Local economic systems

What does 'supporting the creation of community-led economic systems' mean at Te Hiko?

> *The big challenges that capitalism now faces in the contemporary world include issues of inequality (especially that of grinding poverty in a world of unprecedented prosperity) and of "public goods" (that is, goods people share together, like the environment). The solution to these problems will almost certainly call for institutions that take us beyond the capitalist market economy.* Amartya Sen, Economist, Nobel Laureate, 2016 [1]

WHAT

Te Hiko wants to do things and talk about things that free up communities to disrupt some of the old, stuck economic mental models and systems that are trapping too many people and whānau in the communities we work in, Porirua East and Naenae in cycles of poverty and disadvantage.

Te Hiko wants to be contributing to building a sense of possibility for emerging economic systems that can run parallel to the mainstream economy, that are led by communities and are more likely to build the wellbeing, resilience and sustainability of these physical locations and the people who live here.

WHY

There are thousands of communities around the world and around New Zealand who are involved in trying out new economic models. There are lots of complex reasons for this push for change, but simply put, there are three big motivators:

- **We want to change**: Lots of people and communities don't like or want the inequity, isolation, drudgery, ill-health, and lack of personal power that they feel and experience in the current system. There is a sense that there must be more human-centred, more fair, more inspiring, more creative, more joyful and more collaborative ways of doing things. More people are recognising and valuing connections to place, to culture, to community and to the natural environment and want economic systems that sustain these relationships.
- **We need to change**: The environmental and social challenges that we all face mean that we just can't keep doing things the way they have been done. We cannot just keep extracting from the earth, wasting resources, and polluting. We cannot maintain a colonizing approach to helping people the avoids the need to heal past trauma. We have to think about what is sustainable, and what is resilient. . High levels of inequality and power imbalances are weakening the social

[1] https://thenextsystem.org/node/204#footnote1_n56d7fl

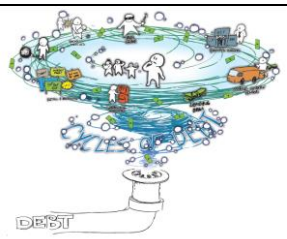
fabric that we rely on for safety, wellbeing, learning and collaborating. We can't just keep extracting resources from countries, communities and families and concentrating them in certain people's hands without significant consequences for all of us. In New Zealand, the legal and moral obligations and responsibilities of Te Tiriti o Waitangi also open us to consider and value indigenous economic models that support whenua, hāpu and iwi and give expression to rangatiratanga

- **We can change**. New understandings, some that connect with old knowledge, point us to approaches, thinking and technology that can helped us to image, experiment with, and share new ways of doing things. We have some tools (practical and mental) that are accessible and give us hope that change is possible and that we can be part of that change. We don't have to wait for someone else, 'big' government or 'big business' – to fix things, we can do some of this now. We are more able to connect, share, invest, trust and learn because of the technological tools we have. Sometimes this change looks like Airbnb, Kaibosh, Kickstarter, Khan Academy or TradeMe; sometimes this looks like the Arab Spring or the Democracy Movement in Hong Kong; sometimes this looks like small groups of neighbors or co-workers using common apps and message sites or the Timebank to organise swapping food, childcare, skills or ideas; sometimes it looks like people being able to fix their own washing machine by watching a YouTube video. The examples are endless – from huge changes to production and distribution in a massive company, to small changes in the efficiency and equity of communication that happens in a local school community. It is possible – through new technology – to reimagine barriers to entry, exchange, production, leadership, education and influence. The ripples can be both positive and negative.

HOW

There are lots of organisations, systems, names and labels for the work that is being done to develop and promote alternative or parallel economic approaches. Just a few of these are: commons-based economy, wellbeing economy, participatory economy, peer economy, sharing economy, collective economy and democratic economy. Examples of what putting some of these theoretical ideas into practice can look like include movements and experiments such as Community Wealth Building, the maker movement, Resident Owned Communities, worker-owned co-operatives, food security networks, credit unions and many others. There are also many more much smaller-scale initiatives where local residents come together to make a community garden, participate in a time bank, create a toy library, start a local market, reclaim disused community spaces, clean up a stream.

