ISBN 0-315-54950-5

Knowledge and Action: BRIDGING COMMUNITY ECONOMIC DEVELOPMENT and PLANNING

by
Rod E. Nasewich

A Thesis Submitted to the Faculty of Graduate Studies in Partial Fulfillment of the Requirements for the Degree of:

MASTER OF CITY PLANNING

Department of City Planning
University of Manitoba
Winnipeg, Manitoba

KNOWLEDGE AND ACTION: BRIDGING COMMUNITY ECONOMIC DEVELOPMENT AND PLANNING

BY

ROD E. NASEWICH

A thesis submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements of the degree of

MASTER OF CITY PLANNING

ABSTRACT

Community economic development (CED) has emerged within the context of post-industrial shift and new age thinking as an alternative philosophy and approach to social and economic development. CED possesses an underlying theory and philosophy which rethinks our relationship with the world and with each other, based on an ideology of ecological humanism and a number of intrinsic principles such as self reliance, empowerment, and sustainable development. In practice, local economic development operationalizes these principles into a process by which local residents act collectively to establish their own development goals, assess their strengths and weaknesses, identify local resources and opportunities, and collectively improve their socio-economic situation.

This thesis attempts to bridge community and local economic development with the theory and practice of planning. The thesis reveals the two activities to share a number of commonalities in their goals and objectives, community focus, and commitment to process. However, planning is one of the established institutions of industrial society. As such, it has maintained a commitment to scientific reform, objective analysis, and political and ethical neutrality, all of which are products of industrial thinking, and all of which are being challenged by current events. As a result, the profession is faced with a number of paradoxes including its place and relevance in a changing, post-industrial society.

The thesis concludes by putting forth an agenda for a reordered planning with community and local economic development in mind. This agenda outlines a series of theoretical and practical reorderings such as: a new systems view; a reclaiming of altruism; and a reordered planning practice. All are necessary for planning to embrace the theory, philosophy, and practice of community economic development.

CONTENTS

ACKNOWLEDGEMENTS

This thesis represents the culmination of over one year of research, writing and discussion on community and local economic development, and for me signifies, at least for the time being, the end of an academic period extending over twenty years. There are a number of individuals who have contributed significantly in the completion of this project and throughout the course of my studies. First, I wish to thank my fellow students as well as the staff in Department of City Planning, University of Manitoba for their friendship and assistance over the months and years spent in the program. Further, I'd like to thank my Thesis Committee composed of: Dr. Mario Carvalho, Mr. Leo Prince, and Dr. Kent Gerecke, for their contributions to different aspects of this thesis, and for the special knowledge and assistance each provided in the course of completing the final document. Special thanks to Kent Gerecke for his personal concern, interest and assistance in all stages of the development of this thesis, and for his presence both as an advisor and a friend during my stay in City Planning.

Finally, I would like to thank my family and friends, especially my sister and my parents, for their unbroken support and interest throughout my relatively long and occasionally less-than-conventional academic history.

Rod Nasewich

INTRODUCTION

This thesis is an inquiry into the nature of community economic development (CED) and planning, in particular the underlying concepts, values, beliefs and principles inherent in the theory and practice of each. The primary purpose of the thesis is to explore the nature of CED by examining: 1) the context in which it has emerged; 2) the theory and philosophy underlying it; and, 3) the practice of local economic development. Secondly, the thesis attempts to discover the relationship between CED and planning, where they share similar values, where they link, and where they collide and conflict. Further, it attempts to discover where community economic development "fits" in planning theory and planning practice; the role, if any, each has in the other; and the major obstacles and challenges resulting from any possible alliance between the two. The purpose is to "bridge" community economic development and planning by first understanding the essential workings and underpinnings of each, and subsequently identifying the major components and differences separating CED and planning.[1]

The thesis places itself within the context of transition and change, asserting that the field and profession of planning, and the society in which planning functions are undergoing transition. What this transition is towards in both cases is uncertain, however

---

1 The term "planning" is used in the broadest possible sense to denote the planning profession or the field of planning as a whole, as opposed to a particular type of planning such as land use planning or social planning. However, while focusing on the planning profession, the thesis takes aim primarily at institutionalized planning or the planning done at the local level by local governments. Nonetheless, the ideas contained in the thesis are applicable to planning and planners in whatever capacity, public or private, and in whatever specialty: land use, social planning, or other.

Community economic development (CED) refers to the higher form of community development which is currently occurring in a great many communities and which focuses on economic as well as social development. CED is used here to denote a variety of principles, beliefs, and values about development and economics such as self-reliance, sustainability, and so on. CED also involves a set of practices and processes which are referred to in this thesis as local economic development, as the latter connotes a broader application as an alternative process of economic development not only for neighbourhoods and communities, but cities, towns and regions as well.

the crises, problems, and dilemmas which signify change are evident in both the planning profession and in industrial society as a whole.

The shift within the planning profession is the result of a greater realization among politicians, the public, and planners themselves that traditional planning models and solutions, as well as traditional planning roles are no longer suitable for solving a great many of the urban problems prevalent in cities today. Such problems include homelessness, poverty, and unemployment, and stem from a variety of social and economic inequities, lack of opportunity and misdirected economic development initiatives.

While planning has been recognized and institutionalized as a legitimate and important function of government, particularly local government, its activities have not expanded beyond the traditional concepts of development control, land use, and design. As a result, the tendency has been to remove non-physical issues from the planning sphere in favour of other agencies and initiatives. At the same time, the planner's role in the physical environments of cities has been lessened by the presence of architects, engineers, and landscape architects, relegating planning to technical, advisory, and administrative functions which are themselves often undermined by the political context within which much of planning operates.

This dilemma has not gone unnoticed by planning practitioners and theorists for within the profession itself there is a shift away from the rational comprehensive model of planning which emphasizes a technical-advisory role, scientific objectivity, and political neutrality. In addition, there is a shift away from traditional planning roles and positions towards those outside the bureaucratic, design and regulatory processes, such as community economic development.

However, this shift is by no means complete or pervasive within the formal, institutional realm of the planning profession, and is due more to individual and personal choice than professional change. In the midst of the diversity in planning thought and practice, planning in communities at all levels has largely relied on physical, technical planning to solve urban problems. In recent times, these problems have become less and less physical or technical in nature, and more and more a result of changes in social, economic, and political conditions. As a result, the planning profession is often seen as ineffectual, unresponsive, or merely reactive in dealing with societal problems.

The changing nature of the problems in communities and the challenges to conventional planning thought and practice are occurring within the context of a second more pronounced, more dramatic, and more widespread shift in society. It is a shift referred to by various names: the Third Wave (Toffler), the Turning Point (Capra), and the Aquarian Conspiracy (Ferguson); and represents a shift in economic as well as social, political, cultural, and personal beliefs. It is generally referred to as the transition from industrial to post-industrial society.

If one accepts the existence and validity of an overall restructuring, or at least the changing of industrial society, then the crises and dilemmas which the planning profession is experiencing should not be unwarranted or unexpected. Planning is a child of the Industrial Revolution and part of the established institutions of industrial society. Consequently, as the society and environment around planning changes, so too must the field of planning. As John Friedmann states in *Planning and the Public Domain:*

> The crisis of planning would have to be regarded as a specific instance of the historical crisis. And since the past two hundred years may be understood chiefly as the unfolding of industrial capitalism, the perceived crisis of planning would have to be interpreted in light of the crisis of this larger process...the crisis (of planning) foreshadows the end of the historical project that planning has so faithfully served (1987, 318).

The problems existing in society must also be seen in light of this larger process, and planning must, if it intends to deal with these problems and avoid becoming irrelevant or

obsolete, look more closely into the transformation which currently confronts society. Planning must attempt to understand the changes currently underway and respond accordingly by reevaluating traditional planning: its models, concepts, and roles.

The changes occurring in planning and industrial society are both commonly referred to as "paradigm shifts" using language developed by Thomas Kuhn in *The Structure of Scientific Revolutions.* A paradigm according to Kuhn was an accepted model or pattern, framework of thought, and scheme for understanding and explaining certain aspects of reality, encompassing and encouraging a set of societal beliefs (1970, 23).

Paradigm shift, then, represents a distinctly new way of thinking, a complete break in perception from that of the status quo, and a revolution in thought, theory, and action. It emerges as a result of "violations of expectation" and anomalies in old paradigms, old models, and old ways of doing things. Persistent anomaly results in "paradigm crisis" and the inability of old methods and models to adequately solve, approach, or explain certain phenomena. Out of this crisis, new ideas and new paradigms emerge, which are often first resisted and ridiculed. The process of transformation in society from the old paradigm to the new, is the process of paradigm shift (Kuhn 1970, 52-91).

Community economic development has emerged in response to the anomalies, crises, and violations of expectation occurring in conventional industrial society, and in its social and economic institutions. CED is a collection of grass-roots movements, localized initiatives, and economic organizations, structures and practices which have emerged as alternatives to the conventional structures and institutions which are experiencing problems as a result of the shift to post-industrial society. They are concerned with economic and community development as well as issues of social awareness including ecology, empowerment, equity, and justice. Collectively they involve a body of beliefs, values, and

principles which distinguish it from conventional economic theory. Further, these beliefs, values and principles have been operationalized into a process and practice offering a distinct alternative to conventional economic development.

THESIS INQUIRY

The central thesis of this inquiry then, is that community economic development (CED) incorporates and embodies a theory and practice consistent with the transformation of industrial society and represents an alternative method of dealing with many of the social and economic problems existing in society. As such, CED offers a significant opportunity for the planning profession, particularly planning at the local level, to resume and reestablish its role and position as a discipline which responds to the needs of society, providing direction and guidance in light of continuous change and uncertainty.

The thesis places itself within the spectrum of the transition that is currently occurring both in planning and society as a whole. The thesis will not attempt to discern whether this transition is a complete paradigm shift or transformation or justify, rationalize, or speculate to any great extent its causes and effects, or its future possibilities. Simply, there is evidence of a fundamental change occurring in both planning and industrial society, and CED has emerged as both product of and alternative to these changes. What this thesis attempts to discover is whether planning can support, encourage, and embrace community economic development as a response to the problems and challenges it faces as a profession and an professional activity.

The thesis contains within it a number of assumptions. The first, as already stated, is that fundamental change is occurring in both planning and industrial society, and community economic development represents an alternative approach to the problems and crises associated with this societal change. As such it presents an opportunity for planning

to broaden its own perspective and take a more active role in the solution of the real social and economic problems confronting communities.

The second assumption is that planning and CED are separate and distinct activities and it is not necessarily natural or easy, or even possible to switch from one to the other. Community and local economic development embody a number of beliefs and values which run counter to conventional economic theory and conventional "industrial" thinking. Thus they run counter to a number of central beliefs and values existing in planning theory and planning practice, particularly mainstream, institutionalized planning which is both a product of industrial society, and one of its established institutions.

However, the third assumption is that a complete "paradigm shift" in planning may not be necessary to embrace community economic development. Both planning and CED have desires to improve quality of life, although the theory and practice each follows to achieve this is different. In addition, there has always existed a tradition in planning that has searched for alternative models of planning and alternative visions of society. However, this tradition has never fully been translated into practice for a variety of reasons, one of which may be the lack of appropriate vehicles, strategies, and instruments for implementation. Community economic development may represent that suitable vehicle.

Finally, the fourth assumption is that by examining both community economic development and planning in detail, we can compare and assess the possibility of blending and integrating the best of each into a valid direction and practice for professional planning.

THESIS RESEARCH

The methodology employed in the thesis involves both deductive and inductive research. Deductive research is used in the examination of planning theory and practice while inductive research is used in the discussion of community economic development. A

synthesis of the two emerges in the "bridging" of CED and planning, and the presentation of the changes necessary for planning to embrace community economic development.[2]

Essentially, the thesis consists of two sections. The first attempts an examination and understanding, primarily through relevant and available literature, of community economic development, its context, theory, and its practice. The second section bridges community economic development with planning by first indicating commonalities between the two and suggesting possible scenarios for planning and CED. The thesis then examines closer the theory and practice of planning, and finally, the thesis explores the necessary and fundamental changes required for planning to embrace community economic development.

ORGANIZATION OF THESIS

The thesis is organized into six chapters. Chapter One examines the context in which community economic development has emerged as an alternative social and economic philosophy and practice. In particular, the chapter discusses the nature of the social and economic changes taking place in society which have given rise to CED, focussing on the key literature and specific indications of structural change occurring in society.

Chapter Two looks at the larger ideological perspective which community economic development can be said to be a part of, as well as some of the fundamental concepts and

---

2 Deduction is "the process of reasoning from general principles to particular instances" (Theodorson and Theodorson 1970, 104). It assumes the existence of a general set of principles and theoretical framework and attempts to add knowledge in an area of deficiency or an area previously unexplained. There exists a wealth of literature on both planning theory and practice, and although the profession is characterized by a plurality of different and often conflicting theories and roles, there is a general theoretical framework and *praxis,* within which much of planning operates. The second part of this thesis examines general planning theory and practice in an attempt to indicate areas of deficiencies in which a general theory of community economic development may be placed.

Induction is "the process of reasoning from individual instances to general principles, deriving general conclusions from individual observations" (Theodorson and Theodorson 1970, 199). It focuses on a particular phenomena requiring explanation. While community economic development does have a number of fundamental beliefs, values, and principles underlying its practice, they are not formalized or articulated in the same manner as planning theory and practice. Rather, they are embodied in a number of specific movements, initiatives, organizations and practices which collectively comprise and define community economic development.

principles which underlie community economic development and constitute its "theory". Henryk Skolimowski's "Eco-philosophy" and the larger ideology of Ecological Humanism is utilized to discuss the philosophical framework of CED, while the principles underlying CED are discussed by examining each of the terms in CED: community, economic, and development, what each signifies, and how each is interpreted in the context of CED.

The third chapter focuses on the practice of local economic development, how it differs from conventional economic development approaches, and how it operationalizes the principles and concepts of CED. In particular, the process, steps and stages involved in local economic development are examined.

Chapter Four attempts an initial "bridging" of planning and community economic development by identifying a distinct planning function within the local economic development process and outlining where the two share common beliefs and values. The purpose of the chapter is to indicate that planning and community economic development share a number of similar features which warrant or suggest that a closer relationship is possible. The chapter concludes with a discussion of three possible scenarios for CED and planning: 1) passive/reactive support; 2) coopt and integrate, and 3) embrace and change.

This thesis pursues the last scenario, and with this in mind, attempts to identify the fundamental changes necessary in planning theory and planning practice in order for the profession to embrace CED as a philosophy and employ it as a practice. To this end, Chapter Five looks at and attempts to provide an insight into the nature of planning first through an understanding of the major traditions underlying and influencing planning theory, and second through an examination of the development of professional planning practice. The purpose of the chapter is to illustrate that while there a number of natural linkages between planning and CED, planning has had a great deal of aversion and historical difficulty in changing from its traditional theory and practice.

As a result, the planning profession is characterized by a number of paradoxes resulting from dialectics between planning theory and practice, the separation of ideology and practice, the technical and physical bias present in planning practice, the way planners view and approach problems, and the role of the planner. It is these dialectics which are creating tension, division, and confusion within the profession and threaten its validity and relevance in dealing with the problems of modern society.

Within this context, Chapter Six outlines the major changes, in theory and practice, necessary for planning to embrace the principles and practices of community economic development. The purpose of the chapter is not to design or present a new planning model, but to lay the foundation for a new direction and agenda towards a reordered planning; a planning which includes community economic development, and a planning which assumes a greater degree of responsibility for, and participation in, the most pressing problems and dilemmas occurring in society.

Economic development and the social concerns and dilemmas associated with development are the key issues facing society both at present and in the future. Community economic development and the process of local economic development provide an alternative way of dealing with these issues and addressing some of the most critical problems in society. Planning, which is experiencing crisis and dilemma regarding its role and relevance in light of the nature of societal problems and post-industrial shift in general, must embrace alternative means and modes by which it can address its own problems as well as those of society. While there are natural and direct linkages between CED and planning, embracing community and local economic development: its processes, practices, principles and beliefs, requires a significant departure from traditional planning theory and practice. This thesis represents an initial attempt and examination into this departure, and a reordered planning which bridges community and local economic development.

CHAPTER ONE
The Context of Community Economic Development

What we see here are the outlines of a wholly new way of life, affecting not only individuals but the planet as well. The new civilization...will be agitated by deep problems. Problems of self and community. Political problems. Problems of justice, equity and morality, and problems with the new economy.

Alvin Toffler, *The Third Wave* (1980, 357).

What we need, then, is a new "paradigm" - a new vision of reality; a fundamental change in our thoughts, perceptions, and values. The beginnings of this change, of the shift from the mechanistic to the holistic conception of reality, are already visible in all fields and are likely to dominate the present decade.

Fritjof Capra, *The Turning Point* (1982, 16).

Community economic development is part of a larger response to fundamental problems and structural difficulties existing within present industrial society and within its social, political, and economic institutions. To understand CED, it is useful to understand the wider context of social and economic change taking place in society and in its structures, institutions, processes, and systems. It is within this context that community economic development has emerged as the embodiment of a new system of values and beliefs as well as a set of alternative social and economic practices.

This chapter looks at the nature of the changes occurring in society and the crises, dilemmas, and inadequacies of present institutions and structures in dealing with these changes. The chapter looks at some of the perceptions of the changes occurring in society and how these changes have been explained in general terms, as well as specific indications of structural and fundamental change occurring in a variety of aspects of society. In the process, the chapter presents the context which has given rise to community economic development.

PERCEPTIONS OF CHANGE

The intensity, severity, and unprecedented nature of the social and economic problems in society have spawned a number of views of structural fundamental change, paradigm shift, and societal transformation. While each emphasizes and focuses on different aspects, the message is basically the same, namely that the present problems, conflicts, crises, and dilemmas are the result of transition from our present industrial society to a "post-industrial" society of some sort.[1]

The Third Wave

In *The Third Wave,* Alvin Toffler describes the present situation as the emergence of a new civilization:

> A new civilization is emerging in our lives...This new civilization brings with it new family styles; changed ways of working, loving, and living; a new economy; new political conflicts; and beyond all this an altered consciousness as well. Pieces of this new civilization exist today (1980, 9).

Toffler states that the individual changes in everything from family structures to the nature of work, value-systems, political movements, and so on, are neither random or independent of each other. Rather, all are part of a global transformation of society and civilization as a result of a new "wave" of technological change. This technological change challenges old assumptions, old ways of thinking, and brings with it an entirely different set of values, technologies, life-styles, and modes of communication. As well, it is responsible for conflicts, confusion, and chaos in the structures, systems, and institutions based on the principles of "old wave" civilizations (1980, 1-18).

Toffler divides human civilization into three "waves" of technological change. The first wave of change revolutionized agriculture and transformed civilization from small, nomadic hunting and gathering societies to societies based on cultivated agriculture and village settlements, with land as the basis of economic life, culture, family structure, and politics. The second wave of change brought on by the Industrial Revolution, replaced

---

[1] Daniel Bell is credited with coining the phrase "post-industrial" society in his book *The Coming of Post-Industrial Society: A Venture in Social Forecasting* (New York: Basic Books, 1973).

almost completely every feature of first wave civilization, transforming it to a society based on the factory and the industrial system of production. The Second Wave spawned smokestacks, assembly lines and urbanization, and universalized consumer goods and the methods of production and distribution. It drew on non-renewable sources of energy (coal, oil, and gas) for its power, and it installed (over time) an entire system of social, economic, and political values and institutions based on the profit motive, the growth ethic, and the separation of production and consumption (1980, 21-36).

Today the Third Wave of technological change threatens to transform industrial society in much the same manner; "contradicting the old traditional industrial civilization, tearing apart our families, rocking our economy, paralyzing our political systems, and shattering our values." The change Toffler says, began in the 1950's, the decade which saw the widespread introduction of the computer and many other high impact, high technology innovations, and the decade in which for the first time white collar and service workers outnumbered blue collar workers. The result, he says, is that today all Second Wave systems are in crisis: health systems, urban systems, school systems, the international trading system, and the international financial system (1980, 10-14).

It is the advent of the computer and high technology which Toffler indicates as the driving force behind the "revolutionary" changes in manufacturing, business, employment, information and the media, family structures, and political systems. These changes, he says, signify a shift away from Second Wave institutions, structures, and systems based on standardization, specialization, synchronization, concentration, maximization, and centralization towards those based on the principles of flexibility, decentralization, democratization, de-massification, and networking.[2]

---

2 Toffler's six underlying principles of Second Wave society (standardization, maximization, and so on), what he calls the "hidden code" are summarized in *The Changing Times: Understanding Community Economic Development for the 1990's* (Nozick 1988, 18-19). John Lobell adds capital-intensity, orientation towards unlimited material growth, and uncooperation with or domination over nature as additional properties of industrialism which are being replaced by new values of cooperation and harmony (1981, 3).

Similarly, John Naisbett cites a number of "megatrends" which characterize the restructuring of present day society. These include:

- The shift from an industrial society to one based on the creation and distribution of information;
- The evolution of a highly personal value system to compensate for the impersonal nature of technology;
- The acknowledgment that we are no longer isolated, self-sufficient, or operating within the confines of national economies, but within a global economy in which domination by western nations has decreased and competition from non-western nations increased;
- Short term orientation, planning, and considerations giving way to longer term perspectives;
- The discovery by small, decentralized organizations of the ability to adapt, act innovatively, and achieve results from the bottom up, while large, centralized structures and approaches fail to act, adapt, or change;
- The shift from institutional help and assistance to more self-reliance;
- The realization that representative democracy has become obsolete in an era of instantaneously shared information and the rise of the ethic of participation;
- The decreased dependence on hierarchical structures in favour of informal networks;
- The proliferation of multiple choices in the areas of lifestyle, family structure, and work roles, and the multiple choices available for women in particular.
(Naisbett 1982, xxii).

Naisbett concludes that we are in an age of parenthesis, between eras, with challenges, possibilities, and questions. We have not completely embraced the future nor have we completely let go of the past, and although the era is filled with uncertainty (in stable times everything has a place, and everything has a name), it is also a time of extraordinary leverage, influence, and opportunity (1982, 279-283).

The Turning Point

Fritjof Capra, in *The Turning Point,* views the changes occurring in society as representing a change in world-view and a change in values. He also sees the crises in society (energy crises, environmental disasters, inflation, unemployment, etc.) as being interconnected, interrelated, and different facets or symptoms of the same crisis. This crisis is primarily one of perception, of trying to "apply the concepts of an outdated world view to a reality which can no longer be understood in those terms" (1982, 15-16).

Capra adds that crisis is an aspect of transformation and cultural transformations are typically preceded by a variety of social indicators and symptoms, many of which

(alienation, social disruption, violence and crime) are identical to those being experienced in present society. The escalation of military spending in light of growing world poverty, deterioration of the natural environment, increase in social pathologies and economic anomalies, and the confusion and inability of experts and politicians to understand or solve problems in their areas of expertise, are all interrelated and interdependent symptoms of a systemic crisis of perception, views, ideas, and values (1982, 21-26).[3]

This crisis stems from a view of the world that is mechanistic and reductionist in nature, dominated by rational analytic thought, scientific method, patriarchy, the separation of knowledge and values, and the division between mind and matter. It is a view, Capra refers to as "Cartesian" after Rene Descartes, the founder of modern philosophy, who in the Seventeenth Century placed rationality, analytic reasoning, and the scientific certainty of knowledge above all else.[4]

Descartes' method of scientific, rational analysis separated the rational mind from all matter and led to a view of the universe as a perfect mechanical system consisting of separate objects which could be explained and examined according to exact mechanical and mathematical laws. The Cartesian method broke up thoughts and problems into pieces and has led to the fragmentation of our general thinking and the widespread attitude of reductionism in science. The division of mind and matter resulted in the belief in two independent and separate realms, one (matter) with a natural order governed by laws and the other (mind) with the power of reason to recognize these laws.[5]

---

3 Capra credits Arnold Toynbee's *A Study of History* (New York: Oxford University Press, 1972), as being the foremost study of patterns of the rise and fall of civilizations. Toynbee states that after civilizations reach a peak and vitality, they decline; the essential element of the decline being loss of flexibility. Social structures and institutions become so rigid they can no longer adapt to changing situations. This loss of flexibility is accompanied by a general loss of harmony and the outbreak of social discord and disruption, all of which are present to some degree today (Capra 1982, 28).

4 Before the Sixteenth Century and before Cartesian philosophy, Capra states, the dominant world view of the Medieval period was "organic," characterized by the interdependence of spiritual and material phenomena and the subordination of individual needs to those of the community. Science was based on both reason and faith and as such, its main purpose was to understand the meaning and significance of things rather than prediction and control. The Scientific Revolution brought about by revolutionary changes in physics, astronomy, and philosophy by Copernicus, Galileo, Newton, Bacon, and Descartes transformed the view of the world as organic, living, and spiritual, to a view of the world as a "machine" (1982, 53-54).

This view of the world manifests itself "in the striking disparity between the development of intellectual power, scientific knowledge, and technological skills on the one hand and wisdom, spirituality, and ethics on the other" (Capra 1982, 42). Further, this conception of the world is still at the basis of most of our sciences and continues to have a tremendous influence on many aspects of our lives. It has led to the well-known fragmentation in our academic disciplines and government agencies and has served as a rationale for treating the natural environment as if it consisted of separate parts, to be exploited by different interest groups (1982, 40).[6]

As a result, we have modified the environment to such an extent that we have lost touch with our biological and ecological base more than any other civilization. Our progress, has largely been a rational and intellectual affair, and this one-sided evolution has reached a situation "so paradoxical that it borders insanity":

> We can control the soft landings of space craft on distant planets, but we are unable to control the polluting fumes emanating from our cars and factories. We propose communities in space colonies, but cannot manage our cities. The business world makes us believe that huge industries producing pet foods and cosmetics are a sign of our high standard of living, while economists try to tell us that we cannot "afford" adequate health care, education or public transport. Medical science and pharmacology are endangering our health, and the Defense Department has become the greatest threat to our national security (Capra 1982, 42).

Today, however, Capra says society is at a "turning point," stimulated by conceptual revolutions in physics the universe is no longer seen as a machine made up of a multitude

---

5 The belief that mind and matter are separate and fundamentally different has had a profound effect on Western thought. It has taught us to be aware of ourselves as isolated egos existing inside our bodies, it has led us to set a higher value on mental rather than manual work, it has allowed huge industries to sell products designed to give us the ideal body, it has kept doctors from considering the psychological dimensions of illness, and has resulted in endless confusion in the social or life sciences about the relation of mind to behavior (Capra 1982, 59-60).

6 In Chinese terminology, Capra states, the overemphasis of the Cartesian view or rational, analytic, and scientific thinking represents an overemphasis of the *yang* at the expense of the *yin*. Yin and Yang represent two archetypal poles which underlie the fundamental rhythm of the universe. Yin corresponds to all that is contractive, responsive, and conservationist (earth, moon, night, winter) and qualities that are consolidating, cooperative, feminine, intuitive, integrative and synthesizing. Yang implies all that is expansive, aggressive, and demanding (heaven, sun, day, summer) with the qualities of masculinity, competition, rationality, and analysis. In the Chinese view, these are complementary opposites, and both are extreme poles of a single whole, nothing is either yin or yang, and the natural order is one of dynamic balance between the two. Capra notes that our society has consistently favoured the yang over the yin - rational knowledge over intuitive wisdom, science over religion, competition over cooperation, exploitation over conservation, expansion over contraction, and analysis over synthesis (1982, 35-39).

of separate objects, but as "a harmonious indivisible whole, and a network of dynamic relationships that include the human observer and his or her consciousness in an essential way."[7] This new vision of reality is based on the awareness of the essential interrelatedness and interdependence of all phenomena, physical, biological, psychological, social, and cultural. It is, Capra says, a view which looks at the world in terms of relationships and integration, representing a major shift in values (1982, 47,265-266).[8]

This shift in values is reiterated by Marilyn Ferguson in *The Aquarian Conspiracy,* who states that the crises of our time are the necessary impetus for the rapid cultural realignment and shift currently under way.[9] It is, she says, not a new political, religious or philosophical system, but a new mind and new world-view. It is without a political

---

7 The conceptual revolutions in physics that Capra mentions occurred in the first three decades of the Twentieth Century as a result of the exploration of the atomic and subatomic world. Physicists suddenly became aware that their basic concepts, language, and whole way of thinking (based on Cartesian principles) were inadequate to explain the realities of atomic phenomena. Atomic and subatomic events resulted in a number of discoveries and paradoxes including: the discovery that no atomic object has any intrinsic properties independent of its environment; matter does not exist with certainty and events do not occur with certainty; and particles are not "things" but are as a result of interconnections and part of a complex web of relations between various parts of a unified whole. Such discoveries required a new view of reality which emphasized relationships rather than objects, and which pictured the world as organic, holistic and "one indivisible, dynamic whole whose parts are essentially interrelated and can be understood only as part of a cosmic process" (1982, 78).

8 This new view, Capra adds, corresponds to three underlying changes and transitions in our natural and social environment which are causing the various "symptoms of crisis" currently affecting our social, economic, and political system. The first transition is the decline of patriarchy, both in terms of man's relation to "his" universe, and in the pervasive domination of society, its social, philosophical, and political institutions, as well as its customs, language, education, labour, and law by men and male values to the subordination of women and female values. The second transition having a profound effect on society is the decline of the fossil fuel and non-renewable energy age which is already forcing change and having political and economic effects on society, and will result in radical political and economic changes in the future when these sources are completely exhausted. The third transition is connected with the shift in cultural values and the thoughts, perceptions, and views of reality which society holds. This is the turning point which Capra refers to, a shift from the ideas and values associated with the Scientific Revolution, the Enlightenment, and the Industrial Revolution which include "a belief in the scientific method as the only valid approach to knowledge, a view of the universe as a mechanical system, a view of life in society as a competitive struggle, and the belief in unlimited material progress through technological and economic growth" (1982, 29-31).

9 Ferguson calls the shift in personal and social values a "conspiracy" because it is a "plot to make things work" despite the obstacles of the present value system and present institutions (1980, 13). As well, she says conspiracy is the fourth stage of personal (and societal) transformation. The first stage being the *entry point,* or the point at which old priorities and old understandings are shaken up and recognition that a need for change is instilled. The second stage is *exploration,* in which the individual senses that there is something worth searching for and sets out to find it. The third stage is *integration,* in which the ideas of transformation are discovered and resolved (through self-reflection, self-questioning, justification, and reevaluation) with the old culture, the old itinerary, and the old value system. In the fourth stage, *conspiracy,* other sources of power and ways to use it are discovered for the fulfillment and service of others, to enable transformation, not to impose it on those not interested. It is this stage which Ferguson believes society to be in (1980, 89-94).

doctrine, without a manifesto, whose members seek power only to disperse it, whose strategies are pragmatic, but whose perspective is mystical:

> The paradigm of the Aquarian Conspiracy sees humankind embedded in nature. It promotes the autonomous individual in a decentralized society. It sees us as stewards of all our resources, inner and outer. It says that we are not victims, not pawns, not limited by conditions or conditioning...The new perspective respects the ecology of everything: birth, death, learning, health, family, work, science, spirituality, the arts, the community, relationship, and politics (Ferguson 1980, 29).

The ideas of the Aquarian Conspiracy, she says, are not new, however, their widespread embodiment in a number of movements, initiatives and trends in society represents a "critical mass" that adds up to the "large cultural awakening" currently taking place (1980, 36-37).

The perceptions of structural and fundamental change by writers such as Toffler, Naisbett, Capra, and Ferguson are evidenced and legitimized by two related shifts, one economic in nature and the other more social and personal, occurring within present-day society. The first is the realization that structural, systemic, and self-defeating properties of "industrialism" are undermining the present system and the host of social, economic, and political institutions founded upon that system. The second occurrence is the growing public awareness of the limitations of the industrial system, the questioning of the basic tenets and values inherent in that system, and the search for social and economic alternatives which embody a personal shift in values.

The question of whether these two occurrences constitute "crisis," paradigm shift, or societal transformation remains the subject of debate. However, a glimpse into the nature of many of the problems as well as the social and personal changes in society reveals that, for the most part, society and the economic system has already changed irreversibly, and it is the reality of these changes which are causing problems and presenting opportunities.

THE STIRRINGS OF ECONOMIC AND INDUSTRIAL SHIFT

The presence of fundamental, systemic or structural change and the problems and crises arising as a result of that change, are evident in a number of facets of contemporary industrial society.[10] However, the problems of economics in general and the industrial economy and system in particular, seem most acute.[11] Paul Ekins writes:

> Nothing seems to work as it used to. Investment doesn't bring down unemployment. Neither does growth. Inflation has become endemic, even in the most tightly managed economies. Third World indebtedness aborts world development and threatens to topple the international financial system. New technologies dominate people rather than liberating them. The natural environment is deteriorating rapidly world-wide and its resources are under unprecedented pressure. Most paradoxical, perhaps, is the continued existence, even in the richest societies, of poverty with progress. Even as technological change promises virtually unlimited production, the most basic material human needs go unmet (1986, 1).

Essentially, the crises and dilemmas are the result of three critical "uncouplings" in the industrial economy responsible for many of the economic changes in society:[12]

1. Primary production has become uncoupled from the industrial economy.
2. Industrial production has become uncoupled from employment.
3. Capital movements rather than trade in goods and services have become the driving force in the world economy.

---

10 Systemic and structural are used here interchangeably as both are viewed as aspects of economic and industrial shift. Kolko in her examination of the "restructuring" of the world economy distinguishes between permanent and transitional problems within economies using systemic for the former and structural for the latter. Structural problems such as inflation, polarization, etc., are not intrinsic to economic systems but are the outcome of interactions between economic and political factors and responses to "systemic" difficulties such as: competition, accumulation of capital, the profit motive, and commodification of labour and resources (1988, 8-9).

11 The proliferation of literature on economic crisis and the "crisis of economics" seems to bear this out. Examples of such literature include *The Crisis in Economic Theory* (Bell 1980), *The Crisis in the World Economy* (Frank 1980), *Reflections on a Troubled World Economy* (Machluys, et.al. 1983), *The Crisis in Keynesian Economics* (Pilling 1986), *Prosperity and Upheaval* (Van der Wee 1986), *The Overburdened Economy* (Dumas 1986), and *Economics in Perspective* (Galbraith 1987).

12 These "uncouplings" are detailed in Peter Drucker's book *The Frontiers of Management,* (1986, E.P. Dutton). The summary of his writings are taken from Davidson (1987, 4-5,25), and are supported to an extent by Paul Hawken and Bowles, Gordon and Weisskopf. Hawken says it is the very success of the mass economy which necessitates its transformation through its degradation of the environment and depletion of cheap sources of energy. It is the latter which has produced the most significant shift in the industrial economy: the changing relation in value among energy, capital and labour with the rise in the costs of energy and capital accompanied by a decline in the value of labour. In short, the rising costs of energy and capital necessitate the de-massing of production systems and the creation of the information economy with more efficient production processes and smaller and smaller consumptions of energy, capital, and labour, all of which are resulting in widespread change (1983, 8-11). Bowles, Gordon, and Weisskopf argue that it is the decline of three particular sets of institutional power relations: 1) the international domination of American (or Western) capital with foreign competitors and suppliers; 2) the structural relationship between corporations and the labour force; and 3) the management of conflicts (by government primarily) between the business quest for profits and the demands for social accountability. Each worked well to moderate the tensions within the industrial capitalist system, but each is being challenged by trade deficits, dollar fluctuations, national debts, job dissatisfaction, declining worker earnings, employee layoffs, and ecological and social challenges to the notions of profitability. As a result of the erosion of these foundations, the economic system in general is being challenged (1983, 63-105).

The uncoupling of primary production from the industrial economy represents what Hawken terms the passage from the "mass" economy of industrialism towards the "next" economy of information.[13] It is the result of the declining importance of primary commodities and raw materials (such as fossil fuels, minerals, etc.) and the increasing importance of knowledge, information and technology-based services (including automation, computerization, networking, research and development) as the most critical inputs in the production process (Noyelle 1986, 10).[14]

This has increased productivity while simultaneously decreasing the demand and consumption of primary products or substituting new technologically-developed materials for raw materials. As a result commodity prices have fallen and surpluses have risen in the areas of agriculture, mining, forestry, and even energy, hurting primary producers and labourers alike. As well, two types of industrial production can be witnessed; what Naisbett calls "sunset and sunrise" industries: those based on old technologies relying on raw materials and labour, and those based on new technologies which are information and technology driven (Davidson 1987, 4-5).

The decline of the former and and the rise of the latter has also resulted in the loss of superiority and domination of Western industrialized nations in manufacturing. As well, the rise of information and knowledge based service industries (such as communication, transportation, and marketing) in the production process as well as the rise of professional services (accounting, managerial, and legal services) represents the second major uncoupling Drucker identifies. The uncoupling of industrial production from employment

---

13 Hawken labels industrialism the mass economy because it is an economy in which virtually all the work done by hand or with the assistance of animals becomes mechanized (massed) through the use of machinery, technology, and energy. The mass economy then, is marked by the substitution of fossil fuels for human energy to produce physical goods (mass). As such, it is an age characterized by mass production and expansion, the ethic of consumption, the accumulation of goods and capital, the specialization and division of labour, and the professionalization of services (1983, 2-8).

14 These knowledge, information, and technology-based inputs according to Hawken occur in the form of advances in design, utility, craft, durability, etc., which make a product more useful and functional, longer lasting, stronger, lighter and less consumptive. This, he says can be achieved either through new techniques of computer technology or by the old virtues of workmanship and design (1983, 9).

is evident as industries based on old technologies reduce their employment in light of increasing costs and decreasing prices, while industries based on new technology flourish without much human labour. This trend is also referred to as the "de-industrialization" of the labour force.[15]

This de-industrialization of the labour force and shift towards the service sector is accompanied by and responsible for a polarization in the structure of wages and income. The advent of high technology and the competitive global environment are placing pressure on the highest paying industrial sectors to cut labour costs or replace workers with automation and machinery, or both. In turn, most new jobs are created within the service sector and, with few exceptions, are the lowest paying jobs. Not only are service jobs on average lower paying, but they are skewed by wage extremes between executives and managers who earn significant salaries, and the majority of service sector employees working for hourly wages, often minimum wages.[16]

The third uncoupling is the divorce of capital from the flow of goods and services. In theory, capital flows around the world in direct response to the flow of goods and services.

---

15 It should be noted that this does not necessarily imply a decline in manufacturing production. Davidson notes that manufacturing has gone up steadily and has remained stable as a percentage of the overall economy, but manufacturing jobs have declined (1987, 5). Noyelle states that while manufacturing employment may decline in relative if not in absolute terms, the advent of high technology and service industries in manufacturing production will increase the value of manufacturing output (1986, 11). Robert Heilbronner states that the shift to service sector employment in relative terms, is not away from manufacturing as much as it is away from the agricultural sector. He states that agricultural employment (in the U.S.) at the turn of the century consisted of 38% of the labour force compared to 3% today (1978, 64-65). Similarly, Naisbett states that Daniel Bell's concept of "post-industrial" society was misunderstood as the rise of the production of services and the decline of the production of goods. Rather, the increase in service occupations (along with professional services) has occurred as a result of the creation, processing, and distribution of information primarily within manufacturing companies (1982, 4).

16 Robert Kuttner cites a study by economists Barry Bluestone, Bennett Harrison, and Lucy Gorham who found that between 1969 and 1982 the sectors experiencing the greatest net job growth were those which paid the lowest wages. Compounding this problem, is the increase of temporary, part time, and contractual employment and the increasing number of women entering the work force. The feminization of the labour force also results in wage and income polarization as women remain lower paid than men. In addition, the trend of more women in professional and managerial jobs is offset by the continuing concentration of women in low paying service and clerical jobs. The latter is also responsible for the increasing "feminization of poverty" among single or divorced women with dependent children (Kuttner 1986, 7).

However, as David Morris states: "capital has taken on a life of its own," trading twenty times more than the trade of goods and services inflating and deflating exchange rates and prices and indicating that the two are no longer directly connected (1987, 31).[17]

Thus, comparative advantage in capital and credit has become a major factor of production distorting trading boundaries and reducing or eliminating the historic advantages of supply of labour, raw materials and transportation. The immediate result is what David Morris refers to as "a mess of contradictions":

> We try to spur our economies by shipping goods over longer and longer distances...local development has become synonymous with attracting outside investment and developing distant markets for local products. Developing nations export foodstuffs to rich countries to earn hard currency to repay debts originally incurred to build export industries. Developed nations engage in an elaborate protectionist/free trade dance to save their own productive assets while maintaining the unhampered mobility of planetary goods (Morris, 1987, 31).

