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## **CAPTURING OPPORTUNITY**

Creating Capacity

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The signpost on NCRLC's *DIRECTIONS* brochure states that "All Roads Lead to Hope". The strategic outlook of the program has included the usual resource building and networking components, but it also includes commitment to a specific locale—five counties in southwest Iowa—to explore how a deeper understanding of what rural people see as the normalcy and reality of local, rural, economic situations can help to create building blocks and tools for hope. This commitment is focused on local economic systems and particularly on food systems. What is being learned about the building blocks to capture opportunity and create capacity in local communities?

One lesson is that the economic ideas that fit the reality of life in rural Iowa move away from expert positions and toward people. They share a focus on people doing for themselves as a result of opportunities to share their experience. These ideas suggest that sustainable economies can be built from the bottom up on innovation, entrepreneurship, and local experience, and that the REAL nature of all economies may be that they are unstable, cyclical, revolutionary and given to surges—reality may be that local economic life in rural areas needs to be structured accordingly.

### **Building block: Local economies do exist**

Perhaps the globalized economy based on standardization, integration and free movement of capital and trade is NOT the only economy. When the globalized economy failed in Argentina in 2001, for instance, people in communities there created barter and cooperative economies at the local level to stabilize their situation.<sup>1</sup> Rural Iowa has witnessed the same dynamic as the "farm crisis" has become a way of life.

*DIRECTIONS* is convinced that there are local/community-based economies in rural Iowa, especially ones built around food and local services—and equally convinced that if more can be learned about them, more can also be learned about building viable economic options for rural areas. Local economic activity has helped to stabilize incomes and is beginning to rediversify Iowa's agriculture. Therefore, the first building

block is acknowledging the fact that there is a diversity of economies and realizing that understanding them can help us to create options.

Robert Chambers, a development professional with a keen and abiding interest in participatory practices,<sup>2</sup> recognizes how important it is to “sniff out” reality and normalcy. He points out that normalcy and reality at the local level in rural communities may be very diverse and complex and that local people already have much experience and many ideas about how to deal with it.

He illustrates this idea in a discussion of the difference between “job” and “livelihood”. He points out that employment, in the formal sense of having “a job with benefits” as the best way to deal with “making money” in order to become a “consumer” may be a reductionist and industrial concept and should not be considered (as it often is!) the very definition of livelihood in rural settings. True livelihood in these settings is probably dealing with the normalcy of life there by doing many things: sniffing around and looking for new opportunities, diversifying by adding enterprises, multiplying activities and relationships. It is to use not one, but many means to gain basic necessities, AND to reduce vulnerability AND improve the quality of life, personally and within the community.

Building block: Make the community economy visible

A community economy is not always visible—especially to outsiders and professionals. Where to look?

Experience in local areas tells us that there are two big clues about where to find local economies:

- The first is that they are most often found in relationships rather than products, sales figures or numbers of jobs. These are in fact, if not in name, social economies. In the Argentine situation, they were called “economies of solidarity”, directly reflecting the kind of social activity that they represented. Because of this, they may not be very available to outsiders and professionals. Anyone who has moved into a small town or rural area knows that local products and services are not visible until you establish a relationship with someone to ask about the local economy OR until you have lived there long enough to establish relationships that make it possible for you to know what is happening!
- The second clue is that local economies tend to be holistic and livelihood oriented. They come into existence as personal assets and skills are linked to community needs. In the 1700s, an ancestor of mine included in his personal livelihood growing grain and apples in New Hampshire, AND contributed to his community economy as the blacksmith for his small town. That pattern still thrives today in all its diversity as people assess their skills, talents and other assets and figure out how they can be used to create income and provide needed services and goods in their community.

Because of this, a local economy can seem to be diffuse and hard to pinpoint as it does not always produce the gold standard *full time job with salary and benefits for a breadwinner* that can be counted. Instead it often contributes to family livelihood, a portfolio of income streams that can be made up of farming, seasonal or custom work, work off farm, specialty crops, enterprises, etc.

