

Transforming Rural Communities for Sustainable Prosperity:

A Declaration of Energy and Economic Interdependence¹

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We Americans are a fiercely independent people; right? We value our personal liberty and freedoms – our freedom of speech, religion, privacy, and the freedom to use our personal property as we see fit. We don't want the government or anyone else imposing restrictions upon our personal freedoms. We are fiercely independent about *personal* things. In matters that relate to our *public* life, however, we seem more than willing to depend on others.

We let someone else decide what's *in* and what's *out*, in clothes, cars, hairstyles, soft drinks, and such. Most of us willingly follow the trendsetters. We also let others determine the kind of society we live in – the types of behavior considered socially acceptable, what's morally and ethically right. We leave such esoteric matters to the philosophers and theologians. While boldly claiming our personal independence, we depend on others to shape the social and ethical world.

We most certainly are not economically independent. We have to buy nearly everything we need from someone else and we have to work for someone else to get the money to buy those things. In addition, most of us work for some corporate organization or government bureaucracy that makes all of the major workplace decisions for us. For the most part, we just do what we are told to do, because we need to keep our jobs to survive. We have no economic independence.

Neither are we independent politically. We don't bother to educate ourselves on the public issues. We don't participate in the process of getting people and issues on the ballots, so we don't even have a chance to vote for the people and things we want. If we do participate in politics, we depend on political parties, political action committees, and other special interest groups to define the issues and to articulate our political positions for us. Even when we take the time to

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vote, we don't vote independently. We vote for one of the two major parties, or we vote for some “independent” third party, instead of voting as independent individuals.

In those cases where we do exert our independence, we tend to be competitive; we feel we must win. We must beat someone else or profit from someone else; we must use someone else for our own benefit. Without someone else to beat, we have no way to win, no way to succeed. And others have no way to win or succeed without beating us. We are hopelessly dependent upon a system that demands we be either victim or victor, thus encouraging us to exploit and extract from each other. In summary, we Americans have become hopelessly dependent on a social, economic, and political system over which we seem to have no control.

Steven Covey, in his book, *Seven Habits of Highly Effective People*, writes about dependent, independent, and interdependent relationships.¹ Independence is defined as an ability to survive and thrive using one's own resources – *without relationships* with others. Dependence is defined as *relationships of necessity* – relationships among people who cannot thrive or survive without each other. Interdependence is defined as *relationships of choice* rather than necessity – relationships between independent people who choose to form relationships that make both lives better. Completely independent people forego the positive possibilities that arise from human relationships, such as specialization and trade or cooperation on providing public services. Dependent relationships are inherently parasitical. One exploits the other until there is nothing left to exploit. Interdependent relationships are mutually beneficial relationships among individuals who have the capacity to be independent but choose to depend on each other. America was once a nation of largely independent people. As we have slipped into dependency, we have sacrificed the positive possibilities of economic and political interdependence.

During my professional and academic career of the past 40 years, I have seen this process evolve in American agriculture. I started my professional career working with a large meat packing company, returned to graduated school to get a Ph.D. in agricultural economics, and spent thirty years at four different major state universities as an extension agricultural economist. I spent the first half of my academic career as a conventional free market, bottom-line economist. Farming was a business, not a way of life. The farm family shouldn't be allowed to get in the way of the farm business. Farmers only had two choices; they could get more efficient by getting bigger or get out of agriculture.

During the farm financial crisis of the 1980s, I was forced to confront the reality that farming for the economic bottom line wasn't working for farmers and it wasn't going to work in the future. Over time, I came to realize that not only was it not working for farmers, it wasn't working for rural communities, for society, or for the future of humanity.

While setting across the table from more than a few struggling farm families during the mid-1980s, I began to realize that what I had been trying to teach farmers over the years was not the solution to farmers' problems, it was the problem. During the economic boom years of the 1970s, the more so called progressive farmers had borrowed heavily at record high interest rates to expand their operations to meet the growing demand for agricultural exports. These same farmers were caught with large debts that they couldn't pay when the global economy and world commodity prices fell into an economic recession during the 1980s. Stories of farm failures and

foreclosures sprinkled the national network news programs and an occasional suicide by a bankrupt farmer captured both local and national headlines. Farming for the economic bottom line had led to widespread financial and personal failure.

