



# Curing the Crisis in the Crevices of Communities

by Nina Somera

*Eight trillion US dollars*

*That was the initial estimate of economists who were asked how much would be needed to salvage the flailing United States economy prior to the inauguration of US president Barack Obama. But as in the package deal authorised by the Bush administration, this would only cover the lifeline of beleaguered large firms but not the American taxpayers who have lost their jobs and homes and are sinking deeper into debt, and certainly not the subsidiaries, factories, contract workers and their families overseas.*

*No amount can also compensate for the series of social costs of the crisis especially on women who have just lost their jobs; are becoming more vulnerable with landlessness and hunger; and are more exposed to violence.*

**Bail Out from the Countryside.** Governments are scrambling to rescue the spiralling financial fortunes of various firms. But much of the solution lies in farmlands that have long been in dire need of a bail out.

Photo courtesy of Greenpeace

**I**t is quite certain that the cost of damage and repairs will grow exponentially as more firms are expected to be in the red. But such cost may not have been necessary in the first place had the lessons been learned from the past with the 1997 Asian financial crisis and the bankruptcy of some governments, among many others.

One may need not read Karl Marx, which is now being revisited by economists who are in an existentialist mode. We only have to know what we really need: what is enough and what is right.

It is in this sense that the crisis becomes an opportunity, not only for configuring

better financial systems but also for invalidating the promises of neoliberal trade. It points to practical alternatives that feminists, activists, communities and progressive academicians have long been saying, emphasising the centrality and interrelatedness of identity, people, communities, agriculture, environment in development.

### **We are what we eat**

It is hard to imagine why Mexicans would import tortillas which have been their staple for centuries; why mothers have to be advised to feed formula milk to their infants despite the continuous supply of breast milk; or why Thais remain poor despite being the world's no. 1 rice-exporter to former rice-producing neighbours like the Philippines and Indonesia.

Aggressive trade in agricultural products has put immense pressure on the land and other natural resources, the labour of farmers and people's culture and creativity, including their diet. The debut of genetically modified seeds and varieties further threatens the balance of elements that has been mastered by farmers for several generations. In some cases, these have contaminated organic farms through cross-pollination. Worse, multinational companies like Monsanto even sued these small farms for "stealing" their patent-protected seeds.

"There is food for different reasons and seasons," remarked Inez Fernandez of a mother-support group, Arugaan and a member of the World Alliance of Breastfeeding Action (WABA) and the International Baby Food Action Network (IBFAN). "Our ancestors have perfected the planting of crops and the land has adapted to these for many years," she added. People are shaped by the food they grow as much as they are conditioned by their ecosystem.

Such logic likewise debunks the reified necessity of commodities like formula and cow's milk which have been advertised as the best sources of calcium. Dietician Tamir Katz asserted, "Hunter-gatherer babies ARE breast fed. Children can get any calcium they need from other sources such as fortified orange or grapefruit juices or green leafy vegetable." Doctors have also asked: why would humans consume cow's milk long after the calves stopped feeding from their own mothers?

However telling the diagnosis of several scientists is, including the American Academy of Pediatrics about milk, discussions on the health benefits of milk have not been pursued. What is clear though is a massive multinational dairy industry that is banking on cows' milk. As Michael Dye put it, "Cow's milk is more American than apple pie, but that's because apple pie doesn't have Congressional lobbyists and a multi-million dollar advertising budget."

Farmers in the past did not only observe and respect the capacities and limits of nature, its atmosphere, terrain and creatures but also their own experiences of identity and culture. It is for similar reasons that some fruits, vegetables, staples and even food stuff have come to represent communities, nations and cultures: Philippine mangoes, Argentinian beef, Thai Jasmine rice, Indonesia's Java coffee and India's Assam tea, among many others.

But neoliberalism has cheapened such sources of sheer survival and national pride. Some alternatives then are to bring back the centrality of the land; refocus on organic farming; and consume indigenous produce.

Agriculture remains the basis of a society's survival and sustainability. Civilisations and cultures have likewise thrived on land, making it more than a contested piece of property. Land is also entwined with social categories such as class, gender, race and

ethnicity, that further defines our access to resources and opportunities. Access to land and sustainable agriculture thus deserve more comprehensive public policies and investment.

A well-irrigated arable land and a healthy mode of farming also mitigate the

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possibility of encroaching into forested areas which are teeming with more diverse wildlife. While traditional farming can ensure high volumes of yield, it places too much pressure on the land and entails more costs especially for fertilisers, which tend to decrease the nutrients in crops. Organic farming may not produce as much yield in the first few years but it has greater long-term benefits for our health and the environment.

Almost nothing also compares to available and accessible indigenous produce in terms of freshness and nutritional value. The less time and distance this travels towards the local markets, the fresher and healthier it is.