Many families in rural Iowa routinely manage four income streams successfully. Perhaps those of us who work in rural development need to reframe OUR thinking and acknowledge that this time-honored, worldwide pattern of creating a livelihood portfolio is not just *making do*, but may actually be providing our rural families and their communities with some important assets. These families are extremely busy and need to keep learning how to integrate the portfolio. But it is important to note that in living with livelihood they have gained good risk management in an uncertain environment as well as high-level business and personal management skills.

Their local economies have gained diversity from this activity as well, as people match skills to community needs to gain income by providing local goods and services. A livelihood approach also has the potential to allow people to tailor their work more closely to family needs and community participation. Last but certainly not least—rural people themselves say that the most important thing about this reality is that it allows them to stay in their community.

Building block: A new kind of analysis

Economic thinking that is focused on the ideal of a smooth running, integrated, global economic machine has also caused enormous amounts of energy to be spent on paradigm shift, change and change management. Shifts, changes, and uncertainties that come from dealing with diverse local conditions and entrepreneurial businesses are seen as disruptive. However, even Thomas Kuhn<sup>3</sup>, who coined the term “paradigm shift,” acknowledges that the real foundation of a situation is normalcy: the information that is always there in the experience of the people involved. A paradigm is only a framework through which to view that information and a paradigm shift is the creation of a different framework for the same bundle of information—not the creation of new information. While acknowledging that perception and framework are important to analysis, the idea of focusing instead on seeking a deep understanding of normalcy, and the reality of the information that is always there in the experience of the people involved at the local level as the basis for that analysis is intriguing.

Current analysis of areas like the one in Iowa is comprised mostly of census-based demographic information, counts of the number of businesses recruited, new, and retained, jobs created, sales receipts, unemployment rates, and wages paid. There are some figures that show economic leakages—mostly for retail sectors. But, in general, these analyses do not take into account all the capitals available to local people to use to construct an economy: financial capital, of course, but also those capitals particular to place—social, physical, human and environmental capital.<sup>4</sup> Nor, for example, do they measure such items as the extraction of wealth from local economies caused by outside ownership of land and businesses, or look closely at the cost-benefit ratios of recruiting branch businesses, which often offer only low-wage jobs.

Unfortunately, most of the economic development programs in rural areas are built and measured on criteria based on this analysis. Because the number of industries recruited (regardless of ownership) and jobs created are the top criteria for success, this is where the focus of economic development has been. It has NOT been on local ownership and entrepreneurship that keeps capital in the community to create wealth and provide livelihood opportunities. Success may be counted by the number of firms recruited from outside or jobs added—but those counting may not have any idea where the profits are going. And there is not much acknowledgment that recruiting those businesses may have cost the community much more than the wages

paid by the jobs created will recover—even though that question is increasingly asked by community citizens.

“**Small is Beautiful**”, Economist E. F. Schumacher<sup>5</sup> points out that: “Economic development is something much wider and deeper than economics, let alone econometrics. It can succeed only if it is carried forward as a broad, popular movement of reconstruction with primary emphasis on the full utilization of the drive, enthusiasm, intelligence, and labor power of everyone”.

What are we learning about the kind of analysis appropriate to this elusive “local economy” and using its capacity to create opportunity and full utilization of everyone in communities? Two things stand out—

- (1) we have to ask local people to describe it because they are the ones that know what is going on in their community, and
- (2) they need to talk to each other to be able to get to the whole picture.

A picture of reality and normalcy that describes a local economy can be created through the use of participatory assessment tools such as appraisals and maps, and the *DIRECTIONS* project has gathered and created a set of these easy-to-use tools for communities, parishes, and development groups. Overall, these tell us that we need to:

- Spend the time needed to gather and listen to people at a local level
- Ask them to describe the local situation
- Find ways to facilitate a dialogue of issues and meanings for themselves and their community

These ideas are being used to draw maps that follow local food systems from the land and the farmer to the eater and disposal of food wastes in the southwest Iowa five-county area. Using a value chain analysis skeleton, local people are describing their local food system and looking at the social connections as well as the technical connections at each step. This kind of analysis will produce a picture of how their local food economy works—but should do much more as local people carry on dialogue about the meanings that the map they have created has for their community and all its capitals.