Although I didn't know what to call it at the time, I was seeing the consequences of an unsustainable agriculture. The financial failures of the '80s led to destitution and abandonment of rural communities and the demise of family farming as a way of life. The economic boom of the '70s had resulted in massive soil erosion and rampant pollution of water with agrochemicals. We wouldn't realize until later that we were also degrading the nutritional value and compromising the safety of our foods. Farming for the bottom line was not only diminishing opportunities for the future, it wasn't even meeting the needs of the present. It clearly wasn't sustainable.

The financial crisis of the 1980s accelerated the loss of independence in American agriculture, as farmers attempted to shield themselves from the economic risks of uncertain markets. We had seen large corporations, such as Tyson, Purdue, and Gold Kist, take over poultry production during the '60s and '70s through comprehensive contractual arrangements with contract growers. Smithfield, Cargill, Tyson and others large corporations gained contractual control of the pork industry during the '90s. The concept of "captured supplies," or contacting to purchase in advance of delivery, was used to gain control over markets for beef cattle. Genetically modified or GM seeds also gave Monsanto and a few other large seed companies effective control of U.S. corn and soybean production.

By the turn of the century, many so called farmers little more than corporate serfs on their own land. They were still driving tractors and monitoring livestock buildings but the important decisions were being made in corporate headquarters. Quite logically virtually all of the profits were going to corporate managers and investors. Hundreds of thousands of once-independent farmers had sacrificed the possibilities of interdependence and become dependent on a handful of agribusiness corporations for their economic survival. Ironically, dependency has turned out to be a natural consequence of the pursuit of individual economic self-interest – of economic independence.

Why should people in general be interested in what I have seen happen to farmers? This same thing has happened to nearly every other segment of the American economy. This is the same process by which the crafts-people of the past were replaced by factories, by which *mom and pop* grocery stores were replaced by supermarkets and by which the small dry goods and hardware stores were replaced by the giant discount stores. This is the process by which General Motors replaced dozens independent automakers, Exxon/Mobile replaced hundreds independent oil companies, and Walmart replaced thousands of independent retailers. This is the process by which large financial institutions, such as Goldman Sachs and AIG, displaced thousands of independent banks and become too big to fail. This process is bringing our entire economy under corporate control, the process by which our country is moving from capitalism to *corporatism*.

Corporatism is not just another name for capitalism. Capitalism is based on private ownership of property by *individuals*. Most *private property* in the U.S. today is owned by corporations, not by individuals. Classical capitalism depends on the social values and morals of the people to constrain their pursuit of individual self-interest. Corporations have no social or

moral values. The people who work for corporations have social and ethical values, which they can choose to express in situations where they do not conflict with corporate profits. The only things a corporation is capable of valuing are profit and growth – the only shared values of their thousands of stockholders scattered around the world. The humanness of corporate employees is invariably tempered by the non-human corporate imperative to maximize profits and growth. In order for capitalism to work for the good of society, for the good of real people, individual people must make their own economic decisions – not defer their decisions to corporations.

Capitalism requires free market competition. However, Adam Smith's *invisible hand* of competitive markets has been mangled in the machinery of corporate consolidation of control. We no longer have competitive markets, at least not in terms of having a sufficient number of buyers and sellers in each market to eliminate excessive profits and pass cost savings on to consumers. It's no longer easy to get into or out of businesses, as is needed to accommodate ever-changing consumer tastes and preferences. We don't have accurate information concerning the actual qualities of the things we buy, but get disinformation by design, in the form of persuasive advertising. Superficial differentiations of products abound, but there is no real variety and thus very limited real consumer choice in the marketplace. Consumer sovereignty is a thing of the past, as advertisers now *shape* consumer demand rather than *respond* to it.

None of the necessary conditions for true free-market capitalism exists in today's economy. The American economy is moving away from market coordination of resource use toward a corporate version of *central planning*. Corporations, not free markets, decide what is to be produced where, by whom, using which human and natural resources. The problems of the centrally planned economies of Eastern Europe were not merely a lack to sophistication in management and planning. Central planning, by government or corporation, is a fundamentally incapable of effectively coordinating a complex economy.

