

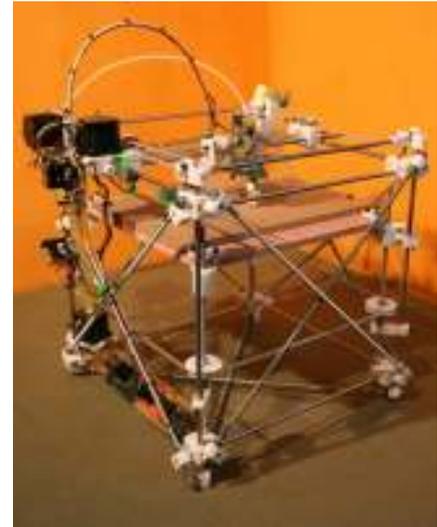
Solidarity Economy Briefs: INCREASING LOCAL ECONOMIC AGILITY: A THREE-POINT AGENDA

The U.S. Solidarity Economy Network stands in solidarity with the Occupy Wall St. movement. As a network of groups, activists and solidarity economy practitioners, we seek to transform our economic system into one that *puts people and planet front and center – an economy for the 99%*. *Another World* is not only possible, it already exists, in many, many forms. The solidarity economy, grounded in principles of solidarity, participatory democracy, sustainability, equity in all dimensions, and pluralism (not a one-size-fits-all model) is a fast growing global movement. We offer these Solidarity Economy briefs to provide a glimpse into some of the aspects of the solidarity economy that exist all around us.

A Shift Towards Affordable Tools and Production

According to John Curl's history of cooperatives (*For All the People*), worker co-ops were common in trades where production tools were individually affordable. Striking trade unionists often set up cooperative shops to sell their wares outside the capitalist distribution system. The high rate of failure when the Knights of Labor later attempted to turn worker co-ops into an alternative economic model reflected the shift from affordable tools to expensive machinery that made capital outlay requirements prohibitive.

Today we're seeing a reversal of that shift: from expensive, specialized machinery back to affordable, general-purpose craft tools. This shift includes the open-source and free culture movements, which have essentially erased the difference in quality between large corporate music, publishing and software operations, and what can be done with cheap desktop technology. It includes soil-intensive horticultural techniques that can produce far more per square foot than industrial farming <www.permaculture.org>. It includes a wealth of affordable new tools for household production. And it includes a revolution in low-overhead industrial production using cheap, general-purpose digitally controlled machine tools.



[RepRap <http://reprap.org>](http://reprap.org) is a general-purpose manufacturing machine that takes the form of a desktop 3D printer capable of printing plastic objects.

Taking advantage of these opportunities for agility and resilience should be at the heart of an an economic re-localization agenda. Every reduction in capital outlays and other sources of overhead also reduces the size of the revenue stream required to service that overhead. It reduces the imperative to “get big or get out.” In fact, it blurs the very distinction between being “in business” and “out of business,” “employed” and “out of work.” With little or no overhead, a small producer can ride out periods of slow business without going in the hole, and all revenue in good times is free and clear.

The central problem facing the alternative economy is its shortage of available land and capital compared to the corporate legacy economy. There are three key ways to do counter this imbalance:

1. The Free/Open Source Movement. The alternative economy should take advantage of new possibilities for replicating information almost for free. Because reproducing information is free, corporations in the information and culture industries must rely on state-enforced monopolies like patents and copyright to make information

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artificially scarce and expensive, so we have to keep buying it from them. “Intellectual property” (IP) is the central monopoly on which the global corporate economy depends. The business models of the most profitable industries in the global economy—electronics, entertainment, software, biotech, pharma—all depend on patents and copyright. IP plays the same protectionist role in today’s global corporate economy that tariffs did in the old national industrial economies. It enforces the barrier between the TNC and the rest of the world, rather than the barrier between a nation and the rest of the world; but in both cases the effect is to restrict who can sell a given good in a given market. In the case of manufactured goods, embedded rents on artificial property rights like patents frequently exceed the cost of labor and materials.

Local governments and universities should require that all research conducted using taxpayer or university funds should be in the public domain. Government and university offices should use open-source software like the Linux operating system and Open Office productivity software. Universities, while complying with the copyright laws to the minimum extent necessary for avoiding prosecution or litigation, should actively challenge pro-copyright propaganda. (See Paul Fernhout, www.pdfernhout.net/post-scarcity-princeton.html)

2. Home-Based Microenterprise. Ralph Borsodi showed 80 years ago that home-based production could supply many goods cheaper than they could be bought in a store. Since then, cheap home production tools like the garage workshop and the sewing machine have become much more efficient. Much of what we consume—clothing, canned and frozen foods, baked goods—can be produced far more efficiently in the household economy for little or no cost, using the spare capacity of ordinary household capital goods most people already own.

Local zoning, health and safety codes, while serving an important function, frequently impose unnecessarily high overhead costs on small scale production. Consider a home micro-bakery. Regulations and zoning laws mandate the use of an industrial-sized oven, dishwasher and freezer, and renting stand-alone commercial space, adding a huge fixed cost. The practical effect is to limit self-employment to those with the means to open a full-scale commercial enterprise.

Reducing the capital required for production is as good as giving people capital they never knew they had. Eliminating barriers to low-overhead micro-production in the informal and household economy—and thus giving household producers a free source of new “capital”—should be at the heart of our agenda for the alternative economy.

3. Micromanufacturing. New advances in digital table-top manufacturing tools (lathes, milling machines, cutting tables, 3-D printers, etc.) make it possible for a garage factory, with tools costing the equivalent of a few months’ blue collar wages, to produce goods of a quality that once required a multi-million dollar mass-production factory. Open Source Ecology <http://opensourceecology.org/>, with its Factor e Farm demo site near Kansas City, is developing a fifty-item “Open Village Construction Set” including the basic machine tools, agricultural machinery, and construction tools required for comfortable self-sufficiency at the village level. All the designs developed at OSE are under open source licenses, and freely available to any local project that wants to replicate them using local labor and tools. The cost implosion in small-scale manufacturing essentially destroys the whole economic basis for the wage and factory system. Economic re-localization initiatives should work in close collaboration with micro-manufacturing operations like Hackerspaces <http://hackerspaces.org> and Fab Labs <http://fab.cba.mit.edu/about/faq/>, and with local machine shops participating in networked efforts like 100kGarages <http://100kgarages.com>.

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