The overall effects of these uncouplings and contradictions is to change in their entirety, virtually all the foundations and systems of industrial economics and production:

> Earlier ways of working based on factory and blue-collar employment are being replaced by new ones involving primarily white collar and office employees. Highly standardized outputs churned out by high volume assembly lines are giving place to heavily customized goods and services, often produced in batch form or in smaller settings. The importance of the large corporation in generating employment and value added is levelling, markets that used to be mostly regional or national in scope are becoming increasingly internationalized in nature. Finally, the importance of commodities such as oil, electricity, steel and chemicals is being superseded by knowledge and information as the most critical inputs in economic processes (Noyelle 1986, 10).

Both city and country have become the focus for the vast majority of the social and economic problems affecting present industrial society.[18] As advanced industrial society

---

17 Gary Davidson states that world trade is estimated at 2.5-3 trillion U.S. dollars a year while the London Eurodollar market alone turns over 75 trillion dollars a year (1987, 26).

18 Our cities, towns and even rural areas are, in general, products of industrial society possessing and relying upon a full range of institutions, structures, systems and processes of industrial society. David Morris states that a common history links virtually all municipalities, namely, that as the sources and uses of energy changed so did the shape and authority of the city. Coal, steam, and petroleum combined to develop the industrial city, increase its density, expand its limits, and force a full range of institutions and authorities designed to provide life support and industrial growth systems. In the process, Morris states, local economies have found themselves increasingly subject to forces beyond their control, and are "little else than tiny branches in a global marketplace; a city's destiny often depends on decisions made in distant corporate boardrooms." This dependence on remote corporations, he adds, is paralleled only by cities' increasing subservience to remote governments (1982a, 4-5). Morris adds that cities mirror the fragmentation, centralization, segmentation, and standardization which characterizes the industrial system. He states that cities have come to depend on imported raw materials and products; for example, a North American city of 100,000 imports 200 tons of food, 1000 tons of fuel, and 62,000 tons of water each day (1987, 31).

undergoes economic and social change, as global markets become the norm, as industries are rationalized on a worldwide basis, and as industrial systems are transformed, so too are the cities and regions founded upon that system, with the effects, in many cases being profound:

> The functions performed are changing...The economies of places that once employed blue collar workers are now comprised of highly skilled and white collar workers. Foreign competition has intensified; changes in the economy have been accelerated; growth rates in production and employment have declined; and dislocations in the work force have become commonplace. Under these conditions, changes in the social composition and spatial form of the city can become traumatic (Knight and Gappert 1984, 68). [19]

In addition to the economic problems existing in cities, there are a host of social and individual pathologies plaguing cities and regions as well.[20] It is these problems which David Harvey states are being ignored in favour of a "voodoo economics" intent on image, aesthetics, and growth as opposed to ethics, the alleviation of impoverishment, and the improvement of quality of life (1988, 35).[21]

Aversions to Change

The extent to which the changes and "uncouplings" in the economic/industrial system constitute a complete "paradigm" breakdown and overall transformation is the subject of debate. While there is evidence that the industrial system is adapting to and incorporating the new technology, there is also evidence that it is tightening, intensifying, and expanding its conventional structures and institutions in order to strengthen and preserve traditional activities, theories, and systems.[22]

---

19 Details of some of the effects economic shift is having on cities can be found in *Cities in Transition* (Stanback and Noyelle 1982), and *Revitalizing the Industrial City* (Widner and Wolfgang 1986).

20 Evidence of these pathologies is given by Kirkpatrick Sale in *Human Scale:* the prevalent and increasing use of alcohol and drugs particularly among disillusioned youths, the number of murders (in the U.S.) has increased 60% since 1970, the number of people with mental disorders has also increased steadily, and over 30 million people in the U.S. live in poverty with another 25 million living beneath an acceptable standard (1980, 23).

21 Harvey states that cities have responded to the transformations in urban life and economics by pursuing competitive advantage in old industries or attracting new growth minded industries, by turning cities into centres of spectacle, play, and conspicuous commodity exchange, attempting to snag redistributive resources from central government, and above all becoming more entrepreneurial and competitive. The results, he says subsidize yuppies to live downtown, encourage the middle class to visit museums, and attempt to convince industrialists not to flee to Hong Kong. This happens at the expense of worries about housing provision, social services, health care, real income, crime, drugs, and unemployment (1988, 34-35).

22 Joyce Kolko states that "all (economists) agree that it has been a decade of economic problems, most

Examples of this include: the promotion of more liberalized trade between nations (free trade); and the acquisition of both small and large companies which are profitable, diversified, or technologically advanced, by large corporations (corporate concentration). Each attempts to solve present challenges and dilemmas through conventional industrial thinking and conventional industrial systems and structures, reinforcing and intensifying Toffler's six guiding principles of industrial (Second Wave) society (standardization, centralization, specialization, concentration, maximization, and synchronization).[23]

Joyce Kolko refers to these modifications as part of numerous "restructurings" which occur regularly in the world economy. She adds that these restructurings (which also include monetarist policies, debt restructuring, and so on) represent an attempt to restore, reinstate, or alter the economy by spanning the traditional ideological spectrum from "total reliance on market forces to varying degrees of state intervention" (1988, 11).[24]

Similarly, Paul Hawken states that the attempts to right the old economy (such as free trade, corporate concentration, the rationalization and closing down of industry, etc.) are working against our own best interests. If we allow ourselves only one view of what an economy should be, he says, we will be unable to see the opportunities which exist in the present situation and more importantly, we will not understand what the present is telling us (1983, 13).[25]

---

of them very acute, but some question whether it is a crisis." She adds that the word crisis is equated with a total breakdown or collapse of the economy, but the term can also be used in a more limited sense to signify a critical turning point separating periods of the future from the past (1988, 3).

23 David Morris describes free trade and the beliefs and assumptions underlying it as part of the "dynamics of bigness" which encourage bigger industries because they employ more people and result in greater productivity. Large production systems require larger and larger markets to support themselves, and free trade is an attempt to create larger and larger markets for this support (comments from a public lecture in Winnipeg, April 3, 1987). Examples and the extent of corporate concentration in Canada can be found in books such as *The Developers* by James Lorimer and *The Canadian Establishment* by Peter Newman as well as in three articles in the *Winnipeg Free Press* dated 11/09/86,13/09/86 and 19/09/86 (Beauchesne, et al. 1986).

24 Kolko concludes that the response (by governments) to the conditions of permanent economic crisis (stagnation, depression, inflation, etc) has resulted in a return to the fundamentals of orthodoxy, adding that ideology has reverted to the past (1988, 349).

25 In *Beyond the Waste Land,* Bowles, Gordon and Weisskopf state that the blame for the problems in the economy are placed on a number of scapegoats: OPEC; bad harvests; the size, workings, and

This difficulty in seeing the patterns of widespread change is compounded by the vision on behalf of the vast majority of society and particularly the institutions of society such as government, that the numerous conflicts, crises, and dilemmas in society are isolated, separate, and unconnected incidents. Such a view sees the problems as requiring immediate response and redress without an understanding of the underlying processes occurring beneath the surface, and without a plan or vision of the future (Toffler 1980, 2; Naisbett 1982, xxiii).[26]

W.W. Harmon adds that even though there is evidence (though not conclusive) to suggest the present system is in jeopardy, and the crisis may be a fundamental one, it is not proven and, in fact, cannot be proven until after it is too late. He states:

> The nature and dimensions of this systemic crisis will be difficult for us to see, not simply because the societal system is complex, but also because we have a large psychic investment in not seeing it. The phenomenon is well known in psychotherapy, that the client will resist and avoid the very knowledge he most needs to resolve his problems. A similar situation probably exists in society (1975, 11).

Inevitabilities of Change

Regardless of whether the changes in the industrial economy represent a complete transformation or a crisis, there are a number of inherent contradictions and self-defeating properties of the present industrial system which necessitate change. In addition, there are specific indications and signs that the economics and institutions of industrial society are facing increasing pressure and are unable to cope with the majority of the changes inflicted

---

spending of governments; the high wages and declining productivity of labour; unions; excess profits; monopolies; etc. Bowles, et al. provide evidence that none is the true source of the economic problems and such explanations are inadequate and result in "misdiagnoses" because they fail to account for the basic character of the decline in the economy. This decline, as stated, is the result of the decline in capital domination of foreign markets, and the erosion of capital-citizen and capital-worker relations (1983, 33-61).

26 This view is reiterated by Dumas who states that in 1984 there was widespread optimism about the vigour and strength of the (American) economy; rapid growth, low inflation, falling unemployment and a strong dollar were indications of a healthy recovery. However, at the same time, growing poverty (15.2% in the U.S. in 1983, 6 million more people than in 1980), stagnant real income (a one-tenth of one percent increase between 1969-1983), bank failures (300 since 1981), and a soaring national debt (which tripled from $475 billion in 1974 to $1560 billion in 1984), belied a real economic recovery (1986, 2-7) . Similarly, Kolko states that while there have been and will continue to cyclical periods of recovery and recession, even in times of recovery the world economy hovers on the edge of ruin (1988, 3).

upon the system. These changes are resulting in a number of economic maladies and dilemmas which in many situations are acute, affecting a vast majority of the population.

The most cited economic malady is stagflation, a combination of rising unemployment and inflated prices. Stagflation, in economic theory shouldn't even exist; yet it "grips the most advanced nations destroying expectations of smoothly running economic life in these countries, and destroying the very foundations upon which all schools of macro-economic theory rest" (Jacobs 1984, 9).[27]

Additionally, statistics in the wealthiest of nations, including Canada, show a host of economic and social maladies in virtually every facet of society. More people live below the poverty line than ever before, chronic and structural employment are at some of their highest levels ever, the polarization of wages and income is greater than at any other time in history, housing is unaffordable and impossible for significant populations of low and middle income families, and plant closings and bankruptcies abound.[28]

---

27 Evidence of stagflation is cited by Dumas who states that the cost of eliminating inflation was estimated (by economists and government) to be a 5-6% rate of unemployment and the cost of achieving "full" employment (defined as 3% unemployment) was 4-5% inflation. However, in the fifteen years since 1970, unemployment (in the U.S.) met or exceeded 5-6% yet in none of those years did inflation drop below 3%. Further, in thirteen of those fifteen years, inflation met or exceeded 4-5% yet the unemployment rate never dropped below 4.9% (1986, 8). Bowles, Gordon and Weisskopf indicate that from the mid 1960's to the early 1980's, the successive "peaks" of both inflation and unemployment are each higher than the previous peak and the successive "troughs" are each higher than the previous trough illustrating an ever increasing pattern of unemployment and inflation (1983, 21-23). The emergence of stagflation, Hawken says, has weakened the ability of industrialized nations to achieve sustained growth, inflation seems intractable except during recession, and high interest rates shrink consumer spending and forestall economic recovery, all of which imply the maturation and peaking of the industrial (mass) economy and its irrevocable change (1983, 12-13).

28 In 1985, one in six, 16%, or 3.9 million Canadians lived below the poverty line, more than at any other time in the country's history (Priddle 1987, 16). The Canadian Council on Social Development estimated in 1986 that more than 2 million families in Canada would need over $10 billion ($5000 annually) to raise their incomes above the poverty line (quoted in the *Winnipeg Free Press* 14/12/86). Between 1981-84 unemployment in Canada grew by 61% to 1.4 million and surveys by Statistics Canada reveal hidden unemployment (those who have stopped looking for work) to be in excess of 300,000 (statistics printed in *Food Banks and the Welfare Crisis,* 72.). Statistics in Manitoba indicate that from 1976-86, 88 companies employing 50 or more people closed resulting in a direct loss of over 11,000 jobs and an indirect loss of a further 10,000-11,000 jobs. The majority of the closings were due to rationalization (corporate restructuring to maximize profits), the shift of production elsewhere, acquisition and merger, and foreign ownership and control (Silver 1987).

Robert Heilbronner states that the continued propensity of (industrial) capitalism to develop disorders (such as inflation, recession, unemployment, etc.) which require government intervention and increasing political apparatus to support, prop-up, and preserve "business civilization" signals the decline of this civilization. He states that capitalism is increasingly drifting into "planning" and a planned capitalist economy, which in essence goes against the very nature of capitalism, but for which there is no alternative if capitalism is to be kept alive at all (1976, 32-38).[29]

Joyce Kolko adds that the systemic feature of capitalism which responds to the short run even when developing long term strategies, undermines any efforts to reform and regulate the economy. She describes a "myopia" in which expectations, assumptions, and predictions (of profit, resource availability, etc.) in the future determine actions in the present and focus on particular problems which need redress (such as monopoly, shortages, inflation, debt) rather than the overall features, values, and attitudes which are the source of the problems. As a result, she says, there occurs a "misperception" of the present forces and consequently actions taken on those perceptions frequently contradict the needs of future reality.[30]

---

29 Heilbronner divides government intervention in the (American) economy into three distinct phases. The first phase, in the Nineteenth Century, he calls "stimulus for economic expansion," and consisted of federal and state money for the provision of infrastructure and transportation networks such as the Panama Canal and the transcontinental railroad. The second phase, in the early Twentieth Century, saw the proliferation of government agencies and commissions to regulate markets, impose standards, license operations, and generally to protect private industry as well as the public interest by ameliorating abuses. The third phase which is still evident is the use of government intervention to bring the economy to an acceptable level of growth, employment, and welfare. This form of intervention has evolved, Heilbronner implies, from one whose primary concern was to alleviate deficiencies and imperfections in the system to one whose involvement (such as tightening the money supply, deliberately deflating the economy, etc.) is increasingly being extended to all facets of the economy in an effort to "save" the present system (1976, 23-27).

30 Examples of these "misperceptions" according to Kolko include the belief in the 1960's and 1970's that growth would continue unabated into the future, the belief in an expanding (as opposed to more integrated) world market (which resulted in less-developed countries borrowing to build export industries), and the 1980 projections of the demand, supply, and price of oil. The latter misperception, Kolko says had reverberations throughout the economy (resulting a renewed demand for other energy sources such as coal) and "within two years the situation was reversed." These perceptions she implies did not change the fundamental thinking underlying the economy (i.e. coal is still a non-renewable resource) only the short term actions (1988, 6).

The dilemmas and conflicts facing society are not simply limited to industrial capitalist society but also to industrial socialism as well. Both industrial capitalism and industrial socialism (as evident in eastern bloc nations) have resulted in similar outcomes. While both have succeeded in raising levels of production, growth, industrialization, urbanization, and consumption, both systems have also been marked by operational difficulties, a highly centralized, bureaucratic and repressive social and political superstructure, and the inability to create a climate of social satisfaction (Heilbronner 1980, 87-91). Similarly, the outgrowths of both systems have resulted in the realization that neither industrial capitalism or industrial socialism, neither Marxism or liberalism are adequate, and the basic values underlying both systems do not promote human development, and the dominant production systems underlying both, in fact, inhibit and obstruct human growth (Macleod 1986, 8).

There are three specific properties, however, which are resulting in the increasing recognition and realization that conventional industrialization is a self-defeating system:

- The tendency of industrialization to eliminate the human factor;
- The almost total dependence on non-renewable resources, particularly oil, and
- The collision course the character of industrialization is on with the environment and the forces of nature (McRobie 1987, 72-74).

Paul Hawken states that one of the great contradictions of mass (industrial) economy is that it succeeds only insofar as it makes labour unnecessary. Since productivity is measured by the ratio of labour to output, when more goods are produced by lesser amounts of labour, productivity is increased. The substitution of fuel-driven technology for human labour in the industrial economy greatly increased productivity which increased wages, decreased prices, and increased demand. With increased demand, the spiral of growth became self-feeding, newer factories and technology caused an ever rising spiral of production, employment, consumption, demand, wages, and production again. However, higher production was accomplished by people working less and machines working more, and although labour was becoming less necessary, employment increased because of economic expansion in industries which supplied and serviced new economic growth including housing, research, government, energy, and automobiles (1983, 20-21).

In the era of automation however, the same aggregate output is produced by fewer and fewer people, and thus the faster the ratio of labour to output falls, the more growth is necessary just to maintain employment. Thus, the pursuit of economic growth by increasing productivity through automation and the reduction of labour in an environment that cannot absorb the extra labour results in increased unemployment rather than employment (Ekins 1986, 10).

The increase of productivity through the substitution of fuel and the belief in unlimited growth represents McRobie's second self-defeating property of industrialization. It is the almost total reliance on once-inexpensive fossil fuels and non-renewable resources, particularly oil, and the 1973 oil embargo which is credited with accelerating the decline of industrialization by illustrating the exponential nature of industrial growth.[31] Industrial growth and expansion depends increasingly upon access to inexpensive energy. When this access is denied and energy costs soar due to the limitations of supply, prices rise and demand decreases, as does productivity and the rate of growth.

Accompanying this increase in resource use, is perhaps the most self-defeating property of industrialism, the inevitable increase in environmental and ecological stress through depletion, pollution, and waste. The environmental problems of the world are, according to the World (Brundtland) Commission on Environment and Development, reinforcing the notion that "ecology and economy are becoming ever more interwoven: locally, regionally, nationally, and globally; into a seamless net of causes and effects."

> There are environmental trends that threaten to radically alter the planet, that threaten the lives of many species upon it, including the human species. Each year 6 million hectares

31 The 1973 oil embargo is cited by numerous authors including Toffler and Hawken as the event which signalled the decline of industrialism. William Ophuls describes it as such:

> Historians may see 1973 as a year dividing one age from another. The nature of the changes in store for us symbolized by the Shah of Iran's announcement that the price of his country's oil would thenceforth be $11.87 per barrel, a rise of 100 percent. The challenge is the inevitable coming of scarcity to societies predicated on abundance (1974, 47 as quoted in Gappert 1979, 4).

Gappert cites the embargo as responsible for instilling a "crisis of scarcity" and a "rediscovery of limits" on society, adding it signalled the end of the "unusual sense of abundance and affluence" which flourished from the end of World War II (1979, 4-5).

> of productive dryland turns into worthless desert. More than 11 million hectares of forests are destroyed yearly. Acid precipitation kills forests and lakes and damages the artistic and architectural heritage of nations. The burning of fossil fuels puts into the atmosphere carbon dioxide, which is causing gradual global warming which may, by early next century have increased average global temperatures enough to shift agricultural production areas, raise sea levels to flood coastal cities, and disrupt national economies. Other industrial gases threaten to deplete the planet's protective ozone shield, and industry and agriculture put toxic substances into the food chain and underground water tables beyond reach of cleansing (World Commission on Environment and Development 1987, 2-3).

Compounding this fact is the realization that the capacity of the environment to withstand the effects of industrialization has essentially been reached by the now-developed world. A far greater risk is presented by developing nations following the models of western, developed nations. The industries most heavily reliant on environmental resources and the most polluting are growing most rapidly in the developing world, where there is more urgency for growth and less capacity to minimize damaging side effects.[32]

In addition to the above, it is the realization, Heilbronner says, that the economic success of industrialism does not guarantee social harmony, solve social problems and differences, or "satisfy the human spirit," and indeed brings new problems (environmental degradation, resource depletion, disaffected and disillusioned youth, urban deterioration, and economic and social disparities) which represents the most self-defeating aspect undermining the conventional industrial system.[33] Further, it is this realization which is resulting in the shift in personal and social values, and the search for alternatives.

---

32 The World Commission on Environment and Development states that it first met in 1984 and published its report 900 days later in 1987, during which: a drought-triggered, environment-development crisis in Africa killed approximately one million people, a leak from a pesticides factory in Bhopal, India killed 2,000 and blinded and injured over 200,000 more, and the Chernobyl nuclear reactor explosion sent nuclear fallout across Europe increasing the risk of human cancers (1987, 3).

33 Heilbronner is not optimistic about the future, implying that things will get worse before they get better. In *Business Civilization in Decline,* he states that affluence does not buy morale or sense of community and lessons of the past suggest an apocalyptic rather than ameliorative conclusion to the collapse of industrial society (1976, 46). In *An Inquiry Into the Human Prospect,* he adds that the outlook is for "convulsive change," forced upon us by external events rather than conscious choice, by catastrophe rather than calculation. Such events include war, global environmental breakdown, massive resource shortages and crop failures. These would slow down economic growth and provide the necessary impetus to the development of an ecologically and socially viable system (1980, 155).

PERSONAL AND SOCIAL CHANGE

At the same time as, and as a result of the effects of the shift from industrial to post-industrial society, a personal and social change is also occurring in society. This change, consists primarily of a shift in values:

> The shift is reflected in changing patterns of work, career choice and consumption...evolving lifestyles that take advantage of synergy, sharing, barter, cooperation, and creativity... the transformation of the workplace...innovations in management and worker participation, including the decentralization of power...the rise of a new breed of entrepreneur... the search for appropriate technology...the call for an economics congruent with nature rather than the mechanistic views that have propelled us into our present crisis (Ferguson 1980, 324).

Capra, suggests this emphasis on values is evident in the shift from hard technologies to soft technologies, from non-renewable sources of energy to renewable sources such as solar energy as well as attitude and lifestyle changes emphasizing conservation, recycling and energy appropriate for the task. It is evident in the restructuring of information and education through citizen, consumer, and public interest groups, in worker participation and self management movements, in holistic medicine, feminist and ecology movements, and "counter-economies" involving bartering, cooperative organization, and home produced goods and services (1982, 400-419).[34]

The movements are what Theodore Roszak in the 1960's called the "counterculture" and today include the "situational network," the "new therapies" and the "new helping professions." Along with the new science of ecology, environmental and ecosystem scientists and the critics who are challenging the adequacy of the scientific method, they are advocating both the "rights of the person" and the "rights of the planet" (1979, 9-59).[35]

---

[34] The emergence of this transformation in societal and individual attitudes, values, and perception is not new. It is rooted, according to Ferguson, in a number of "lone individuals here and there throughout history, at the fringes of science or religion" who believed that people would someday transcend "normal" consciousness and the dominant ideas of the day in favour of a larger view which could reverse the "brutality and alienation of the human condition" and produce "more depth, height, dimension, perspectives, and choices" than had previously been imagined. Examples of these lone individuals include gnostics, transcendalists, metaphysicals, poets and writers such as Emerson, Coleridge, Hawthorne, Dickinson, Melville, and Wells, as well as politicians, scientists and leaders such as Ghandi, King, Dewey, and Jung (1980, Chapter 2). Maruyama adds that the hippy movement of affluent youths against materialism, the movements by minority groups against racial hierarchy, and the ecology movement against exploitation, represented the "mutually independent recognition" of three different segments of society, of the inadequacy of traditional logic and values. These movements converged to what he calls a "post-industrial" logic which emphasizes interrelationships and networking over universal abstraction, symbiosis over competition, and harmony of diverse elements as opposed to unity by similarity, repetition, and symmetry (1975, 45-46).

Marilyn Ferguson, however, states that today these various movements and shifts in values, ideas, and attitudes are more than a counterculture and a reaction, but are an *emergent* culture, a new social order attempting to build a "values-based" culture amid the existing culture to co-exist with the old and eventually replace it. It is, she says, radical, but not within the old dimensions of Left and Right. Rather than debating the merits of capitalism or socialism, it questions all values of current society in relation to human needs (1980, 38-39).[36]

These values, Ferguson states, emphasize primarily non-economic concerns: "the desire to be healthy, to be loved, to feel competent, to participate fully in society, and to have meaningful employment." In this sense, "health" is viewed as more important than medicine, and "learning" as more important than education (1980, 326-327).

Further, these values promote a rediscovery of self or as Roszak calls it "personhood." They increase an individual's awareness of his individuality, and his creative capacity for accomplishment. It is liberating and promotes "whole-seeing, playfulness, risk taking, and the ability to focus attention and deal with many complex ideas at the same time. Most importantly, with increased "autonomy," people's values become internal and their lifestyles reflect their own authentic needs and desires rather than those imposed on by society, the media, advertisers, and so on (Ferguson 1980, 99-116).

---

35 Roszak describes the situational network as a vehicle for self discovery and consists of a mosaic of shifting issues, causes, and groups and includes women's movements, homosexual movements, self-help groups, senior's groups, handicapped groups, etc. He says these have become finely discriminated into, for example, widowed women, battered wives, lesbian women, etc. The new therapies are self-expression, personal growth, and consciousness-raising therapies and include EST, Zen, holistic health, Gestalt, etc. Finally, the new helping professions, the "enablers, facilitators, and counselors," are found in virtually every major institution: prisons, schools, hospitals, retirement homes, etc. The latter, Roszak says is an open confession of the breakdown of advanced industrial society (1979, 9-20).

36 Ferguson states that the activists of the 1960's, like political reformers before them, "tried force and persuasion, wrote, demonstrated, sermonized, scolded, and lobbied." However, the greatest single difference between these movements and those of today is the belief in leading by personal example and the emphasis on building community and action in small groups (1980, 208).

The values of this "new paradigm" encourage individual help, voluntarism, and cooperation, and respects the autonomy of others. They emphasize creativity, self-expression, and self knowledge, and favour decentralization and the horizontal distribution of power. It is both pragmatic and visionary, pluralist and innovative with an emphasis on foresight, flexibility, and ethics. Conformity, authority, rationality, and emphasis on issues, programs, platforms, and manifestos are diminished in favour of diversity, consensus and leadership, intuition, and an emphasis on change, world perspective, and reality (Ferguson 1980, 210-212).[37]

While the ideas and movements embodying this shift in values may not be new or recent, the existence of a "critical mass" of these movements and ideas is.[38] These transformative ideas, Ferguson states are appearing in the guise of health books, and sports manuals, business management, self-assertion, and self improvement. There are newsletters, and "new age" publications of all kinds, and "new awareness" movements of all descriptions and all types. Together, they are "bridging the confusion gap," increasing personal responsibility, rediscovering intuition, questioning the basic tenets of existing society, its institutions and its experts, and generating a multitude of answers to strategic questions, alternative choices, and new problem solving methods. All are combining (or conspiring) to transform a society based on inadequate and often inhumane values, systems, structures and processes. (Ferguson 1980, 130-131,16-21).

---

37 A more detailed listing of the changes in assumptions and values by Ferguson, Guy Dauncey, and others can be found in Appendix One.

38 This "critical mass" is illustrated by Kirkpatrick Sale in *Human Scale:* 18 million adults are allied to alternate religions and spiritual movements; the consumer movement that began with a few protestors in the 1960's has blossomed into a full scale political force; the back to nature spirit has outpaced the leisure boom; individuals operating on their own outside of the standard market economy have created an underground economy estimated in the hundreds of billions of dollars, and as many as four million Americans get all their income from this economy with 15 million more getting some support from it. In addition, at least 71 million Americans belong to one kind of cooperative or another; credit unions have grown from 17 million members in 1965 to over 32 million in 1977; some 32 million Americans are estimated to do backyard and city-lot gardening; and "do-it-yourself" has become a $16.5 billion a year business by 1977, a 200 percent increase from 1974 (1980, 45-46).

THE SEARCH FOR ALTERNATIVES

Essentially, what the economic, industrial, social, and individual changes (and the various perceptions of change) are saying is that present industrial society is on a collision course. Despite uncertainty about the exact nature and root causes of the changes, dilemmas, and crises occurring in society, and whether they constitute a paradigm shift or societal transformation, there is no denying that they exist. Further, they are becoming increasingly difficult to ameliorate or alleviate within the constructs of our present "industrial" system and its institutions, way of life, and mentality.

However, what is also becoming clear is that society whether individually or collectively has a choice and a way out of these dilemmas and crises. This recognition is resulting in the emergence on a broad scale of a search for social, economic, political, and personal alternatives. This search for alternatives is increasingly being recognized in a variety of sectors as necessary in light of the inability and inadequacy of present institutions, systems, and structures in dealing with present problems and handling current changes. Toffler writes:

> We may well need to empower "minorities" to regulate more of their own affairs and encourage them to formulate long range goals. We might, for example, help the people in a specific neighbourhood, in a well-defined subculture, or in an ethnic group to set up their own "institutions" thereby building community and identity while relieving overburdened institutions of unnecessary work (1980, 424).

Similarly, Fritjof Capra, in *The Turning Point,* alludes to the emergence of new and alternative structures within society incorporating new value systems:

> At present there is no well established framework, either conceptual or institutional, that would accommodate the formulations of the new paradigm, but the outlines of such a framework are already being shaped by many individuals, communities, and networks that are developing new ways of thinking and organizing themselves according to new principles (1982, 265).

The recognition of emergent alternatives crosses disciplinary boundaries as well; John Friedmann in *Planning and the Public Domain* refers to a new mode of production "centred on the household though not confined to it, producing the material bases of life as well as the non material, relating to modes of interaction in which the significant and moral

dimensions of our lives find expression" (1987, 326). Similarly, John Kenneth Galbraith in *Economics in Perspective* refers to a new generation which is:

> ...questioning the tenets of the neoclassical system and urging a notable array of amendments and modifications, reform of bureaucratic and static management of the business enterprise, participation by labour in management and ownership; an active investment by the state especially as regards technological innovation, strengthened welfare; strong support for education and human capital development. None of this has crystallized into a system, but it is a current of thought that will be much a part of the future (1987, 289).

It is within the context of individual and societal change that a growing number of alternative organizations have formed including: Friends of Earth, the Green Party, Greenpeace, The Other Economic Summit, the Soil Association, the Organic Farmers and Growers Cooperative, whose chief purposes "are to make the public and politicians, science and industry aware of the crucial questions regarding resource use, protection of the environment, and the social and political implications of technological development and conventional industrialization" (McRobie 1987, 73).

Likewise, the economic changes and dilemmas in society have made "economic development" a key word to the extent that virtually every municipality, rural and urban, has an economic development authority or commission of some kind. In addition, conferences on economic development with themes such as "Sustainable Community," and "The Role of Cities and Towns in Economic Development" are being held by organizations as diverse as the Canadian Institute of Planners (CIP) in the case of the former, and the Organization for Economic Cooperation and Development (OECD) in the case of the latter.

Community Economic Development

This is the context in which community economic development (CED) has arisen as a response to specific problems and dilemmas which have not and, in many instances, cannot be addressed or redressed by the conventional economic theories, traditional political ideologies, and present systems and institutions of industrial society. CED has emerged as an alternative to both Left and Right, capitalist and socialist schools of thought,

incorporating elements of each in addition to emphasizing goals and values which are absent in each. CED has emerged not only as a response to specific economic problems existing in society, but has also incorporated a new way of thinking, a new way of living, and a new process for both economic and social redevelopment:[39]

> Community economic development is the process by which local people take responsibility for the development of their own community, its people and its economy. They do this in a whole variety of different ways, ranging from setting up new companies and cooperatives to create new jobs and help local people start their own businesses, to drawing existing businesses together in new ways and drawing local people together to think about the future of their own community
>
> - Guy Dauncey (1986, 2)

> Community economic development is the process by which local people act collectively to improve their economic situation. It rests on the assumption that development is not solely a matter for governments or private enterprise but is a matter for common concern and action by local people.
>
> - Roger Clarke, *Our Own Resources*

> CED is something more than just economic development. It is the creating of new local businesses, identifying of new resources and talent, improving of the physical and social environment, and increasing of job and entrepreneurial opportunities. It is all the other things economic development consists of as well, but it is different in that the creating, identifying, improving, and so on are done under the guidance of local residents. - Rita Kelly (1977, 5)

As such, CED is representative of the entire spectrum of changes: economic, social, political and individual occurring in society. It is part of a larger, more widespread societal shift, embodying a new perspective, a new world-view, and a set values and beliefs whose essence has been summarized as essentially consisting of the following principles:[40]

> **Need-oriented** - geared to meeting human needs, both material and non-material, beginning with the basic needs of those, dominated and exploited, who constitute the majority of the world's inhabitants, and ensuring at the same time the humanisation of all human beings by the satisfaction of their needs for expression, creativity, equality, and conviviality and to understand and master their own destiny.

---

39 The social, economic, ecological, and individual crises and transformations in society are animating a variety of movements and initiatives on both small and large scales in all parts of the world. The Local Enterprise Trust in Britain, Community Business in Scotland, the E.F. Schumacher Foundation, Rocky Mountain Institute and Institute for Local Self Reliance in the U.S., the Vancouver City Credit Union and New Dawn initiatives in Canada are all engaged in "pioneer work" in small business promotion and revival, local economic regeneration, self reliance, community banking and land trusts, cooperatives, and so on. In addition, the Municipality of Sudbury has adopted a plan based squarely on values of conservation, self-reliance, and sustainable development, and the Royal Commission on Employment and Unemployment in Newfoundland has recommended support for a variety of local initiatives and new approaches to economic development (McRobie 1987, 74-75). All are examples of community economic development initiatives.

40 These five principles are outlined in *The Living Economy* and are attributed to the UN report *Another Development: Approaches and Strategies* (Ekins 1986, 44). Marcia Nozick in *The Changing Times: Understanding Community Economic Development for the 90's,* reformulates these five points into a set of "common principles based on a set of assumptions which belong to a new economic paradigm in contrast to the assumptions of conventional economics." These are: economic self reliance; ecological and economic sustainability; development geared to human needs; self management and local control; and endogenous development (1988, 64-67).

Endogenous - stemming from the heart of each society, which defines in sovereignty its values and the vision of its future. Since development is not a linear process, there can be no universal model, and only the plurality of development patterns can answer to the specificity of each situation.

Self-reliant - implying that each society relies primarily on its own strength and resources in terms of its members' energies and its natural and cultural environment. Self reliance clearly needs to be exercised at national and international (collective self reliance) levels, but it acquires its full meaning only if rooted at the local level, in the praxis of each community.

Ecologically sound - utilizing rationally the resources of the biosphere in full awareness of the potential of local ecosystems as well as the global and local outer limits imposed on present and future generations. It implies the equitable access to resources by all as well as careful, socially relevant technologies.

Based on structural transformations - more often than not, structural transformation is required in social relations, in economic activities and their spatial distribution, as well as in the power structure, so as to recognize the conditions of self-management and participation in decision-making by all those affected by it, from the rural or urban community to the world as a whole.

The principles and practices of CED comprise a development which is at once economic and social, and individual and societal in nature. As such, community economic development provides an alternative means of addressing a number of dilemmas existing today, and consequently, provides significant opportunity for the planning profession. The degree, however, to which the theory and practice of planning can embrace or understand community economic development is uncertain, and is the subject of the rest of this thesis. We begin first by examining in greater detail the theory and philosophy which underlies community economic development.

CHAPTER TWO
The Philosophy and Principles of Community Economic Development: A Rethinking of Basic Concepts

As part of a larger context of widespread and fundamental change in society, community economic development embraces a philosophy and ideology which is radically different from that which currently prevails in not only our present industrial society and world view, but in our individual thoughts, behavior and perceptions as well. As Capra noted, while there is as yet no established framework either institutional or conceptual which clearly articulates or outlines this new philosophy, it is in the process of being shaped by communities and networks which organize themselves according to new principles, and individuals who develop new ways of thinking and perceiving.

This chapter looks at the theory and philosophy behind community economic development by first examining the ideological framework of Ecological Humanism and Eco-philosophy, of which CED can be seen to be a part. The chapter then looks at a number of key principles underlying community economic development by focusing on each of the terms in CED: community, economic, and development, what each signifies or characterizes, and how each is interpreted in the context of CED.

ECOLOGICAL HUMANISM

Henryk Skolimowski states that most of our present crises, particularly the economic ones, are not the result of mismanagement, ill-will, or irrationality. Rather, they have arisen precisely because "we have constructed a deficient code for reading nature, leading to a deficiency in interacting with nature." The root cause of this deficiency lies in the

foundations of our world view, and the perceptions which this world view engenders.[1] Essentially, he says, we have created matrices such as the physical and social sciences as well as the established institutions, structures, and systems of our present industrial society, with which to understand and manage our world. All of these matrices are based on the scientific system, the scientific method, and the scientific world view at the expense of human meaning and human values (Skolimowski 1981, 26).

It is this position, Skolimowski says, which is "so near to us and envelops us so constantly and consistently" that we are unable to see through it in order to assess its impact on us. Further, it is this intellectual tradition and philosophy which has directly and indirectly paved the way for the triumph of science and technology, the unprecedented expansion of the scientific world view, scientific rationality, materialism, and the age of industrialization.[2]

It is "scientific" philosophy which "has become the dominant, if only implicit philosophy of the technological society" to such an extent that what was once heralded as progress and a precursor to change is now a staunch part of the status quo. It is responsible for the mania of continuous economic growth which is associated with progress, for the mode of thinking called cost-benefit analysis, and for the strenuous attempts to rationalize all aspects of human existence.[3]

---

1 This is the view of the world referred to in the first chapter, which Fritjof Capra in *The Turning Point* calls "Cartesian" after Rene Descartes, who in the Seventeenth Century placed rationality, analytic reasoning, and the scientific certainty of knowledge above all else leading to a view of the universe as a perfect mechanical system which could be explained and examined according to exact mechanical and mathematical laws (1982, 57-60).

2 While science liberated society and culture from the repressive, stultifying, and antiquated influence of institutionalized religion by allying itself with the notions of progress, continuous change, and rationality, traditional human values which questioned the means, methods, and consequences of progress and change, were dismissed as "vestiges of an obsolete world." As a result, Skolimowski says, values and principles were "instrumentalized" to service the dominant world view. For example, utilitarianism proclaimed the "greatest good for the greatest number" and did not seem to signify the "submission of ethics to the dictates of science." However, in practice, the principle soon meant the greatest quantity of material goods for the largest possible number of people. Thus materialism became the underlying ethos of technological, industrial society, and utilitarianism became the ethical justification for material growth and progress. Both are essential parts of the scientific-technological world view, as are the enshrinement of knowledge, facts, objectivity, and reason as supreme values over intrinsic human values and other products of the human spirit (1981, 8-10).

What is needed Skolimowski says, is a new philosophy which reflects, ponders, and reexamines the various dialectics and crises existing today, and which proposes new insights, new truths, and a "new rationality" to provide the justification for changes in our life styles, technology, economics, as well as our morality and our conceptual thinking. Above all, this new philosophy must reintegrate knowledge with values (1981, vii-viii).[4]

Above all, it is the separation of knowledge and values which has lead to the specialization of scientific disciplines, the long run conception of the universe as mechanistic, and the gradual elimination of those elements of knowledge which disagreed with that conception including intrinsic human values. In addition, values have been removed as one of the central concerns of human thought and human life and have been associated almost entirely with institutionalized religion as a means of behaviour and order rather than as a means by which individuals define themselves. Similarly, man's knowledge separated from his values, has become isolated into specialized skills, talents, and bits of information specifically suited to particular tasks. Further, theory has become divorced from practice, one no longer informing the other. Instead, theory has been ingeniously created and woven in order to justify and maintain present practices and the status quo (Skolimowski 1981, 16-17).

---

3 Consequently, Skolimowski says, the very elements: science, technology, rationality, which were supposed to be safeguards against oppression and exploitation, have become their own forms of exploitation and oppression. Nothing is valid if it cannot be rationalized, measured, or quantified, or if it does not signify material or physical growth and progress (1981, 10-11).

4 Historically, Skolimowski distinguishes four positions regarding the relation of values to knowledge. The first is that of classical antiquity as exemplified by Plato; values and knowledge are fused together and one is not subservient to the other. They are two aspects of the same thing, no knowledge is value free and no value can be void of knowledge. The second position, present in the Middle Ages, sees knowledge subordinate to values which are primarily determined by the Church and which were accepted as God's order. Knowledge is in service to values and must agree with these values even if the values themselves contradict natural reason (such as the sun revolving around the earth). The third position which emerges in the post-Renaissance period, separates knowledge from values, declaring the autonomy of each, but without giving supremacy to either. Physical laws govern the behavior of the physical world, but the human world is not subject to the same set of deterministic, physical laws. The fourth position, held by Twentieth Century industrial society, maintains the separation of knowledge from values, attaching supreme importance to knowledge. This intellectual tradition, Skolimowski says, began in the Seventeenth Century with the doctrines of Bacon, Descartes, Galileo, Newton, Hobbes, Lock, and Hume which remolded our picture of the world and made it independent of religion. The cause of secularism and the scientific world view was furthered in the Eighteenth Century by Condorcet, Diderot, and Voltaire; in the Nineteenth Century by Comte, Bentham, Mill, and the leading materialists: Marx, Engels, and Lenin, and continued in the Twentieth Century by Russell and the empiricists of the Vienna Circle (1981, 2-5).

