an unpredicted crisis or catastrophe. Ecological theory speaks of the importance of a diversity of species and functions in ensuring the preservation of the whole community -- but redundant or 'extra' abilities are usually cut from corporate budgets in the name of streamlining. Human skills and flexibility -- being able to do many useful things -- have mainly gone by the board; we are all extremely specialized in what we can do and therefore also dependent on others, often others who are geographically very far away.

In the event of a global economic collapse which disrupts trade, finance, and other systems, many people will have to either do without accustomed goods and services, or dredge up the memory of how to provide them, or their substitutes, at home. The resilience and risk-preparedness that comes from social diversity, depth of experience and practical skills at the individual and community levels, and problem-solving creativity, has largely been erased in most urban societies. Even the technologies on which people are highly dependent are mysteries to most; repairs and instruction in how to use them are the responsibility of highly specialized workers.

From a bioregional and ecological perspective, however, cultural and biological diversity is a natural response to climatic and geographical differences across the earth's surface; cultural and biological diversity have evolved together (Coleman, 1994:126; Rajan, 1993:59; Bormann and Kellert, 1991:39). Ecologists detail the role of diversity in increasing an ecosystem's stability and chances of survival in the face of climatic or other shocks (New York Times, 1995; Bormann and Kellert, 1991:13). Diverse human cultures have played an important and largely unrecognized role worldwide in protecting plant and animal diversity, especially for species which are used as food (Rajan, 1993:66,72).

Humility vis-a-vis nature is linked to respect for other human cultures and diversity; cultural and

social diversity allows for, accompanies, fosters and makes possible the growth of other ecological values (Coleman, 1994:150-159). "Green politics" is characterized by acceptance and embracing of functional differentiation, pluralism, decentralization and complexity; it is designed to unite diverse viewpoints in a cooperative participatory democracy leading to a deepening of community (Pepper, 1993:227; Coleman, 1994:150,164). To quote Earth First! founder Dave Foreman, "If diversity is good for an ecosystem, it's good for a social movement as well!" (Forsey, 1993:4).

New models of wealth involve wide variation in meeting ecological realities, a "new elegance" in respecting subsidiarity, anti-uniformity, and a "credo of diversity" (von Wiewsacker, 1994:207-211). Diversity must be deliberately fostered to permit adaptation to future surprises (Norgaard, 1992:86; Yap, 1989:10).

The personal specialization produced by industrial development and globalization has therefore come at a high price in terms of the economy's resilience in the face of potential crises.

While most ecological economics and Community Economic Development (CED) literature speaks favorably of social diversity as a goal, mention can also be found of the difficulties this can pose in practice for achieving consensus in decision-making processes. For one thing, differences can make "community" hard to achieve (Forsey, 1993:xi). A non-hierarchical process, "honoring what everyone can bring to the group", takes time and care, and conflict mediation skills may be necessary (Sandhill, 1993:77; Andruss and Wright, 1993:109). Moreover, decentralized communities may have the potential to become anti-woman, racist, anti-Semitic, and otherwise repressive (Wallace, 1993:57). Social change may seem easier to accomplish in a group of like-minded people (Cousineau, 1993:71; Johnson and Tait, 1993:87). This points up an important link with the development of cooperation and communication skills, as mentioned above.

Despite -- or perhaps because of -- the effort sometimes required to achieve it, the acceptance and welcoming of diversity in communities is a sign of their health; the skills required to mediate and develop community amidst diversity are extremely valuable for community stability (Coleman, 1994:121; Adair and Howell, 1993:37; Cousineau, 1993:71; Johnston, 1994:229,234-5).

It is a common theme in virtually all writing on CED, "Green CED", and ecological economics that social diversity, mirroring and enhancing biological diversity, is desirable, beneficial, "natural", and to be cultivated.

The following section discusses the feedback relationships between globalization, communication/cooperation, and resilience.

