TOWARD AN ASSOCIATIVE ECONOMY IN THE SUSTAINABLE FOOD AND FARMING MOVEMENT

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With growing consumer demand for local, sustainable, organic/biodynamic food, how can we foster the development of associative economics principles to aid the “Sustainable Food and Farming Movement”? Robert Karp addresses this question in this and subsequent issues of Biodynamics. Look for the next installment in the Summer 2008 issue.

During the last fifteen years there has been remarkable growth and development in the Sustainable Food and Farming Movement in the United States. For example:

- There are now over 1,000 Community Supported Agriculture projects (CSAs) across the country.1
- The number of farmers’ markets in the United States has more than doubled from 1,755 in 1994 to 4,385 in 2006.2
- The amount of farmland under organic production in the United States has gone from just under one million acres in 1992 to over four million in 2005.3
- Since 1997 organic food sales have averaged 20% annual growth, while total U.S. food sales increased only about 3%.4
- According to a survey conducted by Food and Wine, 66% of U.S. consumers report they use organic products at least occasionally; that number is up from 55% in 2000.5
- Organic products are now available in nearly 20,000 natural food stores and 73% of conventional grocery stores.6

This is not to mention the recent flurry of growth in the local food aspect of our movement as evidenced, for example, in the growth of “Buy Fresh, Buy Local” chapters7 across the country or in the spate of new books and articles on the topic in the mainstream media.8

During this same time period, I have had the privilege to be actively involved in this growth as a community organizer, non-profit leader, and consultant. I have helped to start and manage a wide range of projects focused on fostering new social and economic relationships between farmers and local communities. In addition, I have worked to address the production, business, and market needs of mid-sized, diversified grain and livestock farmers in the Midwest, many of whom were serving niche markets in the natural and organic food industry. Much of this work was accomplished while serving as executive director of Practical Farmers of Iowa, one of the leading organizations working for change in the food and farming system at the state level. This work, and its growth during the last decade, have been both exhilarating and rewarding.

As hopeful as all this has been, I find myself with a growing concern about what I experience as a lack of in-depth discussion in our circles of the larger cultural, social, and economic trends within which our efforts are embedded. For example, do we really think we can create a just and sustainable food system without a clearer vision of the future society within which this food system would find its home? What forms of ownership and finance characterize the economic system of this future society toward which we are working? What is our vision of the role of government and government programs in our preferred future? Is our movement part of a larger awakening of “new spirituality” in North America, as some would suggest, and if so, towards what social or economic ends?9 As Michael Schumann asked already in 1998 regarding the entire progressive movement:

Too little is being invested today in answering a fundamental question: What exactly are we organizing for? Many of our pat “answers” are obsolete. State socialism lies in ruins, and Great Society liberalism is increasingly outmoded. One unanswered question looming large, for example, is how to provide decent work to everyone without destroying our ecological base. Can anyone say, with confidence, what our economic program is?10

While the Sustainable Food and Farming Movement prides itself on a form of analysis drawn from systems thinking, we nonetheless lack, I would suggest, a truly holistic and comprehensive understanding of the social, economic, and cultural trends within which we work and of what these trends might be asking of us if we wish to maintain our integrity and viability as a movement. Is not the growing industrialization of organic—documented so vividly in Michael Pollan’s recent book The Omnivore’s Dilemma—the result of trying to fit our movement and our ideals too readily or too naively into the prevailing governmental and economic structures of the day? As Allen Nation has put it, “The biggest problem with alternative agriculture today is that it seeks to incorporate bits and pieces of the industrial model and bits and pieces of the artisanal model. This will not work…”11

Our movement currently offers farmers a clear and compelling vision for new ways of farming and stewarding natural resources. We also offer consumers a clear and compelling vision for new ways of shopping, cooking, and eating. It seems to me, however, that we are lacking an equally clear and compelling vision for society as a whole and for economic life in particular, a vision that is aligned with the values of the movement, in harmony with our goals, and as sensible and holistic in nature as organic farming and healthy eating.12