As a result, man has become estranged from both his values and his knowledge, physical phenomena has been separated from all other phenomena resulting in the atomization of the physical and human world and the alienation of man and nature:[5]

> The situation is especially pathological as never in the history of mankind has learning (and supposedly knowledge) been pursued on such a vast scale as today, and never has the estrangement of man from the world, and from his fellow man, been greater than today. For the scientific view of the world conduces and justifies turning knowledge into information, values into economic commodities, and people into experts (Skolimowski 1981, 15).

Ecological Humanism, according to Skolimowski, unites the ideologies of humanism and ecology into a conception or perception of the world which sees man as part of a larger scheme of things; of nature and of the cosmos, and reintegrates knowledge with values. Traditional humanism has focused on man: the independence, nobility and greatness of man, as well as the devastation of man. It has searched for solutions and remedies to injustice and alienation through reform of social and political institutions in order to restore the wholesomeness of the individual. As such, humanism's focus and emphasis on man is consistent with the appropriation of nature to the ends and needs of man. Ecology, as a movement, has focused primarily on the devastated environment, solutions and remedies to the litany of environmental problems, and the reform of social, political, and economic institutions in an effort to restore the natural environment (1981, 53-54).

What has been missing from these partial visions and movements Skolimowski says, has been the realization that "the plight of the environment and the plight of man both share the same cause." The cause is namely the view of the universe as a vast, physical system working according to physical laws which are knowable through factual knowledge (which is deemed the only genuine knowledge), and to which both nature and man are subject (1981, 58).

---

5 Skolimowski adds that knowledge no longer provides enlightenment but confusion because the amassing of information only furthers the process of alienation between man and nature and between knowledge and values. These perilous aspects of modern society, the belief in progress, exactitude, science, and above all the power of reason and rationality, he says, are evident in the requirements and demands it implicitly makes on people and the ecosystem and are based on a misconception of the universe in which everything is distinct and separable (1981, 27).

Such a view reduces man and nature to mere furniture within the universe, with no purpose, justification, or significance beyond their physical existence. Consequently, the only things which matter are physical things: material objects, physical processes, and physical transformations. Progress becomes simply material progress, and the aspirations, achievements, and values of people become thought of in more quantitative and material terms. Instrumental values (such as efficiency, growth, maximization, etc.) rather than intrinsic human values become the imperatives, criteria, and *modus operandi* of society (Skolimowski 1981, 58-59).

Ecological Humanism offers an alternative to the ideology of industrial society holding that:

1. The coming age is to be seen as the age of stewardship; we are here not to govern and exploit, but to maintain, creatively transform, and to carry on the torch of evolution.

2. The world is to be conceived of as a sanctuary; we belong to certain habitats, which are the source of our culture and our sustenance. These are the places in which we temporarily reside, they are sanctuaries in which people need to be taken care of. They are sanctuaries also in the religious sense, places in which we are awed by the world, but in which we are also its priests and in which we must maintain its sanctity and increase its spirituality.

3. Knowledge is to be conceived of as an intermediary between us and the creative forces of evolution, not as a set of ruthless tools for atomizing nature and the cosmos but as ever more subtle devices for helping us to maintain our spiritual and physical equilibrium and enabling us to attune ourselves to further creative transformations of evolution and of ourselves (Skolimowski 1981, 54).

Eco-philosophy

"Eco-philosophy," as outlined by Skolimowski embodies Ecological Humanism in its possession of a number of characteristics which are intended to provide a new rationality and a way of "knowing differently" in order that we may possess the rationale and justification for also living differently. This new rationality involves the following:

- Eco-philosophy is life oriented as opposed to language oriented. Contemporary philosophy is rooted in a language which enlarges our scope of the world and justifies our actions according to a knowledge which is scientifically oriented. As such, it requires a "leap of faith" that this language and knowledge assures enlightenment and provides better tools for living. In reality however, actions based on this language and philosophy often result in major ecological, social, and individual pathologies. Eco-philosophy has the enhancement of life as its purpose, and does not become removed or detached from this purpose through language and the quest for knowledge.

- Eco-philosophy maintains a commitment to human values, to nature, and to life itself as opposed to a commitment to scientific objectivity, detachment, and facts, all of which inevitably convert the question of "How to live" which is concerned with ultimate goals to "How to do things" which is concerned only with methodology.

- The spirituality which is absent from contemporary philosophy appears in Eco-philosophy in a newly emerging sense quite different from the traditional notions associated with institutionalized religion. It exists as a state of mind and a state of being which allows man to go beyond merely his physical presence and existence and refine and redefine himself further and further. This type of spirituality generates in people the ability to respond, comprehend, and perceive ever more subtle phenomena and accept that phenomena even when it cannot be validated. It allows individuals to experience the world as a mysterious, uplifting, and transcendental place through intelligence and sensitivity, and inquiry into the condition and nature of man and the meaning of life.

- Eco-philosophy is comprehensive and global as opposed to piecemeal and analytical. It is such out of necessity and the realization that we have no choice but to look at the world in a global, comprehensive, and interconnected way.

- Eco-philosophy is concerned with wisdom and the possession of knowledge with which to exercise judgement rather than with the acquisition of information. Wisdom entails qualitative as well as quantitative criteria, knowledge as well as compassion, and an understanding of the structures and realities of life, nature, human life, and human nature.

- Eco-philosophy is environmentally and ecologically conscious not in simply caring about our natural resources and ensuring that they last longer, but in holding a reverence for nature and a realization that we are extensions of nature and nature an extension of us.

- Eco-philosophy is aligned with the economics of quality of life and not the economics of materialism which equate and define progress and growth by material gratification and material consumption. Eco-philosophy believes that an economics which undermines the quality of life is in conflict with itself and thus a new understanding of economics in terms of its relationships with nature and its influence on society is necessary.

- Political awareness and commitment is also significant, not in the sense of craving power, but in the sense of recognizing that actions are ripe with political consequences, and we make political statements not so much by the way we vote as the way we live.

- Eco-philosophy is vocal about individual responsibility insisting that in addition to the rights we seek, we are also bound by duties and obligations. The sovereignty and autonomy of the individual must be restored so that he can exercise his rights and responsibilities which are increasingly being supplanted by a world in which our will and imagination are being replaced by the computer, mechanical devices, specialists and technicians resulting in a "crisis of confidence."

- The well-being of society is also an essential concern as it is society which is the nexus and cradle of our aspirations and visions. It possesses a life of its own which cannot be reduced to individuals and is more than the just the sum total of individuals. Society is ultimately one of the modes of man's being and of man's perfectibility.

- Eco-philosophy is tolerant of transphysical phenomena believing that in man's quest for knowledge and wisdom, the physical world is just one sphere of our existence. Eco-philosophy calls for a pluralistic understanding of the universe and our relationship within it and an acceptance of phenomena including our own instinct, cunning, premonition, insight, and compassion, which cannot be justified within the framework of accepted physical and scientific terms. Such acceptance and toleration leads to an "epistemology of life" instead of the deterministic, mechanistic, one-dimensional-objective-physical conception of the world which dominates our society.

- Finally, Eco-philosophy is health conscious, broadly defining a state of positive health as being on good terms with the cosmos. Consequently, taking care of one's health means taking responsibility for the fragment of the universe which one is closest to and expressing a reverence towards the sanctity of life through oneself and one's tactics for living (Skolimowski 1981, 28-47).

Skolimowski's Eco-philosophy provides the "mythology" for the rational justification of new forms of living based on the recognition of the sanctity of life.[6] The characteristics of Eco-philosophy present a conceptual scheme, framework and philosophy which attempts to accommodate and articulate the new relationships necessary for an ecologically healthy and harmonious world view. Each component of the framework is interconnected and in a subtle way determines the subsequent components. For example, life oriented signifies a commitment to human values and a spirituality and essential quest for meaning, while the comprehensive and global aspects of Eco-philosophy imply a concern for environment, ecology, and quality of life which necessitate political awareness and individual action.

The essential meaning and message of Eco-philosophy is that we can affect every element of our social, individual, spiritual, ecological, and political life not separately but by affecting them all at once and unless we affect them all, none will be affected.[7]

It is important to stress that Eco-philosophy, its characteristics, and even Ecological Humanism do not provide a blueprint or rigid, systematic outline of seeing the world and our relationship within it, or determining our actions. Rather, they provide a general direction and pathway rooted in individual actions and individual lives which collectively amount to a fundamental reorientation of perception, thought, and behavior.

---

6 All civilizations and all world views, Skolimowski says, are ultimately rooted in mythologies or a set of assumptions and beliefs which form the basis of our comprehension of the world and the justification for our actions. Science he says is a form of mythology, it has its unwritten and unproven dogmas upon which it is based including the scientific method, the belief in objectivity, and the supremacy or deity of facts, knowledge and information. It is science, he adds which is the mythology of our present age, which supports the views, actions, opinions, and visions of present society, but which seems to preclude recognition of the sanctity of life (1981, 48-49).

7 Skolimowski states that this is a partial explanation of why so many alternative schemes such as the ecology movement have met with limited success. Their vision was too limited and they addressed themselves only to a part of the problem (1981, 51).

As a result, it is often difficult to quickly comprehend and understand in theory what specifically this new world view encompasses and what is being asked of us in the thoughts and actions of our individual lives. In actual practice and in the living of our lives, however, it becomes easier to see the fundamental differences between our present system of doing things, our present system of thought and perception, and that which is based on human values as opposed to values of efficiency, cost, rationality, etc.

In addition to providing the conceptual framework for a new way of seeing, perceiving, living and thinking in a societal context, Eco-philosophy and Ecological Humanism also provide the conceptual framework for CED. Community economic development can be said to be one component within the framework of Eco-philosophy. More importantly, CED can be seen to be a means of translating the ideological constructs of Ecological Humanism into actual "designs for living" through a number of basic concepts and principles. It is these principles which underlie CED and distinguish it as a social and economic alternative.

THE PRINCIPLES OF CED

Collectively, the notions, concepts, principles and beliefs of CED create an underlying theory which can be said to be common to all community economic development whatever its form or manifestation. The beliefs and principles of CED are, for the most part non-formalized, unstructured, and basically without a political ideology in the traditional sense of Left and Right, socialist and capitalist, at times incorporating elements of each. They are articulated primarily through practice, but are scattered throughout a variety of key literature sources and works. They can be understood by examining each of the terms in CED: 1) community, 2) economic, and 3) development; what each represents and how each is defined in the CED context.

THE REDISCOVERY OF COMMUNITY

Rita Kelly, in an American study of community development corporations, states that the community emphasis in CED stems from a realization that physical, social, and economic problems are in part "institutional" in nature. The inadequacy and inaccessibility of present institutions such as government, business, and banks, necessitates local, community-based alternatives (1977, 19-22). John Naisbett cites the discovery by small, decentralized organizations and communities of their ability to adapt, act innovatively, and achieve results from the bottom up while large, centralized structures and approaches fail, as one of the "megatrends" behind some of the changes occurring in society (1982, xxii).

The "community" in community economic development implies a host of significant concepts and beliefs in addition to its literal meaning of defining and describing a particular grouping. The communities employing CED are a variety of geographic and locational communities sharing physical proximity and common habitat, communities of "interest" based on the shared concerns or culture of its members independent of distance, as well as communities of "sentiment" based on the sharing of beliefs, values, and objectives.[8] The community in CED also takes into account factors of local autonomy, social interaction, organization, and interpersonal relations.[9]

---

8 Communities of interest are described in greater detail in Newman (1980), while communities of sentiment are discussed by Clark (1977). Other definitions of community can be found in *Community Organization in Action* , by Harper and Dunham (New York: Associate Press, 1959), and "Definitions of Community: Areas of Agreement," in *Rural Sociology,* Vol. 20, 1955, 111-123. Illustrations of the variety of geographic, political, social, and economic communities and environments involved in CED can be found in *The Community Development Corporation Profile Book,* (Erdmann, Gradin, and Zdenek 1985), and in *Community Profit,* (Wismer and Pell, 1981).

9 Edwards and Jones define community as a grouping of people "in a specific locality, who exercise some degree of local autonomy in organizing their social life, in such a way that they can, from that locality base, satisfy the full range of their daily needs" (1976,12). Michael Taylor identifies community through three different attributes: a range of beliefs articulated and elaborated in some form, direct and many sided relations between members (direct in that they are unmediated by representatives and many-sided in that they are not narrowly confined or specialised), and reciprocity. This reciprocity is characterized by a combination of "short term altruism and long term self interest" and a series of actions which may benefit others at the expense of an individual, but which together make everyone better off. Taylor adds that these characteristics are present to some degree in all communities, the more present they are the more a "community" a group of people are (1982, 26-32).

Community economic development implies all these meanings in addition to the notions of human, appropriate, or personal *scale.* E.F. Schumacher in *Small is Beautiful,* states that for every activity there is an "appropriate" scale and the more action, intimacy, manageability, and humanity required in a given endeavour, the smaller the scale required. Similarly, Kirkpatrick Sale, in *Human Scale,* states that the future holds two possible scenarios; one is an age of "bigness" emphasizing large scale institutions, multinational corporations, centralized governments, and large cities. Essential to this future, is a belief that present crises can be ameliorated or solved by larger or greater concentrations of present institutions and larger or greater concentrations of technology, capital, bureaucracy, corporations, and government. The alternative scenario is human scale, towards the decentralization of institutions and the devolution of power and their replacement by "smaller, more controllable, more efficient, people sized units, rooted in local circumstances and guided by local citizens" (1980, 36-37).[10]

The concept of scale in CED does not necessarily always mean small. Schumacher states that when it comes to the world of ideas, principles, ethics, and ecology, a larger scale and scope of thought and recognition is required. However, Theodore Roszak states that it is "bigness" which destroys both the rights of the planet and the rights of the person. The bigness of our institutions, our cities, and our forms of production, he says, is also inherent in ourselves, "in the amount of alienation and the degree of impersonal interaction we are able to tolerate." The problem of scale, Roszak states, must be approached by recognizing that the opposite of big is not necessarily small but "personal":

> For if there is any hope of saving the rights of the person and planet in the years ahead, we- by which I mean the ordinary, chronically powerless people who live in the belly of the urban-industrial leviathan- *we* are going to have to find our way back to a comparable sense

10 Sale notes that the term "human scale" is originally an architectural term used to describe the components of a building in relation to the people who use it. Something is built to human scale if it has a relationship or is proportionate to human form, or utilizes human measures and measurements based on the human body as guides. Similarly, he adds that neighbourhoods and cities which can be comfortably walked, which bring the natural world into daily life, and which allow and foster human contact and relationships can be said to exhibit human scale. Thus, he states, social arrangements, economic conditions, and political structures could all be designed "so that individuals can take in their experience whole and coherently, relate with other people freely and honestly, comprehend all that goes on in their working and civic lives, and share in the decisions which make it function." All constitute human scale (1980, 38-39).

> of mutual aid, a comparable capacity to live self-reliantly within more local and domestic economies....We are going to have to rethink some of our most firmly held assumptions about property and privacy, security and success, recognizing that there is simply no livable future for the competitive, self-regarding, high consumption, middle class way of life which we have been taught to regard as the culmination of industrial progress. And we are going to have to undertake that reappraisal from the bottom up, expecting no encouragement from leaders and experts who are the chief products and principal beneficiaries of our high industrial compulsions. It will be up to us to begin coming together, talking together, working together. We are going to have to stop keeping our cares and material goods, our troubles and talents, our wealth and our psychic wounds to ourselves and begin sharing our lives like mature convivial animals (1979, 287).

The "community" in CED also gives weight to a number of other distinct objectives and characteristics: self-sufficiency, self-help, equity, cooperation, local control and ownership, participation in the decision making process, and accountability with financial viability (O'Leary 1984, 2-3). What perhaps distinguishes the community-based aspect in CED is the notion of empowerment as well as the presence within the context of community, of a new individualism.

The New Individualism

The new individualism is a combination of personal initiative and entrepreneurism with a collective purpose and common social objective. It involves individual assertion and recognition of self-identity and self-worth, within a context of community economic development which channels this assertion into a collective undertaking and initiative with common goals and objectives.[11]

Marilyn Ferguson, in the *Aquarian Conspiracy,* states that it involves a new understanding of "self," one that has little to do with ego, selfishness, or selflessness, and one that has discovered or recovered creativity, intuition, awareness, and the sense of oneself as an individual. In addition, she says, the individual discovers the importance of linkage with others, interconnectedness, and collectivity (1982, 98-99).

---

11 Kirkpatrick Sale notes that the claim for self identity and self worth can be seen in the personalized and custom fashions of our times, self-assertiveness training, individualistic styles, and "do it yourself" attitudes. It is also the "well spring" of movements towards workplace democracy, self-management, employee ownership, and worker participation in decision making. In a larger sense, he adds, the individual asserts claims above those of "society," demanding equality not simply of opportunity, but of results (1980, 51).

In addition to being expressed in a rediscovery of self and community, this new individualism is also manifest and expressed in a sense of entrepreneurism. This entrepreneurism carries with it characteristics of "resilience, creativity, initiative, risk taking, and diversity along with the ability to absorb abrupt changes in the economic, social, and political environment, bounce back, generate anew and experiment." [12]

However, the individualism embodied in CED is an integration of the personal and the entrepreneurial, and as such, is markedly different from the concept of individualism which traditional capitalism thrives upon. Capitalism assumes the fulfillment of human needs is primarily an individual rather than community concern; human beings are acquisitive and competitive by nature, and the profit motive is the key source of individual effort and societal advancement (Kelly 1977, 35). Community economic development takes the opposite view:

> The supporting nature of the community environment and the cooperation needed for economic and personal achievement are emphasized...the achievement oriented community precedes rather than follows the physically achieving person and it is assumed that a relatively egalitarian ethic oriented to community benefit and cooperation are best designed to elicit achievement motivation....Material achievements are not the sole or even the main, criteria for success. Services rendered, jobs created, skills developed, and nonmaterialistic values such as community pride, cultural advancement, and increasing cooperation are additional criteria (Kelly 1977, 136-137). [13]

Community economic development initiatives, unlike most other enterprises, are not organized to provide personal financial gain for their members, but are organized to benefit the whole community. Members, do benefit personally from the projects and initiatives, but not at the expense of other community members (Wismer and Pell 1981, 4). In

---

11 Quote from "Entrepreneurship: Key to Self-Renewing Economies" by Albert Shapiro, Appendix B in *Local Economic Development: A Guide to Practice,* (Mazilia 1985, 209-218). The dynamics of entrepreneurism will be discussed in the following chapter.

13 Kelly adds that this "opposite view of CED" does not imply that CED parallels socialist ideology either. She states that CED initiatives such as community development corporations are not based upon government or state intervention and operation. She adds they stress cooperation and initiative by the private sector, but instead of stressing individual effort only, they stress the role of the total community. In addition, community ownership of property is stressed from a purely pragmatic viewpoint. As most disadvantaged groups do not have the capital to become individual owners, community ownership may be the only way of providing rewards and benefits to the community. In this way, Kelly states, CED is a blend of both socialist and capitalist thought.

addition, benefits are primarily in forms other than financial or material, with one of the most significant being increased self-reliance or empowerment.

Empowerment

The concept of empowerment is central to the notions of community, scale, and individualism in CED. Empowerment in the community economic development context implies reclaiming a degree of control, political, economic, as well as personal control, over the future.

The key to securing this control is reclaiming access to and possession of those "resources" which increase the level of a person or organization's influence and autonomy. Such resources include money, personnel, knowledge, information, property, skill, and technology among others (Bella 1984, 18). In this sense, empowerment can be applied to a variety of political, economic, social, and personal aspects.

Political empowerment or the "recovery of political community" according to John Friedmann, is occurring in movements and initiatives at all levels and scales from individual households, to urban and regional communities, the Third World, and movements whose community is global. These movements, he says, share a common desire to reclaim: "a genuine political life with widespread citizen involvement, territorial autonomy in production and politics, the collective self-production of life, and the discovery of one's individuality in the context of specific social relations" (1987, 387).[14]

---

14 Friedmann states that individual households are recognizing the need for greater self reliance and are challenging their position in the industrial economy as simply an "entity devoted to passive consumption." As well, within households, male domination and hierarchies are being dismantled, and more and more households are reaching outwards to wider networks of people in their process of self-empowerment. Urban and regional communities and neighbourhoods are realizing the benefits of developing small business, community capital, community based services, and decentralized political and economic structures and institutions. Third World nations are engaging in "dissociation" and breaking with traditional, export oriented economies and mobilizing their own resources for their own purposes and needs. Finally, movements who view the global community as their arena for political practice are succeeding in increasing global awareness of the political, economic, and ecological interdependence of the world community. All are examples of the recovery of political community (1987, 354-388). This is what Toffler refers to as the rise of "minority" power and the realization that majority rule is obsolete and it is minorities which count and must be reflected in political, economic, and social systems (1980, 419). Similarly, Kirkpatrick Sale notes the disintegration of national

Learning, education, and self-knowledge are also essential to the empowering process and the process of increasing control and self-reliance. All successful CED initiatives according to Guy Dauncey, "are backed up by an ongoing educational process in some form." Without it, people's energies stop moving, and it is the sense that people are awakening, and the processes of discovery, of action, and of empowerment which makes a "movement" different from a campaign, a political party, or an organization (1986, 26).

In addition, the same processes and resources which empower communities and enable them to become more self-reliant can also be applied to the self-empowerment of individuals within communities. As a result, community and personal empowerment, whether through education or employment, lie at the heart of any community economic development initiative.

Consequently, the power which community economic development hopes to secure for itself as well as provide for its members is a "power from within" rather than "power over others."[15] It is a power which arises as a result of increased freedom from the reliance and dependence on outside agencies and external forces. It is a power which stems from the "resources" - technical, financial, personal, educational, etc.- which a community or individual possesses which allows greater independence and self-reliance.

Central to this greater independence and increased self-reliance is economic empowerment and the recognition of money as perhaps the most important of the "empowering" resources. Money, more than any other resource, can be used to secure or gain access to many of the other empowering resources: information, technology, skill, personnel, property, etc. (Bella 1984, 18).

---

loyalties, the rise of separatist and regional movements, workplace democracy, and the growth of neighbourhood and community associations, as signals of local empowerment (1980, 49).

15 The terms "power over" and "power from within" are taken from *Dreaming the Dark: Magic, Sex and Politics*, by Starhawk (Boston: Beacon press, 1982), as detailed in *Changing Times: Understanding Community Economic Development in the 90's*, (Nozick 1988, 114).

It is this central role of economics, particularly the local control of economics which distinguishes CED from other types of community development which have traditionally focused on social, cultural, and recreational projects. Fundamental to community economic development is the realization that social improvement, community awareness and development require an economic dimension in order to successfully implement and sustain initiatives designed towards specific goals and objectives. However, this economic dimension does not diminish the importance of social goals and cultural development. The goals of CED are never solely economic, nor are they solely social or cultural. They are based on the belief that individual and collective well-being depends upon three factors: the economic, the social, and the cultural (Wismer and Pell 1981, 3-6).

THE NEW ECONOMICS

The view of the economy as having sides other than the purely economic is one of the cornerstones of community economic development and the "new" economics upon which it is based. This new economic thinking integrates economics with ecology, environment, and the social, cultural, and individual aspects of society, seeing each as interrelated. It is not entirely economic in nature, nor is it entirely new. Many of its ideas, principles and practices such as self-reliance, worker cooperatives and bartering have their origins in medieval cities and Third World and Eastern societies. What is new, is the way these ideas have been brought together to collectively create an alternative economic movement complete with alternative economic structures and organizations.[16]

Conventional or traditional economics and economic thinking is based on the dominant industrial system of production and the scientific world view and consequently holds a number of similar beliefs as its basic tenets including the association of unlimited growth with progress, specialization, rationalization, the national and international division

---

16 Public lecture given by Paul Ekins, editor of *The Living Economy* and chairman of The Other Economic Summit (TOES), in Winnipeg, March 2, 1987.

of labour, and the theory of comparative advantage. The result, Paul Ekins says, is a world economy characterized by over-specialization, fragmentation, inequity, disadvantage, and a debilitating dependency of peripheries on cities, of some countries on other countries, and of people on the "system" (1986, 97).

Johan Galtung notes that conventional, traditional, or classical economics fosters a belief that the free market economy stands for extended rationality, human ingenuity, positive rewards rather than fear of punishment, as well as increased freedom for wide range of behavior for individuals, groups, and countries.[17] However, it also results in a "narrow economic attentiveness," a lack of compassion and concern, and a limited horizon based on short term interest. All of these, he adds, result in the inability to properly see and consider the damage done to society's weaker elements by incessant competition, the damage done to the earth by pollution and exploitation, and the damage done to the individual by the lack of challenging work and the unfulfillment of needs (1986, 99).

Similarly, E.F. Schumacher states that the belief in "giantism," economy of scale, and larger and larger units of organization, production, and distribution, which prevail and dominate conventional economics, results in a number of suspect affirmations:

> It (conventional economics) proves that industrial development only pays if it is as near as possible to the capital city or another very large town, and not in rural areas. It proves that large projects are invariably more economic than small ones, and capital intensive projects are invariably to be preferred over labour intensive ones. The economic calculus as applied by present-day economics, forces the elimination of the human factor because machines do not make mistakes which people do. This means that those who have nothing to sell but their labour remain in the weakest possible bargaining position. The conventional wisdom of what is now taught as economics by-passes the poor, the very people for whom development is really needed. The economics of giantism and automation is a left over of Nineteenth Century conditions and Nineteenth Century thinking and is totally incapable of solving any of the real problems of today (1973, 61).

17 Galtung notes that classical or market economics emerged at a time when a a new form of power was growing in significance: contractual power between willing buyer and willing seller as opposed to the normative power of the Church and the coercive power of the state. Contractual power in economics and law became the desirable way of approaching other human beings. He adds it was carried into the limelight by the new merchant class which had specific, concrete interests and which looked only in the monetary interests of their own firms, leaving out the rest of society and leaving out "externalities." This business economics developed into national economics (treating the country as a firm), and has since expanded to the level of a world system, maintaining a fragmented and segmented vision and a neglect of externalities (1986, 99).

Rethinking Basic Concepts

The new economics distinguishes itself from conventional, traditional, or orthodox economic thinking in a number of its basic assumptions, in its attention to people and not goods, and in its markedly different conceptions of work, capital, profit, viability, and virtually every other economic measure.[18]

Work

In the context of the new economics, work is viewed as more than a simple economic exchange and unpleasant activity undertaken only in return for monetary compensation. Work is viewed as potentially creative, challenging and educational, conveying a sense of purpose, direction and belonging. The disutility associated with work is not only physical in nature, but emotional and mental as well, caused by repetition, simple or boring tasks, or the separation and exclusion from the output and end product (Dumas 1987, 37-38).[19]

Schumacher states that "good work" is work that serves three purposes. First, it provides useful and necessary goods and services. Second, it enables everyone to use and perfect his/her gifts and talents, and finally, it encourages service and cooperation with others. It is not detrimental to man or nature, and stimulates imagination, initiative, and interest in the end result or product. Good work requires a minimum of administration, management, and bureaucracy, and involves structures and frameworks which foster cooperation, democracy, and efficiency. In short, it becomes a meaningful part of one's way of life (1979, 10-15). [20]

---

18 Schumacher calls this new economics and the system of thought upon which it is based "Buddhist Economics." Buddhist Economics, he says, sees no conflict between religious values and economic progress. Spiritual health and material well-being are allies not enemies, and just as the modern way of life has given rise to modern economics, so too does the Buddhist way of life give rise to a Buddhist Economics. It is an economics, he adds, predicated upon a greater concern for people than for goods, blending religious and spiritual values with the benefits of modern technology (1973, 44-45).

19 Schumacher states that from the point of view of the employer, work or labour is an item to be reduced to a minimum. Similarly, from the point of view of the employee, work is a sacrifice of leisure and comfort. Hence reduced workload is a goal of both employer and employee. He adds that this results in reduction, specialization, and repetition in the work role by employers, and disutility, disinterest and lack of productivity by employees (1973, 45-46).

20 Consequently, the conception of work should not be confined solely to employment but include work for which no monetary compensation is paid such as volunteer work. Thus, the problem of

Profit

Profit in the CED context is viewed as necessary for any initiative, organization, or effort to survive. However, profit is seen as a "means" by which to achieve something and not an "end" in itself. The rationale behind profits are not simply to make money but to ensure that profits are used towards the achievement of other benefits. Consequently, profits become one of the "empowering resources" similar to land, labour, capital, and education which increase the level of a person's or organization's influence and ability in reclaiming a degree of control over the future. As an empowering resource, it can be used towards the achievement and implementation of specific goals and objectives or the acquisition of additional such resources.

Money & Value

Associated with the notion of profit as a means rather than an end, is the recognition that money is a social construct with no inherent value of its own except one assigned to it by mutual agreement. As such, money is simply an accepted medium of exchange and a store of value or form in which value can be accumulated (Dumas 1987, 41-44).

The viewing of money as simply a unit of measurement and not necessarily an indication of wealth allows the recognition of other measurements of wealth and the creation of "local" currencies. By equating personal and community wealth with items other than money (skills, resources, individual capacity, etc.) a community and individual can find it within their ability to create their own "money" through bartering, trading, and a host of other means.[21]

Capital

Traditional notions of "capital" are primarily limited to physical assets which man has created: technology, information, infrastructure and equipment, and money and income.

---

unemployment becomes a problem not simply of creating employment and "jobs," but one of creating meaningful work.

21 This is the basis behind local currencies and Local Exchange Trading, detailed in Appendix Two.

These are however, a small part of the total capital we are using and much more "irreplaceable" forms of capital are those which are provided by nature and not man.

It is the treatment of these irreplaceable forms of capital as income items and not as capital items and their "liquidation" which Schumacher states is threatening life itself. In particular, he cites natural resources (especially fossil fuels), the environment, and human labour and substance as natural forms of capital "which man has found and without which he can do nothing," which are being treated as income items and not as capital. If they were treated as capital, he adds, the emphasis would be on conservation and not exploitation, technology with a human face, new forms of labour participation and ownership, and new forms of production which are ecologically sound. Something is not viable, Schumacher states, if it rapidly consumes its capital (1974, 11-17).

Economic/Uneconomic

Something is generally considered uneconomic in conventional or traditional economic thought if it does not produce adequate profit in terms of money. As a result, Schumacher says, "if an activity has been branded as uneconomic, its right to existence is not merely questioned, but energetically denied." However, something can be economic if "it plays hell with the environment" or rapidly consumes natural resources (1974, 34-35).

The notion of uneconomic, Schumacher says, produces an extremely fragmentary judgement, namely that: "out of the large number of aspects which in real life have to be seen and judged together before decision is made, economics supplies only one - whether a thing yields a money profit to those who undertake it." This fragmentary judgement, he adds, destroys any notions of personal responsibility, as neither buyer and seller are responsible for anything but themselves. As a result, it is uneconomic for a seller to reduce his prices to those who are need, just as it is uneconomic for a buyer to give preference to home produced goods if imports are cheaper (1974, 36-37).

The new economics redefines the notions of economic/uneconomic in light of a host of other factors in addition to monetary profit. It takes into account the question of human needs, the externalities of decisions on people as well as on the environment, as well as the whole range of personal, social, cultural, and common sense values. While profit remains an important consideration, it is not the sole determining factor. In this sense, the new economics is an economics of accountability and common sense.

Standard of Living/Quality of Life

Fundamental to the difference between the new economics and conventional economic thought is the determination and measurement of well-being. Standard of living connotes well-being in terms of access to the "things" of life: consumer goods and services, while quality of life measures economic, social, psychological, and even spiritual well-being. In the latter definition, the material standard of living is relevant only to the extent that it enhances quality of life or well-being, it is a means to improved quality of life and well-being rather than a measure of it (Dumas 1987, 47).

However, it is standard of living and its equation with material consumption which traditional economics and societal attitudes emphasize, based on the assumption, Schumacher states, that one who consumes more is better off than one who consumes less. Schumacher adds, however, that since consumption is merely a means to well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption (1974, 47-48).[22] Similarly Dumas states that while material well-being is an important component of a fulfilled life, the single minded pursuit of material increments to increase standard of living may reduce quality of life (1987, 48).

---

22 Schumacher states that while conventional economics is mainly interested in goods, Buddhist economics is mainly interested in people and liberation. Therefore it is not wealth which stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them. In short, the goal is to maximize human satisfactions and comfort with a minimum of consumption, as the effort to sustain such a way of life is much smaller than the effort to sustain a way of life which maximizes comfort and satisfaction by maximizing consumption (1974, 47-48).

Further, Paul Ekins points out that conventional "indicators" of economic progress and standard of living are limited at best, misleading at worst, with the most misleading being Gross National Product (GNP). GNP measures all the goods and services which are provided in a country through market or government expenditure. It is measured by aggregating all monetary expenditures on goods and services within a country and is considered to be an accurate measure of a nation's economic welfare (1986, 32).[23]

However, Ekins states that GNP does not account for the environmental costs of production, or distinguish between renewable and non-renewable resources. Further, increases in GNP give no indication that growth or consumption is sustainable or if it is undermining the natural and ecological resource base upon which it depends. As well, it does not measure the social costs of production, growth, or increased consumption such as individual alienation, urbanization, family stress and breakdown, unemployment, or crime. Finally, Gross National Product only measures aggregate production with no account of what is being consumed or who is doing the consuming. Consequently, even within an increasing GNP, maldistribution, regional disparity, poverty, and a widening gap between rich and poor can be evident. It is as a result of the assumption that all growth is good and the only significant economic activity is monetary activity that GNP has become a misleading perception of individual and national well-being (1986, 35).[24]

It is assumptions such as these as well as the emphasis on growth and material consumption which CED and the new economics challenge. In short, the new economics stresses an "accountable" economy; accountable to the earth, and accountable to each other.

---

23 John Lintott notes that GNP was not intended to be a measure of economic welfare when it was first developed in the 1930's as part of a national accounting system. It was developed, he says only to measure aggregate demand and not economic welfare. However, growth economists soon came to regard GNP as an indicator of overall economic welfare (as quoted in Ekins 1986, 32).

24 Ekins cites, for example, a family in which a spouse who previously did domestic work, enters the work force. GNP will rise both by the wages of the spouse and by the couple's extra expenditures on goods and services such as child care which they previously provided for themselves. The "real" increase in goods and services produced would be measured by the difference between these quantities rather than by their sum. The net change in the "welfare" of the couple would not be indicated by the sum of wages and expenditures either. There could, he adds, even be a loss of welfare if one takes into account social and psychological factors (1986, 35).

It believes that since we are all of this earth, it is necessary to develop an economics which fits within its limits. Similarly, it believes that the people who make economic decisions should be the people most affected by those decisions (Meeker-Lowry 1988, v). This is achieved through reconceptualizing work, profit, capital, and viability as well as two other fundamental concepts. These are the notion of self reliance and the informal economy.

Self Reliance

Self reliance incorporates the reconceptualizations of work, profit, capital, viability and the emphasis on human needs and values into a firmly held belief and principle of producing what is needed by relying on one's own resources as much as possible. David Morris states that self reliance is the ability to satisfy needs locally and create wealth from within. Its goal is to extract the maximum amount of useful work from each local resource, but its purpose is a fundamental reorientation of thinking and living.[25]

By producing what one consumes and consuming what one produces, self reliance minimizes both positive and negative "externalities" and internalizes them. For example, rather than exporting the challenge of producing a needed good or service and thus exporting the risk, initiative, and innovation (positive externalities) which may accrue from this production, self reliance attempts to retain these, as much as possible, for itself to avoid becoming over-dependent on another locality or individual, the market, or government. As a result self reliance avoids the negative externalities of dependency on others such as fluctuations in the market, restraint, etc. Similarly, the principle of self reliance also involves the avoidance of creating dependency upon oneself in others, and as well, self reliant local production is more responsible for the negative externalities it may produce such as waste, depletion, and pollution (Galtung 1986, 101).

---

25 Morris' ideas regarding self reliance can be found in three publications: *The New City States* (1982), *Self Reliant Cities* (1982a), and *The Homegrown Economy* (1983).

In this sense, self reliance is a means of economic defiance by not allowing others to capture the positive benefits of production, as well as a means of non-aggressiveness and altruism by not exporting negative externalities to others. This does not imply isolationism, parochialism, or self sufficiency. David Morris states that self reliance implies strengthening the local economy and building strengths and skills at the local level, as opposed to the isolationism, parochialism, rivalry and "selfish sufficiency" in which cities fight to attract corporations, industries and even sports teams (1982a, 64-65).[26]

Self reliance is not self sufficiency but an attempt at a new balance between satisfying basic needs locally or importing these needs from others. Thus, integral to the notion of self reliance is the acceptance that even with the best possible use of human imagination, there will be a discrepancy between what is needed and what can be provided locally. The solution, of course, is the exchange of trade, information, and interaction not only for the import of goods and services, but also for the import of new ideas, innovations, and applications. This circumvents tendencies towards isolationism and parochialism and fosters the principle of self reliance as both the avoidance of being or becoming dependent and creating dependency in others (Galtung 1986, 102-103).

Self reliance also implies a concept of "knowing home"; an inward looking process involving the careful consideration and examination of the human, social, economic, and natural resources of a community and how these resources are currently being used, where they are being spent, what they are being spent on, and how they could be put to better use to benefit the local community more.[27]

---

26 However, Morris has stated publicly that in many cases it is necessary to cloak the principle of self reliance in the terms self-sufficiency and independence which are better understood among most people, but which in reality are virtually unattainable.

27 The term "knowing home" and its various connotations and meanings is taken from the publication *The Homegrown Economy: A Prescription for the City of St. Paul,* by David Morris and the Institute for Local Self Reliance, 1983. Knowing home involves the examination of overlooked resources including human initiative, ingenuity, and imagination as well as garbage and waste. It emphasizes production, the efficient use of resources, conservation, and recycling over consumption. It means capturing, to the maximum extent possible, the "value added" that each new processing step provides to raw materials, waste, and recycled materials. It relies on many locally owned small businesses

Finally, self reliance recognizes that the amount of productive work occurring in households and communities on a voluntary basis is as large as and as productive as that done in the market economy, and it is in the best interests of the community to strengthen the voluntary economy.[28] This voluntary economy is a small part of a large economy labelled the "informal economy" whose acceptance and recognition as a significant and valid social and economic generator is a unique feature of the new economics.

The Informal Economy

Most economic activity is managed, initiated, and measured in terms of public sector or government activity, and private sector activity.[29] Together, these two constitute the "formal" economy both of which base their actions and decisions regarding economics and development upon a number of established sets of norms and practices.[30] However, there is a growing alternative sector which is neither government or big business oriented, and is referred to as the "third sector" or the informal economy.

---

rather than a few large corporations, industries, and national franchise or chain stores which simply remove expenditures from the local economy and centralize them in head offices. It attempts to circulate and recirculate money, capital, and investment within a community as much as possible before it leaves the community, and it recognizes the significance of small business and import replacement in the generation of local wealth (City of St. Paul 1983, 1-15).

28 *The Homegrown Economy* cites Neighbourhood Watch programs as examples of the voluntary economy whose importance and significance is not only in reducing crime but in reducing costs as well. The report adds that Neighbourhood Watch like energy conservation, recycling and health checkups exemplify another central tenet of self reliance, that prevention and reduction whether of disease, crime, waste or decay is inexpensive compared to treatment (1983, 10).

29 The private or business sector refers to the large corporate sector which is characterized by: large numbers of employees (over 100); capital intensive production processes; and large bureaucratic, hierarchical organizational structures. The principal objectives this sector are acceptable to maximum profits and continuous growth. The public sector includes all levels of government, federal, provincial, regional, and local as well as the institutions of government: schools, hospitals, etc. They are also organized along bureaucratic, hierarchical lines and decision making is concentrated at the top. While public sector activity need not be guided by the demands imposed by the marketplace, most governments attempt to emulate the private sector in its concern not for profits necessarily but for maximization of results as well as for continuous growth. While the public sector is generally more flexible and attuned to human needs, the extent of this flexibility depends on the particular government and administration in power (Ross and Usher 1986, 56-57).

30 These norms and practices as described by Ross and Usher include the economic organization into two sets of actors - producers and consumers, firms and households each motivated by self-interest (firms with profit and growth, and households with maximizing satisfaction), with the market as the arena for all economic activity. In addition, most people instead of selling things they make themselves, sell their capacity to work as if it were a commodity, and monetary contracts are the means by which the relations of producer and consumer, buyer and seller, employee and employer are brought together. Competition is the essence of all commercial activity, and specialization, centralization, and division of labour are the essence to all production. As well, a hierarchical system of power, authority, and responsibility from the top down is the essence of industrial organization (1986, 21-29).