#### IV. Negative Feedbacks and Local Economies

Globalization is driven by a set of interlocking 'positive feedback' processes which reinforce each other: overproduction, advertising, overconsumption, growing energy use and resource throughput, specialization, income inequality, mechanization, unemployment, social alienation, political and economic centralization, deregulation, trade, apparent economic growth.

However, there are also negative feedback loops at work in the global system -- processes which tend to act as a brake on growth and to reduce its insalubrious effects on income distribution, resource depletion, local political processes, and the natural environment. The economics of self-limiting systems is not well-developed, but -- flowing from work in ecology and biology -- new theoretical approaches to understanding self-limiting economic systems are becoming more widely known (Peet, 1992:75-76; Krugman, 1996:2-5; Magnusson and Ottosson, 1997:44-50; Leydesdorff and Van Den Besselaar, 1994:16).

A central theme of ecological economics, especially in contrast to the neoclassical paradigm, is to ask "What is the sustainable scale of the economy? How large can the global economy grow as a subsystem within the environmental limitations of the earth?" Negative feedbacks are a useful metaphor for the kinds of processes which are needed in the transition to a sustainable global economy.

The essence of the concept of a negative feedback is that one step in a process leads to a second step which has an opposite effect on the overall system. For example, in a plant or animal, increases in age and physical size eventually lead to hormonal changes which halt further growth in stature. The factors involved in natural negative feedbacks include biochemical changes, hormones, and genetic coding, which spark changes in response to environmental signals such as light, solar and lunar cycles, nutrient availability, and biochemical information from within or outside the organism.

In economies, the price system can operate like a negative feedback if markets are competitive: scarcity of a resource or good leads to increasing prices, reduced demand due to substitution, technological change, and shifts in consumer preferences; the economy gets by with less of the scarce resource and its price may even fall again. Absolute physical limits on the supply of natural resources, commodities, human skills and social characteristics, however, have the potential to disrupt the smooth operation of this equilibrating negative feedback system, even where markets are competitive.

Other negative feedback processes involved in reducing the resource demands and environmental impacts of the global economy include the growth of the service sector, changes in consumer demand patterns, industrial ecology initiatives, LETS systems and local, community-centred economies, technological democratization, and the effects of growing instability in world markets. Local-level -- not national -- policy initiatives, and community-based or non-market actions, are central to many of these feedback mechanisms; disaggregated, specific and contextualized study of economic processes is needed in order to understand them. This includes knowledge of the particular goods and services which are being produced and traded, the details of production processes, and the social and environmental conditions under

which they are produced.

Problems with organizing and coordinating the global economy, stemming from the erosion of communications skills in individual people, can act as a negative feedback on economic growth by causing inefficiencies and costly mistakes. The larger the corporation, government, trade bloc or other economic unit, the greater the systemic effects of such coordination problems. Likewise, increasing centralization and homogenization of the global economy tends to reduce its resilience and risk preparedness, which (if recognized) increases insurance costs and/or (if unrecognized) increases the whole system's vulnerability to crises and unpredicted collapse.

The growth of the global capitalist economy is constrained not only by the available terrestrial supplies of raw materials for production and safe sites for waste disposal and assimilation; economic growth is also constrained by the supply of well-developed human skills which make possible communication, cooperation, negotiation, valuation of diversity, and social and economic resilience. The mounting, globalization-related shortage of all these factors -- both physical materials and human skills -- may provide an opportunity to redefine the kind of social and economic development which is understood as desirable and to move away from throughput-intensive economic growth as a primary indicator and goal.

## V. Diversity, Gender and Limits

There are clear gender implications in all of this, at both the theoretical and the practical levels. I would like to discuss just five of them in this section.

First, as noted above, the "skills" component of the factors limiting growth has been much neglected in the literature. Its importance has been downplayed and undervalued. It goes largely unrecognized in most mainstream discussions of globalization, though women's theoretical work tends to be more likely to take relational, non-physical measures of economic change into account (McCloskey, 1993; Cuomo, 1998; Adam, 1998). Because skills are imparted through interpersonal interactions, and much of the training needed for cooperation usually happens in early life, which is culturally and traditionally the realm of women, avoidance of this aspect of economic function implies a reluctance to acknowledge and legitimize the crucial importance of women's work in transmitting interpersonal skills.

