Building a Resilient and Equitable Bay Area

Toward a Coordinated Strategy for Economic Localization

Executive Summary

Contributing Organizations:

- Redefining Progress
- Bay Localize
- Business Alliance for Local Living Economies
- International Forum on Globalization
- Center for Sustainable Economy

Authors and Researchers:

- John Talberth, Redefining Progress
- Aaron G. Lehmer, Bay Localize
- David Room, Energy Preparedness
- Brian Holland, Bay Localize
- Kirsten Schwind, Bay Localize
- Jennifer Bresee, Bay Localize
- Connie Galambos, Redefining Progress
EXECUTIVE SUMMARY

Our Vision – Localization as a Tool for Sustainable Economic Development

Since the spring of 2006, Redefining Progress, Bay Localize, the Business Alliance for Local Living Economies (BALLE), the International Forum on Globalization (IFG), and the Center for Sustainable Economy have been collaborating on an economic strategy for the Bay Area that emphasizes small, locally owned, environmentally sustainable businesses in the energy, food, manufacturing, and financial sectors. We believe a strategy that brings production of vital goods and services closer to home is more environmentally, economically, and socially sustainable than a strategy based on economic globalization. In the face of manufacturing job losses, the looming peak oil crisis, and greater economic insecurity we believe there is overwhelming public support for all nine Bay Area counties and their cities to work together with business and community leaders to devise and implement an economic localization strategy through public governance and business sector initiatives.

What Is Economic Localization?

Economic localization is the process by which a region, county, city, or even neighborhood frees itself from an unhealthy dependence on the global economy and looks inward to produce a significant portion of the goods, services, food, and energy it consumes from its local endowment of financial, natural, and human capital. Economic localization brings production of goods and services closer to their point of consumption, reducing the need to rely on long supply chains and distant markets so that communities and regions can, for the most part, provision themselves. While it is certainly not possible to produce every kind of good and service locally, economic localization seeks to restore an efficient balance between local production and imports that fully accounts for the social and environmental costs neglected by free trade agreements.

Why Economic Localization Should Be a Matter of Public Policy

Economic localization offers the Bay Area a tremendous opportunity to disengage from the zero sum game of competition with other states and nations for the attention of global corporations and export market niches and to reap a wide array of lasting rewards for the people who live and work here. These include a restoration of manufacturing jobs and economic linkages, a more diverse and resilient economic base, increased food and energy security, a
workforce with more skills and entrepreneurial know how, less urban sprawl, and a much greater pool of financial capital that recirculates in the local economy rather than leaking out to other regions and nations. Localization also enhances democratic decision-making by shortening the distance between policymakers and the people and communities they represent thereby diminishing the economic power of distant, unaccountable entities like the World Trade Organization and multi-national corporations.

What Strategies Would Be Needed to Localize the Bay Area Economy?

We are pursing six core strategies to promote localization of the Bay Area economy.

1. **Multi-agency coordination**
   Within the Bay Area are dozens of federal, state, and local public agencies influencing economic development. With so many agencies at work, coordination is key for the success of an overriding strategy such as economic localization. The Association for Bay Area Governments (ABAG) provides a good working model for such coordination.

2. **Localization as overriding policy**
   For economic localization to be a matter of public policy in the Bay Area, all federal, state, and local agencies influencing economic development both directly or indirectly must commit to the overriding principle of subsidiarity – which emphasizes local economic decision making whenever possible - and reformulate economic development goals, objectives, standards, and guidelines to promote localization.

3. **Localization as a tool for enhancing social equity**
   Localization offers a range of tools to reverse existing inequities between Bay Area communities. Production processes, programs and services that are accountable at the community level would allow for greater oversight in the distribution of resources, reducing the negative effects of institutionalized discrimination.

4. **Develop a sound analytical basis for localization opportunities**
   A key component of any localization effort in the Bay Area will be to identify the problems and challenges of the present globalized economy as well as opportunities for localizing key sectors such as energy, which is now heavily dependent on oil imports.
5. **Self reliance targets and timelines for key sectors.**
Once the potential for local production of key goods and services is assessed, communities can adopt self reliance targets and timelines and begin to implement programs to stimulate the transition. Food, energy, manufacturing, transportation, housing, and finance may be fruitful places to start in the Bay Area.

6. **Specific public governance and business sector actions to achieve economic localization.**
Bay Area governments, business leaders, and community organizers can implement a wide range of programs and policies to achieve economic localization in key sectors such as procurement and investment reform, taxes and subsidies, buy local campaigns, community development banks, and local stock exchanges.

*Next Steps for Advancing an Economic Localization Agenda in the Bay Area*

Advancing an economic localization agenda in the San Francisco Bay Area will first require a greater accounting of the challenges we presently face, along with a sector-by-sector assessment of the opportunities a localized economy would provide in job creation, community revitalization, and environmental improvement. The second step is to compile a wide-ranging list of policy options that could remove present obstacles and provide incentives for the localization of food, energy, manufacturing and finance. With this foundation we will catalyze an inexorable movement toward economic localization throughout the Bay Area. This campaign will include (a) securing official support of thought leaders; (b) nurturing a network of locally rooted businesses, interested public agencies, and partnering organizations; (c) engaging the media and the general public; (d) promoting feasibility and vulnerability studies, self reliance assessments, and mitigation measures, and (e) getting an initial set of widely supported policy options and incentive packages enacted. All of this will require that we engage and activate the public on the need to move forward with a localization agenda. By stressing the positive opportunities that localization offers to enhance regional security, boost local economic opportunities, and protect our environment, we will be well-positioned to attract a wide range of allies and broad-based public support.