We in America are in the midst of a great social experiment – an experiment being carried out by non-human entities that we have created and let loose to plunder the earth. A society cannot survive in the absence of effective societal restraints to moderate the pursuit of short-run, self-interests. An economy driven solely by economic self-interests will exploit and eventually destroy the very things that it must have to survive – the productivity of human and natural resources. A corporatist economy is not sustainable.

In my search that began in the 1980s for a better way to farm, I came across the concept of sustainable agriculture. The more I learned about it, the more I came to believe economic sustainability, not profit maximization, was the solution to the farm problem. A sustainable agriculture must be capable of meeting the needs of the present without diminishing opportunities for the future. It must be capable of maintaining its productivity and usefulness to society over the long run, indefinitely. In the simplest terms, a sustainable agriculture is an agriculture that can last.

The basic requirements for sustainability follow directly from its purpose. All agricultural productivity ultimately comes from the land – from nature. Production technologies – chemical, biological, mechanical – are just means of realizing the inherent productivity of the land. The fundamental purpose of agriculture is to meet the needs of people, not only as

consumers but also as farmers, rural residents, and society in general. Obviously, farmers have to survive economically if they are to be able to care for the land and meet the needs of society. Since all economic value comes from nature and society, a sustainable agriculture must be ecologically sound and socially responsible if it is to be economically viable. Lacking any one of the three, agriculture cannot maintain its productivity; it cannot last; it is not sustainable.

These basic principles of sustainable agriculture are equally relevant to the broader economy and society. A sustainable economy must meet the needs of the present without diminishing opportunities for the future. All economic value ultimately is derived from either nature or people; there is no other source of anything that is economically useful. Thus, a sustainable economy must be ecologically sound and socially responsible in order to be economically viable. The connections are just easier to see in agriculture.

If we destroy the usefulness of nature and society, we destroy the foundation for the economy through which we must meet our individual needs. In America, we have removed virtually all social and moral restraints to our individual selfishness and greed. In the process of meeting our *wants* – not needs – we are sacrificing not only our independence but also the future of humanity. According to the American Declaration of Independence, the fundamental purpose of government is to protect our unalienable rights, including life, liberty, and the pursuit of happiness. The corporatization of America is threatening all three, not only for ourselves but for out posterity. We, the people, working together through government, are the only means left by which we can end this reckless social experiment before it is too late.

The sustainability movement is not some socialist plot to destroy our capitalist economy. The *classical* capitalist economists, including Adam Smith, Thomas Malthus, David Ricardo, and John Stewart Mills, understood the necessity for strong social and ethical constraints on the economy. Adam Smith wrote in his 1776 classic, *Wealth of Nations*, “improvement in the circumstances of the lower ranks” should never be regarded as “an inconvenience to the society... what improves the circumstances of the greater part can never be regarded as an inconvenience to the whole.” He also wrote that *land*, meaning natural resources, “constitutes by far the greatest, the most important, and the most durable part of the wealth of every extensive country,” suggesting that the *public* must accept responsibility for protecting their common wealth. Classical economists understood an economy must function within the social and ethical bounds of an equitable and just society. We have to work together, through government, to break the grip of corporate control if we are to create a sustainable economy.

Smaller towns and rural communities today are at a particularly critical point in their history. Corporatization of the American economy has resulted in a concentration of economic and political power to the major metropolitan areas, where most corporate headquarters are located and most corporate stockholders reside. The natural and human resources of rural areas are being systematically plundered and polluted in the process of amassing ever-greater corporate wealth. The removal of mountain tops in Appalachia, the BP oil spill in the Gulf of Mexico, and the stream of illegal immigrants across the Mexican border are but the most visible symptoms of a much larger problem. Millions of smaller ecological and social disasters are occurring every day in the process of extracting valuable natural and human resources from places where people are powerless to protect themselves from corporate exploitation. Even those places that are still

considered prime recreation areas for tourism or vacation and permanent residences are at risk. Such places are often transformed into seasonal playgrounds for the wealthy while most local residents earn hardly enough cleaning their houses, cooking their meals, and tending their golf courses to afford a double-wide on the edge of town.