### **Small is beautiful**

E.F. Schumacher's best-selling book, *Small is Beautiful*, once more finds vindication in today's global financial crisis. The book was guided by the concept of enoughness and argued for the unsustainability of the centralised accumulation of too much wealth, especially in light of the stress on the environment.

He asserted, "Greed and envy demand continuous and limitless economic growth of a material kind, without proper regard for conservation, and this type of growth cannot possibly fit into a finite environment. We must therefore study the essential nature of the private enterprise system and the possibilities of evolving an alternative system which might fit the new situation."

The book's philosophy extends to an emphasis on community production and consumption. One way of conserving natural resources and ensuring our comfortable survival is to be sensitive in our levels of production: We only produce what the community needs.

The structural adjustment policies forced developing countries mainly by international financial institutions as a pre-requisite to the former's participation in international trade, have indeed misplaced national priorities and even displaced communities. The export orientation policies have left communities dedicating their resources on certain varieties of crops while becoming dependent on imported sources of food as well as a cash economy. This makes them vulnerable when the prices of their produce slump in the world market as they are left with little resources to provide for their own needs. Export orientation and other similar policies that have characterised neoliberal globalisation have also increased countries' adherence to the US dollar as a basis of exchange.

While the US dollar may have provided security for individuals, organisations, and countries against inflation and even political instabilities, it still requires far more resources for foreigners and renders too much confidence on US markets and financial system. Thomas Palley rightly referred to this as "[US] dollar tribute," casually explaining that, "Printing a \$100 bill is almost costless to the US government, but foreigners must give more than \$100 of resources to get the bill."

Palley offered three theories on the dominance of the US dollar as a basis of international trade: First, the US has had the largest share of international trade. Second, this is associated with US military power and Pax America, where the former guarantees the security of a world market system, which in turn regulates political and economic stability globally. Third, the US dollar places US consumers as the “buyer[s]

of last resort” or the only set of consumers who can absorb overseas products when their domestic markets have too much supply.

“All three theories have merit, but in today’s economic environment the buyer-of-the-last-resort theory is especially relevant. As long as other countries fail to generate sufficient demand in their own markets, they will be compelled to rely on the US market and pay dollar tribute. None are well served by this co-dependence,” he added.

It is for this reason that there have been movements working for a shift to local currencies as well as alternative forms of trade. The past two decades saw the proliferation of local currencies such as the Ithaca Hours, Deli Dollar, Time Dollar and Toronto Dollar, which have been designed to encourage community service and promote local products.

Ithaca Hours, for instance, allows the provision of hours of medical services to be used in exchange for goods or other services within

Ithaca, New York. Another popular alternative currency and exchange system is the Local Exchange Trading System (LETS) which has been introduced in various cities particularly in Canada. Community barter, which has been in existence for centuries, is also one way of lessening the dependency on a cash economy and increasing one’s labour capacity and value.

As Margrit Kennedy, a participant in one of the E.F. Schumacher conferences said, “Money can be made to serve rather than to rule, to be used — rather than [be] profit-oriented — and to create abundance, stability and sustainability.”

The last several years also saw the emergence of the Open Money movement, which campaigns for more creative trading systems and whose philosophy has a striking resemblance to Open Source and Open Document movements in information and communication technologies. Its manifesto reads:

“Open moneys are virtual, personal and free. Any community, network, business can create their own free money — ‘free’ as in free speech, free radical, freely available — but NOT free as in free lunch or free ride... Open money is money that must be earned to be respected. When you issue it, you are obliged to redeem it — Your money is your word. It’s just a matter of your reputation in your community.”

The gift economy likewise offers an innovative perspective towards an alternative society. Under this paradigm, humankind and the environment are considered gifts that need to be nurtured to satisfy our needs and maximise our capacities to satisfy others. Relationships in such economy are not defined by exchange but rather communications. The fertility of the land is also nurtured in such a way that it produces food for the community without

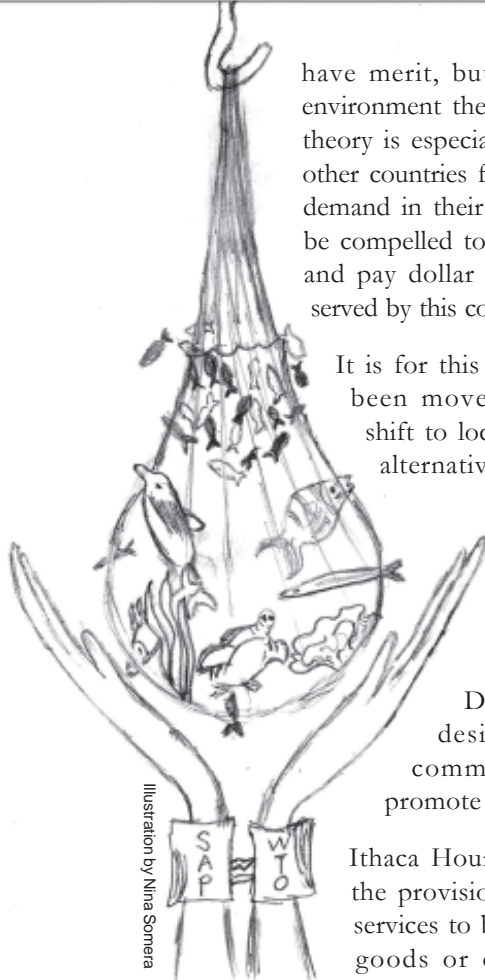


Illustration by Nina Somera



being overworked for profit.