I believe if we did more work in this direction, it would help us better grow our movement at the national, regional, and community levels, and better forge partnerships with a host of other social change movements. Without this effort, I am concerned that our diverse constituencies will become ever more specialized and fragmented and, therefore, more readily marginalized or compromised. I am also concerned that we will begin to experience increased infighting at both the for-profit and non-profit levels of our work. This sentiment is shared by some of the leading academics in the movement who have put it...
thus using their own terms:

...[W]e contend that the agri-food systems change community needs to develop proactive and shared visions of what “should be” and a firm agreement on the fundamental steps to make things right... These shared visions are essential to produce master frames with sufficient mobilizing capacity. Their absence is due to the multiplicity of issues and groups within the food systems change area... 13

METHODOLOGY

I approach this challenge using a methodology I first learned from Rudolf Steiner but which has begun to be articulated by a number of more contemporary thinkers as well, most notably Otto Scharmer. 14 For Steiner, healthy social change does not result by imposing ideas or ideals onto others or onto the existing “system,” but rather by recognizing what is already emerging, or trying to emerge, within the social life of our times. Steiner has characterized this methodology in the following way:

There are two ways of thinking about what ought to happen in the social sphere or in any other field. We may present a program, may form programmatical concepts; we... think out how the world should develop in a certain field; this can be presented in beautiful words. We can swear by these words, take them as dogmas, but nothing will result from them, nothing at all!

...In contrast to this, we can do something else, and many a person does it without any special clairvoyance: we may simply through a naive, intuitive knowledge of the times ask ourselves... What is it that in our times wishes to become a reality? Then, if one has discovered [this]... one can say to oneself: Now we can choose; people can either come to their senses and guide the course of events in the direction it must take in any case; then matters will turn out well. Or they can fail to do this by being asleep and simply allowing matters to run their course: in which case that which must take place will be brought about by catastrophes, revolutions and cataclysms. No statistics, no programs, however well thought out, are of any value.

Only the observation of what wills to appear out of the hidden depths of the times is of value. This must be taken up into consciousness; by this the intentions of the present must be governed. 15

The question, then, one must always ask in practicing the art of social change is: what is already emerging or trying to emerge in the world “out of the hidden depths of the times” that bears within it positive seeds for the future, and how can I rightly shape, nurture, or participate in this emergence, this unfolding? Such an approach should resonate with organic and sustainable farmers who often speak of the need to cooperate with nature rather than to aggressively impose ideas and methods onto nature.

ARE WE A MOVEMENT?

In this essay I use the term Sustainable Food and Farming Movement to refer to the diverse efforts of individuals, businesses, agencies, associations, cooperatives, and non-profit organizations involved in the domain of local, natural, sustainable, organic, and fair trade food production, distribution, consumption, advocacy, education, research, and economic development. I recognize that from an academic standpoint this collection of activities may hardly qualify as a movement, and I myself will be the first to admit that these wide-ranging activities are lacking anything resembling a cohesive or commonly shared vision. The word “industry,” from this perspective, might be a more suitable term.

And yet it could well be argued that what creates a movement in the first place is not agreed upon visions or leaders, but rather deep, underlying constellations of values and ideals. These values and ideals—they could even be called spiritual longings—are the real forces, I would suggest, that create a sense of community and commonality among those involved in such widely disparate efforts. Though less academic, it is this more instinctive definition of a movement that seems to be widely shared by the people actually working in this field of endeavor.

Recently, for example, I had the privilege to attend the Food and Society Networking Conference organized by the W.K. Kellogg Foundation, which was attended by more 600 farmers, academics, business people, and community organizers working as leaders in the domain of sustainable food and farming. On the first day of this event, a real-time survey was conducted with the help of computer technology, and one of the questions asked on the survey was: “are we a movement?” To this question 99% of the participants responded in the affirmative.