Thankfully, many rural areas are still places with clean air, clean water, open spaces, scenic landscapes, and opportunities for peace, quiet, and privacy. Many are still places where people have a sense of belonging, friendly places where people know and care about each other, where crime rates are low and a strong sense of safety and security still exists. These things enhance the quality of rural life and thus provide a foundation for sustainable community development.

Sustainable communities must continually renew and regenerate the productivity of the natural and human resources from which all economic value is ultimately derived. They must be organized and governed as living organisms, rather than inanimate mechanisms, because only living organisms are capable of renewal and regeneration. Mechanisms function according to physical laws but living systems function according to general principles which are more difficult to define and quantify – but no less real or unchanging. Sustainable communities of the future must be guided by the principles of living systems.

Living systems are holistic. A living organism is something more than the sum of its parts; it is a *whole*. Living things have properties that emerge from the whole that are not contained in their individual parts; relationships matter. Living systems are *diverse*. Diversity is necessary for biological systems to capture and store the solar energy needed for resistance, resilience, renewal, and regeneration. The payoff from holism and diversity is realized through the living principle of *interdependence* or mutuality. Mutually beneficial relationships are the key to creating sustainable whole communities from a collection of diverse individual enterprises, organizations, and individuals – that separately would not be sustainable.

Interdependence means that sustainable communities must be selective in their relationships. Every healthy living cell, organism, and organization is defined by a specific kind of boundaries; they are semi-permeable in nature, meaning they are selective in what they allow in and out. It is this selectiveness – this ability to let some things in, keep some things out; keep some things in, let some things out – that allows living organisms and organizations to live, grow, renew, and reproduce. A sustainable community must have this same ability to protect its resources and its people from outside exploitation, while at the same time benefitting from mutually beneficial intercommunity communications and trade. Sustainable communities must find the courage to choose interdependence.

Interdependence allows communities to maintain their identity, including their own unique local economies and cultures. Sustainable communities cannot be isolated from society but must choose which social and economic values they welcome into their communities and which they discourage or keep out. Selectivity with respect to social values does not suggest selectivity with respect to race, gender, age, education, income, or ethnicity. Diversity is also an essential dimension of sustainability. Cultural and ethnic diversity, as with biological diversity, gives rural communities social and economic resilience, adaptability, and regenerative capacity. In fact, sustainable rural communities of the future probably will have to be more diverse in their social

and economic relationships than are most rural communities today. Sustainable communities must find the courage to reject continuing exploitation and extraction and participate only in economic and social relationships that are mutually beneficial.

Sustainable communities of the future will not be economically self-sufficient, but locally owned and operated businesses will be capable of meeting most basic day-to-day needs of the community. Local businesses will be sustained by the commitment of the community to support its local economy. Large corporate manufacturers and retailers will be supplemental or secondary providers of goods and services but will not be allowed to dominate local economies. Local farmers will provide sustainably-grown foods. Local builders will provide affordable, energy-efficient housing. Manufacturers of consumer durable goods – washers, dryers, refrigerators – will provide additional local employment, but will not dominate local employment. Energy-generating residences and locally-owned electric utilities will meet most energy needs of the community with wind, water, and solar generated electricity.

Renewable energy will be a particularly important means to achieving interdependence. Some rural communities have wind and water resources that can be used to produce renewable energy. Rather than top look to those resources as a means of attracting outside investment capital for energy exported to other areas, communities should look first at developing renewable energy to meet their own needs. Local energy is an essential step toward interdependence. Some rural communities also have forest resources that can be managed sustainably to provide local energy from biomass. Communities in agricultural areas have opportunities to produce local energy from agricultural crops and crop residues. However, the highest priority for agriculture in the future will be sustainable food production, beginning with local food security.

The only sustainable sources of renewable energy from agriculture will be those that are compatible with sustainable agriculture. With respect to sustainability, pyrolysis and gasification seem to be among the most promising technologies on the horizon. Pyrolysis refers to chemical decomposition of organic materials under high temperatures and in the absence of oxygen. Gasification is a similar process but with limited oxygen. The resulting biological materials in both cases include various types of fuel, biochar, and tars. The process has been used extensively in industry for a variety of purposes, including production of charcoal. Low-cost technologies on the horizon can use a wide variety of feedstocks, including forages and other non-food crops, as well as wood and various kinds of waste materials. Products of pyrolysis and gasification can be converted into ethanol and biodiesel as well as bio-gases.