As Genevieve Vaughan remarked, “Living in a market-based society makes us think of all bonds in terms of exchange, of debt and repayment. But the bonds established through gift giving are positive and life-enhancing in contrast to onerous debt and responsibility.”

### **From community cooperation to south-south solidarity**

Alternative trading systems have gone beyond the communities. They have captured the interest of the more progressive governments particularly in Latin America.

The 1998 election of Hugo Chavez as president of Venezuela sparked radical changes in the country and the region, despite the bad press and power struggle that the Bush administration supported. Venezuela’s past trade minister and *Foreign Policy* editor Moises Naim once wrote, “Despite Chavez’s constant denunciations of globalisation, he hasn’t protected Venezuela from its worst consequences. His nation has been globalised — by criminal gangs.”

Chavez changed the name of the country into the Bolivarian Republic of Venezuela after the revolutionary Simon Bolivar; introduced more comprehensive social services among the lower class; and nationalised various industries, among others.

Chavez’ most radical moves have dealt with Venezuela’s lucrative oil industry which has constituted around 80 per cent of the country’s export revenues. Although the *Petróleos de Venezuela, SA* (PDVSA) has been state-owned, the firm was managed by local elites for a long time. Chavez replaced the firm’s hierarchy with more left-leaning people. A few years later, Venezuela’s abundant resource became the first ball that rolled out the regional initiative, *Alternativa Bolivariana para las Americas* (ALBA) or the Bolivarian Alternative for the Americas.

More than a tool for regional integration through trade, ALBA intends to have the social dimensions of development inform trade and cooperation within the region.

In 2004, Chavez signed an accord with his idol, Cuban president Fidel Castro, where Venezuela pledged to sell its oil to Cuba at a discounted rate equivalent to a savings of US\$1 billion. This, in exchange for Cuba’s 15,000 doctors and assistance in the establishment of new medical clinics throughout the country.

Two years later, ALBA welcomed a new member, Bolivia which like Venezuela six years ago, elected a president from a minority group and a socialist politics background. Bolivia has benefited from Cuban medical services and Venezuelan petroleum in exchange for its soybeans, which then lost its US market to US’ ally, Colombia. Bolivia also obtained the other two countries’ support on energy resource management and gas and mineral extraction in exchange for tax breaks for Venezuelan and Cuban investments in Bolivia.

Like Chavez, Morales has drawn much support from the poor, leaving much of the rich insecure. As one Bolivian once predicted in Amy Chua’s *The World on Fire*: “[In] a country where three per cent of us control everything and 65 per cent of the population have no future, this place is definitely going to blow.” Like Chavez, Morales nationalised the country’s hydrocarbon resources, notwithstanding the immense control of elite and transnational corporations in this industry.

ALBA was also joined by two more countries: Argentina and Brazil and later developed regional industries beginning with media and telecommunications, *TeleSUR*, envisioned as a Latin American counterpart of *Al Jazeera*.

As David Harris and Diego Azzi wrote in *ALBA – Venezuela’s Answer to Free Trade: The Bolivarian Alternative for the Americas*, “As such, ALBA represents not just an

attractive medley of innovative new programmes and ideas for the region, but also a strong, compelling and solid set of principles through which neighbouring states can take advantage of international partnerships and put them directly into use for their people.”

Now that the US economy is in turmoil and the Obama administration is more poised to focus on internal issues rather than overtly overextend US military machineries overseas, this may be an auspicious moment for ALBA to pursue its south-south cooperation, despite the dynamics among its member countries.

### Less toil, more creativity

When people have more sense of contribution to the community and even the country, their sense of ownership also increases. When women and men find a sense of fulfillment out of their labour including reproductive labour, there tends to be greater room for creativity and more opportunities for self-development.

The current neoliberal economic model has been so much reified as one that has a

life of its own, distinct from the political, social and cultural. But the financial crisis tells otherwise: Placing the economy at the highest rung of international priorities and adhering to neoliberalism as the best economic model have been disastrous to people’s labour, creativity, livelihood, politics, culture and environment. Such arrangement has tended to devalue both human and natural resources beyond their material reproduction.

Richard Westra summarised the challenge towards a socialist development as one that “allocate[s] resources to viably meet demand for basic good and to develop forms of socio-material communication which undermine the reified structures of the commodity economy and foster production for concrete human purposes.”

Although the road back to the communities remains rocky and risky, it might be the best bargain in the long run. ■

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