The informal economy encompasses a variety of types of activities from small scale subsistence agriculture, fishing, hunting and trapping undertaken by pre- or non-industrial societies, to small business and enterprise which incorporate features of the formal economy but which (primarily because they have not yet grown large), embody characteristics of the informal economy such as flexibility, informality and individual initiative. In between these two are the household economy, its extension into the neighbourhood or mutual aid economy, and the alternative or counterculture economies of religious orders, and utopian or intentional communities (Ross and Usher 1986, 31-33).

The similarities among these forms of activity include an emphasis on: self employment; self reliance and simplicity; production by small units primarily for internal consumption; ownership of the principal means of production, and egalitarian relationships between individuals, particularly employee and owner. As well, they feature an emphasis on goals, flexibility, individual initiative, and commitment. Ross and Usher state:

> The informal economy embraces those parts of the economy in which goods and services are exchanged informally and without money transactions or, when money is involved, it is to provide sustenance...the will to accumulate capital for its own sake is not present. The economy is unquantified, unrecorded, uncounted, and often invisible....It includes the activities that men, women and children perform to make their homes and communities more satisfying places... and work that people do for one another without exchanging money....It embodies, both in practice and as value preferences, such patterns as neighbourly cooperation, sharing, mutual aid and support, local autonomy and self reliance, material simplicity, trust, sensitivity, diversity, participation, and the decentralization of power which, in certain respects, the formal economy tends to promote (1986, 35-36).

The principal differences between the formal and informal economy is the emphasis on interpersonal relationships rather than the anonymity which money and monetary relations provide. As well, there is considerable emphasis on "holism" and undertaking complete jobs rather than ultraspecialized activities, compartmentalization, fragmentation, and division of labour. Price is one of the least important pieces of information, and value one of the most important, and since work and produce tend to be performed and distributed locally, and the effects of enterprise felt locally, there is a greater understanding of, involvement in, and control over economic activity (Ross and Usher 1986, 47-50).[31]

---

[31] The informal economy is more likely to value activity as an end in itself as well as a means to produce

The emphasis in community economic development on the informal economy is not to entirely replace the formal economy as no one can live exclusively within the informal economy. Rather, the informal economy is an area and an arena "in which people can explore their own needs and seek to meet them in their own way." It should not be viewed as a substitute to the traditional economy, or as a response to particular failures within the traditional system. Rather, its emphasis on mutual obligation and reciprocity forms the nexus of social glue that makes the formation and maintenance of social life possible (Gaughan and Ferman 1987, 25). Consequently, CED attempts to incorporate both informal and formal economies as both are essential parts of everyday existence.

SUSTAINABLE DEVELOPMENT

The nature of what constitutes "development" is the third general area of CED which differentiates it from other forms of economic development and economic thought. Building on the notions of community and self reliance, as well as the reconceptualizations of work, profit, capital, and viability, "development" in the CED context is a great deal different from development in the conventional context. Generally, an activity or opportunity which does not produce "good work," which exploits or pollutes both human and natural capital, and which does not increase the political, economic, social, and cultural independence of a community is not considered development.[32]

---

something else, whereas there is a strong tendency in the formal economy to save time, focus on narrowly conceived goals, and eliminate the non-economic aspects of activity and work. However, differences in the two economies are not necessarily opposite. For example, markets exist in the informal economy but are local and more limited in scope. Similarly, contracts are not primarily monetary but based on trust, reliability, reciprocity and the relationship not anonymity between people (Ross and Usher 1986, 50-51).

32 Angus McIntyre states that "under" development is not merely poverty, unsatisfied wants, or limited opportunity. Above all, it is powerlessness and weakness, powerlessness stemming from a lack of understanding of certain processes affecting a group, individual, or community, and weakness in three particular areas: political, cultural, and economic. Political and economic weakness results in the inability of communities to escape the consequences of actions by larger, outside entities, and increased dependence and decreased local control. Cultural weakness allows the values of a community or individual to be destroyed by outside influences such as modern values of productivity, efficiency, and mass consumption (unpublished paper, n.d.).

This concept of development in which the ideals and principles of empowerment, community, the new individualism, and self reliance are brought into practice, is also characterized by the decline of the growth ethic which has instilled and entrenched in society the belief that development, progress, success, and achievement are synonymous with growth, material attainment, and income increase. Consequently, the conventional measures of development are numerical rather than normative, and quantitative as opposed to qualitative, focusing on those aspects, particularly economic, which can be easily measured: income, GNP, employment, etc. Values such as quality of life, and social and cultural progress, being difficult to measure, are excluded from the calculation.[33]

Community economic development measures "development" differently, and factors such as increased empowerment, self-reliance, sense of community, meaningful employment are far more important than purely economic measures of output, income, jobs, and growth:

> In considering CED, it is important to keep in mind that the ideal form of development is some form of balanced social and economic development. Since there can be no quality of life without adequate material resources and since the ultimate purpose of economic development is adequate or enhanced quality of life, the two domains are inseparable (Baker 1984, 112).

In addition, CED places a great deal of importance on the notion of "sustainability" in any development initiative. The concept of sustainable development integrates social and economic development with a concern and outlook for the environment and ecology in general. The World Commission on Environment and Development (The Brundtland Commission) defines sustainable development as "development which meets the needs and aspirations of the present without compromising the ability of future generations to meet those of the future" (1987, 40).[34]

---

33 A more detailed study of the growth ethic in society, and particularly its influence on planning can be found in *Planning, Paradigm and Change: Outgrowing the Growth Ethic,* by Brenda Nielsen, Master's Thesis, University of Manitoba, Department of City Planning, 1985.

34 The Brundtland Commission and the notion of "sustainable development" has received a great deal of national and international attention. At the time of writing the Canadian federal government has proposed that a national "Centre for Sustainable Development" be proposed for Winnipeg to promote the concept of sustainable development and developing the economy without ruining the environment.

However, far from requiring the cessation of economic growth, sustainable development recognizes that the problems of poverty and underdevelopment cannot be solved without economic and social development of some kind. Nonetheless it also recognizes that the goals of social and economic development must be defined in terms of sustainability as economic growth and development always brings the risk of ecological damage and always puts pressure on environmental resources (World Commission on Environment and Development 1987, 40-43). The concept borrows from Schumacher's definition of capital implying that nothing can be considered development if it rapidly consumes or exploits its capital (whether human, natural, mineral, or otherwise), or if in the long run it cannot be sustained.

The notion of sustainability implies environmental protection and ecological responsibility, while the notion of development involves "a progressive transformation of economy and society" and a concern for distribution, access, and social equity. Thus sustainable development contains within it two key concepts; the first being meeting essential needs, which beyond food, clothing, and shelter (which are still unfulfilled for a vast majority of people) include adequate employment and improved quality of life. The second key concept is the recognition of the limitations both social organization and technology impose on the ability to meet these needs in the present and in the future. The latter necessitates conserving and enhancing the resource base, reorienting technology and work, merging environment and economics in decision making, and changing the quality of growth to make it less material and energy intensive and more equitable. [35]

Defining the criteria for sustainable development or a sustainable community, however, is difficult. It is not the experiencing of steady growth in conventional

---

35 These concepts, the Commission adds, can be applied to development at all scales: global, national, regional, and local, and to all countries: developed and developing, market oriented or centrally planned, and is fundamental to future security and prosperity (World Commission on Environment and Development 1987, 43-45).

quantitative terms. Conventional indices of increases in scale, size, jobs, value, and volume are not appropriate; nor is sustainable development the return to "non-existent glorious past based upon arcadian romanticism, anti-progress, anti-science, and anti-technology" (Canadian Institute of Planners 1985).

What it is, the 1985 CIP National Conference states, is a leap forward beyond accepted norms to match coincident needs and resources. It is experiencing steady development in the sense of change in the structure of economy, the society and the environment (built and natural). It is qualitative indices such as job autonomy, well being of population, habitability of the built environment, durability, and steady improvement both in the short term and the long term.

Finally, sustainable development, like the other principles of community economic development, is a yardstick, pathway or general direction with which to guide action and measure and evaluate decisions based on a new way of thinking and a reconceptualization of community, economics and development and their relation to society, the environment, and the individual.

SUMMARY

The principles, concepts, and beliefs outlined in this chapter are not purely individual in nature or unrelated to each other, as a number of similar notions and themes continually resurface. Self reliance, empowerment, appropriate scale, local wealth, meaningful work, decentralization, responsibility, cooperation are all sub-concepts which belong to the paradigm of community economic development and continually reappear in the alternative modes of thought which comprise CED (Nozick 1988, 68).

The principles of CED offer a practical realization and fulfillment of the new philosophy or way of knowing and thinking outlined earlier in the chapter. They maintain a commitment to values, nature, and to human life and align themselves with concern for quality of life rather than material growth and progress. They are environmentally and ecologically conscious as well as politically aware with a strong role for the individual. Each of the principles can be applied on an individual, community, local, national, or even international scale, and are concerned primarily with how we live.

As such, the principles relate directly to actions, decisions, and praxis and indeed CED emerged more as an alternative practice to the social and economic crises of our times than as a body of theoretical principles. It is as a set of alternative practices and initiatives which characterize and distinguish community economic development, and it is to the practice of CED which we now turn.

CHAPTER THREE
The Practice of Local Economic Development

The philosophy and principles outlined in the previous chapter represent the ideals and objectives which community economic development strives to attain. They provide a general framework or pathway and direction with which to alternatively view and approach economic and community development. However, they require a means of operationalization and implementation in order for them to be realized into practice.

This chapter looks at the practice of community economic development by first discussing conventional economic development and subsequently focussing on the approaches, techniques, process, and dynamics of local economic development. Local economic development incorporates a distinct process and approach to economic development with an underlying set of goals and objectives which distinguish it as an alternative to conventional economic development. It is the process of local economic development which illustrates the operationalization of the principles of CED into practice, and the challenges associated with this operationalizing. Further, it is the local economic development process which possesses a broader significance regarding the role of, and opportunities for, planning.

CONVENTIONAL ECONOMIC DEVELOPMENT

Conventional economic development practices are based almost exclusively on one single theoretical perspective that being economic base theory or the export base model. This theory and model divides the local economy into two sectors: the export sector or basic industries, and the residentiary sector or non-basic industries.[1]

---

1 The export sector includes all economic activities which generate goods and services sold to non-local persons, governments, and businesses. It is assumed to be independent and is held to be the active determinant of growth for it is the value of the goods and services generated by this sector which

From this perspective, all economic development depends upon the nonlocal demand for the products of the export sector. As this demand expands or contracts, the levels of output, income, and employment of the export sector fluctuate in response, the effects of which are transmitted to the rest of the local economy (the multiplier effect). Any deficiency in the exports of a community requires that the community's imports be covered by borrowing, the sale of assets, or the drawing of savings. Consequently, economic development is equated entirely with economic "growth" measured in terms of increases in the levels of output, income, and employment. The external demand for local exports is seen as the essential dynamic for stimulating growth, and since little can be done to influence this demand, strategies for growth focus on supporting the expansion of the existing export base and developing new export activities (Malizia 1985, 35).

In this sense, economic base theory not only provides an explanation of economic development, it defines the goals of economic development to be solely those of growth expressed in terms of more jobs, increased production and greater income. As such, it suggests strategies and actions which focus almost exclusively on the expansion of existing industry and industrial recruitment and promotion from outside the local community through initiatives such as infrastructure improvement, real estate development and downtown revitalization. Far less consideration is given to alternative strategies designed to diversify the economic base, replace imports, reduce unemployment, or improve socio-economic opportunities. This approach of attracting known, established and large industries through external promotion, industrial parks, tax incentives, and so on, is the most popular and practised form of economic development and represents the "flagship" of most economic development programs (Stankovic 1987, 6; Malizia 1985, 49).

---

permits the community to purchase imports from outside, and it is the export sector which directly or indirectly supports all other activities in a community including residentiary and non-export activities. The residentiary sector includes all other activities, goods and services, produced for the local market. It is held to be passive and completely dependent upon purchases from the export sector and the export sector's employees (Malizia 1985, 35).

Conventional economic development of this type is most evident in the economic development programs of cities and urban municipalities. While virtually every North American city has established an economic development commission or authority of some kind, they virtually all focus on the export sector through industrial recruitment and promotion, and the expansion of existing industry.[2]

The mandates of the majority of the urban economic development commissions read the same: "promote economic initiatives that assist in creating employment by sustaining existing industry and encouraging new corporations to locate in our city" (Calgary Economic Development Authority 1988, 1). Similarly, the principal objectives of these commissions are to:

1. Provide an atmosphere in which existing industry can be encouraged to prosper and grow.
2. Prospect for new industry.
3. Create a high level of awareness of the benefits of the city.
4. Encourage new industry to locate in the city.
   (Niagara Falls Business and Industrial Growth Agency 1984, 6)

The activities pursued and undertaken by most economic development commissions concentrate on "one-stop economic and market information, details of provincial and federal government assistance, and liaison services" (Edmonton Economic Development Authority). Additional activities never venture very far from promotion and include: visitations to the business community, seminars on expansion, hosting of trade shows and conventions, trade missions to other countries ("twinning"), advertising national and international publications, and direct mailings to select or targeted industries such as high tech firms (Hamilton-Wentworth Economic Development Department 1988, 1-5).

---

2 Carla Robinson, in a survey of 141 U.S. cities, found that 71.6 percent of the cities had established separate economic development agencies. Robinson also found that that the three most important policy areas for economic development in these cities were: 1) expanding existing businesses, 2) attracting business from outside the city, and 3) promoting real estate development. The principal goals of economic development were job creation, increase or maintain tax base, business retention, downtown development, and new business development. Farther down the list were economic diversification, small business development, reduction of unemployment, improvement of economic opportunities for disadvantaged, and community development. While locally owned establishments were the most highly sought after, the next major targets for economic development were headquarters of major corporations and branch plants of major corporations (1988, 1-6). The situation is much the same in Canadian cities as well, based on conversations and interviews with, and information supplied by economic development commissions of virtually every major Canadian city.

As a result, the primary emphasis is on those forms of development which bring in outside dollars.[3] Consequently, the mindset and approach of urban economic development commissions is primarily directed and focused beyond the local boundaries of a community.[4]

In spite of this effort, a study of American companies revealed that very few features governing the locational decisions of business and industry are controlled by local governments or capable of being altered to a large degree by economic development commissions. Such features included the availability of a trained labour force, access to markets and suppliers, energy costs, labour conditions, and return on investment and profitability. Most of these factors are determined by market conditions and cost variables. Thus locational decisions are dependent upon the opportunity for earning profits, and economic development policies, if they are to attract new firms or retain ones which might otherwise leave, must introduce factors which will enhance profitability. For the most part, such factors are beyond the control of local governments and economic development agencies, or represent significant revenue concessions in the way of tax breaks, infrastructure and servicing, land cost write-downs, etc. (Kitchen 1985, 26).[5] The

---

3 For example, the Kansas State University lists the following as examples of economic development: building a new highway when the investment capital comes from outside sources, a truck terminal which services cross-country traffic, an electric power plant which sells to regional markets, a regional shopping centre, a concentration of banks serving a region, headquarters of a regional or national insurance company, all federal, state, and regional offices, a convention centre, a medical centre, and an amusement park (1987, 2). This view is not limited to the U.S. either; an economic development presentation on the city of North Battleford, Saskatchewan listed an office building, a hotel/convention centre, an expanded golf course, and a waterslide park as significant economic developments for the community, with the most important being a major meat packing and processing plant (Association of Professional Community Planners of Saskatchewan 1988, 3).

4 It is this focus which David Harvey states is turning communities into "voodoo cities" relying on an economics which builds on old employment strengths, often wastes resources on new infrastructure, is mesmerized by new growth industries such as high technology, and tries to snag as many redistributive resources from senior levels of government as it can. Above all, he adds, this voodoo economics makes cities much more competitive with each other, much more conscious of the image they project, and is resulting in the mad pursuit of consumption revenues through spectacle, play, and conspicuous commodity exchange. All this is occurring at the expense of concerns for the growing urban social malaise in housing, education, crime and real income (1988, 34-35).

5 The study of locational decisions of American companies was undertaken by Leonard Lund in his book *Factors in Corporate Locational Decisions* (Washington, D.C.: Conference Board 1979). Kitchen adds that the same locational decisions likely apply to the Canadian situation and since direct financial incentives to locating companies from municipal governments is prohibited by senior governments, the effectiveness of municipal economic development departments is questionable. Most such departments, he adds, are limited to promotional and advertising campaigns extolling the

Rocky Mountain Institute adds that there are over 25,000 industrial recruitment agencies and economic development departments in the U.S., and only about 500 major companies which are looking to relocate in any given year (Rocky Mountain Institute, 4).

At the same time, conventional economic development and economic development authorities cannot hope to alter trends such as the deindustrialization of the labour force, the shift to service sector economy, increased global competition and the worldwide flight of capital. Indeed, by focussing almost exclusively on the export sector, conventional economic development is almost entirely dependent upon factors largely beyond its control.

COMMUNITY ECONOMIC DEVELOPMENT

Conventional economic development and the attraction and promotion of industry represents the most practised form of economic development; however, it offers only one approach to economic development. In the extreme it can create increasingly divergent economies where what is produced locally is not consumed locally and what is consumed locally is not produced locally, resulting in a greater dependency on and susceptibility to factors far beyond the local control of communities. As well as its limited scope and potential for long term insecurity, conventional economic development practices are often unsuitable for a great many centres without attractive features and communities whose situations are extremely impoverished. Finally, it is unable to effectively alter global shifts and changes or address the plant shutdowns, unemployment, loss of tax base, declining residential and commercial areas, etc., which these shifts and changes foster. As a result, these shortcomings have warranted the search for alternative approaches and practices of economic development.

---

virtues of their community and providing a non-neutral and overzealous supply of information on their community, which for the most part, does little to attract new industry (1985, 38-40).

Community economic development initiatives have emerged out of the reality and severity of social and economic crises, and the inadequacy of conventional economic development and the public or private sectors in dealing with these crises. As such, CED ventures are not all recent, having precursors in Canada such as credit unions, wheat pools, cooperatives, and the development efforts of urban neighbourhoods. (Perry 1982, 7).[6]

Community Owned Enterprises

It is useful at this point to distinguish between local economic development and the development of community owned enterprises. CED has largely come to be associated almost entirely with community owned enterprises and initiatives such as community development corporations (CDC's), worker, consumer, and housing cooperatives, land trusts, and so on. For the most part, these initiatives arose in response to a specific situation and are established and owned by a particular community to gain a certain degree of control (political, economic, and social) over their future.

Such enterprises provide concrete examples of the organizational models and structures of CED, and offer illustrations of how the values and principles underlying CED can be implemented in practice and in day to day living. They are pragmatic attempts to solve problems which established public and private structures have been unable to deal with. In some places, government provides support, in others they have been set up solely by individuals with a vision of a better way through community effort.[7]

---

6 Lotz states that the modern cooperative and credit union movement in Canada began as a community economic development movement in the depths of the Depression when the economies of Atlantic and Western Canada became threatened. They thrived particularly in rural areas and were based on the principle that by pooling savings, starting credit unions, and forming cooperatives, people could undertake economic tasks that were beyond the capability of individuals. Lotz adds that in the sixties, "community development" bloomed in response to the increasing inability of government structures to meet expectations. Community development aimed to change things with social issues the major focus of action. However, they fostered a belief that community development ventures were entitled to financial support from governments and many efforts failed on ideological differences, or as a result of their inability to build their own equity into project and establish a financial base. Lotz states that in the sixties, public concerns focused on social issues, in the seventies they tried to deal with political issues through the rise of public participation movements which replaced the community development movements of the sixties. Today, the overwhelming need is to tackle the economic problems which require initiatives and approaches different from community development or public participation, and hence the emergence of community economic development (1984, 41).

7 Details of particular community enterprises can be found in Appendix Two as well as in CED case

Community owned enterprises offer participants a reasonable livelihood and satisfying work on the basis of equity and shared responsibility. A high level of commitment and drive marks those involved, but it is married to an expertise in order that the ventures be effective. To be successful they demand a high level of moral and ethical concern as well as an understanding of economic realities. They allow people autonomy, a chance to do useful work and obtain the benefits of what they produce (Lotz 1984, 42).

Often however, it is very difficult for communities and individuals to immediately embrace the fundamental changes in perception which community economic development and community owned enterprises hold about the nature of property, profit, quality of life, what is economic and what is uneconomic, and what constitutes development. Unless communities are faced with severe economic and social crisis, few individuals and communities are willing to immediately accept and adopt CED and the radically different and alternative beliefs, values, principles, and practices which it embodies. The tendency is to continue with conventional economic development and conventional economic practices, structures, and thinking.[8]

As a result, CED in the form of community owned enterprises has emerged primarily in the most destitute and most disadvantaged communities including rural areas, single industry and resource towns, and impoverished neighbourhoods. They have emerged out of necessity, in the absence of any alternatives, and as a last attempt at survival.

Local Economic Development

Local economic development implies a much broader application and represents the process by which people undertake to develop their own community. It may incorporate community owned enterprises as well as elements of conventional economic development

studies presented by Nozick (1988), Dauncey (1986), Macleod (1986), Erdman, et al. (1985), Wismer and Pell (1981).

8 This "need" for crisis will be discussed later in the chapter.

as aspects of an overall approach towards economic development which is values-based and which features a number of strategies, techniques, and dynamics. Local economic development best represents the practice of operationalizing the principles of CED into a distinct process which takes traditional development as a starting point and extends it a great deal further into a complete examination and analysis of the integral problems of a community, as well as all of its potential resources and opportunities.

Unlike conventional economic development, local economic development does not focus exclusively on the export sector or attracting new industry, both of which are dependent upon factors largely outside the local control of the community. Rather, it focuses on those strategies which attempt to build on resources that already exist in the local economy: natural resources, existing businesses, and most importantly, the talents, skills, and energies of the local population. While building upon local resources has relevance to all communities, it is absolutely essential for economically depressed and disadvantaged areas and locations which have little potential to attract outside business, industry, or investment.

Conventional economic practices focus on one principle strategy for economic development, that being industrial recruitment and promotion. The process of local economic development examines all the possible options for stimulating the local economy. Consequently, where conventional economic development measures itself solely in terms of economic growth and the expansion of the export base, local economic development measures itself in alternative terms. Such measures include the qualitative changes resulting from better work, higher personal incomes, product innovation and diversification, the quality of local stocks of wealth (public and private, human and material), occupational mix, and the creation of entrepreneurs.[9]

---

[9] These alternative measures of economic development are not based solely on qualitative observation but have a quantitative base in economic theories and models such as interindustry and input/output models, the Thompson growth model, product cycle theory, and the innovation and entrepeneurial

It is often difficult to discern between conventional economic development projects and those of local economic development as the latter term is used in virtually all economic development efforts whether conventional or other. However, local economic development implies a process of education and an approach towards development which depends upon the involvement of the community, thus distinguishing it from conventional forms of development. It is the process aspect of community economic development which is repeatedly emphasized and given as much importance as the balance between social and economic considerations in the definition of CED.

THE LOCAL ECONOMIC DEVELOPMENT PROCESS

The local economic development process is essentially an approach towards the betterment of a community in all its facets, since the goals of local economic development are not simply economic in nature. In it, residents take an active part in deciding the future of their community, and the process is both educational and action oriented. It gives people a better idea of how their economy works and how they can have a major influence on their economic future.[10]

The stages of local economic development are few in number but extensive in nature, encompassing several key dynamics and activities requiring significant community involvement and commitment. Essentially, these stages are: 1) Start-up, 2) Community Profile, 3) Identifying Needs and Setting Goals, and 4) creating an Economic Development Strategy.[11]

---

theories of Schumpeter, Jacobs, and Shapero. These theories are discussed in Malizia (1985, 37-44).

10 An illustration of how the local economic development process depends upon the active involvement of a community's residents is provided in Appendix Four.

11 The stages and the various components within them are a synthesis of those undertaken by a variety of local and community economic development efforts, and those outlined in local economic development practice manuals from a number of sources such as the Rocky Mountain Institute, provincial governments, etc. While the steps are generally undertaken at one time or another by virtually all local and community economic development efforts, they may not necessarily follow the exact same order as outlined here or encompass all the aspects listed.

Step One: Start Up

The initial start up of the local economic development process involves the bringing together of people from all facets of a community's composition. Formats can include community meetings, business or other association meetings, local government and council meetings, futures workshops, or brainstorming meetings. It is essential for long term support and stability to include a variety of active groups and associations in the start up process as they may prove to be incubators for leadership and possess organizational skills essential to the local economic development process. Such groups include: special interest groups, formal and informal community associations, business and merchant's associations, church groups and service organizations.[12]

All sectors, public, private, and informal are important in the success of the local economic development process; in developing goals and strategies, linkages and networks, and increasing access to contacts and resources. All constitute critical social and political resources:

> The effectiveness of the economic renewal process increases when more people are involved. As many different local interests as possible should be included. Involving these participants can give more accurate, broad-based information, encompass broader visions, and provide a balance of opinions. Every attempt should be made to extend interest and activity in the project in order that as many people as possible regard it as being worthy of their time and want to see its results implemented (Rocky Mountain Institute, 9).

The major concerns following initial start up include:

- Basic statement of purpose
- Initiation and recognition of community leaders
- Breadth of community and "sector" participation: business, labour, education, etc.
- Educational opportunities for leaders to learn more about development processes
- Identification of existing organizations, formal and informal, businesses, and community organizations which can be solicited to assist with community economic development projects and which can influence and help participate in projects
- Productive mix of both internal and external expertise, of "local" and professional knowledge, potentially resulting in a higher quality economic strategy
- Building support with key economic actors, funding sources, and the community in general
- Initial funding and interim financing

(New Westminster Development Association 1986, 9; University of Wisconsin 1984, 22)

12 Community organization does not necessarily mean mass meetings; "more often it involves outreach to already organized community groups... and increasing the capacity of the community to sustain economic development activities through the creation and strengthening of community institutions" (Gardner 1983, 35).

While organization into a formalized structure at the outset of the local economic development process is rare, the subsequent tasks and steps in the local economic development process do require a degree of formal organization and delegation, assistance from outside sources (such as consultants or governments), as well as a great deal of commitment and contribution from community resources and residents.

The Need For Crisis

Most often the essential driving force behind the initial commitment, participation, and start up of local economic development and the search for alternative development is crisis. Lack of job opportunities, migration and declining population, lack of educational opportunities, deteriorated housing, decline and loss of business and retail activity, shrinking tax base, farm troubles, and the loss of primary resource industries or single industries, are often the generators of grass roots and self help initiatives towards economic development.

Stewart Perry states that the foundations of most local and community economic development efforts follow the same general pattern. First, there is a history in the community of exploitation by outside ownership, which increasingly exports capital from the local area through rents and profits that are not reinvested, and so on. A cycle of "self reinforcing deterioration and disinvestment" then takes over resulting in the export of human capital, the disappearance of jobs and of supporting facilities and institutions, and deterioration of the physical and social environment including housing and other indices of quality of life (1984, 9).

The second stage, the beginning of the alternative economic development process, is marked by some galvanizing event that mobilizes the community leadership who in turn mobilize others and collectively conclude that something definitive can be done to turn things around. The event, Perry states, does not have to be something as dramatic or

destructive as a riot, but has to be "some final straw which carries people through" to the stages of formal organization and local economic development (1984, 9-10).[13]

There are relatively few examples of communities undertaking community or local economic development without the presence of "crisis" of some sort. Generally, conventional economic practices are the norm in those communities which are relatively well off such as large urban centres in which there may impoverished sectors and neighbourhoods, but, for the most part, the majority of the residents are well off. The issue of crisis thus becomes a major question in the local economic development process and the process' acceptance as a valid form of economic development for all communities.

Step Two: The Community Profile

The community profile or community assessment and audit is an integral element in the process of identifying where a community has come from, where it is at present, and where it is headed. Essentially, the community profile serves three important functions.

First, it provides an overview of the amount and quality of the resources of a given community: natural, physical, human, capital, technological, and institutional, in addition to the community's historical trends and statistical and demographic information on its population. As well, it should provide an accurate assessment of the strengths and

13 Marcia Nozick identifies three types of communities where the practices of community and local economic development are emerging: the marginal community, the depressed rural area, and the inner city neighbourhood. All of these communities share "crises" of limited access to mainstream economic activity (due to reasons of unattractiveness, discrimination, redlining, etc.), lack of control and helplessness over their future, lack of self esteem about the ability to influence the future, and the decline or loss of major employers, industries, and basic social and human services. Marginal communities include particular sectors of the population such as women, natives, the elderly, handicapped, and ethnic minorities which are often discriminated against or have limited access to borrowing from conventional economic institutions or employment in traditional occupations. Thus if they are to achieve any measure of economic self-reliance and independence, it must be through a route other than the mainstream. Rural communities include not only agricultural areas, but single industry and resources towns, and areas based on primary industries in which conditions can drastically reverse themselves overnight due to fluctuations in outside market forces: commodity prices, interest rates, etc. In urban neighbourhoods, CED projects are often a response to societal needs: lack of community facilities, deteriorated housing, loss of services, etc and are often the result of absentee ownership, "redlining" of districts by financial institutions, or displacement caused by redevelopment and gentrification (Nozick 1988, 138-142).

limitations, problems, weaknesses, liabilities and major issues facing the community and the principle sources underlying them.

The process of generating and obtaining the above information is the second function of the community profile, and is almost as important as the profile itself. By organizing and implementing community surveys and holding informational and discussion meetings, the "pulse" of the community can be read, possible community leaders can be identified, broad community input can be received, and local exposure and support for economic development can be expanded.

Finally, the third function of the community profile is to serve as an analytical tool for the formulation and preparation of an economic development strategy. The profile can identify limitations to development initiatives and can help focus and priorize development efforts and assist in targeting the efficient use of resources (Dykeman 1987, 51). The substance contained in a community profile often includes:

- An overview of the community and region's resources, demographic and labour force features, major industrial sectors, market data, community and government services, community facilities, transportation, community history, etc.
- The assets and liabilities of the community, including under-utilized community facilities, individuals, groups, and other resources, opportunities based upon existing strengths, assessments of the quality of life of the community.
- Inventory of existing businesses and industries, industrial land availability, possible economic opportunities, and areas with greatest potential.
- Existing labour force and existing expertise and experience in the community, including those who are unemployed, senior citizens, etc., as well as local business experts, labour leaders, professionals, etc., and any training and retraining needs, linkage of labour force skills and needs to business opportunities.
- Local demand in relation to local supply of goods and services, possible areas for import substitution and other ways to utilize resources already available.
- Sources of funding, government programs, support services, etc, which are available to the community, and possible sources of venture capital and lending.

The community profile is also an extensively used tool in conventional economic development practices, focusing almost exclusively on the inventory of physical resources and attributes of a community. As such it used principally as a marketing tool to promote the community and downplay or avoid any negative aspects or issues within the community. Such profiles tend to "extol the virtues of their community, providing a non-neutral and over-zealous supply of information, which for the most part, does little to attract new industry" (Kitchen 1985, 38-40).

In the local economic development context, the community profile is principally an educational tool for understanding a community's strengths, needs, as well as weaknesses. It is primarily used to inform decision makers on the most appropriate and most necessary forms of development and aid in identifying opportunities and setting goals.[14]

Step Three: Identifying Objectives/Establishing Goals

With the community profile completed and a greater understanding of the needs and resources of a community known, major decisions on the goals and objectives of economic development can be established. The profile should provide information on all the important factors influencing a community's economy, including outside forces such as changes in the national and international economy. Changing demographic trends should provide a picture of the future needs of the community, and the existing resources of the community should assist in the decisions regarding goals and objectives.

---

14 Perhaps the best example of this type of community "economic" profile is the *Homegrown Economy* profile undertaken by the city of St. Paul, Minnesota. Based on the principle of "knowing home," the profile does not focus on all the physical attributes and resources of the city, but rather what resources flow through the community, how these resources are utilized, spent and wasted, and how the maximum amount of useful work possible can be extracted from each local resource. As such the profile looks at where people get most of their money from, what they spend it on and where it goes (inside or outside the community). Further, it looks at what goods the average food dollar is spent on, what is being thrown away, how big the city's businesses are, which businesses employ the most people, what goods and services local businesses buy and from where do they buy it. All of these aspects are examined in relation to the notion of self reliance and the belief that "if we can do it ourselves, then we probably should." The *Homegrown Economy* also profiles local initiatives in community development, recycling efforts, neighbourhood corporations, support services provided by resident associations not government, business incubators, district heating operations, and small businesses to support its goal of stimulating the more efficient use of local resources including the human resources of initiative, innovation, and ingenuity (City of St. Paul 1983, 2-15).

The preparation of goals and objectives is often done with a regard to strategies which aid in relating goals to specific actions and projects. While conventional economic development strategies focus exclusively on job creation and retention as the major goal, local economic development can involve a number of different goals and strategies depending upon the particular situation and dynamics of a community. Such strategies can include: 1) subsistence, 2) welfare and migration, and 3) import substitution.[15]

A subsistence strategy focuses primarily on meeting and satisfying basic human needs (which are inadequately provided for) through the use of the existing resource base. The essence of a subsistence strategy or goal is production for the direct use of the producer. It does not necessarily involve market exchange or monetary transactions and is not necessarily directed at either exports or the replacement of imports. Rather it is designed primarily to meet the basic needs of day to day living and has great appeal where resources are abundant but where the market economy is relatively limited or absent. Subsistence strategies can be used for the direct consumption of the producers as in the case of foodstuffs, or in the provision of intermediate inputs into other products such as wood for housing, material for clothing, etc. (Loxley 1985, 33).

A welfare and migration strategy is aimed principally at providing and ensuring that future opportunities in a community exist for its residents and their children. They are most often the product of a community being unattractive for either public or private investment.

---

15 The categorization of these strategies is taken from *The Economics of Community Development* by John Loxley, with the discussion of what each purports culminated from a variety of sources and CED case studies and situations. Loxley also includes "export promotion" and "government services" as strategies. Export promotion is the traditional approach of attracting large scale outside producers based on export industries. A government services strategy essentially follows the same approach by attempting to obtain public investment in the community in the form of infrastructure improvements, housing, offices, or recreational facilities. Both are essentially conventional economic development practices. Loxley also mentions "convergence" as a goal and strategy which can be looked at as the polar extreme of export promotion, advocating that communities produce what they consume and consume what they produce. Loxley states that many CED initiatives suggest strategies of development along the lines of convergence, but in practice, pure convergence is limited by the market system, competition, private ownership, or scale (1985, 37-46).

In such a community, if the residents are immobile, they will continue to reside in the area resulting in a welfare community. If the residents are mobile they will leave the community or eventually over time their children will leave the community as a result of lack of opportunities, therefore draining the community of its educated, skilled, and young people.

An import substitution goal seeks to expand, strengthen and stabilize the local economy by encouraging projects, strategies and businesses which produce goods previously imported or services previously purchased outside the local community. This is referred to by the Rocky Mountain Institute as "plugging the leaks," identifying where dollars are leaking out of the community and where a product or service currently imported can be supplied locally. Import substitution is usually proposed initially for simple consumer goods or basic provisions and necessities such as food, energy, shelter, etc, followed by higher order goods and services.[16]

With the goals of local economic development varying according to specific situations and conditions facing communities, the specific objectives of local economic development vary as well. With economic growth and expansion the primary goal of conventional economic development, industrial recruitment and promotion is the principal objective and strategy followed to a lesser extent by expansion of existing industries and new enterprise development. The goal of local economic development is foremost to improve the quality of life, and thus implies a host of objectives designed to achieve this including:

---

16 Import substitution does not call for isolationism, but a greater self reliance and insulation of the community against outside forces and conditions beyond local control. It enables community to develop a real basis for sustainable development, less money is required for necessities, more income becomes disposable for other commerce, and in hard times less income is required for simple survival (Rocky Mountain Institute, 5). The advantages of import substitution are that it provides communities with higher incomes and greater and more diversified employment and labour skills. Jane Jacobs states that import replacing regions possess five great economic forces: the ability to expand markets for new and different imports, the ability to abruptly increase jobs, the technology to increase productivity and production, the ability to undertake transplanted city work, and the retention and infusion of capital (1984, 47). The disadvantages of import substitution can include high cost and low efficiency requiring tariffs, subsidization, or other protection, orientation towards existing level of demand, existing income and prevailing pattern of distribution rather than the real needs of the community, and the reordering of the pattern of imports without necessarily reducing the overall leakages very much (Loxley 1985, 48).

- Improving the intellectual infrastructure - upgrading universities, research institutions, programs to bring academics and business researchers together to do applied research with commercial potential.
- Improving the skills and education levels of the workforce - improving the human capital which exists in a community through training, upgrading, retraining, etc.
- Improving the quality of life - paying attention to those factors, tangible (such as physical amenities) and intangible (such as environmental protection, attitude, etc) which impact on quality of life.
- Improving the entrepreneurial climate - through providing the support networks, models, incubator institutions, etc., which are necessary to foster new ventures.
- Improving access to risk capital - an essential element of an entrepeneurial climate is a supply of risk capital, not only to high risk ventures, but to high risk groups who often have little access to conventional financing.
- Changing the culture of industry - the process of continual innovation necessitates transition from conventional hierarchical and adversarial relations in the structure of organizations and increasing flexibility in economic and productive structures and organizations, including worker ownership, cooperatives, etc.
- Improving social organization - transforming the structures which appear in society as well, adjusting social welfare systems, creating new job training programs, child care programs, counseling, assistance, etc.
(Osborne 1988, 4-5).

Step Four: Economic Development Strategy

The translation and further refinement of the economic development goals and objectives of a community into specific actions, initiatives, projects, and strategies represents the final step in the local economic development process. In reality, a local economic development strategy combines elements of any or all of the goals and objectives listed above in addition to those of conventional economic development such as employment creation, attraction of investment, etc. [17]

In this way, the local economic development strategy recognizes the value of conventional economic development practices and their predominance in the thinking and perception of economic development in most communities and among most individuals.

---

17 The Rocky Mountain Institute advocates communities to follow a two faceted approach to "economic renewal" The first, which requires the most effort and commitment, involves plugging the leakages and the needless outflow of money from the community and promoting investment and development from within the resources already existing within the community. The second facet follows more conventional economic practices including encouraging new enterprises and recruiting appropriate businesses from outside the community (Rocky Mountain Institute, 1-5).

However, it also recognizes the limitations of conventional practice and by incorporating alternative goals and objectives more in tune with the real needs and resources of the community, results in economic development strategies which feature a wide variety of actions, projects, and initiatives with the principal goal of improving community life.

The economic development strategy therefore represents the final step in the local economic development process. It is essentially a written summary of the economic activities the community hopes to undertake and accomplish and how it intends to undertake them. It is an action plan outlining the achievement of the overall economic development goals and objectives of the community. As such it is an action oriented statement which includes:

- The community's economic goals and objectives in light of the overall direction set for the community in the strategy.
- A summary of the strengths and weaknesses of the community in light of its economic goals and objectives.
- The specific sectors or targets both within and outside the community which represent opportunities, priorities, and areas to be strengthened and supported.
- The specific action steps or projects and associated resources and funding required to achieve the community's goals and objectives in light of its strengths and weaknesses and in light of the targeted sectors.
- The linkages between the economic development strategy and other community policies and plans, as well as municipal, regional or provincial policies and plans including potential government program and sources of funding which the strategy and its individual components and projects must be aligned with.
- The organizational structure, vehicles, and management systems which will be necessary to implement, control, and evaluate the strategy. (B.C. Ministry of Municipal Affairs 1987, 8-10; B.C. Ministry of Industry and Small Business Development 1985, 49).

The specific actions which can be contained in an economic development strategy are numerous and can vary greatly between communities. Such actions can range from small business and entrepeneurial workshops, marketing courses, and business counselling to major initiatives such as the establishment of local owned business ventures and industries. While the specific actions of an economic strategy differ from community to community, a number of the same "tools" are often used to implement local economic development.

These include venture capital funds, community owned enterprises, cooperatives, business incubators, and most often community development corporations as the formal organizational structure to implement local economic development. All represent physical "ends" in the local economic development process as well as "means" by which to accomplish further social and economic objectives.[18]

There are a number of dynamics which can determine and influence the success of the local economic development process and CED in general. These include: the balance of social and economic goals and projects; the degree of broad-based community support and participation; leadership; initiative and commitment; the sense of "stake" in a community; as well as a host of interpersonal and group dynamics associated with collective and cooperative organizations of individuals. However, one of the most important dynamics to be identified as being essential to the local economic development process and the success of any CED initiative is entrepreneurship.