Second, the failure to "see" the importance of human skills reinforces the gender-based inequities of the globalized economy. Since most of the skills under discussion are maintained, transmitted, nurtured and developed by women (or men doing 'women's work') in homes, schools, clinics, hospitals, and communities, and these people generally work for low pay or are unpaid, their work must not be very important -- otherwise it would command a high price! Within the rationality of the market-based value theory of capitalism, it is inconceivable that work which is done for free might be centrally important. Moreover, maintaining the fiction that the market works freely, and that there is no institutionalized discrimination, depends on keeping 'sustaining services' cheaply (or freely) available. Capitalism thus has a vested interest in

diverting attention from the nature and value of these services.

Interestingly, the skills and services under discussion all represent ways of contributing greatly to the economy *without adding material throughput* – in contradistinction to production-related growth and even waste disposal. The first and second contradictions of capitalism relate to material flows and limits, what happens to physical things, in a world where money, land, capital and possessions are predominantly controlled by men. Skills transmission for cooperation and resilience, on the other hand, involves human relationships and very little else. It may be that capitalism will see this as the new frontier – with a slowdown in the number of material goods available to bring onto the market, monetize, and label “growth”, services and particularly unpaid services represent a bonanza of unmonetized value, sufficient perhaps to fuel a growth-driven economy for several more years. (As local-economy activists know, once something is paid for in money, its value can be siphoned out of the place where it was produced, becoming fodder for the globalized economy.) I do not wish to argue either for or against wages for housework, monetary compensation for breast-feeding, or the rise of nursing homes – I simply want to emphasize that skills and services are an important and growing part of the post-industrial, lower-throughput economy, and one where women may possibly participate more fully without the institutional barriers which characterize property ownership.

Precisely because of the institutional barriers and economic discrimination which make women far more likely to be ‘poor’ than men, women tend to face generalized economic risks earlier than men – so resilience is more important for women, and it is understandable that resilience skills should be emphasized and developed. Women are also more likely to face workplace harassment, domestic violence, and criminal assaults, in situations where talking skills can sometimes be helpful. And the current epidemic of breast cancer and other kinds of cancer indicates how women’s bodies (and those of children) may reflect the stresses of environmental hazards, worry, and unsafe production practices. It makes sense, therefore, that many women have developed cooperation and resilience skills far more fully than men.

A further gender-related aspect to this issue is that women tend to be in leadership positions within the environmental, cultural, planning, sociological, and community development organizations which are actively addressing the question of growth, throughput, economic risk, and cooperation within the economy. Their views and skills in public organization are so helpful.

better-developed in women.

Finally, the concepts of cooperation and resilience owe a great debt to feminist and eco-feminist thinkers and theoreticians. The literature on related topics is immense

## VI. Conclusion

In general, “greener” production is smaller-scale, more labour-intensive and skilled, less centralized and more holistic. It involves the kind of technological change which allows reduced material throughput with no loss in use-value of the goods produced. This redefinition of the meaning of productivity growth -- instead of more output per unit input of a factor, more *use* (e.g. longer product life, or more consumer satisfaction) per unit of output produced and sold -- leads organically to a second redefinition, of the meaning of consumer satisfaction itself. Instead of positing insatiability, and equating greater satisfaction with higher consumption as measured in dollars spent, we economists must continue to explore and theorize the non-material, and indeed the non-consumption, components of economic well-being.<sup>2</sup>

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<sup>2</sup>Examples of this new kind of theorizing include Elmar Altvater’s redefinition of use-value as “lower entropy with higher order” (1993:228); Richard Norgaard’s inclusion of cultural values, diversity and sufficiency as elements of consumer satisfaction (1994); and Gandhian economists’ “doctrine of non-possession” (see Diwan and Lutz, 1985:76-85).