There are important differences between all of these approaches, and all contribute to stretching our understanding of the nature of the economy. There is not one or two agreed or obvious models – however the current Government has invested in a Wellbeing Budget and related approach (and working out what this means). Government has limited space to 'test' new approaches as the state of the economy has high political capital. In contrast local communities have some limited space to experiment and learn. While there is lots of variation, there are some common themes that run across many of the models. In communities lacking economic power the current system is blunter and harsher with limited capacity to buy alternatives. These 'systems can coexist, and this understanding is fundamental to effective change (as opposed to the current system believing it is the only system especially in economically poor communities).

	The current system that we are trying to reduce	The new system we are trying to encourage and facilitate	Examples
			
Who participates	Decisions are made by those at the top of a hierarchy Decision making often happening far away Power and authority often held by a few and often within institutions Lots of barriers to entry (only a few get to participate, only those with the 'right' credentials can fully participate and only a few can progress up the hierarchy, only those with access to the right set of resources can participate)	Communities and people make decisions in their own workplaces, homes and community spaces. More people have control to set their own goals, make their own choices Power and influence is distributed in relational, peer networks. Few barriers to entry (open source, self-moderated, lots of invitations in)	Cash Converters vs TradeMe Family Start vs Whānaufluence
How people participate	People act (and often see themselves) as passive consumers and sellers of the labour or beneficiaries	People act (and see themselves) as active creators, citizens, collaborators, financiers, producers, providers, strategists, designers, marketers – as well as consumers and workers	Encyclopaedia Britanica vs Wikipedia Instant Finance vs the Porirua Savings Pool Supermarket vs Food for Thought Aged care vs Aging Well
Values and incentives (ie what you see and feel and see lots of within the system. What is rewarded and promoted)	Competition Accumulating Private ownership Gaming the system Credentialism Individual advancement Scarcity Speculation	Collaboration Sharing Openness Enoughness (i.e. abundance with sustainability bounds) Mentoring, informal apprenticing, generous knowledge and skills sharing relationships	Microsoft vs Open Source Private preschool vs Playcentre Toy World vs Common Ground Toy Library

Drivers	Efficiency Exploitation of assets and resources to grow personal wealth Market forces A good life where consumption equals happiness Avoiding or numbing emotional / psychological pain	Sustainability Wellness, Resilience Stewardship of resources and assets Peoples full potential valued A good life – informed by quality of relationships Plug the drain and build up resources in one community	Ikea vs upcycling/recycling Supermarket vs Fruit and Vege co-op
Relationship to place / whenua	Whenua / Place of low importance Open to moving or drifting in search of something better	Keeping and growing assets in this place matters Making, growing, and working close to where we live matters. People who live here have the biggest say in what happens here Knowing the people, the land and the skills that have gone into these products matter	Amazon distribution hub vs Fruit and vege co-op Hardship grant from W&I vs neighbours dropping over a new baby/illness care package Free raincoats for school children vs local walking to school bus

Working on finding ways to support these shifts is at the heart of Te Hiko's work in Porirua and Naenae. Te Hiko is not planning to promote or implement any specific new model. Instead, we are aiming to support people and groups in Porirua and Naenae to experience, practice and experiment with actions that might help to shift momentum away from sole reliance on the current system and towards a new system.

WHAT WE HAVE LEARNT SO FAR IN OUR MAHI

Trying to make these sorts of shifts is often hard and at times can feel long and overwhelming.