ENTREPRENEURSHIP

Entrepreneurship has most often been associated with the initial phases in the development of any business, particularly the establishment and ownership of small businesses. However, of late entrepreneurship has come to be identified as a phenomena involving a great deal more than the owning and operating of a small business. It has stimulated interest on many fronts: journalistic, economic, political, managerial, and educational; and has been regarded as a distinctive keynote in economic development, a resource and attribute to be understood and fostered, and a solution to a variety of economic maladies.[19]

---

18 A description and examples of some of the various tools of local and community economic development including community development corporations can be found in Appendix Two.

19 Stevenson and Sahlman state the journalistic evidence of the interest in entrepreneurship abounds in the business journals, new publications, and television programs which focus on and feature entrepreneurs and the entrepreneurial process. As well they note an increase in the books on innovative firms, individual entrepreneurs, creative management techniques, and "how to" books about starting businesses. In addition, entrepreneurial consultants have been established, politicians and economists have begun to acknowledge the importance of the individual in business creation, and

Defined, entrepreneurship is the "undertaking and pursuit of opportunities to fulfill needs and wants through innovation and starting businesses." The entrepreneur therefore is the person who undertakes a venture, organizes it, raises capital to finance it, and assumes all or a major portion of the risk. He or she is the change agent, the source of innovation and creativity, the schemer, and the "heart and soul of economic development" (Burch 1986, 4).[20]

As well, entrepreneurship has often been equated with capitalism although the role of the entrepreneur is quite different from that of the capitalist. The capitalist is one who supplies money and takes financial risk in the pursuit of profits relying on market forces. The entrepreneur is one who brings together a variety of resources and factors of production in such a way that new wealth is created (Backman 1983, 7-8; Kent 1984, 2-3). The role of the entrepreneur is not merely that of investor and financier but that of initiator, manager, and risk taker. As well as the pursuit of profit however, the entrepreneur has an underlying motivation and desire to be independent as well as a number of other roles and activities which distinguish him/her:

> The array of all possible entrepeneurial roles encompasses the perception of economic opportunity, technical and organizational innovations, gaining command over scarce resources, taking responsibility for internal management and external advancement...obtain adequate financing, adapt techniques and organization, maximize productivities and minimize costs, and improvise substitutes for non-available skills and materials (Kilby 1971, 4-6).

Entrepreneurship has also been equated largely with innovation in terms of:

- The introduction of a new good or of a new quality of good.
- The opening and establishment of a new market for existing products.
- The introduction of new techniques, and ways to improve the production process.
- The utilization of new types or sources of inputs whether natural or manufactured, equipment or facilities, communication, transportation, or worker skills.
- The introduction of new techniques of planning, management, administration, or sales in the organizational control process (Kent 1984, 3; Malizia 1985, 95).

---

educational programs, workshops, and seminars designed to promote entrepreneurship are everywhere (1986, 4-6).

20 Historically, the entrepreneur has always been viewed as the risk taker and conventional economics has afforded little or no role for entrepreneurs in economic development. Consequently, conventional thinking about the way in which economic growth occurs paid little attention to individual decision making by firms, investors, and consumers, new and better ways of using given resources or unsuspected resources, or the creating and seizing of opportunities; all of which are elements of entrepreneurship (Kirzner 1984, 41).

Similarly, Albert Shapero defines each "entrepreneurial event" as essentially consisting of five features: 1) initiative taking by an individual or group, 2) the bringing together or reorganizing of resources to accomplish objectives, 3) management of the organization by those who took the initiative, 4) the relative autonomy to dispose of or redistribute resources, and 5) risk taking shared by the initiators and managers (1984, 24).

However, entrepreneurship involves a great deal more than a number of prescribed roles, activities, and events. It involves a number of inherent qualities and attributes which are difficult to define, but which distinguish those who see an opportunity, take a risk and possess entrepeneurial tendencies from those who do not. Kirzner sees the entrepreneur as one who perceives what others have not seen and acts upon that perception. He or she is more than just a risk taker and innovator, but one who sees the future that no one else has seen and brings about a reordering of resources and technology to comply with that future. The entrepreneur is more than just self-employed, entrepreneurship requires an element of growth, personal development, and a number of personal qualities (1984, 3-4).

Specifically, some of the more salient and identifiable qualities and traits which characterize the entrepreneur are:

- **Independence-seeking:** entrepreneurs want to be their own boss and self-governing, not subject to control by others or reliance on others for their livelihood. They are loners, individualists with a strong desire for freedom of choice to make their own decisions.
- **Desire to Achieve:** all entrepreneurs have a desire to achieve, conquer problems, and give birth to successful ventures. They are workaholics and excellence oriented in that they desire to achieve something that is outstanding.
- **Wealth/Reward Oriented:** one of the key reasons to engage in entrepeneurial activity is the strive for wealth. Entrepreneurs want to achieve and work hard but they also want to be rewarded for their efforts. This reward can be other things besides money and can include intangible items associated with quality of life. While entrepreneurs want to make a profit, profit serves more as a meter to gauge the degree of achievement and performance.
- **Opportunity Oriented:** the entrepreneur is oriented to opportunity rather than relying on resources currently controlled. Where opportunity exists, he or she is committed to quick action but not necessarily durable action as within a rapidly changing environment, commitment and action can be made and quickly dropped.

- **Tendency to Innovate:** the tendency to innovate is a strong propensity to introduce new things, effect change, and broach bold ideas. The entrepreneur is known for doing more with less, starting the pursuit of an opportunity with little or no resources other than confidence. The innovative tendency also results in a resiliency and an ability to absorb abrupt changes, bounce back, experiment and generate anew.

- **Venture Seeking:** engaging in entrepeneurial activity to a large extent means venturing, having a zeal for the new and a passion for novelty. It involves travelling uncharted courses and, for the most part abhorring routine. Once initiated, entrepreneurs take charge of and watch over a venture until it can stand alone.

- **Accepting Risk and Responsibility:** the entrepreneur accepts risk as a inevitable part of being drawn to the untried, the unknown, the new venture and the new quest. However, it is the lure of the new and not of the risk which is the attraction. As well, entrepreneurs accept full responsibility for their ventures morally, legally and mentally.

- **Organization:** entrepreneurs are very adept at bringing together all the components of a venture to make it achieve its goals. The orientation towards opportunity often brings with it the desire of the to keep in touch with all the key players personally thus implying a necessity for different forms of management rather than strict formal organization.

- **Intuition:** while persons who engage in entrepreneurial activity are logical, they possess a ready insight and tend to rely on this insight more than on quantitative analyses. They have strong instincts and can readily make decisions on those instincts under uncertainty. They employ lateral and creative thinking in the generation of new ideas moving away from thinking that leads linearly in one definite direction to one that moves sideways examining and reforming a number of possibilities.
  (Burch 1986, 28-29,32; Stevenson and Sahlman 1986, 21-22).

Conditions Which Foster Entrepreneurism

While the importance of entrepreneurship in generating economic development is no longer questioned, the exact conditions and environments which support, encourage, enhance and foster it are.[21] Smilor states that a variety of social and economic factors are stimulating entrepreneurial activity including an increasing focus on capital formation, changing institutional relationships, supportive government programs and new approaches to innovation.[22]

---

21 The resurgence of interest in entrepreneurship is usually associated with David Birch's landmark seminal study of job creation categorized by size and age of firm in 1979. Birch found that between 1969-1976, 66% of the new jobs created and 51.8% of net job growth came from small businesses with 0-20 employees. Further, businesses with under 500 employees generated 86.7% of all private sector jobs. The same trend has been observed in Canada. In 1983 the Canadian Federation of Small Business undertook a similar study covering the years 1975-1982. The study revealed that almost all (98%) of the growth in the companies studied occurred in firms with less than 50 employees and firms with less than 10 employees accounted for 62.7% of net new jobs. As well, 45.8% of new jobs were created by firms in business for ten years or less (Kent 1984, 5; Investment Canada 1987, 7-8).

22 Smilor adds that a growing pool of venture capital, the commercialization of technology such as computers, desktop publishing, etc, and the encouragement of governments, educational institutions, and regulatory agencies are among the major stimulants to entrepreneurship (1986, 48-50). Dale Shuttleworth in *Towards the Entrepreneurial City State,* suggests seven essential components in the entrepreneurial renaissance of cities: local self-sufficiency; affordable space; entrepreneurial and skill

In spite of the variety of individual factors which may encourage entrepreneurship, the majority of the social and cultural elements which define entrepreneurial activity are contained in the local environment. Johannisson, in an empirical study of how local entrepreneurship emerges and operates, cites three main findings which indicate that there is a close relationship between the entrepreneur and the local environment. First, local entrepreneurs organize their private and professional spheres around the notion of community through personal networks, integrating working life and family life, giving high priority to sense of community, local pride, and the natural meeting and communication networks which exist in a locale. Second, local entrepreneurs manage their environment through economies of scope, meaning that a detailed overview and local knowledge of the system, the market, and the environment of a community is extremely important and a major advantage which local entrepreneurs can seize. Finally, external resources required for a given venture are supplementary and are often acquired through the personal network of the entrepreneur (1987, 1-11).

As a result, the local environment provides much of the product and market ideas, the information and local knowledge, and the atmosphere for the creation of entrepreneurship. Johannisson adds that entrepreneurship involves feeling and action as much as thinking, and consequently the seeds of entrepreneurship exist for the most part in every locality and variations in entrepreneurship are more dependent upon the characteristics of the community than on outside events, or a particular sector of industry (1987, 1-2).

Consequently, there are a variety of economic and non-economic factors which communities can emphasize or enhance in order to create conditions favorable for

---

training; shared resources; marketing cooperatives, venture capital, and free trade zones (1987, 29,45). However, there are a number of intangible factors involved in the creation of entrepreneurship as well. Cultures, values, and families which place great importance on initiative, risk taking, innovation, and individuality are more likely to foster and encourage entrepreneurs than those who do not. Similarly, educational and work environments which encourage the same qualities will produce entrepreneurs. Other factors and influences include the attitudes and perceptions of peers and mentors, the availability of resources, the necessity for innovation, and the perception of feasibility (Shapero 1984, 25-28).

entrepreneurship. These include an effort to attract a diversity of small business to raise the possibility of new company formation and aid in making the community invulnerable to unexpected events. As well, a variety of financing sources and readily accessible venture capital, education and training, adequate public and private infrastructure, and regulatory and administrative support are all important factors in encouraging entrepreneurship. Above all communities must stress social and economic factors which enhance quality *for* life which implies a more proactive approach to ensuring quality of life (Smilor 1986, 47-48; Burch 1986, 14-15; Shapero 1984, 32).

These are the same factors which local economic development in general focuses on and attempts to improve, and is just one of the similarities between the two processes. In addition, entrepreneurship often emerges out of necessity and out of crisis, as does local economic development. Consequently, increasing the entrepreneurial activity of a community is one of the major aims of local economic development, for they both share similar values and principles and common aims. In spite of the fact that entrepreneurship is individualistic, it possesses values and aims which are beneficial to the community at large. It is an enlightened individualism. In short, entrepreneurship represents a summary of the very ideals, goals, and objectives which local and community economic development strives to attain:

> Entrepreneurship is the premier expression of resilience, creativity, and initiative taking. It represents a resilient response to threats or opportunities. Each entrepeneurial event is a creation, and, by definition, entrepreneurship and its results provide a community with the diversity that it requisite to its long term survival as a dynamic entity. Finally, entrepreneurship begets entrepreneurial behavior. The presence of entrepreneurs doing entrepeneurial things creates an environment congenial to innovation, initiative taking, creativity, and resilience, providing a community, a nation, or all human society with what it needs to survive and prosper (Shapero 1984, 39).

SUMMARY

We have seen that community economic development has emerged as both a theory and practice within the context of post-industrial shift and new age thinking presently occurring in industrial society. As a theory, CED incorporates the personal and societal

shift in values and beliefs, possessing a philosophy of ecological humanism which sees man as part of a larger, highly interconnected and interdependent universe. This is in contrast to the existing industrial and scientific world view which sees the universe as a vast physical system working according to strict, mechanistic and deterministic physical laws which are knowable through factual and scientific knowledge.

As a practice, local economic development translates these principles into a process of economic development which focuses on the existing resources: natural, human, technological, and others which already exist in a community. It attempts to build upon these resources in the search for economic development which is genuinely appropriate for the long term survival and success of the community and which, in the process, improves the quality of life in the community.

The purpose of the second part of this thesis is to relate this understanding of community economic development, the context in which it has arisen, its underlying philosophy and guiding beliefs, and its operationalization into a distinct process and set of practices, to planning. It is the theoretical and pragmatic relationship between community economic development and planning, both in current practice and in theory, which will be explored. The purpose being to "bridge" community and local economic development with planning by first examining the current relationship between the two activities, the planning function within local economic development, the degree of shared beliefs and commonalities between the two, and finally, suggesting a number of possible scenarios regarding the future relationship between CED and planning.

CHAPTER FOUR
Bridging Community Economic Development and Planning

The purpose of this chapter is to provide an initial bridging of community economic development and planning by outlining generally some of the shared features and commonalities which exist between CED and planning. The chapter looks at the planning function which currently exists in CED, and explores further three distinct commonalities between CED and planning: 1) their community focus; 2) their underlying goals and objectives; and, 3) the process aspect inherent in each. Finally, the chapter presents three scenarios regarding community and local economic development and professional planning activity: 1) passive/reactive support; 2) coopt and integrate; and, 3) embrace and change.

The bridging of planning and local economic development is not for academic purposes solely as there is a great deal of evidence which suggests that a closer relationship between planning and CED in the future is likely. There is an increasing void in many communities regarding economic development in which planning is especially suited or is the only likely agency to undertake and initiate local economic development.[1] Further, there is evidence that the planning profession is searching for a larger and more active role in economic development in general, and is particularly interested in attempting to understand the dynamics and principles underlying community and local economic development such as sustainable development and healthy communities.[2]

---

1 This is particularly true of rural areas and rural communities. It can be seen that where planning has assumed a more proactive role in economic development in terms of assisting in economic development campaigns and projects, initiating discussions in, and organizing economic development committees, it is in rural areas (examples include the Huron County Department of Planning and Development in Ontario). Further, both the Manitoba and Saskatchewan provincial governments have created "Rural Development" departments which have amalgamated municipal and provincial planning departments with divisions of agriculture, natural resources and business development and tourism departments.

2 For example, the 1985 Canadian Institute of Planners (CIP) National Conference focused entirely on

THE PLANNING FUNCTION IN LOCAL ECONOMIC DEVELOPMENT

There are a number of areas in which planning at the local and community level interacts with the local economic development process. Traditional land use planning emphasizes the management of land resources through regulation and development control, financial resources through capital works programs, and the coordination of these resources towards identified community goals. Consequently, planning encompasses a variety of activities related to social and economic development including: development control and regulation; land use planning; public participation; communication and information; establishment of community goals and objectives; coordination of the activities of local groups, agencies, and senior levels of government; social and physical improvements; analysis and assessment of community needs; the facilitation of development projects and the establishment of community groups and organizations.

As well, local economic development initiatives and strategies must be aligned with the entire realm of municipal policies including the community's land use plan, zoning by-laws, capital works plan, and any specific projects such as downtown revitalization or redevelopment projects as part of an overall strategy for improvement. Further, it has been noted that regulatory and planning policies such as zoning, land use, subdivision regulations, and commercial, residential and industrial planning policies can play roles as mechanisms which encourage or discourage local economic development (BC Ministry of Municipal Affairs 1987, 9-11). Finally, the provision of social and community services such as health and welfare services and recreational and cultural projects, for the betterment of the quality of life, are often engines or vehicles for the initiation of the local economic development process in a community.

---

the theme of sustainable development in order to "consciously refocus the field of planning into selected areas of demonstrated societal need and regain a commanding role in shaping the habitat" (Canadian Institute of Planners 1985, 1). As well, the profession is involved in "Healthy Communities," a broadly-based project aimed at "creating and improving the physical and social environments and expanding the community resources which enable people to mutually support each other in performing all the functions of life and developing to their maximum potential" (Hancock 1987, 2).

However, within the local economic development process itself, there is a sizeable planning function and a wide array of activities commonly associated with planners and planning agencies. These activities also constitute the key activities of economic development, and go beyond the mere support of local economic development. Such activities include:[3]

- **Planning:** preparing, maintaining and implementing an overall economic development strategy in the tourism, commercial and industrial sectors including assessing the present situation and capabilities, analyzing existing potential, and undertaking a regional business needs assessment.

- **Liaison:** coordinating activities of agencies involved in economic development, including community development corporations, service clubs, agricultural organizations, local chambers of commerce, municipal governments, planners, provincial and federal agencies and similar interested groups, tourism associations, labour organizations, business organizations and educational institutions; advising them as to how they can aid the economic development of the community.

- **Advocacy:** providing input to municipal councils on matters of industrial and commercial land requirements and zoning, industrial park development, sales and tax policy; regional and community development issues and infrastructure development. Providing input to federal and provincial governments regarding local/regional economic development issues and initiatives.

- **Business Assistance:** promoting and encouraging the profitability and expansion of existing facilities, businesses and industries and the creation of new viable enterprises through: making management consultation available, assisting in the preparation of business plans, doing feasibility studies and resource sector analyses, assisting with financial planning, preparing submissions to funding agencies, providing business library services, providing incubator space.

- **Financial Assistance:** administering an investment fund for use in assisting small businesses to become established or to expand; provide loan funds/loan guarantees, take equity positions, own and operate community owned enterprises, provide funds to carry out feasibility studies.

- **Research/Data Collection/Information Dissemination:** collecting, analyzing and disseminating community data; maintaining a regional/community data bank; providing an economic analysis of the community for present and potential investors (community profiles), access other relevant data banks.

- **Marketing:** advertising, promotion, formulating a regional/community marketing program for internal and external use by preparing brochures, literature and advertising; undertaking a public relations campaign to explain the services of the organization and the benefits of its work; providing newsletters and news releases to tell the story of the region, its people, and its resources; attending trade shows or fairs; and promoting the sale of locally made products through government departments, trade fairs, advertising, etc.

- **Prospecting:** (internal/external) through research, promotion, personal contact, etc., soliciting new facilities, businesses, and industries to locate in the community; provide a forum to identify local/regional business opportunities.

- **Community Enhancement:** propose programs for the beautification and improvement of the community and the development of other amenities to attract new investment to the community.

---

3 This summary of economic development activities was provided by Mr. Leo Prince, Senior Development Officer, Manitoba Department of Industry, Tourism and Small Business.

- **Monitoring:** keeping informed as to the current status of all projects, businesses and industries in the community/region as well as proposed future local and regional projects which could affect the area's economic growth, and relating the economy of the province and country to that of the community.

- **Entrepreneurial Development/Employment Development:** increasing the number of people showing an interest in starting businesses, encouraging educational and other agencies to provide training and educational opportunities for the development of skilled entrepreneurs, encouraging the participation of youth in activities which will make them more aware of the role of small business in the economy and how they might become involved in business, assisting in organizing industry, labour, and business management, assisting businesses to access training programs for their employees, and establishing training programs.

All of the above are essential activities in the local economic development process, and virtually all contain elements which are within the realm and scope of planning. Indeed, if one examines a General Municipal Plan of a given community and compares it with an Economic Development Strategy, the two are surprisingly similar in nature. Both deal with and contain: statements of goals and objectives; analysis of strengths, weaknesses, resources, and opportunities; and both highlight specific problem areas or issues as well as projects, programs, and alternatives with which to address the problems and implement the goals and objectives.

Consequently, the activities of economic development officers and of planners often overlap or include many of the same duties: coordination among a variety of interests, groups, organizations, and governments; compilation and identification of community resources, physical and otherwise; preparation and production of informational/promotional literature, data, and analysis; research into particular needs, issues, opportunities, and resources; and advocation and provision of advice to aid in decision making. As such, the job descriptions and skills essential for both planners and economic development officers read the same and include: management skills; administrative abilities; communication (written, oral, and visual) skills; organizational techniques; impact assessment methods; analysis of issues; political acumen; and a host of interpersonal skills.[4]

---

[4] The job description and skills of economic development officers was taken from the *Operations Manual for Economic Development Committees* (BC Ministry of Industry and Small Business Development 1985, 34-36). The description of the activities and skills of planning practitioners was taken from *The Job of the Practising Planner* (Solnit, et al. 1988, 22-25).

We can see clearly that there is a significant "service" aspect in local economic development in which planning provides needed information, data and analysis towards local economic development, or simply supports economic development initiatives through its own physical, social or regulatory policies and plans. However, there are shared commonalities and features which go beyond mere mutual support and warrant closer examination and speculation regarding the two activities in particular: their community focus; the goals and objectives each strives for; and the process each utilizes to attain them.

COMMONALITIES

In addition to some of the more practical activities, functions, and skills which are shared between planning and local economic development and their respective practitioners, there are other perhaps more fundamental, intrinsic, and deep-seated commonalities which exist between planning and CED.

Community Focus

One such commonality is the community focus or locally-based aspect of planning and local economic development. Both planning and local economic development are ultimately focused on communities, whether they be neighbourhoods, towns, or cities. It is significant that both planning and CED share and understand a concept of "community" which involves more than physical or geographical proximity or shared locality, but can also include shared sentiment, interests, culture, and so on. Planning and local economic development, to a much larger extent than most other activities, have a strong understanding of what the notion of community can entail and involve as well as how intangible it can be. Further, both recognize the importance of community in undertaking and achieving goals and objectives.

It is this concept of community which is in danger of being eroded in present industrial society and which CED takes great effort at attempting to restore.[5] At the same

time, there is the view that cities and communities are capable of, and indeed most suited to, adapting to the economic and social changes in society; that cities are the real measures of economic life and are unique in their abilities to shape and reshape their economies, are the best place to promote a strategy of local self reliance, and the arena for ecological and ethical "community" with a vibrant political culture and committed citizenry.[6] It is this view that community and local economic development seizes upon.

Both planning and local or community economic development strive to retain and encourage the development of community in the course of many of their respective activities. As a result, both likely share the distinction of being the only two activities in present society capable of initiating and instilling a sense of community, with a mandate and a process to do so.

Goals and Objectives

Perhaps the most obvious element community and local economic development shares with planning is its underlying goal and objective, namely the improvement of quality of life. Both possess this goal as the primary and intrinsic, if often unstated, objective of their respective activities. Planning was founded upon the goal of improved

---

5 Murray Bookchin states that urbanization and the industrial mentality are responsible for the decline in "citizenship" and sense of belonging, and a rise in alienation. It is threatening man's very place in the natural environment and is engulfing not only the countryside but the historic values, culture, and institutions of the city. Bookchin writes: "Cities were to lose not only their territorial form; they were to lose their cultural integrity and uniqueness. Social Justice, idealism, and agrarian values of community, human scale, and neighbourhood gave way to privatization, self-indulgence, and suburban cookouts. A mass society, notable for its despiritualized and moral version of possessive individualism had emerged structured around television networks, counselling offices, bureaucratic offices, and above all, commodities. The market society had begun to come into its own, destructuring the city, the domestic world, the psyche, and ultimately the natural world" (1987, 22).

6 Jane Jacobs states that nations are political and military entities, not economic entities, and are composed of collections of cities and city regions which are in effect, economic regions and the real measures of economic life (1984, 31-32). David Morris states that cities are especially suited to begin a strategy of self reliance because most of the population lives in cities, cities are centres of capital and scientific and technological capacity, they have large internal markets which can support and "incubate" new industries and products, and they have a certain political authority which can be sued to establish new rules to encourage local self reliance (1987, 34). Murray Bookchin adds that citizenship can be regained through the "municipalization" of the economy where economic policy can be formulated by the entire community and tailored towards a harmonization between humanity and the natural world (1987, 262-267).

quality of life during the Industrial Revolution, and CED holds qualitative improvement and qualitative development as one of its essential guiding principles taking precedence over other quantitative measures of improvement such as profit, growth, jobs, etc.

Both planning and CED are essentially agencies and initiatives directed and driven by goals and objectives rather than rigid procedures. While planning has often become a very technical, process-driven activity employed principally in the practice of solving problems posed by current development, there is a tradition of idealism which influences much of planning. This idealism strives towards the future aspirations, goals and ideals of a better community.[7] Much of planning, whether physical, social, administrative or regulatory, is aimed at improvement. Gerald Hodge states that virtually all planning evident in Canada today is fuelled by two rationales: the need to deal with and solve problems in the environment; and secondly, the need to strive for a better environment (1986, 5-12).

Essentially, these are also the two driving forces behind the emergence of community and local economic development: as an alternative way of dealing with a number of the social and economic crises and problems existing today; and secondly, as a means of social and economic improvement capable of incorporating a set of value changes, personal beliefs and principles regarding development of all kinds: social, economic, political, individual and cultural.

As such, there is both a pragmatic and an ideological element to planning as well as community economic development both of which have emerged out of widespread societal changes and both of which fuel the respective activities of planning and CED. In addition,

---

7 Gerald Hodge states that this tradition has its roots deep in the history of city building in the plans of ancient Greece, Rome, China, the Middle East, and the Americas in which cities themselves were seen as symbols of a society's aspirations to achieve human betterment. The ideal of human betterment through the manipulation of the physical environment has continued throughout planning and has manifest itself in Garden City suburbs, new town developments, the City Beautiful movement, etc., and remains in planning to this day accompanied by the ideal of human betterment through social development as well as physical developments(1986, 9-12).

underlying the pragmatic and ideological basis of both planning and local economic development, is a genuine concern for improving quality of life and human betterment.

Process Aspect

While the ultimate goals and objectives behind planning and local economic development provide common philosophical and ideological ground between the two, the importance of a "process" in the practice of both, provides a common element of *praxis* between the two. Both planning and community economic development involve processes and both are essentially processes of discovery backed up by certain principles, values and methods, and aimed at specific community goals and objectives.

The local economic development process, as we have seen, is a broad-based, participatory and cooperative decision making process involving the support and involvement of a variety of individuals, organizations, and businesses in order to be successful. It involves an extensive inward-looking process of profiling and identifying community resources, assets, liabilities, strengths and weaknesses. As well, it involves the establishment of clear, definitive and attainable goals and objectives with regard to specific actions and, subsequently, a strategic plan with which to coordinate, implement and achieve the goals and objectives within a framework of activities and alternatives. It is a process of both self-discovery and education on behalf of the community and individuals involved and is backed by a number of strongly-held beliefs, principles and values.[8]

Planning also follows a particular process aimed at problem solving, decision making and the achievement of objectives. While it is articulated differently, it also includes the steps of: establishing objectives; setting goals; identifying needs, opportunities and

---

8 Perhaps the most illustrative and detailed outline of one particular local economic development process and approach, and the series of steps within it, is given by the Rocky Mountain Institute's "Economic Renewal Project." The seven steps in this process are: Participation; Community Meeting; Start-Up Conference; Resource Analysis; Criteria and Business Opportunities; Economic Renewal Plan; and Implementation (Rocky Mountain Institute n.d., 9-12).

resources; determining alternatives; and developing a plan of action and implementation. It is a process which is holistic and synoptic in nature and is not only a logical, rational process of decision making, but is intended to be a participatory process based on publicly articulated goals and objectives. However, very often, rationality and the scientific method are emphasized to a much greater extent than the participatory and holistic aspects of the planning process, resulting in the planning process becoming a linear, rigid and systematic exercise of procedures and formalities.[9]

The process aspect of both planning and community economic development is important in that it suggests an aspect of discovery and education in the course of reaching decisions on actions and initiatives. It also suggests a degree of flexibility inherent in both planning and CED and implies a broad-based, holistic approach or method common to both activities, and suggests that the two processes can do much more than simply cross each other at various places in the pursuit of their respective objectives.

Generally, the commonalities between community and local economic development and planning suggest that the two are different means of achieving similar ends or similar goals. While each has different strategies with which to achieve their goals and objectives, these goals and objectives, the process by which they are attained, and the arena (namely the community) in which they are achieved, are the same for both planning and local economic development suggesting that the two have a great deal in common, and there is significant opportunity for planning as a professional activity to have a primary role in the economic development of a community not only as resource people providing support, but as facilitators, coordinators, and initiators of the local economic development process.[10]

---

9 The planning process, often called the rational, comprehensive, synoptic and master planning process is detailed in a number of books including Hodge (1986) and Catanese and Steiss (1970).

10 Currently this role is unfulfilled in a great many communities or is initiated by a wide assortment of professions such as industrial developers, private consultants, agricultural representatives, and provincial government departments.

THREE SCENARIOS FOR CED AND PLANNING

In spite of the commonalities which exist between planning and community economic development and the fact that there is very little in local economic development activity which is beyond the scope of planning, the role of CED in the planning profession and in planning activity is minimal. Further, aside from providing information, data and research towards economic development, or simply accommodating economic development initiatives once they occur, there is very little evidence to suggest that planning as a profession is prepared to consider local and community economic development as an activity in which planning and planners can play a major role.[11]

Essentially, three markedly different relationships or scenarios can be seen regarding planning and the degree to which it addresses and embraces community and local economic development and incorporates its ideas, principles and practices into a broadened perspective and more active role in the social and economic development of communities. The three scenarios are: 1) passive/reactive support; 2) cooptation and integration; and, 3) embracement and change. While not necessarily inevitable or exclusive, each of these scenarios can be seen to exist in current planning practice, and are likely relationships between planning and CED in the foreseeable future.

Passive/Reactive Support

The passive and reactive support of community and local economic development whenever it occurs represents the predominant role planning as a profession currently plays in CED. Essentially, it is an "avoidance" and "business as usual" response by planning to the social and economic crises existing today in communities of all kinds, and features

---

[11] This is particularly true of planning in large urban centres, based on conversations with and information received from the planning departments of virtually every major Canadian city regarding their role in the economic development of their community, particularly local economic development as opposed to conventional economic development (although planning's role in either is almost negligible). In many rural areas, however, it can be seen that planning is one of several agencies and professions (which also include agricultural representatives, church and service organizations, and local school boards) which are advocating and undertaking local economic development out of sheer necessity in order to ensure the future survival of their respective communities.

planning performing the same basic and traditional activities and functions which it has always performed: zoning, land use control and regulation, and physical planning.

In terms of local economic development, this role is primarily one of: research and providing data on demographic trends and the like; the physical inventory of existing resources, vacant land and buildings; and the adapting and innovating of land use control mechanisms and planning strategies to compliment or accommodate specific economic development efforts.[12]

While the above are valid functions and important activities within local economic development and the local economic development process, this role is one which is generally passive and reactive in nature involving little or no broadening, either in theory or in practice, of the planning profession. Rather, it is merely a technical support and service function and represents an institutional "paralysis" and response of "more of the same" on behalf of planning.[13]

The passive and reactive support of community and local economic development is representative of the gradual abrogation and erosion of planning's responsibilities and its effectiveness in improving the quality of life in urban environments. The tendency for planning to assume a reactive, passive role in many areas including CED, presents the very real possibility of planning regressing towards a purely technical function driven by procedures rather than by goals and objectives, in the service of a host of other

---

12 This is the stated role of many urban planning departments in Canada regarding their function in the economic development of cities.

13 Eilert Frerichs, in the 1970's referred to a politics of "moreness" and politics of "paralysis" which, lacking any real or alternative solutions provides more of the same, the tried, the proven, and familiar (1972, 259). Frerichs' reference at the time was towards the physical problems confronting cities and the institutional (government and planning) responses of "more of the same"; more freeways, bigger development, etc. While urban problems are no longer purely physical, the institutional solutions to the economic and social problems facing cities have followed "moreness" and "paralysis" patterns. Similarly, planning at the local level has not ventured beyond the traditional activities of land use, development control, and physical improvement. All are tried, proven, and familiar yet do not seem to be alleviating the most serious problems facing cities. Lacking any real alternatives however, they are continued.

professions, and the inevitable loss of major portions of its "jurisdiction" to other agencies. These agencies will themselves be performing and assuming the functions of local economic development at the expense of planning and with little or no planning involved. To some degree, this is already occurring within the economic development profession by agencies such as the Chamber of Commerce at one extreme and the social work profession at the other. Community and local economic development also suffers potentially without the greater involvement of planning and becomes in danger of being usurped and controlled by agencies whose objectives may be purely economic rather than a mix of social and economic, and individual and collective.

Coopt and Integrate

The second (and equally as dangerous) option regarding planning and community economic development is the cooptation and integration of CED in name only into traditional planning practice, without incorporating the larger philosophy, and the set of values, beliefs and principles which underlie community and local economic development and distinguish it from conventional economic development thought and practice.

There is evidence that this is also occurring at present within the planning profession in the promotion of "neighbourhood main street" programs, business improvement areas, and in community revitalization efforts. While these are promoted as community economic development initiatives, in reality, many involve only physical upgrading and renewal, streetscaping projects, and infrastructure (streets, sewers, and sidewalks) replacement. They are generally short term in nature, and essentially provide traditional planning amenities "repackaged" and labelled community economic development.

While these initiatives often organize a community or neighbourhood's residents in the delivery of amenities and programs and the identification of needs and objectives, the limitations of the programs are often strict involving only physical improvement rather than

social and economic development. In addition, funding often rests solely with the planning department or the municipal government, and once the program funds are exhausted, so is the program, the initiative, and the citizens organization. Such efforts create a dependency of the neighbourhood or community on government funding and planning expertise and consequently result in no real long term, sustained development for the community whether social, economic, cultural, political or educational.[14]

The cooptation and integration of community and local economic development into planning is potentially as dangerous as planning passively supporting or avoiding CED altogether, for it represent the possible loss and erosion of many of the fundamental values, beliefs and principles underlying community economic development and distinguishing it as a social and economic alternative. The "institutionalization" of local and community economic development in this way without fully understanding or adopting the necessary value changes and changes in thought, theory and practice inherent in CED, presents the very real possibility of misdirecting, misguiding, or abandoning altogether the values and beliefs which are so integral in guiding, directing and driving CED. As such, it represents a "worst case" scenario in the bridging of CED and planning.[15]

Embrace and Change

The third and most ideal scenario is for planning to embrace community and local economic development, its philosophy and underlying value system into professional planning practice and activity. In essence, it implies that planning do more than simply support CED wherever it occur, but rather, attempt to understand, at great lengths, the

---

14 There are a number of examples of such programs across Canada, including the Neighbourhood Improvement Program (NIP) which continues on in various forms across the country. While NIP has been successful in facilitating the involvement of institutional local planning in activities outside the traditional regulatory sphere and into areas of community development, in many neighbourhoods the Program (or the way in which it was delivered) created dependencies on program funding and never evolved into a truly community economic development initiative. While many neighbourhood organizations initially started by NIP are still active, this is largely due to the individuals involved and not the Program itself; a great many others disbanded once the program funds were exhausted.

15 The institutionalization of CED is discussed further in Williams (1988) and Clague (1989).

theory and practice of community and local economic development, and actively advocate, initiate, undertake and assume responsibility for local economic development in communities as part of professional planning activity.

While this may seem idealist as both planning and CED are at present separate and distinct activities, the similarities and commonalities which exist between the two activities suggest that it is possible and perhaps even mutually beneficial that planning and community and local economic development be more than just supportive of each other.

In actual planning practice, there are few examples of planning embracing CED, but they are not non-existent. The official plan for the city of Sudbury, Ontario is based on the principal goal of facilitating the transformation of the City into first becoming, and then being, a "sustainable" city. As such, the plan differs from conventional plans in a number of areas:

- It focuses upon four substantive areas of development: physical, economic, human and organizational in order to purposefully transform the City into a sustainable community; focusing upon thirty two critical problems facing the City, addressing them all simultaneously in an internally consistent manner in order to meet the single goal of creating a sustainable city within twenty years;
- It represents a deliberate effort at canvassing problem-mitigating approaches attempted elsewhere in North America and borrowing relevant ones for trial in Sudbury;
- It embodies an explicit recognition of quantitative decline and an effort to deal with it by emphasizing qualitative development through the initiation of structural improvements in the economy, society, environment and organizations;
- It consists of a two-track approach emphasizing both regulations and proactive steps necessary to deal with the problem of quantitative decline; and represents a genuine effort at making regulations comprehensible and flexible with contingency provisions and options;
- It provides a clear emphasis upon the compelling need for partnership among the private, public and non-profit sectors of the economy in initiating projects;
- It represents a conscious effort at thinking globally and acting locally by viewing Sudbury as part of the industrialized West which is undergoing transformation;
- It represents a conscious effort at examining the implications for city planning of the paradigm shift in global thought and beliefs and makes a concerted effort to plan in consonance with the emergent paradigm.
(City of Sudbury n.d., 8-9)

There is perhaps a fourth scenario regarding community economic development and planning; one that sees no aligning or bridging of the two activities in the future. CED is a product of post-industrial and new age thinking with beliefs and practices which are in conflict with traditional planning notions of growth, development, scientific analysis and technical expertise, all of which are products of industrial society and scientific thinking. There is very little to suggest that planning is prepared to consider community and local economic development as a means of securing a greater, more relevant role in society.

However, the commonalities shared between planning and local economic development, the desire on behalf of the profession to expand beyond its traditional activities, and the prevalence in both rural and urban communities of the need for new approaches to social and economic development, all suggest that the latter scenario is unlikely. Whether it is prepared to or not, planning will have to address issues of local and community economic development in the future, and CED provides a ready vehicle by which planning can assume a greater, more relevant and more active role in the needs and problems of communities.

However, embracing community and local economic development requires that planning embrace and adopt the principles and practices which underlie community and local economic development, which differ greatly from those of conventional industrial society and the established institutions of industrial society, one of which is planning. Before the extent of the changes necessary for planning to embrace community and local economic development can be assessed, it is necessary to understand the theory and practice of planning and the underlying values, beliefs and principles which guide planning as an activity and a profession. As we will see in the following chapter, planning has had an almost historical aversion to change and as a result, the profession faces a number of dilemmas and paradoxes not unlike those facing industrial society as a whole.

CHAPTER FIVE
The Development of Planning Theory and Planning Practice

Planning has never been easy to understand or accurately define. Dictionary definitions range from a method of accomplishing something, to a procedure, proposed method, or "scheme of action." Abrahms in the *The Language of Cities* declines to generically define "planning," instead labelling city planning as the guidance of the development, growth, arrangement, and change of urban environments, harmonizing them with the social, aesthetic, cultural, political, and economic requirements of life (1971, 48).

While planning has always been confined to the technical activity of defining and attempting to achieve the successful ordering of the built environment (Harvey 1978, 213), it has also been justified as "doing good" and "being right": doing good referring to a moral and political activity and being right referring to a technical and analytical activity (Hoch 1984, 335). As such, the term planning has eluded adequate definition as an activity, a process, or an intellectual discipline. In addition to the countless definitions, are the variety of planning activities, types of planning, and roles a planner may assume.[1] All are relevant, none are definitive.

This chapter attempts to provide an understanding of planning first through a discussion of planning theory and second through a discussion of the development of

---

1 Other definitions of planning include: the science of making the world more habitable to man (Geddes), the removal of evil (C. Alexander), a method of decision-making (Gans), reason working in history (Friedmann), a liberating mechanism (Wootton), as well as a restriction to individual freedom (Hayek, Popper). Additional definitions of planning throughout the decades can be found in several issues of the American Institute of Planners (AIP) *Journal.* Specifically, Kreiger v.41:347-349 (Sept. 1975); Petersen 32:130-142 (May 1966); Seeley 28:91-97 (May 1962); and Churchill 18:82 (Winter 1952). For a listing of the various types of planning see Friedmann (1987, 26-27); for a detailing of the various roles a planner may assume see Gunton (1984, 399-417).

planning practice. In particular, the underlying assumptions, beliefs and principles present in planning theory and which guide planning as an activity wherever it is practised and whatever it entails, will be noted. The objective being a "normative" rather than "definitive" understanding of planning.[2]

The purpose of the chapter is to illustrate that although there seem to be a number of natural linkages between planning and community economic development, as a profession, planning has had a great deal of difficulty in changing from its traditional theory and its traditional practice. As such, this chapter reveals some of the limitations, constraints, difficulties, and "historical aversions" which the planning profession will have to deal with in order to embrace the theory and practice of community economic development

FOUR TRADITIONS OF PLANNING THOUGHT

Because any definition of planning is accompanied by diverse images as to the scope, issues, concerns, and activities with which it should be preoccupied, and equally diverse methods, procedures, and techniques it should employ, a framework is needed to understand planning theory.[3] John Friedmann states at the beginning of his examination of planning theory:

> A comprehensive exploration of the terrain of planning theory must cull from all the relevant disciplines those elements that are central to an understanding of planning in the public domain. The theory of planning is an eclectic field. (1987, 39)

Thus, Friedmann's framework covers the entire ideological spectrum from extreme conservatism to utopianism, socialism, and anarchism. Essentially, Friedmann's framework reveals four traditions of planning theory: 1) Scientific Reform; 2) Policy Analysis; 3) Social Learning; and, 3) Social Mobilization, and two principal orientations:

---

2 Normative here refers to the particular norms or standards of practice and theory which generally characterize and at the same time help to evaluate planning.