Pyrolysis and gasification have several significant advantages over current methods of producing ethanol and biodiesel from corn and soybeans, particularly from the perspective of ecological and environmental sustainability. Pyrolysis does not require large amounts of water and does not pollute the air. Biochar can be incorporated back into croplands to promote soil fertility and by increasing soil organic matter. Biochar improves soil ecology by promoting synergistic relationships between the soil, soil organisms, roots of the plants, water, and carbon-dioxide and nitrogen in the atmosphere. Bioenergy crops grown for use by pyrolysis and gasification may actually sequester more greenhouse gasses than are released, as some carbon is retained in the roots of perennial plants.

Pyrolysis and gasification seem to have particular advantages for sustaining rural communities and economies, if the technologies are developed and utilized at an appropriate scale. The basic technology is adaptable to a wide variety of sizes, making *decentralized* systems of renewable energy production more feasible and cost competitive. Smaller systems allow individual farmers, or small groups of farmers, to produce fuel for their farm and home energy needs, without depleting the natural productivity of their soil. Community-based operations allow recycling of bioenergy and biochar within local communities – reducing energy losses in transportation and reducing energy costs for local residents. Biochar can be recycled to enhance the fertility of land for local food and energy production – thus enhancing the ecological, social, and economic integrity of the community.

Many people in small towns and rural areas are already beginning to break free of corporate dependencies. They are refusing to turn their communities into playgrounds for the rich or dumping grounds for the rest of society. They are fighting against the confinement animal feeding operations, landfills, toxic waste incinerators, and prisons that are touted by corporate interest as rural economic development opportunities. They are standing firm in the face of pressures for exploitative commercial and residential destruction of pristine natural landscapes. They are not getting much help from state and federal governments. Most politicians are not willing to defy the powerful economic interests that profit from exploiting rural areas. Lacking effective governance, people in small towns and rural areas are standing up for themselves.

They are claiming their basic democratic rights of self-defense and self-determination. They are rejecting economic colonization disguised as economic development. These new activists are learning to organize and to work together to make a difference in the future of their communities. They are learning how to make government work again for the good of people. This is not socialism or communism; this is grass-roots democracy at work. The fundamental purpose of government is to ensure the rights of people. There are no rights more fundamental to democracy than self-defense and self-determination and no more fundamental responsibility of government than protecting public health and well-being. These rural patriots aren't winning all the battles but they are slowly winning the war against corporate economic extraction and exploitation.

Perhaps most important, they are choosing sustainable prosperity over exploitative economic growth. True prosperity – happiness, well-being, quality of life – does not require continual and thus unsustainable economic growth. Prosperity can be sustained, growth cannot. We are not just economic beings; we are also social and ethical beings. We need positive relationships within families and communities. We need the sense of purpose and meaning that comes from stewardship of earth. We can continually improve our social and ethical well-being without extracting and exploiting, in fact, only if we stop extracting and exploiting. First, we must break the grip of *dependency* by declaring our *interdependence*. We must acknowledge, “In accordance with universal and inviolate laws of nature and humanity, the quality and sustainability of life on earth depends on harmonious relationships among all peoples and all nations, and between humans and our natural environment, both now and into the distant future.”ⁱⁱ

This is not socialism or communism; this is sustainable capitalism. Sustainability is not about government ownership of land or other means of production; it is not about central planning by government. It's about ensuring that free markets do what markets can do and working together

through government to do those things markets can't do – to ensure the common good, both now and for the future. This is true democratic capitalism – people choosing freely and independently to care about each other and to care for the earth as they care for themselves.

End Notes

ⁱ Stephen Covey, 1989. *Seven Habits of Highly Effective People* (New York: Simon and Schuster, 1989).

ⁱⁱ Patrick Madden and others, “A Declaration of Interdependence” from the Looking Glass Inn Workshop, Kooskie, ID, June 27-29, 1998