The truth of the matter, I think, is that we are a movement struggling to find itself, to realize and manifest its true purpose. In this sense, we are a bit like a teenager who oscillates back and forth between passionate idealism and crass selfishness. To come of age as a movement will require us to bring our idealism and our pragmatism together in a fully integrated way, in a higher synthesis, if you will. If there was another term that captured this idea of a higher synthesis between our idealistic movement and our pragmatic industry, I would certainly have used it, as it is toward this goal that this essay is directed.
And yet to gain genuine insights into what is trying to emerge in the social order is, in truth, an enormous task. Thus Steiner points to what we could call his second principle of social change, namely, the need to understand, to familiarize oneself with the spiritual laws governing the evolution of the human being and the evolution of human societies. To convey this point he once compared social change to building a tunnel:

The building of a tunnel is something eminently practical. Someone might well say: building a tunnel is simple; one has only to start digging into a hill from one side and to excavate away until one emerges at the other side. Everyone can see that it would be foolish to think in this way. But in other realms of life that is not always perceived . . . Whoever wishes to build a tunnel must, of course, first of all have a command of higher mathematics . . . It would be just as foolish to believe that one could begin building human society from the point of view of ordinary life . . . Thus there are movements for reform in all spheres of life. But everything done in this way is just the same as if someone were to try to cut a tunnel with hammer and chisel. This is all a result of not knowing that great laws exist which rule the world and spring forth out of the life of the spirit. The real problem of our day consists in the fact that there are great laws for the building of the state and of the social organism, just as there are for building a tunnel, and one must know these laws . . . just as in building a tunnel one must understand the interaction of all the forces of nature.16

Steiner could just as well have made this analogy to farming and asked: what farmers could be successful who were not aware of the laws of the seasons, of soil fertility, or plant and animal growth and reproduction and who could not work with these laws creatively on their individual farms?

Rudolf Steiner’s entire life was thus devoted to articulating and explaining what he saw as the spiritual laws and guiding impulses that underlie and come to expression in the evolution of human beings and of human societies. He hoped that by coming to understand these laws we could train our ability to recognize what was seeking to emerge in the social life of our time and work to cooperate with, rather than hinder or manipulate, this emergence. Steiner saw it as especially important in our time that human beings begin to consciously shape the social order out of this deeper knowledge and insight, rather than rely on the old racial, ethnic, cultural, religious, and national instincts that have guided humanity for many thousands of years.

Rather than further develop Steiner’s ideas in this regard, I wish to plunge now into the actual conditions, needs, and challenges of the Sustainable Food and Farming Movement, and begin to use some of the insights and concepts I have learned from Steiner to make sense of these phenomena, hopefully in a fashion that can help us more effectively understand and shape this movement into the future.

THE EMERGENCE OF A NEW ECONOMY

In the first place, I would like to suggest that what is trying to emerge in our movement, and through our movement, is a whole new approach to economic life, an approach based on a fundamentally different set of principles than those which most of us have been raised to think of as the driving forces behind economic life. And I believe we would do well to begin to try and understand and articulate the features of this new economy.

Students of Rudolf Steiner sometimes call this new economy an Associative Economy,17 and I will also use this term in this essay. Others writers, whose ideas certainly have some overlap with Steiner, have used a number of other terms, such as Solidarity Economy18 or Natural Capitalism19 or Local Living Economy.20 For the purposes of this essay, however, I have chosen to coin another term which I feel is more descriptive of the ideas I wish to share, and that is to speak of an Altruistic Stakeholder-Managed Economy.

By the word “altruistic,” in this context, I am referring to economic activity where the primary motivation is not profit but rather the desire to meet human needs, strengthen communities, and care for the planet—that is, economic activity where profit is an important and natural by-product of economic activity, but where it is not the motivating force or goal. We need only reflect on the origin of most businesses to realize that these almost always arise from an impulse to serve the human community in some fashion or another, even if these original impulses eventually get lost or undermined under the weight of the current system’s forms of trade, ownership, and finance.

Steiner suggested that it is an urgent task of our time to make conscious or explicit the inherent altruism of economic life so that it can be strengthened and become an actual guiding impulse and principle of organization within the economy. He went so far as to suggest that self-interest or egoism, which we have come to consider as the guiding principle of economic life, is actually that which must be continually overcome for the sake of the health of the economy, especially a global economy based on the division of labor, which necessarily puts all people, communities, and nations into an interdependent relationship with one another.

Meanwhile it is absolutely true—and indeed self-evident—that the more the division of labor advances, the more it will come about that one man always works for the rest—for the community in general—and never for himself. In other words, with the rise of the modern division of labor, the economic life as such depends on Egoism being extirpated, root and branch. I beg you to take this not in an ethical but in a purely economic sense. Economically speaking, egoism is impossible. I can no longer do anything for myself; the more the division of labor advances the more must I do everything for others . . .