3 John Friedmann's classification in *Planning in the Public Domain* is the most recent at the time of writing and is one of the most comprehensive, historical, and chronological outlines of the evolution of the major traditions influencing and underlying planning thought and theory. A discussion of other frameworks of planning theory as well as a further description and detailing of Friedmann's framework can be found in Appendix Three.

societal guidance and control (Scientific Reform, Policy Analysis), and societal transformation (Social Learning, Social Mobilization). Together, the traditions form and define the territory of modern planning theory and although not necessarily evident in practice, underlie and influence planning thought to this day.[4]

Planning as Scientific Reform

Scientific Reform, according to Friedmann, is the central tradition of planning theory with its origins forming the foundation for the entire spectrum of planning thought.[5] The tradition commences with the belief that science and knowledge could be utilized and perfected towards the improvement of society, and its main vocabulary is derived from sociology and neo-classical, institutional, as well as Keynesian economics.

The tradition focuses on the role of the state in societal guidance and directing social progress, believing that industrial society, capitalism, and the status quo can be perfected through appropriate reforms. The powers of technical reason and scientific method being the means to both determine what is correct and forge the consensus needed for action. Planning is seen as a science chiefly concerned with making action by the state more effective through the provision of information, the application of reason, and the limitation of politics (Friedmann 1987, 76).

Planning in this context is viewed as an instrument with which to achieve reform, it is seen as a better way of helping people attain affluence and freedom from immediate and

---

4 Friedmann distinguishes "modern" from pre-19th Century planning which he calls "orthogonal" planning by stating the latter is primarily concerned with physical arrangement and design, particularly the rational, Euclidean order of activities and spaces. Orthogonal planning he says, is intended for a static, hierarchical world and is based on rules of procedures and experience passed on from master to apprentice. "Modern" planning is concerned with the full range of problems which arise in the public sphere. It takes place in a constantly changing and dynamic world and is derived from scientific and technical research in addition to the knowledge of experience (1987, 22-24).

5 Friedmann uses the term "Social Reform" for classifying this tradition which can result in confusion over the various "reform" movements associated with planning, urban politics, and so on. As a result, "scientific reform" best labels the mode of theory and practice which Friedmann discusses here.

compelling need. It was viewed as a liberating device mindful of the public interest leading toward a better life (Adams 1980, 13).[6]

As a result, scientific reform became enshrined into planning thought and universally associated and equated with planning. It established planning as a centralized, institutional function of government performed by technical experts for the purpose of guiding society, directing change and alleviating the problems associated with industrialization, urbanization, and capitalism. Reformers believed in the perfectibility of society through the application of science and reason, a collective public interest, and an objective, politically neutral, advisory function for planning. Reform was to be achieved from the top with a strong role for the state in providing policy and making decisions, and a strong role for planning in producing scientific knowledge to inform and advise decision-making with a view towards rationality, democratic consensus and a collective public interest. The embodiment of the tradition is rational, comprehensive planning, and one of its main legacies and instruments is the tradition of Policy Analysis (Friedmann 1987, 134-136).

Planning as Policy Analysis

The Policy Analysis tradition occupies the extreme conservative dimension of Friedmann's framework; that dimension which is predominantly technical, proclaiming political neutrality, rationality and scientific objectivity. The tradition has as its intellectual legacy the ideas and values of Bentham's utilitarianism, orthodox or neo-classical economics, as well as the legacy of public administration theory. From neo-classical economics come the values of individualism, supremacy of the market in the distribution of wealth and allocation of resources, and an inherent conservatism which Friedmann says is

---

6 This conception of planning was also consistent with Keynes' *General Theory* which advocated a strong role for the state in three areas: economic growth, maintenance of full employment, and redistribution of income. As such, the institutionalization of this type of planning was strongly advocated by theorists such as Walker, Altshuler, and Tugwell. Tugwell viewed planning as a directive force used in the public interest to achieve an elaborate vision of the future. He advocated that planning become a branch of executive government above petty politics, with autonomous and substantial authority to devise plans for "the whole" be it the national economy, the physical form of the city, or any other set of "interlocking social processes requiring societal guidance from the top" (Friedmann 1987, 76-77, 109).

still indicative of policy analysis. From public administration theory came the belief in a politically neutral bureaucracy and a distinction between "politics" and "administration." The former being the proper vehicle for the exercise of democracy with the latter being free from political interference (Friedmann 1987, 79; Waldo 1970, 64).[7]

The incorporation and substantiation of policy analysis as a discipline was the belief that "the objective methods of science would and should be used to make policy decisions more rational, and more rational decision making would improve the problem-solving ability of organizations. Policy analysts were specialists and technicians, versed in neo-classical economics, statistics, mathematics and other sub-disciplines such as systems analysis, forecasting, cybernetics, and simulation modelling. It is within this context that policy analysis emerged as a major planning tradition with an emphasis on ensuring the rationality of decisions and decision-making, particularly non-routine decisions and social problems. To handle such problems, the tradition developed an assortment of specialized, analytical skills and techniques. They worked with a belief that they could calculate the "best" solution within a concept of "system" that holds reality as being quantitative, measurable, and capable of being reduced to component parts, with a strong support of centralized control and planning from above (Friedmann 1987, 139-140).

Planning as Social Learning

The Social Learning tradition is less a unified tradition than a theory of knowledge, epistemology, or style of practice. Its emphasis is on "learning by doing" insisting that knowledge is derived from experience and validated in practice. As such, the tradition represents a significant departure from the previous traditions of Scientific Reform and Policy Analysis in which scientifically generated knowledge is the foundation for social change.

---

7 A more detailed discussion of the legacies inherent in policy analysis as well as the values and beliefs which are characteristic of the tradition can be found in Appendix Three.

Social Learning theorists believe that knowledge emerges from dialectical processes, conflict, and is realized through new practical undertakings enriching existing theory with lessons drawn from experience. Learning is a continuous process of action and change as opposed to the straight-line process of policy analysis. The immutable laws of rational scientific theorists are only one means of understanding the social world and the correct way of affecting change is through "social experimentation," careful observation of results, and a willingness to admit error and learn from past experiences (Friedmann 1987, 81-82).

Unlike Policy Analysis which focuses on decisions, particularly anticipatory decision-making which first explores and evaluates alternative policies and courses of action, Social Learning begins and ends with action, not analysis. In addition, it incorporates political strategy and tactics, existing theories of reality, and values which together constitute a social practice in which learning and practice are synonymous. The focus of social learning theory in general is on the task-oriented action group be it the individual, small group, collective, or community which learns from its own practice. This learning manifests itself in a change in activity, it is rarely systematized or formally articulated and may involve "change-agents," professionals, consultants, or facilitators who encourage, guide and assist in changing reality (Friedmann 1987, 183-185).

Planning as Social Mobilization

Social Mobilization represents the radical counterpart to planning as societal guidance, that being planning as an instrument of social transformation. While the other three traditions focus on the management of change from above, within the existing structures and relations of society, the Social Mobilization tradition is unique in its advocacy of direct collective action from below, addressing itself to those not in power, the underclass, in particular, the working class.

The tradition emerges from the interaction of utopian, anarchist, and Marxist (historical materialism) thought. Together these three oppositional movements represent the counter-tradition to the ideas and philosophies of scientific reform. While the Scientific Reform tradition responded to the social upheaval, pain and poverty of the industrial revolution with a belief in science and the scientific method as the means of improving society, theorists in the social mobilization tradition looked at the societal institutions and structures themselves as capable of being changed (Friedmann 1987, 54-55).[8]

However, the tradition is motivated by and united in its condemnation of the inherent oppression and alienation under capitalism. It is guided by a central belief in social emancipation achieved through a vision of individual self-realization through a variety of collective action. Further, the tradition is informed by a social learning paradigm which is concerned with changing the world through collective action, asserting a firm belief in scientific and technical knowledge and through the application of that knowledge, social transformation and reconstruction would be accomplished (Friedmann 1987, 228).

Planning in the social mobilization context is seen either as another form of elite domination and oppression and continuance of the capitalists state, or as a form of politics which seeks to alter the power structure, empower those who are powerless, and mobilize structural change from below. Historically, Friedmann says, the tradition has served to inform and criticize mainstream planning theory and planning, without ever fully becoming entrenched in a "radical" practice of planning (1987, 299-300).

In general, Friedmann's four traditions of planning thought are useful in illustrating the diversity and dialectics within the breadth of planning theory. However, while we can seen that planning theory has a number of intellectual legacies with four broad underlying

---

8 These three movements and their various approaches to social change are further elaborated on in Appendix Three.

traditions each of which views planning, the role it plays in society, and the way it approaches problems in a different manner, the practice of planning cannot be said to hold the same diversity of views.

THE DEVELOPMENT OF PLANNING PRACTICE

While we can see a degree of planning theory in both the Social Learning and Social Mobilization traditions to be compatible with the theory and philosophy behind community economic development, planning practice lies almost entirely within the traditions of Scientific Reform and Policy Analysis. This is particularly true of institutional or local government planning, which has seldom ventured beyond land use or development control, and has predominantly emphasized the physical, the rational, and the technical. It is through an understanding of the development of planning practice in which the difficulties, limitations, and historical aversions to change in planning can be fully realized.

Physical Origins and Technical Biases

Leonardo Benevolo cites the emergence of planning as not occurring coincidentally with the Industrial Revolution but later when the effects and changes of the Revolution began to be felt in the industrial town. These effects and changes included the concentration of industry near major sources of energy which in turn drew overwhelmingly large numbers of families from agricultural districts into working class districts. The rapid and haphazard growth of these districts in addition to their size and density made sanitation disposal impossible, and the proximity of factories meant smoke and pollution permeated the housing and factory waste polluted the water. Further, the continuous expansion of industry meant widespread demolition of housing and the demand for trade and transport required an overhaul of the networks of communication: water, rail, and road (1967, 6-23).

The nature of these urban problems established town planning as the first reformers with what Benevolo describes as a two-fold origin; one technical and the other ideological

with even the most purely technical planning achievements (such as building codes, standards, and public works) having firm roots in political ideology (1967, xii).[9]

Inevitably, the manner in which reform was implemented, that being partial, incremental, and within the confines of the prevailing governmental and political structure resulted in the loss of the political dimension of planning. The resulting impact was the separation of planning and political discussion or politics in general. While still possessing a humanitarian spirit of reform, planning increasingly encouraged and adopted a purely technical viewpoint emphasizing physical and infrastructural improvements which came to form the basic pattern of planning problems. Benevolo adds that this did not mean planning became politically neutral (as it claimed and continues to claim) as it became increasingly enshrined in and under the influence of the ruling conservative ideology which promulgated its role as a technical function entirely within its service. This Benevolo says, has ensured the real separation of planning and politics to this day, and is one of the factors which has stultified the progressive and proactive capabilities of planning (1967, xiii).[10]

The North American history of planning practice which emerged as a profession about a century later than in Britain, can be seen to suffer a similar fate. Michael Vasu states that American planners enter the planning process with a heritage of values and procedures which hold an "environmental deterministic view of urban problems, a utopian

---

9 This ideology was manifest in two different schools of thought: one of which adhered to the view that planning must start from scratch, and the other that planning must remedy and reform each defect separately. Belonging to the first group were the Utopians: Owen, Fourier, St.-Simon who espoused purely theoretical types of communities planned quite distinctly and separately from existing towns. Belonging to the second school were the specialists and officials who introduced new legislation for the technical and legalistic means to implement public health reforms and improvements which later became the real foundations for town planning (Benevolo 1967, xii).

10 Benevolo cites 1848 and its revolutions as the turning point in the history of planning, the point at which town planning lost its political affiliation with the Left. The Left and political theory in general, began to see partial reform of working class conditions as confirmation and perpetuation of the existing structures of industrial society and the status quo. Consequently, the Left turned its attention towards a higher level of analytical and organizational transformation which was both international and scientific in scope, and which assimilated partial reforms within the total reform of society generally. It was not so much the loss of planning's political affiliation with the Left in particular which is of significance Benevolo adds, but rather planning's loss of any clear political affiliation (1967, 107).

vision, and political reform outlook."[11] This heritage, he adds, has exerted tremendous influence on the way planners perceive their role (1979, 26).[12]

Canadian planning also features a legacy or physical foundation which took the concerted and direct aim of remedying the deterioration of the "appearance" of cities in response to the rapid industrialization and urbanization which occurred in Canada at the turn of the century. Canadian planning was swept by the American influence of the City Beautiful movement, the garden suburb, and zoning which, along with the existing traditions of public park planning and surveying, provided Canadian planning with its physical foundations (Hodge 1986, 55).

However, Canadian planning also had a social agenda concerned with the deterioration of living conditions in cities, and was largely influenced by the British tradition of planning. This social agenda emerged from the public health and housing reform movements and largely manifest itself in the physical improvements of public infrastructure: water, sewer, fire protection, and so on. (Hodge, 78-81).[13]

---

11 Vasu attributes this observation to David C. Ranney in *Planning and Politics in the Metropolis,* (Columbus, Ohio: Charles E. Merrill Publishing, 1969).

12 Vasu suggests that the political reform movement which flourished simultaneously with the rise of planning in the late nineteenth century, embodied the belief in a unitary, collective public interest, and established support for rational, politically-neutral expertise within a centralization of control and influence in order to make planning and government more effective. In addition, the housing reform movement and the architectural and engineering background of many early planning practitioners instilled a regulatory, land use emphasis on the profession rather than a concern for social issues and problems. This physical concern was (and to some extent still is) manifest in the City Beautiful movement, garden city suburbs, and zoning (1979, 27-34).

13 Consequently, the view of the urban problem and planning's role in dealing with the problem, is not unlike the ideological and technical view expressed in Britain at the time of the Industrial Revolution. This view is repeated forcefully and abundantly in the early Town Planning Institute of Canada (TPIC) journals by writers such as Noulan Cauchon Chairman and Technical Advisor of the Town Planning Commission in Ottawa and later President of the Town Planning Institute of Canada who wrote in: "The crux of the (planning) problem is to determine the use and development of land and to obviate congestion which is primarily a matter of adjusting intercommunication" (1921, 25). Adjusting intercommunication meant all the networks of trade and transportation: waterways, railways, highways, and streets, and all the facilities of social intercourse, much the same problems as Benevolo lists as the technical rationale for planning. Cauchon's view is not without its ideological and philosophical foundation, implying that spiritual and moral strength cannot thrive upon physical degradation: "Mankind is always in danger of regression and the most dangerous factor in this regression is bad environment. A bad environment crushes out life, liberty, and happiness... a city as an artificial product of accretion needs scientific control of those physical features which constrict circulation and restrict light and air to the depression of progress and the suppression of life itself." Cauchon's solution provides the justification and rationale for much ofplanning practice and activity

Thomas Gunton states that the planning profession was able to achieve a broad consensus and compromise between radical and liberal ideologies through the promotion of a theory of planning which emphasized efficiency, equity, amenity, objectivity, and comprehensiveness. As well it involved implementation strategies which included public ownership, aggressive controls on the private development of land, taxation of speculative profit, and cooperative housing featuring planners as both entrepreneur and politician fighting for the public interest. (1983, 28).[14]

The theory, however, was never realized into practice, and the manner in which planning chose to solve urban problems once again resulted in a separation of planning and politics similar to that which characterized British town planning. In Canada, by the mid-1920's the radical and socialist components became aware that reform required fundamental shifts in power and the ability of rational, technical planning to achieve these shifts within the prevailing politics was minimal. As a result, these factions went on to form provincial and national political movements and parties, while planning responded by allying themselves with real estate interests, advocating primarily physical measures such as zoning to achieve reform. Thus planning became relegated to a position of resolving the conflict between capitalist industrialization and urbanization (Gunton 1983, 29).

Within this context, the foundations for the physical and technical dimensions of planning practice as embodied in "master" planning, zoning, and development control were instilled on the profession within a prevailing political structure and environment that was

---

to this day: "It follows that determining the occupancy of land and of buildings, the width of streets and the height and bulk of structures in relation to the access of light and of air, zoning, housing, and the capacity of transportation is elemental to the healthy freedom of growth" (Cauchon 1924, 7-9).

14 Thomas Gunton adds that more than any renewed social or moral conscience, (Canadian) planning emerged as a result of the forces which accompanied industrialization and urbanization, and made the unrestricted use of private property dangerous. Planning, he says, was essentially a compromise between radical and liberal ideologies; the former advocating institutional restructuring and public intervention to manage urban society, and the latter intent on leaving the basic features of capitalism intact while providing mechanisms to improve and ensure continued expansion. The solution was the new profession of town planning which was able to satisfy both ideologies through its perception as the "rational application of scientific principles to the management of urban society" (1983, 28-29).

ideologically conservative. This is evident not only in the British origins of town planning, but also in the emergence of the American and Canadian planning professions in the early Twentieth Century, and it is within this historical-political framework that the rational comprehensive, synoptic, or classical model of planning has flourished (Vasu 1979, 34).

Institutionalized Planning and the Rational Comprehensive Model

John Friedmann states that it was not until the two World Wars required a planning of mobility and management, the Great Depression legitimized a role for planning and government intervention to "save capitalism from itself," and the peacetime economies required a planning for tremendous economic growth, that planning became enshrined as a scientific endeavour and profession (1987, 5-8). Similarly, it was not until the Chicago School of Sociology recast planning, particularly rational comprehensive planning, in a different light that the scientific reform tradition of planning theory became entrenched in the scientific, rational, and comprehensive dimensions of planning practice.

The Chicago School of Sociology in the 1920's and 1930's brought a more scientific view of urban problems as being physical in nature but social in consequence.[15] The

15 The School's influence on planning practice is illustrated in the beliefs of Louis Wirth. Wirth viewed city life and the characteristics of urbanization particularly the large size, high density, and heterogeneous populations of cities, as being responsible for a variety of adverse social, psychological, and behavioral consequences. These created a way of life (called "urbanism") and distinguished urban society from rural society. Large size accounted for individual variation, absence of personal acquaintanceship, superficiality of interpersonal relationships, and voluntary spatial segregation among a wide variety of racial, ethnic, social status, occupational, and special interest groups. High population density gives rise to close physical contact and distant social relation, diversification, specialization, accentuated social friction and irritation, and increased nervous stimulation as a result of glaring contrasts in social conditions and social worlds. Heterogeneity produces mobility, instability and insecurity as a result of increased social interaction and the breakdown of traditional class and social distinctions and allegiances. The collective impact of these consequences is the deterioration and absence of social and political consensus and the proliferation of individuality, impersonality, and special interests. As a result, personal disorganization, mental breakdown, delinquency, crime, corruption, and disorder are much more prevalent in cities than in rural areas. The solution was a scientifically rooted value system based upon the "objective" knowledge of social scientists, intellectuals, and planners, capable of establishing consensus and clear priorities for solving urban problems. Wirth believed formal social controls served to coordinate activities, integrate roles, simplify norms, punish deviance, and diminish social friction. Thus, rational comprehensive planning undertaken on a city wide and regional scale, grounded in objective science was seen as the principal means for rational discourse. A strong, centralized, and regulatory planning function would transcend the conflicts of special interest groups and small scale, localized problems in urban environments. Wirth vigorously opposed community organizing and neighbourhood planning as fostering the perils of urbanism and was unwilling to support the devolution of public authority to actual urban neighbourhoods. The only role and function for the citizen in this process

correlation of social pathology with physical characteristics reinforced the environmental and physical determinist view planning possessed and its belief that the ideal city could be realized by arranging and rearranging the system of buildings and land uses without taking into account the social, economic, and political processes which determine people's behavior including their use of land. This belief was supported by the architectural ideology of the time which also held a physical determinist view of the world, as well as real estate economists who saw planning as the achievement of high land values in upper and middle class residential districts, city officials who saw increased tax revenues, and property owners who saw higher profits (Gans 1968, 61-62).

In principle, the rational comprehensive master plan was intended to encompass conceptually and analytically all the elements of the city (of which land use or physical planning was only one) that determine its current activity and future development (Branch 1985, 1). Also referred to as synoptic, master, traditional and classical planning, the model consists of the following identifiable stages:

1. Formulation of goals and objectives.
2. Identification and design of major alternatives for reaching the goals identified within the given decision making situation.
3. Prediction of major sets of consequences that would be expected to follow upon adoption of each alternative.
4. Evaluation of consequences in relation to desired objectives and other important values.
5. Decision based on information provided in preceding steps.
6. Implementation of decision through appropriate institutions.
7. Feedback of actual program results and their assessment in light of decision. (Friedmann 1987, 78).

The institutionalization and acceptance of the planning function within government as advocated by theorists such as Tugwell and Walker legitimized the above process and the rational, comprehensive model of planning practice which relied almost exclusively on scientific research, data collection and technical solutions.[16] However social in objective,

---

was in the definition of the goals that planning ought to pursue (Smith 1979, Chapter 1).

16 Tugwell advocated that planning become a branch of executive government above politics and with substantial autonomy and authority to devise plans for "the whole" be it the national economy, the physical form of the city, or any other set of "interlocking social processes requiring guidance from the top." (Friedmann 1987, 109). Similarly Walker believed the planning function should be more closely aligned to the executive and administrative branches of government, the sources of power, in order to be truly effective (1940, 114-115).

the model remained physical and technical nature. The rational, comprehensive model did not only flourish in planning practice, but came to be almost universally associated and identified with planning, characterizing it as a profession, homogenizing both the public and popular images of planning, and accepted within the profession as the dominant planning paradigm virtually to this day (Altshuler 1965, 186; Grabow and Heskin 1973, 106; Galloway and Mahayni 1977, 62; Hudson 1979, 388).

What emerges in planning practice then, is the complete embodiment of the Scientific Reform tradition as outlined by Friedmann in the previous chapter. Planning is established as a centralized function of government, performed by technical experts who believed in the perfectibility of society through the application of science and reason. They professed to be objective, politically neutral, and were responsible for alleviating the problems associated with industrialization, urbanization, and capitalism. This they attempted without critically analysing the systemic causes of the problems or questioning the ability of industrial or capitalist institutions to solve such structural problems. While planning maintained a social conscience and objective and a concept of the public interest and public participation, its duties were largely physical and technical in nature. Planning activities were centralized and removed from full public participation and primarily in service to the state. Wittingly or unwittingly, planning also served a host of interests other than those of the general public. Finally, planning possessed little or no autonomy, authority, or power, and remained separated from any political discussion and removed from any political ideology other than that of the prevailing government in power .

The Decline of Comprehensiveness

The formalization of the planning process and the institutionalization of planning did little to increase the scope of planning beyond what it first encompassed when it emerged as a profession.. R.A. Walker writes in 1940: "The scope of planning has not changed since

the 1920's when transit, transportation, zoning and subdivision control and public improvements were added" (1940, 27). Further, while the institutionalization of planning did bring planning closer to the source of power, it also brought it under direct political control with priorities set directly by the politicians (Gerecke 1977, 4).

In practice, a number of the assumptions of comprehensive planning proved difficult. The foremost difficulty being that truly comprehensive goals emerge as too general to provide any basis for the evaluation of concrete alternatives, do not stir any public or political interest, and do not result in any specific action, thus in practice fragmented policy decisions and actions are likely. Similarly, comprehensive planning requires a tremendous amount of coordination and requires that the planner have some concept of an overall public interest as well as sufficient causal knowledge to gauge the effect of proposed actions. Further, rational comprehensive planning assumes that planners can objectively resolve conflicts between goals and values, and that their beliefs take precedence over those of other specialists because of this ability to see problems comprehensively (Altshuler 1965, 186-195).[17]

Consequently, within the profession, an abundance of literature by both planning theorists and practitioners emerged and suggested a host of new directions, models, definitions, rationales, and approaches in response to the criticisms and shortfalls of the rational comprehensive planning model.[18]

---

17 As a result, W. H. Wilson states: "Comprehensive master planning resulted in no more definite improvement and even less superficial activity than did zoning." Many commissions lacked suitable staff and knowledge to construct or implement comprehensive plans and thus implemented piecemeal development plans or "one-at-a-time" master plans of single elements such as parks, streets and public works. Further plans foundered on the rocks of expense, political ambivalence, or special interest opposition (1983, 98-99).

18 This literature generally implies one of two directions or approaches to the "reform" of rational comprehensive planning. The first approach is in general agreement with the rational planing model and suggests a number of refinements and modifications to the traditional model to streamline decision making, reduce time frames, update and revise data, and continually amend plans (Galloway and Mahayni 1977, 67; Alexander 1984). This represents the embodiment of policy analysis, policy science, and systems analysis all of which employed specific techniques and analysis within the rational, comprehensive model to determine the most rational, most effective alternative. The second approach suggests different conceptual and practical models in order to make planning more effective, less bureaucratic, more democratic, or even more aligned to the prevailing power structure. These

For the most part, however, these alternative planning models maintained a belief in the scientific method, objective analysis, and value-free, politically-neutral planning. The "new" models all fell short of actually expressing interventionist activity in societal change and each reinforced the role of the planner as the professional; the holder and keeper of knowledge, responsible for acting in the best interest of the client, whose power to implement was supposedly based on his ability to persuade and influence political decisions (Dyckman 1970, 27).[19]

The Urban Crisis and the Rise of Anti-Planning

The search for alternative planning approaches was intensified by a growing awareness of the "urban crisis"; a term used widely to describe the litany of physical, social, economic, and psychological problems in cities. While the problems are much the same as those articulated at the beginnings of the planning profession and were never completely resolved or alleviated since then, the growing public awareness and concern

include Perloff's call for greater participation and democracy in the planning and goal-setting process, and at the other extreme, Etzioni who favoured a planning that was more "interwoven" with the agencies of control and power in order to be more effective (Friedmann 1987, 114-129). As well, Friedmann's "transactive" planning decentralized planning decisions through the face-to face contact with the people affected by the decisions, consisting less of data collection and survey and more of interpersonal dialogue and mutual learning (Hudson 1979, 389). Popper's piecemeal "social engineering" sought to remove and solve specific problems, and Lindblom's incremental planning or "muddling through" and "satisficing" presented more realistic and more practical methods of achieving results and making decisions than the comprehensive reform of society which suffers from a lack of available knowledge, a priori goal setting, and institutional inabilities and incapabilities to implement and perform reform (Friedmann 1987, 114-129). Additions to this list include innovative, middle-range, allocative, adjunctive, and action planning (Galloway and Mahayni 1977, 67).

19 There is mention in planning literature of a third approach to the criticism of rational comprehensive planning, that being radical planning. However, Grabow and Heskin (1974, 106) state the radical position to be largely a rejection of planning altogether in the absence of alternatives, or the acceptance of rational comprehensive planning provided that "socialist" goals are substituted for capitalist goals. As a result, neither is a genuine alternative. We have in practice then, what Albert Waterston calls the "three-horned planning dilemma" among the major planning alternatives: comprehensive, econometric (systems), and partial planning. Comprehensive planning suffers from diverse values and goals which cannot be integrated into a single plan or public interest, the inability to incorporate or accommodate rapid change, uncertainties in prediction and data availability, impossibilities of coordination, and is inconsistent with the need for short term objectives, action, and implementation. Econometric or systems planning ignores non-quantifiable variables in favour of generated (not learned) solutions which are quantitative, rational, and functional accepting the existing social order as a given. Finally, partial planning tends towards ad hoc policies and small changes which, in the midst of rapid change, do not yield satisfactory results, are not genuine alternatives and are difficult to be evaluated in light of either rationality or consensus. (Waterston's original thesis can be found in "Resolving the Three Horned Planning Dilemma," *itcc review,* Association of Engineers and Architects in Israel, Tel Aviv, 1:4, Oct. 1972, 19. The summary of the dilemmas of comprehensive, systems, and partial planning is taken from *Toward a New Model of Urban Planning,* by Kent Gerecke, Ph.D. Thesis, University of British Columbia, Jan. 1974, 4-13.)

over them seemed to reach its zenith in the 1950's and 1960's in the midst of the civil and social unrest of the period.[20]

Planning tended to view the "crisis" as being predominantly a physical problem of congestion and unsightliness. In this, notes David Harvey, planning played a crucial role:

> Armed with diverse ideologies and a variety of world views, (planning) encouraged dissidents to go through 'channels', to adhere to 'procedure laid down' and somewhere down that path the planner laid in wait with a seemingly sophisticated technology, an intricate understanding of the world, through which political questions could be translated into technical questions... (Harvey 1978, 27).

The results of planning during this period are infamous. Massive transportation studies featuring mass transit and area-wide transportation systems were formulated. Urban renewal programs stimulated by federal government grants and based on the belief that if slum dwellers were relocated they would give up their lower class ways, funneled large amounts of money into slum clearance. The private redevelopment of cleared sites featured upper and middle class housing, displaced lower income groups into areas of higher rents, and in the process destroyed viable social communities and a significant amount of the affordable housing stock in cities (Gans 1968, 67-68).[21]

Additionally, "social planning" was added to physical planning as an institutionalized part of civic government and city planning in response to the "new" social problems of the day, the poverty and inequity of slum dwellers. Its initial efforts were largely aimed at

---

20 The "urban crisis" encompassed a host of maladies: clogged streets; dying public transit; spreading blight; urban sprawl; air and water pollution; lawlessness; diverging education opportunities; neglect of park space and community facilities; fiscal crisis; and lack of necessary government and institutional support both fiscal and political for the community's most elemental requirements (Gordon 1965, 18).

21 The public redevelopment of cleared sites fared no better, and featured massive high-rise apartment projects such as Pruitt-Igoe in St. Louis. Robert Fishman adds that the public redevelopment projects such as the one in St. Louis were reminiscent of Le Corbusier's designs which were based on the principle of design determinism. The Pruitt-Igoe project in St. Louis has become the most notable symbol of the failure of urban renewal in general and American urban renewal in particular. Soon after the award winning towers were constructed, Fishman writes, elevators broke down, the plumbing failed, vandalism increased in unwatched public areas while maintenance costs soared. Children urinated in the long, dark corridors and the parks between towers became barren no-man's lands where gangs of youths terrorized the residents. Even the sense of community that had characterized the crowded slum disappeared in the high-rise towers. Eventually the towers were demolished just a few years after they were completed (Fishman 1980, 245).

minimizing the effects of slum clearance and urban renewal, but it emerged as a means to coordinate such activities and encourage renewal efforts. In the process, social planning attempted to impose middle class ways of life on lower income populations through "human renewal" education and social work programs. It did little to affect social change or even improve the living conditions of lower income groups in cities (Gans 1968, 73; Dyckman 1970, 27-44; Piven 1970, 45-51).

The failure of institutions in general and institutionalized planning in particular to alleviate urban problems, and their ability to actually worsen them, spurred a host of citizen protest and community organization efforts across North America aimed at preventing neighbourhood destruction, urban renewal, and freeway construction. It also spurred the rise of what Robert Fishman calls "anti-planning" which was less a movement "against planning" or in favour of no planning, than a criticism of the theory and practice of urban planning by the likes of Jane Jacobs, Robert Goodman, Jon Gower-Davies, and Marshall Kaplan (Fishman 1980, 249).[22]

In *The Death and Life of Great American Cities,* Jane Jacobs states that planning has tended to view cities as problems of disorganized simplicity by approaching urban problems in terms of statistical and probability techniques, and simple two-variable ratios of "not enough of one thing" or "too much of another." This approach results in the view that problems are quantitative and easily solved through the proper sorting, arranging,

---

22 The exception to these "anti-planners" is Richard Sennett who identifies himself with the anarchist tradition believing that planning and all city services be eliminated or controlled locally by neighbourhoods and citizens. Sennett argued that the problems of the contemporary city stem from its loss of vitality, diversity, disorder and heterogeneity, and from people's attempts to limit themselves from experiencing conflict. Diverse human contacts, patterns of land use, cultural lifestyle and social structure have all been eroded by conventional planning. The rigid segregation of land uses robs neighbourhoods of differentiation and richness and the advent of zoning allows affluent areas to effectively zone out class, ethnic, and functional diversity. Sennett holds that planning's search for urban order and harmony is a fear and misunderstanding of diversity, a refusal to accept that conflict and disorder are inevitable in any society, and a professional bureaucracy which prevents citizens from resolving conflicts between themselves and interacting with people different from themselves. The only path to individual adulthood and maturity, he says, is the acceptance of painful disorder, dislocation, and challenge, and the ability to learn to cope with strangers and deal with the strangeness of new situations (Smith 1979, 153-155).

isolating, and "decontaminating" of functions thus destroying urban vitality, diversity, and heterogeneity. In addition, the rational planning process presupposes that the planner define the goals of society and offer a plan for achieving these goals emphasizing the concepts of rationality and comprehensiveness. As a result, "the land use master plan is largely a matter of proposed placement, often in relation to transportation, of many series of decontaminated sortings." Jacobs states that as long as planning "clings to the unexamined assumptions that it is dealing with a problem in the physical sciences, it cannot possibly progress; it lacks the first requisite of a body of practice and progressive thought; recognition of the kind of problem at issue." (Jacobs 1961, 25).[23]

Robert Goodman in *After the Planners* reinforces this notion of rethinking the nature of the problem as being central to effective planning. Goodman states if urban problems are to be solved, what is needed is not a continuing description of the crisis, but a deeper analysis of why we have the crisis in the first place. The traditional way of seeing and dealing with the problem has been to view urban problems as the inability of government and government institutions to keep pace with technological advance, progress, modernity, and accelerated social change. Such a view accepts the established form of government and economic organization and sees urban problems as aberrations and crises within the system as opposed to being a result of the system, effectively removing questions of political ideology, values and ethics from either the problem or potential solutions. This adherence to the prevailing conventions and structure constitutes a form of repression whether directly advocated through ideology or promoted and sustained through actions (1971, 25-26).[24]

---

23 Jacobs describes cities as problems in organized complexity presenting situations in which "a half-dozen or even several dozen quantities are all varying simultaneously in subtly interconnected ways." The key qualities and characteristics to the vitality of cities she says are intensity and diversity and the conditions which foster and nourish both: mixed use, small blocks, aged buildings, population concentration, heterogeneity, and so on (Jacobs 1961, 433).

24 Planning, he says, is guilty of the latter. With its objective, scientific, and value-free analysis and methods, planning is a part of this repression. While planners are not visible oppressors like the military and police, they are the "soft cops" who profess social change, deal in words and drawings and whether knowing it or not "organize the oppressed into a system incapable of providing them with a human existence." At best, he says, planners help ameliorate the status quo, at worst they engage in outright destruction (1971, 12-13). This misdirected and misguided ability in planning practice is further illustrated by Jon Gower Davies in *The Evangelistic Bureaucrat,* in which an urban renewal effort in Britain resulted in the dislocation and demolition of the homes of over 4000 people.

The systemic problems in planning are reiterated by Marshall Kaplan who states that planning's abiding faith in physical determinism "has been linked to an uncritical acceptance of three other isms - political separatism, logical positivism, and rationalism." As a result, he adds, planning has found itself unable to cope with or contribute on a sustained and meaningful basis, to the problems and solutions of urban growth and development, continuing to endorse the status quo, and abdicating real responsibility in critically analysing the merits and demerits of policies and programs (Kaplan 1973, 3).

TWO EXCEPTIONS: EQUITY & ADVOCACY

The exceptions in institutional practice, to the rational, comprehensive planning model, in particular its underlying assumptions about the role of the planner, objectivity, and value-free, politically neutral decision making have been few. The most notable of these exceptions are equity planning as practised in Cleveland from 1970-1979, and advocacy planning as formulated by Paul Davidoff in 1965. Both involved a decisive change from traditional planning concepts and values, and both are examples of radically different planning models operating within the traditional planning environment.

Equity Planning

Equity planning emerged in Cleveland during the preparation of a revised general plan for the city in 1970 which was initially conceived of in orthodox planning terms such as a new proposal for the arrangement of land uses and transportation routes, zoning, urban design, and so on. However, as planners probed more deeply into Cleveland's problems, they discovered these problems had less to do with the traditional domain of city planning, and more to do with personal and municipal poverty, unemployment, and neighbourhood deterioration (Krumholtz, Cogger & Linner 1975, 248).

Despite planners' initial intentions of rehabilitation rather than demolition, Gower Davies writes: "planners allow the gloriousness of their aims to obscure the bluntness of their tools" (1972, 155).

As a result, the traditional role of the planner as a value-free, apolitical technician serving a unitary public interest was altered to one whose principal objective was providing more choices to those who had few, if any, choices. Consequently, the Cleveland Policy Planning Report, which replaced the general plan bore little resemblance to the general plans of other cities.[25]

While equity planning was activist and interventionist in style, it worked within the traditional planning system. Traditional planning concerns such as land use and zoning were de-emphasized, but they were not demeaned. A great many of the goals and objectives of equity planning were realized only by building up a degree of credibility and competence with civic politicians and bureaucrats through the diligent provision of traditional planning functions such as zoning, land use, and development control (Krumholtz 1982, 170).

Non-traditional activities engaged in by the Cleveland Planning Commission included the extraction of rate freezes and free service to seniors and the handicapped in return for the coordination of the city's transit service into a regional authority, and the opposition of public subsidies (capital improvements and property tax abatements) towards a downtown development scheme. As well, the Commission provided data and resources to help prevent the private takeover of a municipal electrical utility, and blocked a major freeway project which would have dislocated over 1400 families (Krumholtz 1982, 166-170).[26]

---

25 Krumholtz states that the Cleveland Policy Planning Report "does not map out an ideal future in terms of land uses, facility locations, and transport routes. Rather it is a catalog of recommendations for solving or ameliorating some of the more pressing problems of Cleveland and its people. The Report also provides a description of how an activist staff can attempt to shape local policy in pursuit of specific objectives." (Krumholtz, Cogger, Linner 1975, 298).

26 The equity planning approach also possesses several weaknesses including its highly political and risky nature in its activist, interventionist, and confrontational style which generates conflict from time to time with powerful individuals and institutions with vested interests in the status quo. When, after ten years new leadership was introduced in Cleveland with a more traditional and conservative nature, equity planning and its progenitors all but departed. Thus, equity planning requires a considerable degree of political toleration and acceptance in order to be initiated, let alone flourish in a given environment. As a result, the impact of equity planning on the rest of the profession in other cities was negligible (Krumholtz 1982, 172).

Equity planning has been praised for correctly seeing the role of planning as going beyond merely providing technical information, analysis, and policy recommendations to political leaders, but determining and initiating the means by which these recommendations can be brought about (Gans 1975, 305). Further, equity planning presents the planner not as a disinterested arbiter of a collective public interest, but as a committed actor who chooses the side of the least well-off, those with the least choices. Their role is not long-term decision making. but pragmatic activism, guided by a political commitment and armed with technical skills to affect the needs of the disadvantaged (Piven 1975, 309).[27]

Perhaps the most important aspect of equity planning is the recognition that the real problems of the city have little to do with the traditional planning concerns of zoning, land use, design, and development control and more to do with underlying and systemic problems of poverty, unemployment, and deterioration (Long 1975, 311). It is also significant that equity planning and its practitioners did not advocate the wholesale abandon of zoning, land use, and the other conventional planning tasks, as they do merit a place in urban growth and development and are integral to the establishment of the political and administrative credibility necessary for planning to undertake more activist and effectual solutions to the other problems existing in cities.

Advocacy Planning

Similar to equity planning, advocacy planning is more than just a new planning style, but is predicated upon a number of assumptions which run counter to those of traditional rational or comprehensive planning. The most notable of these assumptions is the

---

27 Criticism of equity planning centres on the lack of a definitive constituency for the planners' efforts other than the promotion of an agenda according to their own perception of who is suffering from lack of choice. The lack of a unitary public interest results in planners becoming mediators between conflicting interests in the hope the outcome will be in the community's best interest. Further, the notion that planning can enter into the policy making process without first becoming indispensable and very close to the most powerful interests in that process is misleading, as is the notion that planning can win widespread public support simply through advocating fairness and choice (Susskind 1982, 181-183). This criticism stems largely from viewing equity planning from within the traditional planning environment and retaining traditional planning values such as the unitary public interest.

existence of a unitary public interest. Other assumptions requiring change under advocacy planning include the role of the planner, the nature of the planning process, and the importance and nature of planning expertise.