Preliminary interviews, for instance, reveal a huge gap in processing capacity for meats in rural Iowa. Some of the arrangements to get good meat from farmer to eater are very complex and very dependent upon the good will and social relationships of the people involved. It is a tribute to Iowa farmers that in spite of this they created a \$55 million business in local, direct sales of meat in Iowa in 2001!<sup>6</sup> We hope the maps will show us more about the reality of just how they did that, as well as serving as a step to creating the capacity to stabilize and sustain business such as this.

This is also in contrast to current thought in economic development that focuses on analyzing and defining best practices as guides to success, and uses a prescriptive approach. Our alternative approach focuses on identifying, creating, and collecting building blocks and tools that people can use to assess their own situation and to meet their own needs in their own place using their own assets.

To work from this building block approach, we need to construct analysis and dialogue that “sniffs out” the normalcy and reality of life situations. This is not new thinking—even for economists! In his work, Nobel prize winning development economist Amartya Sen<sup>7</sup> emphasizes the importance of the freedom to participate

and collaborate at the local level., He points out that the current economic image of the “invisible hand” of the market as the ultimate decision maker completely overshadows Adam Smith’s conception of the natural person acting as one firmly in the company of others, understanding the importance of all kinds of mutually beneficial exchanges and transactions.

## Building block: Strategies of connection and conversation

The idea of working intensively in a local area was initiated by an observation that there is really a lot going on in rural Iowa—to paraphrase Mark Twain: “rumors of the demise of rural Iowa have been greatly exaggerated!” and by our belief that connections are important. Things are happening, in spite of the dismal reports and awful economic analysis. Little sprouts of entrepreneurship are springing up all over in the form of signs that read “Eggs for sale” or “Marvin’s welding shop” as farmers are renewing the countryside<sup>8</sup> with new products and markets. There are organizations working on rural issues and community vitality. Economic development directors are questioning state policies that make it hard for them to gain local support for their work. Churches are wondering how they can support their community. *DIRECTIONS* staff wondered just what would happen if someone was working at the local level specifically to connect all these dots on the local and regional landscape to create a web.

While we are just starting to do this work in depth, we can say that we think that connecting the dots works. In a very short time, it has introduced economic development people to farmers, and pastors to workshops on community based economic development in the five county area. It has brought resources into communities to create and sustain local information and resource networks for farmers, rural micro enterprises, and women landowners. It has begun to connect those networks to technical assistance outside the local area. Connecting the dots may be a basic capacity-building activity needed in rural areas, and it is something that outsiders and professionals can assist with effectively.

Farmers and local entrepreneurs who are ready to “make the road by walking” need support and resources close to home to create sustainability for their efforts. They tell us what they want most is someone to talk to—and that they really want that someone to be another grower or entrepreneur. Research on entrepreneurs of all kinds backs them up<sup>9</sup>. We have begun to put in place programs that encourage local people to talk to one another and to value experience and wisdom in their own communities. By doing this, they create a local database of information and resources and opportunities for reflection and learning from each other. Passion for the work brings these people together, and as they engage in learning together through conversation and listening, they develop a shared set of stories, tools, and ideas. Over a period of time, they can form a community of practice by creating a place where there are resources and support for getting things done.

We cannot eliminate the prevalent ideal of the smooth-running, integrated, global economic machine. It casts its shadow on all relationships and strategies for economic and community development work in local areas. Opposing it is often a fatiguing and despairing enterprise that can lead to hopelessness. But an increasing body of thought has pointed out to us that there are other ways to think and work. We can think

and work by seeking to understand deeply the normalcy and reality of life situations at the local and community level, and by working not to prescribe for, but to work with the local situation by helping to create building blocks and frameworks and webs that local people can use to deal with their own situation using their own assets to create vibrant and supportive economies.

### **EndNotes**

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