Ladies and Gentleman, this might easily be taken for a piece of idealism, but I beg you to observe once more: In this lecture I am speaking neither idealistically or ethically, but from an economic point of view. What I have just
been emerging, or trying to emerge, in our Sustainable Food and Farming Movement for the last thirty years and in related movements in locales across the world? I believe our movement in North America bears witness to hundreds and thousands of examples of this emergent approach. Examples abound at every scale, including:

- Community supported agriculture (CSAs) and other forms of direct marketing where consumers and farmers form loyal economic relationships in order to preserve small farms and produce healthy, nutritious food.

- Businesses like Country Natural Beef, Organic Valley, and Equal Exchange that were started to benefit farmers, rural communities, and the environment, and where the management and ownership structures continue to reflect these values and goals. Mission-driven businesses like these, both cooperatives and non-cooperatives, in the hundreds and thousands, are the very backbone of our movement.

- The Oklahoma Food Cooperative, a multi-stakeholder co-op of farmers and consumers that has created an effective distribution system for locally grown food throughout the state of Oklahoma.

- The O-Farm organization, which brings together a wide range of organic producer groups in order to set prices and develop markets through a rational, cooperative process.

The social conflicts are largely due to the fact that, as economic systems expanded into a world economy, it became more and more needful to be altruistic, to organize the various social institutions altruistically, while in their way of thinking, men had not yet been able to get beyond egoism and therefore kept on interfering with the course of things in a clumsy, selfish way.

Steiner is not suggesting here that people have to somehow become saintly before they can become economically active in a healthy way. Rather he is suggesting that the modern economic life, through the division of labor, already involves us in processes in which our self-interest is continually being overcome and blended with the interests of others in service to a larger whole. And he is suggesting that this capacity (to shape economic life out of an interest in others and in the needs of the wider community) must become much stronger and much more conscious as we evolve toward a more and more interdependent, global economy. In other worlds, the assumption that a healthy economy is based on self-interest must be entirely overcome.

I realize that in our present business climate it may seem naïve to suggest that business people might be motivated by altruistic goals to provide people with their basic needs and manage the earth’s resources wisely. Yet, is this not exactly what has been emerging, or trying to emerge, in our Sustainable Food and Farming Movement for the last thirty years and in related movements in locales across the world? I believe our movement in North America bears witness to hundreds and thousands of examples of this emergent approach. Examples abound at every scale, including:

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- The O-Farm organization, which brings together a wide range of organic producer groups in order to set prices and develop markets through a rational, cooperative process.
• The network of member-owned, natural food, retail, and distribution cooperatives that have successfully embodied the principles of the cooperative movement in more than 300 stores and businesses throughout the United States.28

• The fair trade movement, which is driven by consumer interest in food with social justice and ecological attributes and which is quickly moving toward a seal and set of domestic standards for the organic and natural food industry in North America.29

• The Association of Family Farms30 and the Value Chain Partnerships for Sustainable Agriculture31 project, which are attempting to facilitate cooperation among supply chain partners (farmers, traders, retailers, etc.) based on trust, transparency, and interest in the success of one another’s businesses.

Besides altruism, I believe we can witness another aspect of the new economy starting to emerge in the above-described efforts, and I have tried to capture this aspect through the term “stakeholder-managed” economy. With this term I am pointing to the possibility of an economy that is managed collaboratively by its primary economic stakeholders—consumers, producers, traders, workers, lenders, etc.—toward socially responsible ends.

From a 10,000-foot perspective, present-day economic life already reveals itself as an immense web of collaborative, interdependent, supply chain relationships. These supply chains span the globe, producing, processing, and distributing the products and services human beings need to carry out their lives. Looking at them up close, however, we can see that these supply chains are usually controlled by relatively few of the actual economic players involved. We also see that much of the genuine economic progress that could result from this global economic cooperation is undermined by self-interested goals and aims on the part of these few players and the immense sums of the capital they have at their disposal.