Advocacy Planning rests on the premise that there is no single, unitary public interest within a city which city planning could herald as its mandate or *reason d'etre.* Rather, there are several, or even hundreds of interests which are in conflict or opposition to each other. Thus one comprehensive or master plan expressing a unitary public interest does not provide the alternatives or choices necessary to represent the pluralistic nature of the city and those who reside in it (Davidoff 1965, 279).

The role of the planner, then, is to facilitate, advocate, represent, and plead the plans of many interest groups in the same way a legal advocate must plead for his own and his client's sense of justice. This advocacy involves not only technical expertise, but all the negotiative, communicative, and coordination skills of a planner as well. The principal objective of this type of planning is the establishment of an urban democracy in which citizens play an active and meaningful role in the process of deciding public policy, which is always determined through political debate and is a matter of choices and not of fact. (Davidoff 1965, 277-279).

Advocacy planning rejects the pivotal notion of comprehensive planning that planners can resolve conflicts among goals in an expert fashion, and denies the notion of a single, best solution. Further, it embraces the concept of pluralism which is rejected by traditional planning ideology.[28] The acceptance of pluralist ideology renders a number of the

[28] Michael Vasu notes that pluralism is essentially "anti-planning" in that it emphasizes liberalism, a self-correcting society, and a variety of interests and interest groups. Planning in a pluralist society is replaced by bargaining as planning in the traditional sense (rational, comprehensive planning) requires that law, choice, priorities, and moralities be imposed on society by the state or the planner with his notion of a collective public interest. These all violate pluralist ideology which envisions a society and system composed of interest groups which automatically produce equilibrium through the interaction of various self interests (Vasu 1979, 180).

fundamental assumptions underlying rational comprehensive planning obsolete:

> Unlike traditional ideology which sought to remove politics as a part of planning, advocacy planning appears as a new kind of politics...In effect, planning is perceived as inherently partisan. The pluralistic and partisan assumptions of advocacy lead to an understandably divergent view of the role of rationality in the planning process...a doctrine that invites open debate about social values is at odds with the rationality manifested in the apolitical scientific planning of the classical model (Vasu 1979, 52).

Advocacy planning imparts that there are no value-free or neutral criteria for evaluating a plan, thus it opposes the right of planners to devise in exclusively rational terms, a unitary plan serving a unitary public interest. When the notion of value-free, neutral criteria is denied, so too is the ability of the planner to be neutral expert and technician. The planner is seen as holding particular values, and rather than attempting to reduce planning considerations to questions of technical expertise, the planner accepts the normative, value-laden content of such considerations and represents the client accordingly. The client is no longer the public as whole, but sub-groups and sub-interests of the public creating a new constituency for the planner, as well as a new type of planning which is no longer confined solely to the physical forms of the city (Vasu 1979, 52).[29]

Advocacy planning is an attempt to put forth proposals for change from within the existing structures and "Establishment" of society (Davidoff and Davidoff 1974, 39,48). Similar to equity planning, it is an alternative method of dealing with the problem from within the traditional planning environment.[30]

---

29 The criticism of advocacy planning centres on the inherent inequalities of bargaining power between groups, the inequitable nature of access to the political process, and the vast number of unorganized and unrepresented interests all of which undermine advocacy planning's ability to change the existing patterns of status and power in society (Mazziotti 1974, 41). Similarly, processes within groups, particularly the reality of organizational behavior in which the definition of group interests is placed in the hands of a few, does not ensure that the goals, objectives, and interests are representative of individual group members. In addition, Kaplan states, the vagueness and threatening connotations of advocacy planning have sent undue fear into officials who view advocates as obstacles to progress, and self-chosen or anointed advocates often mistakenly see themselves as generals in a war against the establishment (1969, 98) .

30 David Harvey adds that advocate planners provided the channels for cooptation and integration at the same time as they pushed the "system" to provide as much as it could provide. Harvey applauds the efforts of advocacy planners (who he says were either pushed out of or deserted planning altogether and became activists and community organizers) along with the other pursuers of social justice in the 1960's (the equity planners, the citizen protestors, the anti-planners) for contributing to the reduction of civil strife, re-establishing social conscience and, although ultimately failing, attempting to restore an ideology to planning (Harvey 1978, 28).

The equity and advocacy planning experiments are significant in that they realized that traditional planning models and approaches were not addressing the most pressing problems in cities, and in fact were irrelevant and incapable of dealing with such problems. The role of equity and advocacy planning in addressing these problems was chiefly that of increasing the political power of the disadvantaged, giving them a planning voice, and giving them a degree of influence in matters which they were concerned and would have normally been shut out. Equity and advocacy are also significant in that they worked within institutionalized planning to bring about a degree of social change for those who needed it most through intervention and action. However, they did not abandon their traditional planning functions such as zoning, land use, and development control which continue to have a place in the existing urban-industrial system.

CONTEMPORARY PLANNING PRACTICE

The collective impact of the "urban crisis" and its repercussions: the rise of citizen and protest movements, the rise of "anti-planning," and the emergence of alternative planning models, has been to question the validity and applicability of the planning profession, particularly traditional planning practice and its underlying process, theory and ideology. As such, a distinct instability, insecurity, and sense of crisis has emerged within the profession which lingers to the present day.

The instability is evidenced in the diverse images of the scope, issues, concerns and type of activities with which planning should be preoccupied, the variety of roles and arenas in which planning operates, and the different perspectives of the profession held by the public, professionals in related disciplines, and planners themselves (Galloway and Mahayni 1977, 62). The insecurity is reinforced by the realization that the substantive area in which planning operates is shared with a host of other professions and disciplines such as architecture, engineering, public administration, sociology and geography.

Finally, the sense of crisis emerges from the skepticism of and frustration with the scientific approach and the inability of the planning profession to resolve the major issues and dichotomies arising out of planning theory and practice: elitism vs. populism, manipulating vs. relating, centralization vs. decentralization, control vs. conflict, programming vs. creativity, objectivity vs, subjectivity, and rationality vs. intuition (Grabow and Heskin 1973, 108).[31]

This confusion over direction and ideology, and the dichotomy between "new" styles of planning and "traditional" planning (whatever these entail) remains in contemporary planning practice and is evident in the many surveys of professional practice.[32] Also in evidence in the surveys is a reluctance to abandon rational, comprehensive planning, its underlying values and principles, or the traditional physical domain of planning.

Surveys of planning activity reveal the majority of practising planners to be engaged in decidedly technical and administrative functions in "line" programs and activities such as land use planning, long range planning, planning reports, and real estate development over socio-political functions such as advocacy, fund-raising, community organizing, or aiding the dispossessed. Such surveys reveal planning practice to be concentrated in areas of land use control and physical planning, administration, and zoning and subdivision review (Knack 1986, 10; Schon, et al. 1976, 195; Corby 1974, 22).

However, surveys on roles, values, attitudes, and ethics reveal the majority of planners to be undecided or uncommitted to either technical or political roles labelling

---

31 Different views of this situation in planning are held as well. One view takes pride in the turbulence, eclecticism, spontaneity, diversity, and innovation which has characterized both the theory of planning and planning as a discipline. At the other extreme, is the belief that planning is in a state of "rampant schizophrenia." This view holds that planners are overly ambitious and should concentrate on understanding urban spatial and physical structure and leave questions of redistribution, unemployment, poverty, and other social ills to those better trained to cope with them (Kain 1970, 221-222).

32 The diversity and turbulence in planning thought and practice has been labelled and heralded as the breakdown of the rational planning paradigm and its replacement with a variety of competing paradigms which represent "paradigm crisis" (Galloway and Mahayni 1977, 63-69).

themselves as hybrids between the two.[33] "Political" planners feel planners should be open participants in the planning process allowing their values to influence decisions and openly advocating particular positions. Planning within the governmental structure, in this view, should be involved in all the controversies surrounding planning, and planners should actively organize and use support groups to negate opposition to their plans, and actively lobby to defeat proposals which are undesirable. "Technicians" believe planning should be objective, keeping political views to themselves with their reputation and effectiveness resting upon the provision of accurate and reliable data. As well, technicians believe in rational, long-range planning, technically correct solutions, and plans which are evaluated on the basis of their technical and rational qualities with the planner's only influence lying in the use and provision of technical information (Howe 1980, 400).

The contradictions in the beliefs of planners and their attitudes towards planning practice is explained further in Michael Vasu's 1979 survey of American planners. The majority of planners Vasu surveyed disagreed with the notion of a unitary, collective public interest and the belief that planning is objective and value neutral. Without this underlying and overriding concept of the public interest, Vasu says, planners cannot claim a unique ability to coordinate and synthesize the various social, economic, and physical elements which constitute comprehensive planning, in a fashion mindful of a collective good or interest. Thus, without a vision of the public interest and unable to be value neutral and objective, planning is reduced to the status of an interest group and the planner is merely a specialist (1979, 176).

In addition, Vasu states that virtually all planners define planning as a process which integrates value judgements with a "general evaluative rationality" and technical expertise. This is at great variance with the traditional or classical definition of planning as neutral,

---

[33] Several surveys on the roles, values and attitudes of the planning profession can be found in a number of issues of the *AIP Journal* and include Rabinovitz 1969, Needleman and Needleman 1974, Howe and Kaufman 1979, Howe 1980, Mayo 1982.

comprehensive, and expressive of the whole community's interests. However, within this rubric of planning attitude, planners are unwilling to accept the role of policy advocate for either public organizations or those removed from the political processes, choosing instead the role of a technical, apolitical staff advisor with a view of the planning function that is still committed to the ideals of comprehensiveness and centralization (1979, 177-178).

As a result, planning maintains a belief in the comprehensive, rational planning model whose ideals (of unitary public interest, objectivity, political-neutrality, etc) are incompatible with the ideals of a pluralist society to which planners now also adhere. This amalgam of traditional planning within a pluralist environment, has left planning foundering without an ideology or professional doctrine (Vasu 1979, 182-183).

The Page-Lang survey of Canadian planning reiterates much of this confusion in both planning ideology and practice. For the most part, the survey states that planners believe the rational comprehensive model of planning and the rational planning process is "the best we have," and though not perfect, will do until something better comes along. The survey reveals a reluctance among planners to abandon the comprehensive plan saying it should remain as the general guide for communities to achieve their goals part of. In addition, the majority of planners believe that the overall responsibility for the formulation of goals should be the planner's, even though they are split on the issue of whether there exists a unitary public interest or a plurality of interests (Page and Lang 1977, 7-8).

However, the survey also reveals a desire among planners for much greater public participation than is possible within the current practice, in both information/feedback and joint planning capacities. Additionally, while there is a general acceptance of the role of the planner as advisor, there is greater desire for an advocate role and a less desire for a technical expert role (Page and Lang 1977, 7-8).[34]

In spite of the diversity in planning thought and action planning practice is in danger of retreating wholeheartedly back toward traditional planing models, values, and activities. Donald Schon writes: "in times of turbulence, techniques recede to a backward position" (1974, 181). Planning, at the institutional level in the 1980's, is still largely characterized by traditional planning models and activities, and although the term comprehensive is not used a great deal, planning practice relies largely on the rational planning process and physical technical solutions to solve urban problems.[35]

Further, the rational planning model is still regarded as the dominant planning tradition and the dominant planning model even in the 1980's:

> The ruling planning theory is the rational planning model, or the rational action model, which remains in force because no competitive set of ideas has attracted sufficient support to supplant it. We continue to teach the rational model to new entrants to the planning field... and when asked what our theory is, we are inclined to talk about the... rational model (Hemmens 1980, 259).

Friedmann adds that in spite of the fact that the rational model of planning has stagnated for nearly two decades, and despite extensive and often virulent criticism, the model continues to be in vogue "chiefly, one suspects, because nothing better has come along." He adds that the time would therefore seem to be ripe for a new conceptual approach in planning (1987, 37). The present situation is summed up by Ernest Alexander:

> The ambiguity of planners' roles today reflects their personal and professional values and the ways in which those values are transformed into behavior in practice. Ethical values have become situational and issue-related, rather than absolute, and tactics that might be outlawed in one case are acceptable in another. Some planners have retreated into specialized roles...but the role that still attempts to resolve the conflicting demands of rationality and its constraints continues to prevail. The breakdown of the rational paradigm, then, is not being addressed by any fundamental restructuring of professional practice or roles and will continue to be an unresolved problem for planning...(1984, 64).

---

34 The Page-Lang survey summarizes by stating that there appears to be different kinds of planning evident from an aggregate look at planning practice. The first, conventional "comprehensive" planning is older, more clearly articulated, well-entrenched in legislation, and still prevalent among practitioners. The second is more closely attuned to political and organizational realities, with a greater involvement of the public, but is less clear in methodological and institutional terms. At the individual level, however, no single theory dominates, eclecticism prevails as does situation specific decision making, and the planner doing "whatever works" (Page and Lang 1977, 9).

35 It is the continued institutionalization of this planning function and the fact that it occurs in virtually every urban environment which legitimizes the rational, technical and physical tradition of planning according to Gerald Hodge in *Planning Canadian Communities.* He states: "The focus (of planning) is, and always has been, on the physical environment of cities and towns." (Hodge 1986, 139).

SUMMARY: THE PARADOXES OF PLANNING

We can see planning to be characterized, indeed plagued, by a number of paradoxes which exist within the profession and which justify the continuing study of and search for alternatives in planning.

Perhaps the most significant paradox is the relationship and apparent "lack of fit" between planning theory and practice. As we have seen, the majority of planning practice has embodied the "reform" and "analysis" traditions of planning theory, while the traditions of social "learning" and social "mobilization" have never been translated into planning practice. As a result, planning as a profession has focused and followed, almost singularly, only one conception of the role of planning and the planner in society. That role is one which is inherently conservative, technical and reformist in nature, intent solely on improving, alleviating, and ameliorating (in top-down fashion) problems associated with the status quo. It is a role which is ineffective for dealing with the social and economic problems whose root causes are a result of the structural inequities of the status quo.

In practice, this role has become so entrenched in planning that the rational planning model and the scientific method upon which it is based, despite their recognized shortfalls and inadequacies, still dominate planning practice simply because there is nothing to replace it. Accompanying the maintenance of the rational planning model, is the continued belief in a unitary public interest within a society that is decidedly pluralist, as well as a belief in the planner's ability to remain value-free and objective in his activities.

A further paradox is planning's difficulty in relinquishing its environmental and physical determinist view of problems in society and its tendency to view the nature of problems and the solutions to those problems as being primarily physical and technical in nature. The initial environment in which planning arose instilled a physical and technical bias towards the view of both urban problems and potential solutions. While the concern

for social problems and inequities was genuine, so too was the belief that scientific, physical and technical planning could solve them. Consequently, planning preoccupied itself solely with matters of land use, zoning, design, and development control.[36]

While there is no longer the view in planning that social problems are solely a consequence of physical circumstances and surroundings and can be solved through physical and technical solutions, planning has advanced no further in dealing with the chief problems in cities -- poverty, unemployment, deterioration, lack of economic opportunity, and so on. Further, there is a growing sentiment that since traditional planning cannot solve these problems, perhaps they do not belong in the realm of planning. This view significantly narrows the goals and objectives of planning no matter how they are defined; as improving quality of life, managing growth, or ensuring rational allocation.

Finally, planning has never recaptured the political ideology which Benevolo and others state it held before it became institutionalized as a profession. Further, the legacy of planning practice has instilled on the profession a belief that planning should be, and indeed is, apolitical. As a result of this separation from planning of politics and political discussion, the profession has not become apolitical, but rather has become the witting or unwitting agent of the prevailing political system and ruling ideology with which it is associated. Consequently, any increased role of planning in advocating the rights of the underprivileged and undertaking progressive, proactive and "political" activities in the pursuit of improved quality of life and living environments is severely constrained by its avoidance of politics. Further, the planner faces technical and political problems which require ideological guidance, however, the political world in which he operates is often at odds with his ideology of reason, not to mention any other political ideologies.

---

36 R.A. Walker states that this preoccupation with physical planning is not surprising if it is related to the notion that the fate of the lowest income groups was an inevitable consequence of the way the economic system worked (1940, 34). While planning has never explicitly recognized this "inevitable consequence," it seems very much that it has accepted it and has subsequently pursued other concerns.

In spite of these paradoxes, both planning theory and planning practice have the capacity and the precedence for employing and embracing alternatives. Both equity and advocacy planning illustrate the ability of planning practice to adopt new styles, employ different techniques and approaches, and incorporate new and different values, ideologies and beliefs in the practice of planning. Similarly, we have seen that underpinning planning theory, are traditions which emphasize learning, mobilization, change and transformation, encompassing completely different values, beliefs, and ways of thinking from those of conventional or traditional planning. As a result, within the "entire constellation of beliefs" which constitute the planning paradigm, there is both the opportunity and the precedence for the profession to undertake and adopt new and alternative theory and practice.

What is needed then in planning is a vehicle which addresses and transcends all the various paradoxes which exist within the profession, and which is capable of articulating a new direction for planning, based on those traditions in planning theory and practice which see a radically different role for planners and planning but which have never been fully translated into professional planning practice. It is within this context that community and local economic development provides a major opportunity for planning.

However, planning is one of the very institutions of industrial society which is undergoing and experiencing a number of dilemmas and crises regarding its role and relevance in present society. While this suggests that the time is appropriate, indeed crucial, for planning to consider new vehicles for addressing societal problems and affecting societal change, it also suggests that a great deal of change and transformation is required in planning in order for it to genuinely embrace community and local economic development, its practices, and its underlying value and belief system. It is these changes, both theoretical and practical, within the profession and within planners, which will now be explored.

CHAPTER SIX
Towards a Reordered Planning

> *Knowledge...is not a series of self-consistent theories that converges towards an ideal view....It is rather an ever-increasing ocean of mutually incompatible (and perhaps incommensurable) alternatives...each part of the collection forcing the others into greater articulation and all of them contributing, via this process of competition, to the development of consciousness. Nothing is ever settled, no view can ever be omitted from a comprehensive account.* - Paul K. Feyerabend (1975)

This chapter puts forth an agenda for a reordered planning with community and local economic development in mind. The chapter outlines the reordering necessary for planning to embrace community and local economic development, believing that CED, its principles, practices, theories and beliefs should be an essential part of the knowledge and consciousness of planning and planners. The chapter takes up the third scenario, "embrace and change," as presented in Chapter Four. The "embracement" of community and local economic development implies that planning understand and genuinely embrace (and not coopt, integrate or merely support) the practices of, as well as the philosophy underlying, community and local economic development.

John Friedmann states that if the present crises in planning are to be overcome at the root and not merely in their apparent manifestations, then the sense of an active political community must be recovered to encourage "thinking without frontiers, devise practical visions of the future, assist in building coalitions, inform the choices and strategies of activists, and encourage learning and dialogue" (1987, 14-15).[1]

---

[1] Friedmann lists three principal crises in planning; the first being a crisis of "knowing" in which planning's positivism, rationalism and scientific method no longer provide certainties about knowledge, society, reality or the way things are. The second is the accelerated pace of events which planning faces and for which the traditional methods of long range and comprehensive planning and analysis are no longer appropriate or are obsolete before their implementation, and the third reason for crisis is the unprecedented nature of the events society faces, which the traditional realm of planning has never before encountered or attempted to address (1987, 313-314).

What community and local economic development strives for is the recovery of *economic* community, first at the local and neighbourhood scale and then moving out to larger and larger arenas. CED holds that the process of recovering economic community through the goals of self-reliance, sustainable development, and rethinking basic attitudes about development, growth, quality of life, etc., will result in greater individual and collective empowerment, widespread citizen involvement, a measure of autonomy in production and politics, and a re-discovery of one's individuality and value in the context of societal relations and collective well-being.

As such, CED presents an opportunity for planning to reclaim a more effective role in its capacity to address and solve the most pressing problems which society presently faces, and avoid the potential abrogation and erosion of the profession's responsibilities and the profession's relevance. At the same time, CED also offers a vehicle for planning to potentially eliminate a number of the paradoxes and dilemmas which exist within the profession including: the mismatch between planning theory and practice; the continued employment and reliance on physical and technical solutions for increasingly non-physical problems; the lack of any ideology to guide planning activity; and the maintenance of the scientific method and rational comprehensive model of planning due to the lack of "anything better."

We have seen that within the practice of local economic development, there is a distinct planning function, and beyond this function, there are a number of commonalities between planning and CED which warrant a larger role for planning in community and local economic development. However, this chapter identifies three fundamental reorderings: one theoretical, one philosophical and one practical. Each is necessary for planning to begin to understand, initiate and embrace community and local economic development and reorder itself as a profession.

In theoretical terms, what is required is the adoption of a new 'systems' view to guide planning theory and practice and replace the old systems or 'systematic' view which currently prevails in the profession. In somewhat more philosophical terms, is the reclaiming of altruism on behalf of individual planners and the profession at large.[2] Finally, in practical terms, the adoption of a more entrepreneurial, emancipatory and educational style of planning practice, planning activity, and planner is necessary. Further, within the framework of these "reorderings" a number of specific elements of change necessary for planning to embrace community economic development are outlined. All are imperatives for planning, and represent an fully attainable, somewhat gradual agenda for a reordered planning with community and local economic development in mind.

THE NEW SYSTEMS VIEW

The view of the world as a "system" or a complex whole composed of interrelated and interdependent parts interacting in various manners is an essential concept within the present industrial mindset and thinking, of which present planning is a part, as well as within the new age thinking which community and local economic development is a part. The systems view which predominates in current thinking and in current planning however, focuses on the system as a method of study. This view sees the system as an arrangement of component parts each performing certain specific functions, each with a structural configuration, and each following a definable process or set of procedures, all of which can be analysed, examined and fully understood (Catanese and Steiss 1970, 5).[3]

This is the view of the world which Fritjof Capra calls "Cartesian," maintaining that virtually anything can be separated and broken down into its component parts or elements

---

2 Theoretical and philosophical are simply categorizations and differ only subtly. The theoretical reordering (a new systems view) requires less of a personal or individual reordering than a reclaiming of altruism (a somewhat more philosophical reordering). Both have major implications for planning practice and the activities of planners

3 Further descriptions and detailings of systems analysis and general systems theory can be found in: Wiener (1948); von Bertalanffy (1951); Ashby (1956); Churchman et al. (1957); Ackoff (1962); Beer (1966); Quade (1966); and Emery (1969).

and explained and examined according to mechanical, mathematical and scientific laws. It is a view, he says which has led to the fragmentation of our general thinking, reductionism in science, the overemphasis of the scientific method and rational analytic thinking resulting in attitudes and practices which are profoundly antiecological (Capra 1982, 40-42, 59-60).

It is this view of systems as principally a method of analysis which holds that by breaking an entity down into its component parts, the whole can be understood. Further, by examining each of the components, the problem can be isolated and solved without affecting the rest of the system. Skolimowski states that it is this simplistic, linear, atomistic and deterministic thinking which chops everything into small bits and forces it into "pigeonholes" of factual knowledge which produces diseased consequences and wreaks havoc on individuals, nations and world ecology (1981, 27). Such a view sees no relation between one's individual or professional actions and the state of the world as a whole; between the use of aerosols and automobiles and the ozone layer, and so on.

In terms of planning, we have seen that this view of the world has instilled on the profession an almost unitary belief in the powers of technical reason, the scientific method, and a host of specialized analytical skills and techniques such as modelling, forecasting and cost-benefit analyses to calculate the best solution. Further, it has instilled a regulatory, reactive and physical bias in much of planning activity. As well, it is responsible for the view that society and societal problems can be broken down, quantified, analysed and resolved systematically through what Jane Jacobs calls the physical sorting, arranging and "decontaminating" of functions and the simple two-variable approach of not enough of one thing or too much of another.[4]

---

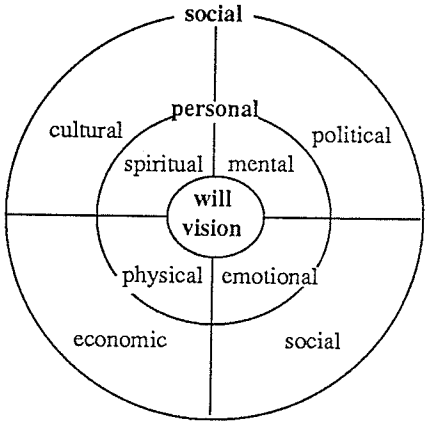
4 Catanese and Steiss in *Systematic Planning Theory and Application* point out that planning and systems analysis should actually differ in that planning is anticipatory in its orientation, its problems are multilateral, and its solutions involve a degree of subjectivity as they often deal with concepts of beauty, amenity, equity, and so on. Systems analysis, however, is immediate in nature, deals with a single problem unilaterally, and in order to evaluate and analyse alternatives, relies on quantification, measurement, and indicators of maximization, cost-effectiveness, optimization, and efficiency (1970, 29-34). In spite of these differences however, planning can often be seen to follow the latter systems approach at the expense and to the detriment of the former.

It is this Cartesian view of the world, we have seen, which is increasingly being undermined by social and economic crises, anti-ecological attitudes, and a host of systemic problems and self-defeating properties which it fosters. It is also this view which is being replaced with one which is holistic, non-linear, intuitive, and one which emphasizes human values and is aware of the interrelatedness and interdependence of all phenomena: social, physical, cultural, biological, etc. This new view is more ecological in nature and orientation, essentially involving a rethinking of the world as a integrated, holistic system.

The new systems view sees the world as one indivisible, dynamic whole whose component parts are interrelated and can only be understood as part of the whole and within the context of the whole. The new systems view emphasizes relationships rather than individual components, objects or elements. It emphasizes "thinking globally, acting locally," and is based on the awareness of the essential interrelatedness and interdependence of all phenomena: physical, biological, psychological, social and cultural (Capra 1982, 47,265-266).

Holistic Development

In terms of community and local economic development, the new systems view is reiterated and illustrated in the quest for a balance of social and economic development. CED holds the two to be inseparable since the ultimate purpose of economic development is enhanced quality of life and enhanced quality of life cannot occur without adequate material resources (Baker 1984, 112). This also implies that economic development be sustainable, ecologically sound, self reliant, and result in and foster social, cultural and individual development as well. In practice, this means that the goals of local and community economic development are not always physical and immediately tangible in terms of new industries and more jobs, but include improving skills and education, developing an entrepreneurial climate and attitude, improving social organization, and so on. In short, what is emphasized is "holistic" development.



Holistic Model of Development
(Alkali Lake Indian Band as illustrated in Nozick 1988, 118)

The model illustrates that the centre of development (both personal and social development) is individual will and vision. Both are necessary for the spiritual, physical, emotional and mental development of the individual, which collectively, constitute the spiritual, physical, emotional and mental resources of a community. Community and social development is therefore an outgrowth of the personal development, strength and maturity of individual members, with the social, cultural, political and economic structures of a community all built upon the combined individual resources and collective will and vision of a community (Nozick 1988, 118).

The holistic model of development is radically different from institutionalized planning's almost singular view of development as unlimited physical growth. This view of development is not only held by planning but by virtually all political and economic institutions of present industrial society. Further, the new view of systems upon which holistic development is based, is in marked contrast to planning's penchant for systematically approaching, analysing and resolving specific problems without viewing the overall context or system in which they are occurring.

In order to understand community and local economic development and what it strives for, it is essential for planning to reorient its systems view from a method of

analysis and study, to a more holistic view aimed at understanding, learning and guidance. The problems facing communities are not capable of being understood by scientific analysis and study, or resolved by physical and technical solutions only. They require solutions and approaches such as community and local economic development which attempt to identify and assess root causes and real needs, and derive and implement strategies based on the fundamental principles of enhancing and improving the quality of life for communities and individuals. In addition, they require, in planning, a new way of thinking and approaching problems.

A New Way of Thinking and Problem Solving

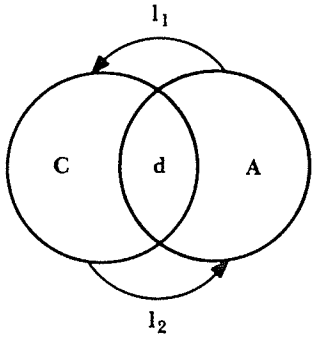
Successful community and local economic development relies upon a number of principles such as empowerment, self-reliance, entrepreneurism and sustainability, which, in addition to requiring a holistic systems view, require the essential dynamics of change, transformation, initiative and action. CED and the local economic development process is a continually active process emphasizing strategy, tactics, experimentation and motion.

As such, community and local economic development envelops and employs a social learning approach towards the aim of social mobilization and societal transformation. We have seen that the majority of present planning theory and practice employs the scientific method towards the aim of "societal reform," despite realization that this approach is not valid for a great many of the planning problems existing in society. As a result, this necessitates, in planning theory and practice, a shift away from "reform" and "analysis" traditions towards a social learning and social mobilization theory of practice, which incorporates an entirely different way of thought and action.[5]

---

[5] By social mobilization, this does not necessarily mean a movement in planning towards the anarchist and leftist traditions of Marxism and socialism which Friedmann cites as comprising the Social Mobilization of planning theory (most of which he adds are also predicated on the notions of scientific and technical planning). Rather, it implies a commitment towards the quest for a better society through varieties of collective action which undertake the initiation and mobilization of change and societal transformation. This is in marked contrast to the dominant planning traditions of Scientific Reform and Policy Analysis which seek primarily to maintain the status quo and merely attempt to alleviate problems and improve conditions through marginal and piecemeal reform.

Social learning as a theory of practice emphasizes learning by doing, believing that knowledge is derived from experience and feedback. Knowledge is validated in practice and realized through new practical undertakings. Learning and practice are correlative and continuous processes of action and change, and knowledge emerges from the dialectics and conflicts within these processes enriching existing theory with the actual realities and lessons of experience (Friedmann 1987, 181-185).



C actor's cognitive aspects of learning
A actor's experiential aspects of learning
d actor's decision process
l_1 learning process 1: problems and intentions
l_2 learning process 2: actual change in action, strategy, theory, and values

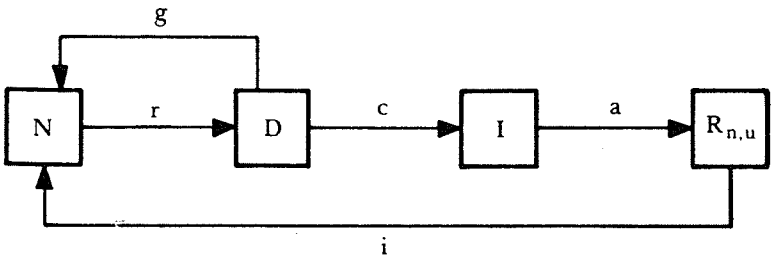
A simple model of social practice and social learning.
(Friedmann 1987, 182).

Social learning represents a completely new way of thinking, one which begins and ends with action, and one which incorporates existing theory with strategies and tactics, values and principles, to constitute a social practice which attempts to affect change through experimentation, observation, learning from error and experience and above all, through action and practice.[6]

The majority of planning practice, however, is characterized by straight-line decision making and linear, hierarchical thinking which relies upon technical reason and scientific analysis to explore and evaluate alternative courses of action, rather than relying upon past experiences, intuition, and lessons drawn from practice to guide decision making.

---

6 This is the "reflection-in-action" which Donald Schon in *The Reflective Practitioner* states is inherent in the intelligent action by which some professional practitioners deal well with situations of uncertainty, instability, uniqueness and value conflict. This *knowing-in-action* he adds, reflects on the assumptions and knowledge implicit in action, and surfaces, criticizes, and restructures it for future action. It is the opposite of the model of technical rationality which is simply an *application* of knowledge (Schon 1983, 50-51).



N	analysis	**g**	goals and constraints
D	decision	**r**	recommended decision
I	implementation	**c**	commands and instructions
$\mathbf{R_{n,u}}$	anticipated and unanticipated results	**a**	actions
		i	information

A structural model of linear, straight-line decision making. (Friedmann 1987, 181).

Consequently, what is needed in planning is a new way of thinking about how planning ought to deal with and approach a problem. It requires that planning think laterally and holistically about problems rather than solely in a linear and systematic fashion. It necessitates the recognition, as Jane Jacobs says, that planning problems are more than simple problems of one or two variables, but rather are the result of a network or system of interrelated factors. Above all, it requires that planning recognize that knowledge is embedded and validated in practice and in action rather than in continuous analysis and theory. Knowledge, as Feyerabend states is an ever-increasing ocean of alternatives and thus no view can ever be omitted; and as Friedmann notes, relevant knowledge is not objective and impersonal, but rather "is contextual, points to action, considers strategy, endeavours to reach an understanding of the present and near future, and is informed by specific social values" (1987, 394).

A theory of planning which is consistent with community and local economic development as well as a new systems view, is one which is based on experience and combines analysis, social vision, and strategic thinking with an intent to shape society as it absorbs new learning. It requires that planning as a profession and planners as professionals assume the responsibility for undertaking and implementing alternative solutions such as community or local economic development as opposed to primarily acting or reacting upon someone else's initiative. Above all, it requires that planning once again

become an agency and activity which is directed by and committed to goals and objectives and the process of learning by doing rather than one which is driven by formal rules and procedures, bureaucracy, hierarchy and linear, scientific thinking.

Similar to the equity and advocacy planning models, community and local economic development provides a ready vehicle for the movement of planning as a profession into a "transformative" practice. It does not necessitate that planning abandon entirely its traditional role and activities, but rather that it not be constrained and restricted to these activities for they are instilling on the profession a unitary perspective of the world, and a unitary way of thinking and practising; one which is increasingly coming under pressure to change. What it does necessitate, however, is that planning reclaim a philosophical sense of altruism in its ethics and its actions.

RECLAIMING ALTRUISM

Perhaps the foremost change required in planning by planners to embrace the theory, philosophy and practice of community and local economic development involves a change which sees planning in a wholly different light and the planner in a wholly different role.

The adoption of a more holistic view of systems, a social learning theory of practice, as well as the reordering of planning activity to one consistent with CED, involve normative rather than substantive changes in how the planner ought to act. They require shifts in: the way knowledge is viewed and used; the relationship between, and importance of, action and analysis; the ethical dimensions of planning; and the planner's own concept of self including personally held values and actions. Above all, they imply the adoption or reintroduction of an underlying set of principles and parameters expressed in human terms, which guide our behaviour and give meaning to our actions. In short, they imply a reclaiming on a personal and professional level, of a sense of altruism.

Community and local economic development embraces an ideology and practice which abandons the objective, scientifically-influenced and "detached" conception of the world and replaces it with one which maintains a strong commitment to human values, to nature and to living itself with an integral role for the individual and the community.

Planning, is a child of the Industrial Revolution, and, as one of the established institutions of industrial society has been shaped and molded by conventional industrial thinking. Planning, particularly institutionalized planning at the local level, is characterized in theory and practice by adherence to the scientific method, scientific analysis, and a commitment to rationality, factual knowledge, objectivity, and a value-free political neutrality. While rationality and the scientific method in itself are not guilty of the many problems facing planning and society at large, the manifest commitment to them is.

This is evident in the fact that planning has tended to become simply reactive and administrative in nature, consumed with justifying its existence in terms of a conceived "public interest," which, within a pluralist environment, is essentially a false altruism.[7] By serving a so-called public interest, planning has, unwittingly or wittingly, ended up serving and protecting the status quo, corporate capitalism, and conventional industrialism. Planning has become consumed with the growth ethic, unlimited expansion, and the belief that society can be perfected and problems alleviated through scientifically-based reform directed and managed from above.[8]

---

7 Micheal Vasu notes a number of conflicts between pluralism and planning in that pluralism emphasizes liberalism, a self-correcting society, and a variety of interests and interest groups. Planning in the traditional sense of rational, comprehensive planning, requires that law, choice, priorities, and moralities be imposed on society by the state or the planner with his notion of a collective public interest. These all violate pluralist ideology which envisions a society and system composed of interest groups which automatically produce equilibrium through the interaction of various self interests (Vasu 1979, 180).

8 Friedmann states that because planning is invariably integrated in the state apparatus, in essence serving corporate capitalism, it is incapable of coping with the crises of industrial capitalism and, "more often than not, the solutions it attempts to implement only make matters worse" (1987, 10).

Further, planning has lost the ability to think philosophically about its actions and its purpose. It has utilized technical rationality as a replacement for the personal involvement of the planner's self and the planner's own values in the solution of problems. In addition, and perhaps most detrimental to the profession, planning has been following instrumental values such as rationality and efficiency as ends in themselves rather than the means by which to achieve more humane goals and objectives.

What is needed in planning then, is a recognition that planning in its present, institutionalized form has served and continues to serve a limited range of special interests in society, principally government interests, development interests and those of the propertied classes. Its installation as a function of government has essentially resulted in it protecting the status quo through the alleviation and mediation of the problems of industrial capitalism principally through physical measures such as development control, zoning and land use planning. Planning has seldom challenged the status quo by inviting and initiating change, but has merely reacted to change, attempting to minimize its effects.

Planning must also recognize that its current practice and the theory upon which it is based does not and can not address the majority of problems which exist in society and affect the quality of life of our environments. While planning has addressed physical issues, it has only peripherally addressed or attempted to address the social, economic, and ecological dilemmas and problems in society. It is these problems which are at the forefront in urban and rural communities, and it is these problems which planning as a profession should be concerned with in order to stay relevant in the future.

Planning must regain the sense of "altruism" or "regard for others as a principle of action" which it can be seen to have possessed before it became institutionalized as a profession and accepted as a function of government.[9] However, reclaiming a sense of

[9] The overriding desire to improve the quality of life, the health, and the living conditions in the Nineteenth Century, was the driving force behind town planning as a movement both in Europe and

altruism within the planning profession requires more than just a redefinition of a new public interest. It requires a recognition that the individual and society are interrelated: the one helps to define and sustain the other.[10] Further, reclaiming altruism requires changes in the role and function of planners, the reintegration of knowledge with values, and the adoption of a holistic philosophy with which to guide and measure planning actions, as well as a sense of stewardship to guide planning activity:

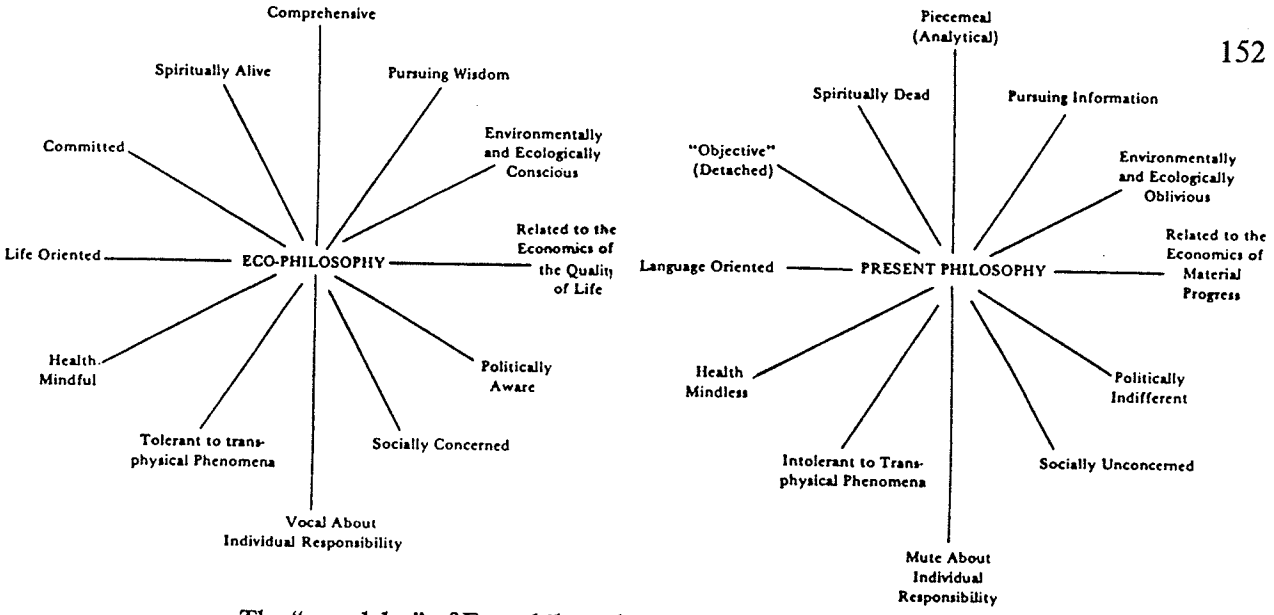
> We now understand that we do not know what we need to know to make the world what we want it to be. We should feel our way into many futures, with special attention to the worthiness of what we do now, especially with respect to what we want to avoid...Planning for the future means going from a control to a learning mode (Solnit 1988, 11)

Reintegrating Knowledge with Values

Skolimowski states that the quest for scientific explanations and the growth in importance of the physical sciences, including planning, coincided with and took place in the context of a decline in the importance of human values. Our vast store of knowledge, he says, has been accumulated at the expense of human values. In order to assure the survival of humanity, the reintegration of knowledge and values must take place, as we cannot begin to cope with the plethora of problems existing at present until we arrive at a stage in which our knowledge matters to us as human beings and until our knowledge is again intertwined with intrinsic human values. This does not merely imply the acquisition of pieces of knowledge from eastern or traditional societies and cultures to "append" to our existing knowledge. Rather, it requires changes in the structure of our knowledge, our thinking, and in the structure of our mind leading to a healing of the value-knowledge split and an "Eco-philosophy" with which to guide our actions (1981, 18).