There are lots of reasons for this. Our own experiences and that of other groups and communities working in this space tells us that:

- This sort of change can be risky and confronting. There are people, groups and institution that struggle with change and (often unconsciously) don't want to give up the advantages they feel they have earned in the current system. This group can be equally unaware of how the current system can be a treadmill that erodes their wellbeing too. It is easier to focus on action to dismantle persistent disadvantage, but much harder to want to take action to dismantle persistent advantage. Linking both of these dynamics to growing wellbeing is critical. These are

difficult conversations to have in a community and difficult terrain for politicians, funders and supporters to negotiate

- Things that can look simple (like starting a community garden for example) can get complicated quickly and this is OK. Who decides what we grow? Should we sell extra produce or give it away? Who gets to participate in the harvest? Do we care that we put the local vege shop out of business? How much work should all of us do each week? Do we all have to do the same sort or amount of work? Is this worth it if is ends up costing us more to grow tomatoes than just buy them from the big supermarket down the road? Should our garden be organic, or as high yield as possible? How, when and who gets to make these decisions? New systems are not just about getting projects and ideas to happen – they are about people coming together to learn and practice the skills of trust building, co-governance, cooperative decision making. This takes time, patience and an ability and willingness to evolve, change, fail and grow.
- And at the same time this approach can be enjoyable, deeply rewarding and create its own energy and momentum. It is about making what has been invisible, visible. It is more about growing a social movement as opposed to co-designing new programmes.
- It is easy for activity to look low value or even like failure. Often this work is about trying things out, experimenting, learning by doing– rather than implementing new systems. There are not clear plans or simple solutions. Project and ideas start and stop. People get upset and frustrated, funding dries up, things are much harder than first thought, key people move on. Persistence and the ability to learn are key skills in this work.
- Most people and organisations need to work successfully enough in *both* the old system and be trying things in the new system. The time and tensions of trying to navigate both systems - and slowly push more into the new system, is exhausting. And this is the reality. Projects are not being done in isolation (or controlled research environments). There are lots of compromises and negotiation. This work is not driven by being perfectly in the 'new' space. It is about changing the balance and momentum – away from the old and toward the new.
- Behaviours and ways of thinking developed in response to trauma makes all of this harder. These patterns entrench existing economic, social, and political disadvantage formed over generations. These people and communities need time and places to practice speaking up, being heard, trusting others, building hope, expecting more, valuing their own skills and experience etc. This approach is restorative and once this healing capacity is grasped vast amounts of energy and capacity are released.
- Given these insights into the highly dynamic realities of this mahi, it really helps to have a stable platform / presence in the community to hold the complexities and notice and celebrate the 'break-throughs.

WHAT SUCCESS LOOKS LIKE

We know that Te Hiko will need to be up for long haul, patient, skillful work.

And we also know that much of this work is not about the success or number of individual project (ie whether there is a walking track or a community garden or a Timebank) – it is far more about practicing skills, ways of thinking, network building and resources uncovering that are needed to support the shift for new economic approaches (and to also practice how to let go of some of the old ones!).

For some of our partners, success will look like some cornerstone new local economic system projects up and running. We want to support them in that mahi and are excited to see what we can achieve together.

However, success for Te Hiko looks a little different. It looks like the communities of Naenae and Porirua East having more capacity to grow their own local economic systems – one that they have a stronger sense of being a part of. We see local people coming together to try and create:

- More opportunities to see/name/ and value what we already have (see and feel our enoughness, noticing what we waste)
- More opportunities to see and grow what we share – our common spaces, our common resources (seeing and practicing working together on our 'commons' – holding partnership with Mana Whenua)
- More opportunities to grow and strengthen diverse networks of people and resources that connect to or support this place (increasing the reach of who is participating, reducing barriers to participation, building the possibilities for trust, openness, and generosity)
- More opportunities to practice and increase our competency in collective decision making, peer-led moderation and systems for sharing and conflict resolution
- More opportunities for people to understand and process their individual and collective trauma, so that they can be awakened to its effect, and do something to move beyond it
- More opportunities to practice and increase our ways of apprenticing, skills sharing, open-source knowledge sharing
- More opportunities to make, buy, grow, and trade things close to home
- More opportunities to see, value and embed our living within this natural environment
- More opportunities to practice our multiple roles – creator, producer, marketer, repairer etc
- More opportunities for all citizens to contribute to their community irrespective of age, culture, ability etc

Te Hiko learns by doing – so there has been and will continue to be lots of concrete projects and initiatives that are better local economic models. The projects are the spaces in which we learn, practice, and grow ideas and skills. While projects are important, the more fundamental aim is growing the conditions necessary to enable new economic approaches to start, survive and thrive.

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