What is needed, and what is trying to emerge in place of this state of affairs, is a method of economic cooperation or “association” that allows the many stakeholders involved in the economic life of particular regions and products to work together out of their common goals and ideals. The purpose this cooperation would not be to act politically, but rather to conduct, facilitate, and regulate trade together. Steiner explained this need as follows:

Economic life is striving to structure itself according to its own nature, independent of political institutionalization and mentality. It can only do this if associations, comprised of consumers, distributors and producers, are established according to purely economic criteria... Not laws, but men using their immediate insights and interest, would regulate the production, circulation and consumption of goods. They would acquire the necessary insights through their participation in the associations; goods could circulate at the appropriate values due to the fact that the various interests represented would be compensated by means of contracts.32

Imagine, for example, how milk production, consumption, and prices could be actively managed and harmonized, not by the government, nor by the invisible hand of “market forces,” nor even simply by farmer groups, but rather by regional associations made up of representatives of farmer groups, consumer groups, traders, retailers, and other logical stakeholders who have the mandate to work together to regulate, out of economic insight and shared values, this important commodity in a fashion that benefits all.33

Rather than clamoring for the government to create new programs for farmers, our movement might consider a completely different approach: namely, getting the government to stop managing the farm economy and instead empowering specific groups of stakeholders to actually undertake this management themselves. This could only be accomplished, however, if these stakeholders could come to the table on the basis of altruistic goals and values, bringing their idealism and expertise to the table, but leaving at the door, as much as possible, their economic fears and narrow self- and group interests. As hard to imagine as this is, is it not in line with the natural trajectory of our movement? And is it not intimately in accord which the original impulses of the movement, which Michael Pollan has described so well:

...[T]he early organic movement sought not just to establish an alternative mode of production (the chemical-free farms), but an alternative system of distribution (the anticapitalist food coops) and even an alternative mode of consumption (the “countercuisine”). These were the three struts on which organic’s revolutionary program stood; since ecology taught “you can never do only one thing” what you ate was inseparable from how it was grown and how it reached your table.34

Steiner is also helpful in pointing out the deeper economic reasons we need associations of stakeholder groups to work together to manage the economy. These reasons reside in the inherent complexity and fluidity of a global economy based on the division of labor. This complexity prevents any one person, business, or organization from having a total grasp of the complex conditions and factors impacting the production, distribution, and consumption of any particular product at any particular time. Only when the many players involved in the economic life of particular products and regions come together and associate can such a holistic picture emerge, along with insights on how best to work together for the good of the whole. Through this coming together and the trust it engenders, decisions can emerge regarding all aspects of a product, including appropriate prices, that simply would not otherwise be possible, even with the best-intentioned governmental policies or the most idealistic fair trade agreements. Or as Steiner put it:

The only way of arriving at... real judgments on these things [supply, demand, prices, etc.]—not a theoretical
but real judgment—is by way of association. In practical economic life there is no other effective way of knowing what is going on in trade, for example, except to be engaged in trade oneself. You must be in the midst of it, you must be trading. There is no other way. Theories may be interesting, but theories are natural science. The point is not that you should know about trade in general, but that you should know how the products circulate in the process of trade in Basel and its immediate neighborhood. And if you know that, you do not thereby know how they circulate in the Lugano district. The point is not that we should know about things in general, but that we should know something of a particular region. Likewise, if you can form an effective judgment as to the higher or lower prices at which scythes or other agricultural implements can be manufactured, you do not thereby know the prices at which screws can be manufactured. The judgments that have to be formed in the economic life must be formed out of immediate, concrete situations. And that is only possible in this way: for definite domains or regions (whose magnitude as we have seen, will be determined by the economic process itself) Associations must be formed, in which all three types of representatives will be present alike. From the most varied branches of economic life, there must be the Representatives of the three things that occur in it—Production, Consumption and Circulation.35

We could say that it is a new human need and capacity, stimulated by the complex conditions of modern life, to come to a real picture of the economic processes at work in particular regions and in the lifespan of particular products. This need and capacity comes to expression in the concept of the food system, which has had such a deep impact on the Sustainable Food and Farming Movement in the last fifteen years. And yet this need, as Steiner suggests, is also economic in nature and cannot be fulfilled by mere research, idealism, and activism. It can only be fulfilled when people actively at work in the economy come together to learn about one another’s needs, harmonize their efforts, and serve the wider community. It is only in this way that the self-interest which naturally attends human life, and economic life in particular, can be transformed into interest in the other—that is, into altruism.

The moment the life of associations enters the economic process, it is no longer a question of immediate personal interest. The wide outlook over the economic process will be active; the interest in the other fellow will actually be there in the economic judgment that is formed. In no other way can a true economic judgment come about. Thus we are impelled to rise from the economic processes to the mutuality, the give and take, between man and man and furthermore to that which will arise from this, namely, the objective community spirit working in the associations. This will be a community spirit, not proceeding from any “moral acid” but from a realization of the necessities inherent in the economic process itself.36

Most of us have probably experienced this remarkable “community spirit” in various meetings or groups where diverse people who share a common set of values come together in a spirit of openness—meetings where self-interest naturally evolves into interest in the other and in the wider community. What fewer of us have probably experienced is this community spirit working in the economic aspect of our lives, and yet this is precisely where Steiner is suggesting it is most needed in our time.

For me, the beauty of the “local food” aspect of our movement is that it allows just this kind of community spirit to arise in connection with economic transactions, giving producers, retailers, chefs, and consumers alike the chance to experience the wisdom, common sense, and community that emerges when the economy brings them together rather than separates them. The question now facing us, however, is whether we can take this kind of work to the next level so that this heightened spirit of cooperation that is being learned at the local level can also begin to live in our longer distance, higher volume trading relationships.

Of course, work in this direction faces enormous challenges, not the least of which is that most of the farmers, traders, and retailers that form the core of our movement have to function within an intensely competitive, profit-driven, and legalistic economic system—though, I would suggest, their inherent values tend in a different direction. And yet this is clearly also our strength as a movement: namely, that we have a foot in the existing system, even while we are trying to change it. It is a strength, that is, if we have the wherewithal to create the culture, structures, and support systems that can help our farmers, food companies, traders, retailers, and consumers work together in an associative manner even in the midst of the market as it is currently organized.

One of the great questions facing our movement then is thus: how can a new economy unfold and spread its wings while interacting with an economic system often dominated by self-interested forms of trade, finance, and ownership; by a fear of scarcity; and by a government often under the sway of these same values? We will, however, never be able to effectively answer this question if we are not aware of the fact that a new economy is needed and is, in fact, already emerging in our movement and in many others, and if we are not in some kind of conversation about how to take the next steps needed to make this way of working more and more a reality.

If we were clear about the need for and the shape of this new economy in broad outlines, we could then begin to envisage how our diverse efforts fit into a larger puzzle. We could discern how, when, and where we could pull together and what kinds of projects, organizations, knowledge, capacities, and resources are missing in order to make this approach work. And we could recognize where, when, and how to partner with other movements along the same lines. For we are not in this alone: these strivings toward an Altruistic Stakeholder-Managed Economy are emerging throughout the world, from the tiniest micro-enterprises in the developing world to supply chains managed by large corporations. In the following installments of this essay, I will address several areas where I feel new thinking and social
structures are needed in order to support the promising emergence of an Altruistic Stakeholder-Managed Economy within the Sustainable Food and Farming Movement.

NOTES

12. By the word “vision,” in this case I do not mean an ideological picture of the future, nor simply a set of higher order values, like sustainability and justice, nor a clear set of strategies or objectives. I mean rather a living, evolving understanding of something that is insightful, poetic, and practical and that can thus speak to the head, heart, and hands of those of us trying to take this movement into the future.
27. For more information, see O-Farm, http://www.ofarm.org/ (Mar. 2007).
30. For more information, see Association of Family Farms, http://www.associationoffamilyfarms.org/ (Mar. 2007).
33. For a description of this approach to managing major commodities, see Christopher Nye, “Pulling Together: A New Way to Think about the Farm Price Problem” (1987).
35. Steiner, World Economy, 106-07.
36. Steiner, World Economy, 133.

Robert Karp has been involved in sustainable farming initiatives for many years. He was the executive director of Practical Farmers of Iowa, a non-profit, educational organization with a mission to research, develop, and promote profitable, ecologically sound, and community-enhancing approaches to agriculture.