North America. This desire instilled in the profession an ideology which was beyond Left and Right, incorporating elements of each, driven only by a concern for quality of life and an intent for widespread and radical change in the status quo. It is this concern for quality of life, widespread change, and desire for individual and collective well-being both economically and socially (also beyond traditional definitions of Left and Right), which are the driving forces behind community and local economic development as well.

10 This statement is from Friedmann who wrote in 1959 that the belief in the dichotomy between the individual and society, where the "social good" necessarily requires the suppression of individual (or planetary) rights in the interest of the larger collectivity is not only false but results in wrong conclusions and actions. The social good must include the claims of the individual or the planet for that matter, and the balancing of these interests is a (planning) responsibility that cannot be shirked (Friedmann 1959, 335).



The "mandalas" of Eco-philosophy and conventional industrial philosophy (Skolimowski 1981, 30-31)

The emphasis in planning on technical rationality and technical virtuosity has come at the expense of basic human values and professional ethics in much of planning activity. Planning follows very closely the mandala of present "industrial" philosophy illustrated above, and has cherished, indeed even relished in, the belief that it maintains a value free and politically neutral position in the pursuit of its activities. In the process, planning has substituted analysis for action, knowledge for values, and objectivity or neutrality for involvement believing this to the be the proper course for problem solving. However, as Friedmann and Hudson state:

> The problem is not a matter of uncertainty about the ways things are, but the certainty that current knowledge...will misstate the conditions of tomorrow. The problem is not to be solved by greater computer capacity to augment our brainpower, because the difficulty is not purely one of intelligence (1974, 8).

The difficulty in planning is that knowledge, analysis and technical virtuosity alone are not enough to solve modern dilemmas, and in many instances make matters worse. Further, we are not and cannot be value free; and the values which we hold continually influence and affect our actions, our thinking and our behaviour whether personal or professional, and all have inherent moral and ethical implications. Consequently, planning practice must look at and redefine what motivates planners, and the norms and values which shape and direct planning actions and decisions.[11]

---

11 The problems which planning faces in defining itself today, exist for individuals and for modern

Skolimowski suggests three imperatives which reintegrate knowledge with values and have the ability to provide meaning and direction in human terms, to our lives whether personal or professional. The first is the recognition and acceptance that humans possess an innate desire to improve, perfect and transcend our condition and this is inherently woven into the fabric of life and into our very being. However, with this innate desire must come two additional imperatives: a regard and concern for the sanctity of human life, and a regard and concern for sustaining our ecological habitat (1981, 83). This is what Roszak refers to as the "rights of the person" and "the rights of the planet." Each must be treated as intrinsically held values and principles with which to guide our individual thoughts and actions, steer our desire to improve and perfect, and evolve a more self-conscious nature.

For planning, these imperatives and a sense of altruism can aid the profession in avoiding being confined to the very technical activity of administering only the physical environments of communities, and broaden its sphere of professional activity to include all the aspects: physical, social, economic, and ecological of a community's development. Indeed, planning seems to have retrenched from its involvement in a number of areas including social advocacy, equity, and even public participation and community organizing which it once maintained as an important part of its professional realm. Consequently, redefining the role and function of planning is a necessary part of reintegrating values with knowledge and reclaiming a sense of altruism.

Redefining the Role and Function of Planning

Robert A. Walker, in *The Planning Function in Urban Government,* wrote in 1940 that the scope of planning had not changed since the 1920's when the "orbit" of planning had grown to include most of the subjects (zoning, subdivision control, public works,

---

society as a whole according to Bookchin in *Remaking Society*. Socially, he says we live in desperate uncertainty about how people relate to each other, and we suffer not only as individuals from alienation and confusion about our goals and identities, but our entire society seems unclear about its own nature and direction (1989, 19).

transportation) with which planning remained preoccupied a decade later (1940, 27-41). Virtually the same statement can be made today about the subjects with which planning remains preoccupied. The broader and more complex problems of employment, economic development, poverty, and so on, still do not loom large in planning activity although they are the predominant problems in most communities.

Walker wrote that "the scope of city planning is properly as broad as the scope of city government...As urban government expands its sphere of activity into new fields, the activities of planning should be correspondingly expanded" (1940, 110-111). While local government can also be seen to be remiss in addressing a number of the crises and problems for which it is responsible, the point is that there is very little in the activities of communities which is or should be beyond the scope of planning. Planning has always implied a term of broad significance and a holistic approach of addressing and resolving issues. Consequently, as a professional activity, planning and planners should be concerned with local activity in the fullest possible sense.

This does not mean abandonment of traditional planning activities, but the recognition of the limitation of these activities within the overall social and economic environment of a community. This extension of planning does not require that planning assume total responsibility and control over all areas of a community's development physical, social, economic or otherwise. Rather, it requires that planning be a part of potential solutions and be informed of alternatives and alternative approaches; facilitating initiatives wherever possible, and where initiative is lacking, undertaking the implementation of alternatives.

The Role of the Planner

In addition to a broadened scope of the planning function, a redefinition and decidedly larger (both in terms of of activity and importance) role for the planner in society

is also needed. In spite of the number of different roles which might exist in planning, as a profession it is characterized (and constrained) by the dominance of a single role perspective. It is a role which is predominantly technical and advisory, reactive and regulatory, and without a great deal of initiative, commitment and progressiveness. It is a role based on the belief in long range, scientific analysis and planning concerned primarily with physical and technical "reform" administered and implemented from the top down rather than from the grassroots up.[12]

What is needed in planning is the adoption and adherence to a role which avoids a narrow definition of technician, advocate or expert. It is a role which assumes, at various times, a multitude of characteristics and one which does not get caught up in the dilemma over the particular responsibility or jurisdiction which planning and a planner should be concerned with. Rather, it holds a professional responsibility to his client, and for much of planning, that client is the public at large, and the entire plurality of interests of that public and not some conception of a single, unitary public interest. In a such a role, nothing conceivably should be beyond the scope and realm of planning thought and practice in the attainment and achievement of the goals and objectives of its client.

David Eversley in *The Role of the Professional Planner* says that the planner can no longer claim to not know, play a neutral role, or manifest injustice in society. The planner must adopt the professional ethics of traditional professions (doctors, lawyers, priests), such that his/her first concerns become the health, rights, and spirit of the community. The scientific techniques and methods of planners cannot be substituted for judgement, nor can planners operate in a value free atmosphere. The planner must have objectives which will have a political and subjective component as well as a reasonably value-free or technical

---

12 Tom Gunton in *The Role of the Professional Planner*, outlines a number of roles for planners including: policy expert, technician, public servant, referee, advocate, bureaucrat, social learner and social reformer, all of which, he says fail to derive or depict an acceptable role definition for planning as a profession. This failure, Gunton adds, should be viewed as positive as it "helps to guard against narrowed vision caused by the dominance of a single role perspective" (1984, 399).

component. The task of the planner is to "present the issues which arise in any given situation; to present the options which are open and feasible; and advise on the consequences as far as they can be foreseen" (1973, 101-124).

Such a role once again requires that planning go far beyond the scope of traditional planning activities and employ methods, techniques and options different from those traditionally used. It requires that planning and planners occupy themselves more effectively with the real "ills" affecting and plaguing society. To this extent, Eversley says, the planner is on the side of the well-being of the community as whole.[13]

The Notion of Stewardship

Accompanying a sense of altruism as a principle of action and an expanded concept of the role and function of planning is the notion of stewardship which sees planning and the planner as one of very few professions which are "protectors" or guardians within society responsible for and capable of improving the quality of life in society through the proper utilization of knowledge, power, intermediation and creative transformation.

Stewardship implies care, prudence and careful management. It requires a recognition that we are here: "not to govern or exploit, but to maintain, and to creatively transform" (Skolimowski 1981, 54). In community and local economic development, the notion of stewardship implies a commitment to the underlying philosophy behind CED and a commitment to the process of local economic development and its various stages and steps as being a long term process of community evaluation, discovery and ultimately,

---

13 Essentially, Eversley states a fourfold role for planning and planners: 1) facilitate and implement the declared political objectives of his political masters; 2) avoid the undesirable side-effects which these objectives and some kinds of improvements inevitably produce; 3) identify those areas of need which have not found an articulate and well-connected spokesman; and 4) decide on priorities between the many conflicting needs which exist in society (1973, 220). It is the latter two responsibilities in which planning has been particularly negligent and which are the source for much of the present crisis in planning and much of the present opposition or ambivalence to planning. It is also the latter two responsibilities which community and local economic development address, thus offering a significant opportunity for planning assume a greater role in affecting, for the better, the quality of life in society.

development. As well, it means a willingness to relinquish control yet focus on guiding, facilitating, educating and providing a sense of direction for others in order that individuals and communities learn to provide and initiate for themselves.

Planning has always been consumed with the desire to be able to predict outcomes, and has always tended to take a paternalistic role by controlling and taking over initiatives in order to ensure an "end" or physical symbol of achievement and progress. In the process, planning has often created dependencies in communities and neighbourhoods which have eventually resulted in the long term demise of initiative and activity. This dependency creation and desire to control outcomes conflicts with the very purpose of local and community economic development. What is needed from planning is not control, but initiative, responsibility and stewardship for the following:

- A focus on the structural problems of society viewed in a global context including class domination, resource degradation, impoverishment, and alienation.
- A critical interpretation of existing reality, emphasizing those relations that reproduce the above problems.
- A historical, forward-looking perspective charting the probable future course of the problem.
- Images of a preferred outcome based on an emancipatory practice.
- Suggestions of a "best" strategy for overcoming the structural problems and the established powers in the realization of desired outcomes.
(Friedmann 1987, 389)

REORDERING PLANNING ACTIVITY

The last major component necessary for planning to embrace community and local economic development is a reordered planning practice. The adoption of a new systems view and the reclaiming of a sense of altruism must be translated into and take place within the context of a reordered planning practice.

The planner in the community and local economic development context is no doubt an informed, technically competent and integrative facilitator and resource person (to which planners are accustomed); but he is also required to be much more. He is at once a facilitator, animator, educator and initiator combining a balance of small group dynamics,

interpersonal relations, and community animation and mobilization in order to:

> Assist the community to understand the signals which it is receiving, harness their energies and articulate development goals and objectives, avoid confusing symptoms and causes, determine their competitive strengths and weaknesses, and channel their resources into a broad based participatory initiative (Douglas 1989, 42).

As such, the planner in local and community economic development is often the principle channel and catalyst enabling a community to begin to undertake the process of local economic development. He or she is the bridge by which a community succeeds in moving from where it is to where it would like to be. Consequently, it is essential that the planner recognize the importance of his or her role and the importance of playing a number of different roles in the context of CED. Perhaps the three most important roles planning plays in the local economic development context are empowering, educational, and entrepreneurial roles. Each is essential and each requires substantially different practices and activities from those of traditional planning.[14]

The planner acts as "emancipator" in the sense of empowering communities to learn to provide for themselves. Through the process of organization, examining resources, establishing goals and objectives, and developing strategies, communities can discover the extent of their own resources and realize their ability to reclaim a degree of control whether economic, social or political over their future. This increased freedom from the reliance and dependence on outside forces is an essential measure of real "development" and is a major goal of all local economic development.

The role of the planner in empowering communities requires that planning go beyond its traditional scope of activities:

> The practice to which their work relates is focused on the familiar problems of people's livelihood - jobs, housing, and providing for themselves. It may be concerned with organizing alternative services for specific sectors of the population, such as children,

14 This involves, to a large extent, what Scott Peck in *A Different Drum,* refers to as community making and community building; recognizing the various stages and dynamics of community and facilitating, guiding and directing a group through these stages to reach full "community." An illustration of the empowering, educational and entrepreneurial roles as well as the host of interpersonal relations, small group dynamics, and community animation and mobilization skills required in the practice of an economic development officer is given in Appendix Four.

> adolescents, old people, and immigrants for whose needs neither the state or the corporate economy makes adequate provision. It may also work to protect or restore the built environment - the places people call home...Or it may address more general issues such as war and peace, nuclear power, and the preservation of the natural environment for future generations. In one form or another, these are all emancipatory practices that seek to create a space for the collective self-production of life that lies beyond bureaucracy, the profit motive, unlimited growth, or corporate giantism (Friedmann 1987, 392).

The empowering role in local economic development is accompanied by an educational role as well, for learning, education and self knowledge are all essential elements in the process of empowerment and increasing self reliance. Consequently, the planner is required to act as an adult educator in the sense of detailing and explaining the process of local economic development as well as the theory behind it, all of which differ greatly from conventional conceptions of economic development.

While the planner and the planning profession have a responsibility to educate itself of the changes and shifts taking place in society, they must also take part in the education of society. In local economic development, planners have a significant educational role in expanding people's horizon of possibilities, relating pertinent experiences and discovering ways to broaden collective efforts:

> Through workshops and other means, they impart relevant knowledge...they assist households in organizing themselves...they assist them with the establishment of workshops for self-production or community ownership...they help to channel appropriate information such as impending legislative struggles, they help to network local struggles with related efforts elsewhere; they offer their grantsmanship skills to obtain outside funding (Friedmann 1987, 398).

Finally, we have seen that entrepreneurism plays an important part in the local economic development process because it is "the premier expression of resilience, creativity and initiative taking...providing a community, a nation, or all human society with what it needs to survive and prosper" (Shapero 1984, 39). As such, entrepreneurship is an important dynamic in the local economic development process, and since it is a relatively uncharted phenomenon, it is essential for planning and planners to understand the concept of entrepreneurism and the elements surrounding it.

This implies planning and planners study firsthand what it means to be entrepreneurial, the conditions which are favourable to entrepreneurial development, and the reasons for entrepreneurial failure. Generally, it is important for planners to discover why some communities (and individuals) are entrepreneurial and why some are not, and what it takes to instill the entrepreneurial dynamic in communities and among individuals.

Further, entrepreneurism implies a host of individual and personal qualities which are essential for planners to not only understand the entrepreneurial dynamic, but for planners to also strive for in their own planning practice. Such qualities include:

- Perseverance
- Desire and willingness to take the initiative
- Self-reliant
- Willingness to take risks
- Versatility
- Innovativeness
- Self-confidence
- Competitiveness
- A strong need to achieve
- High level of energy
- Desire to create

(Jennings 1985, 25) [15]

There are two additional elements in a reordered planning practice with community economic development in mind. These are the need for strategic planning and the need for a new vocabulary.[16]

The Need for Strategic and Contingency Planning

The starting point for community and local economic development is almost always a concrete problem or crisis: a plant closure or relocation, physical deterioration, declining

---

15 Some of these qualities, such as competitiveness, seem to conflict with many of the more humanist qualities and elements which are integral to CED including cooperation, altruism, and so on. However, it is essential for the success of local and community economic development that individual and entrepreneurial qualities be encouraged along with, and in the context of, community, cooperation, etc. Further, this is the role of the planner or economic development officer: mediating or combining individualism and capitalism with community to form a new breed of entrepreneur and entrepreneurism. Interestingly, the abilities and qualities cited by the same source as being least important for success include: the ability to lead effectively; a strong desire for organization; and a need for power or control, and can be said to be characteristic of the majority of professional planning and conventional business.

16 It is important to note that within an expanded role for planners, encompassing entrepreneurial and educational roles, and requiring that planners go beyond traditional activities, the planner can never provide all the skills necessary in the course of the local economic development process. This would not be particularly desirable either, as it would likely result in a dependency creation of some sort which as we have seen, can be potentially destructive. What is important is that the planner recognize where a particular need or skill can be accessed and transferred, if he/she cannot provide it.

population, institutional neglect, etc. In essence, CED and local economic development is a strategic response and action to specific problems and crises, employing tactics and underlying theory based on a set of values and principles which direct and guide the actions and alternatives it implements.

Consequently, community and local economic development requires a planning which is strategic and contingency-oriented in nature as opposed to the synoptic or comprehensive planning which remains the norm in the majority of planning practice including local planning.[17]

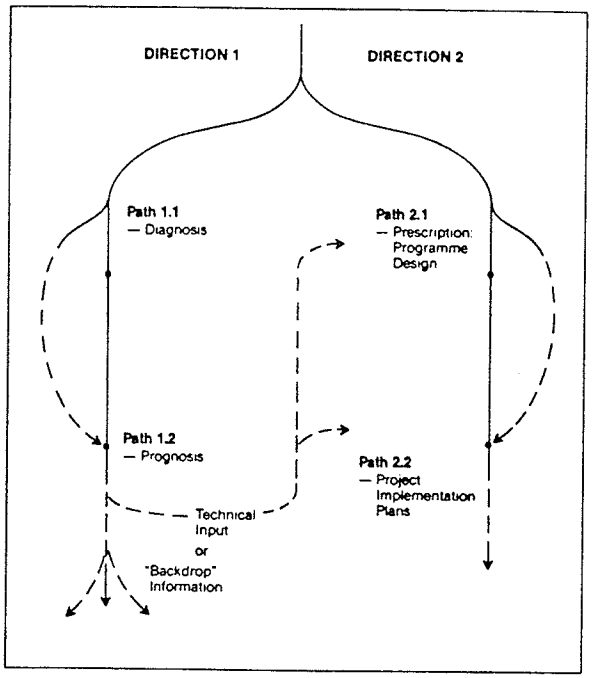
Synoptic planning is often area-wide planning, serving broad, generalized goals and objectives such as "achieving the public interest" or performing a "social welfare function," with little further delineation either into specific areas or specific goals. It is usually prescriptive in nature, outlining desirable or ideal alternatives, and is the result of extensive research and analysis. The resulting plans tend to be very general, inconsistent, lacking substantial support and serious resource commitment with very little attention paid to implementation and action (Mazilia 1985, 17, 25).

Strategic and contingency planning focus instead on responses to specific events, the addressing of specific problems, and the implementation of specific actions. Strategic and contingency planning avoid potential problems and delays of value conflicts and goal consensus, and concentrate on developing feasible rather than desired alternatives in an attempt to solve and prevent specific dilemmas.

---

17 Contingency planning implies developing preventative solutions as well as prescriptive policies; examining or understanding the external environment and anticipating rather than attempting to forecast future events. It is proactive rather than reactive with a realization that a dilemma or problem is both a threat and opportunity requiring action above all, and not analysis. Strategic planning implies an emphasis on direct action and initiative towards specific aims and the accomplishment of specific objectives. In general, in both strategic and contingency planning, implementation is crucial and the principal emphasis is on action (Mazilia 1985, 17-20).

This does not mean abandoning analysis or the planning process. Devising a successful strategy requires that one: be well grounded in the relevant technical information; be aware of the major constraints on choices and what it would take to overcome these constraints; have a clear sense of political options and the costs and benefits of alternatives; and be continuously informed of the consequences, contingencies, and changes in conditions (Friedmann 1987, 401). Consequently, it means focusing analysis and the planning process towards action and activity.



Community Economic Development Process: Directions and Paths
(Douglas 1989, 35)

The first direction detailed above is a typically analytical direction and diagnostic approach in which a problem is systematically analysed in order to discover its root causes with courses of action or the second path leading directly from the first. The second direction moves immediately into priority components and initiatives and the design of specific projects. Formal or informal background research is not totally abandoned, but streamlined, with the major thrust on implementation and action, as opposed to analysis.

Strategic and contingency planning requires, to a much greater degree than is currently the norm in planning, a degree of transactiveness, interactiveness and mutual dialogue among all the relevant parties involved in a particular strategy. It requires a great degree of flexibility, change and speed in decision making and activity which is markedly different from the linear and procedural processes with which planning is accustomed to. In addition, it requires that planning assume at times a share of risk while at the same time, giving up control over activities: "resources must be allocated both to activities over which the planner has no control, and to activities for supporting, enticing, and cajoling others to act compatibly" (Mazilia 1985, 29).

Finally, strategic and contingency-oriented planning requires a significant shift in both the attitude and activity of planning and planners, in the way planners think and in the way they act. Although the elements of strategic and contingency planning are not foreign to the profession, they are not currently the norm, and indeed require significant changes from current planning norms such as comprehensiveness, paternalism, linear and systematic thinking, and the emphasis on analysis, study and prescription.

The Need for a New Vocabulary

Perhaps the most immediate change necessary for planning to embrace community and local economic development, is the adoption of a new language and new vocabulary:

> Language can be used to transmit information, but it also serves many other purposes: to establish relations among people, to express or clarify thought, for play, for creative mental activity, to gain understanding, and so on (Chomsky 1979, 88).

It follows then that a new language and vocabulary is necessary in planning for a variety of reasons. First, for an understanding of the present changes and shifts, both economic and social, and societal and individual, which are occurring in society. Second, a new language would enable the introduction or reintroduction of a new set of values into the profession which are sympathetic to the growing societal concerns about present and future trends, and a new "mindset" about development, economics, the role of the planner,

and so on. Finally, a new vocabulary would facilitate the adoption of a new sets of skills, techniques and qualities to allow planning and planners to stay relevant, address and approach the current problems of today, and embrace alternative theory and practice such as that of community and local economic development:

David Eversley in *The Role of the Planner in Society,* states that in its effort to create order out of chaos, make complex sets of behavior intelligible, and provide guidance in the organizing and planning of communities, planning and the role of the planner has been preoccupied with a number of "techniques" aimed at understanding society. These have attempted to: apply the rules of science and a vocabulary based on false analogies to human society; reduce the varieties of human behavior to a number of small enough to be handled mathematically and statistically and enable them to be assimilated into models; and use deductive processes rather than inductive ones which would have had to be based on observation and experiment. All of these, he argues, has served to widen the gap between the planners and the planned, between the new technicians and the average planner, between the planners and their political masters, and most significantly, between the profession as a whole and the community it is supposed to serve (1973, 112-125).[18]

The development of a new language for planning is crucial for the profession to understand the nature and implications of the changes, shifts and restructurings occurring in present society and reduce the "gap" between planning, the planner and the community which they are supposed to serve. Planning and planners must have a clear understanding of the elements of the new structure which is presently unfolding. The emergence of an ecological ethic, the rise of minority and community power, individual and collective empowerment, and the decline of industrialism and the scientific way of conceiving of the world, are all exerting a tremendous influence on society and the planning profession itself, even traditional or conventional planning. Developments and designs, policies and plans

---

18 This is reiterated by Schon who states that the model of technical rationality has served to "mystify" professional knowledge and technical expertise to the extent that professions have become vehicles for the preemption of socially legitimate knowledge in the interest of social control (1983, 289).

will all have to reflect the trends of long term impermanent employment, concern about environmental quality, the global interdependence of economies, concern for individual and societal rights, and the increasing inability of traditional institutional arrangements and traditional methods and models in dealing with the most serious problems of society.

A new planning language and vocabulary would involve and necessitate recognition and understanding of a number of concepts such as self-reliance, sustainable development, empowerment, holism, appropriate and human scale, the informal economy, and so on. These concepts are not only integral to community and local economic development, but they are gaining widespread recognition in all facets of society, and are becoming major concerns for everyone.

Further, the planning profession itself must undergo a reconceptualization of a number of its basic tenets regarding growth, development, progress, change, the public interest, and so on. Planning and planners must incorporate a new mindset which outgrows the growth ethic, and expands the traditional realm of planning to take into account issues of quality of life, empowerment, self-help, and decentralization. Accompanying this mindset must be a view of planning as people-based, and a refocusing on normative issues in planning rather than substantive or procedural issues.

Overall, a new planning language and vocabulary must link into a number of purposes including the education of planners and the profession itself, and the education of society. Planning has a responsibility to keep abreast of the changes and shifts occurring in society and relate these changes and shifts to its own theory and practice. In addition to aiding the understanding of the changes and shifts occurring in society and the planning profession and thus the need for new sets of planning values and tenets, a new language and vocabulary would also involve the adoption of skills and techniques which are vitally

important to community and local economic development and which are, for the most part, not currently formalized or articulated by any profession.[19]

Concomitant with the need for a new vocabulary is the need to instill and integrate new perspectives into formal planning education. Community and local economic development requires the introduction of a number of new skills and new theory to current planning curricula. Such new skills include a host of interpersonal and group dynamic skills, and facilitation skills as well as knowledge of economic development theory. While these are not particularly absent from planning education, they are not emphasized within the context of local economic development, and represent substantial imperatives for educational expansion and professional development (Douglas 1989, 42-43).

SUMMARY

Ultimately, the changes required for planning to embrace and adopt an alternative theory and practice such as that of community and local economic development imply fundamental changes in the way planning and planners view: the importance of action versus analysis; transformation versus the status quo; the role, scope and function of planning and the planner in society; and the nature of planning practice.

In addition, they require significant but not overwhelming changes in the planner's own concept of his role and his self, and the values, principles and intrinsic qualities which are important in our daily lives and which planning should be concerned with protecting. Underlying these changes are more practical changes in planning practice and activity and more academic changes in planning language and vocabulary. All are essential if planning is to break out of its traditional mold, a mold which is showing signs of distress, and

---

19 Such skills particularly include a host of group dynamic, interpersonal and community organization skills such as facilitation, animation, brainstorming and networking skills. As well, techniques for mobilizing resources, human, financial and physical are essential, as are communication, marketing and promotion skills. They are skills which Friedmann states mediate theory and practice, and skills which serve to break planning and planners out of their traditional modes of thinking and practice and embrace new ideas, new ideologies, and new practices.

embrace a theory and practice which is both responding to the dilemmas and problems of our post-industrial society, and offering alternative ways of living, thinking and acting for the future.

The adoption of a new, more holistic systems view, a reclaimed altruism, and a practice which is more educational, entrepreneurial and empowering in nature represents a substantial reordering for the planning profession. However, this does not suggest that such a reordering is completely academic or theoretical, as there are pertinent examples of planning reordering itself along similar lines and principles. Such examples include equity and advocacy planning, as well as the sustainable planning approach of Sudbury. The latter provides the best example of reordering in terms of local and community economic development, and it is useful here to reiterate the features of the Sudbury official plan to illustrate its "reordering" towards a principle of sustainable development:

- The Plan focuses upon four substantive areas of development: physical, economic, human and organizational in order to purposefully transform the City into a sustainable community; focusing upon thirty two critical problems facing the City, addressing them all simultaneously in an internally consistent manner in order to meet the single goal of creating a sustainable city within twenty years;
- It represents a deliberate effort at canvassing problem-mitigating approaches attempted elsewhere in North America and borrowing relevant ones for trial;
- It embodies an explicit recognition of quantitative decline and an effort to deal with it by emphasizing qualitative development through the initiation of structural improvements in the economy, society, environment and organizations;
- It consists of a two-track approach emphasizing both regulations and proactive steps to deal with the problem of quantitative decline; and represents a genuine effort at making regulations comprehensible and flexible with contingency provisions and options;
- It provides a clear emphasis upon the compelling need for partnership among the private, public and non-profit (informal) sectors of the economy in initiating projects;
- It represents a conscious effort at thinking globally and acting locally by viewing the City as part of the industrialized West which is undergoing transformation;
- It represents a conscious effort at examining the implications for city planning of the paradigm shift in global thought and beliefs and makes a concerted effort to plan in consonance with the emergent paradigm.
(City of Sudbury n.d., 8-9)

Equity and advocacy planning and the Sudbury example are significant for they illustrate that planning as a professional practice can embrace alternatives. These planning approaches realized that traditional planning models were not addressing the most pressing problems in cities, and in fact were irrelevant and incapable of dealing with such problems. Further, they worked within institutionalized planning to bring about a degree of social change through intervention and action. However, they did not abandon their traditional planning functions which continue to have a place in the existing urban-industrial system.

The reordering of planning in terms of its view of systems and its practice and the changes from prescriptive to transformative and from synoptic to strategic planning, as well as changes in the role, activity, language and vocabulary of planners all suggest a transformation in the qualities, nature and norms of the planning profession as it currently operates in society. They suggest, in many ways, a return to many of the ideals and qualities planning possessed when it first emerged as a profession: altruism, stewardship, transformative practice and forever learning. While these still remain a part of planning's paradigm or part of the foundation of beliefs and principles which underlie planning thought and action, they have often been superceded and undermined by the industrial or "Second Wave" environment and mindset which planning is an established part of.

Nonetheless, the changes are necessary for planning as there can be little doubt that the environment surrounding planning is changing, with or without the profession. However, the changes and imperatives necessary for a closer bridging of planning and community economic development are more personal than professional in nature. As such, they are well within the grasp of planning professionals. The question which remains is whether the profession as a whole, and planners in particular are willing to admit that change is in order and embrace alternative theory and alternative practice such as local and community economic development. Such an admission and reordering would shift the

emphasis and focus of planning away from technical virtuosity and rationality towards improving quality of life and, as Skolimowski states, towards "not just improving living conditions, but improving *living:*

> We must not blame everything on 'the system'....We must see ourselves as part of the equation. We must infuse ourselves with the spirit of innovation, inspiration, oneness with the environment and compassionate caring for others so that it shines through our designs...and the system is transformed in our acts of creative transcendence (1981, 105).

CONCLUSION

This thesis has attempted to provide an initial examination into the bridging of community economic development and planning by identifying the essential workings of CED and comparing these with the familiar workings of planning. The thesis began with a number of assumptions; the first being that fundamental change is occurring in both planning and industrial society, and community economic development represents a valid alternative to approaching the problems and dilemmas associated with the latter. Thus, CED presents an opportunity for planning to address a number of its dilemmas in addition to taking a more active role in addressing the most pressing problems of society.

Secondly, the thesis assumed that CED and planning are separate and distinct activities, and the theory and practice of community and local economic development may run counter to or conflict with that of planning. However, it was also assumed that a complete paradigm shift in planing may not be necessary for it to embrace CED, and by examining both planning and community economic development in detail, we can compare and assess the possibility of bridging and integrating the best of each into a valid direction and practice for planning.

The thesis does not attempt to design a new planning model or advocate a wholesale paradigm shift for planning. Rather, it attempts to the lay the foundation for an exploration into a new direction for planning based on the principles and practices of community and local economic development. This does not, as we have seen, imply the complete abandonment of traditional planning theory and practice or the "paradigm" upon which that theory and practice is based. It does however, require a recognition that present planning theory and practice is based on a scientific, industrial conception of the world which has

emphasized rational analytic thinking, the scientific method, and the development of scientific knowledge and technological skills. It has also emphasized and influenced a particular way of thought, behavior and action in planning, one that is rational, linear, and based on scientific analysis, and one which characterizes much of present planning.

While a number of natural linkages and commonalities were observed between local economic development and planning, the two remain separate and distinct activities. CED embodies the concepts and principles of an emerging post-industrial society and ethic, whereas planning thought, theory and practice is very much rooted in industrialism. Further, planning has shown an almost historical aversion to changing from this position.

Consequently, a number of "reorderings" are necessary for planning to begin to orient itself towards a theory of practice consistent with community and local economic development. In many instances, these reorderings require only subtle changes in perception and perspective, but have fundamental implications when carried through to practice and individual activity. In addition, many of the reorderings require a return to a number of basic beliefs and values the planning profession held when its first emerged as a movement and discipline intent on improving quality of life.

The present problems and dilemmas and the future scenario for planning and the planning profession is not, however, the central issue. The opportunity to improve the quality of life in our towns and cities, and in the world in general, is. Community and local economic development provides this opportunity, a realization which is spreading across disciplinary boundaries and professional jurisdictions into communities of all types. The crucial question is whether professional planning can embrace CED and undergo the changes necessary for a genuine embracement as opposed to merely supporting or coopting community economic development into its traditional mindset and activities.

In spite of the differences between CED and planning, and the reorderings necessary for planning to genuinely embrace CED, the commonalities and shared features which exist between the two activities are significant enough to warrant a closer association. Perhaps the most significant finding of this inquiry is the discovery that it is the process inherent in both planning and community or local economic development which provides the major linkage and "bridging" element between planning and CED.

It is the process involved in local economic development which, in effect, makes CED a planning exercise. Similarly, it is the process by which planning operates (or is supposed to operate) which takes it beyond the physical and technical into all facets of a community's development: social, economic, cultural, and personal.

Both planning and local economic development are distinguished by their commitment to process. As well, it is the process by which each attempts to achieve goals and objectives which serves as a bridge, crossing disciplinary boundaries and professional jurisdictions, and encompassing a variety of roles, functions, activities and practices as well as a host of questions, issues, problems, and solutions.

As a result, planning and local economic development are inextricably linked in their theory and practice by their respective processes. The two also share common goals and objectives, common elements of practice and a similar arena, the local community, as the focus of their activity. Further, while we can certainly see that planning is in need of a practice and philosophy (such as that of CED) which enables it to transcend and advance beyond a number of its professional paradoxes, there is also a very real need for planning in CED. Community and local economic development faces the very real problem of being accosted and "institutionalized" by government and other agencies, as solely a "business style" stream of development as opposed to and at the expense of the "social change"

stream which is also an important aspect in CED (Williams 1988, 48-49; Clague 1989, 26-28). As such, CED requires an existing institution or profession, such as planning, which is capable of understanding both facets of the community and local economic development process, ensuring that one does not take precedence over the other.

However, planning itself, must undergo a number of reconceptualizations and reorderings before it can totally embrace community and local economic development. While much of planning operates within the prevailing ideology and praxis of industrialism held by government, private development and business, planning is not prevented from, and indeed is often adept at, exploring alternatives. Although it may require creative methods of practice and implementation, community and local economic development offers an alternative in a countless number of situations and environments for planners and the planning profession.

The previous chapter outlined a series of reorderings as a summary to the bridging of CED and planning, however, a number of further questions can be raised such as:

1) Why local or community economic development as the future for planning?
2) What are the most immediate steps and most pressing problems in transforming one's planning practice to one which embraces CED?
3) Can planning and the environment which surrounds it abandon the growth ethic and its penchant for control and initiate the community building and alternative development necessary for CED?
4) Is community and local economic development a valid alternative to conventional forms of development, or a fad?

In answer to these questions, economic development promises to be a key concern for communities of all types and sizes for the foreseeable future. Coupled with the concern for economic development, is a concern for the issues and ethics surrounding development such as: quality of life, the nature of work, sustainability, self-reliance, and human and environmental ecology. As a result, community and local economic development, its beliefs, values, principles and practices, figure to play a significant role both in the immediate present and the very near future as an alternative means of approaching and

thinking about economic development. This was the context and rationale behind the writing of this thesis, and the reason CED offers such a significant opportunity for planning.

The most immediate actions in transforming one's planning practice to that oriented towards CED would involve excursion beyond the traditional planning scene and familiarizing oneself, through language and literature, with the issues and concepts surrounding local economic development. Also essential is the need to network and interact with others in CED to gain a sense of where planning can play a role and what planning can do. Essentially it involves the exploration of alternatives and the journey out of the familiar setting of one's planning practice into new and additional areas of activity in order to facilitate the adoption of a different mindset and different perspective.

The remaining questions are difficult to answer. Perhaps the most pressing problem facing planning and any embracement of CED, is resistance to change and the fear of uncertainty, conflict and confusion in charting new courses of action and activity, from within the profession and from within planners. Whether planning and planners can effectively remove themselves from the prevailing ideology which they posses and work under, is a question whose answer cannot be foreseen. Further, many of the changes necessary for planning to embrace CED are very individual and personal in nature and thus go beyond merely professional reordering.

This thesis holds that community and local economic development is a valid alternative to conventional economic development as well as a valid alternative or addition to conventional planning practice and activity. There is a great deal of room for further study and exploration into the relationship between planning and community economic development, in particular the specific implications of CED concepts such as sustainability,

self reliance and empowerment on particular planning sectors: land use, neighbourhood revitalization, transportation, etc. Further, detailed case studies of the planning and local economic development process in communities would provide a practical insight into the dynamics surrounding the undertaking and implementing of local and community economic development by planners and planning as a profession.

As stated, the issue of city planning's future is not the central issue, but the ability and opportunity to improve our cities, our towns, and our quality of living. The opportunity for planning to take a step forward in this direction rests in its ability to reorder itself and bridge its theory and practice, its knowledge and action, with alternative theories and practices such as community and local economic development. Clearly, planning has to come clean about the philosophy and norms which it has been following and admit that they require transformation and change. It is hoped that this thesis will facilitate some explorations along these lines by individual planners, students of city planning, and the planning profession as a whole, in order that the profession and the planner continue to have a role to play in shaping our environments

APPENDIX ONE
Our Changing Assumptions: Examples of New Age Thinking

The shift in values mentioned by authors such as Capra and Ferguson as indicators of the emergence of a new world view and widespread personal and societal change, are illustrated in a host of changing assumptions which are representative of new age thinking. These assumptions cover a wide range of issues including politics, power, health, education, and economics, and are indicative of a new way of thinking about the relationships among man, society and the world at large. In general, they are illustrative of a new post-industrial "paradigm"; one which is often in direct contrast to the prevailing thoughts, values and attitudes of the present.[1]

Old Paradigm Thinking	New Age Thinking
Assumption of infinite resources, if something gets exhausted, we just move on.	Knowledge of limited resources; we cannot afford to exhaust our soil, resources and planet.
Nature, or the market will clear up the mess.	We have to take responsibility for the mess.
Humankind as conqueror of nature, exploitive view of resources.	We are part of a greater harmony of things in company with nature, emphasis on conservation and ecological sanity.
Competition is the natural condition between people.	Cooperation is also a natural condition.
Free competition will ensure that the best person or or business wins.	Free competition will ensure high unemployment, high pollution and an exhausted planet.
The quest for profit is the natural goal of business.	Profit is important in as far as a business needs to stay in business, but is not the only goal.
A business should always be seeking to increase its growth.	Growth is important at the right time and place, Sustainability in the long run is more important.
Private enterprise is the best way to do business.	Private enterprise is one way of doing business; cooperative and community businesses are others.
Material gain is the main way of getting ahead in life.	Material security is important for everyone. It is not necessarily important to "get ahead."
Money should be invested wherever the interest and dividends are the highest.	Money should be invested in a way which benefits the local economy and the planet as a whole.
Individuals can depend upon employers to provide work and a steady and secure job/career for life.	Individuals will need to learn to organize their own work patterns and develop confidence in their ability to change, learn new skills and find their own paths in life.

---

1 The listing of changing assumptions is taken from three works in particular: Ferguson (1980, 210-212, 246-248, 289-291); Dauncey (1985, 1-2); and Spekke (1975, 45-47).

Old Paradigm Thinking	New Age Thinking
Personal resourcefulness and enterprise viewed as potentially disruptive and generally unuseful.	Personal resourcefulness and enterprise viewed as essential qualities needed for the future.
Education seen as preparation for a steady job and career, geared to produce a large number of unskilled people without qualifications.	Education seen as a preparation for a lively, changing, and unpredictable life geared to develop everyone's ability to be self motivating and multi-skilled.
Training geared to a 'one trade per life' assumption.	Training seen as something that must be constantly available whenever it is needed.
Working life assumed to be steady and continuing on a weekly and yearly basis until retirement.	Working life assumed to be something marked by frequent change with a variety of working patterns.
Unemployment viewed as a temporary passing misfortune, or as personal laziness.	Unemployment viewed as a potentially highly useful period, away from full time work, and a chance to pause, rethink and redirect.
Local business viewed as being able to look after itself, and quietly looking after its own interests.	Local business viewed as a community asset, and as being in need of support, especially for start-ups.
Business skills viewed as something you are either born with or pick up from friends and relatives.	Business skills viewed as something that can be fostered and encouraged from school onwards.
The local community viewed as the place where you live between working hours.	The local community seen as a place where work, home, leisure and community life can intermingle.
The local economy and community viewed as being simply smaller versions of the national economy.	The local economy and community viewed as having a clear identity of its own, needing definite steps to look after its own future.
The future viewed basically as a simple continuation of the present.	The future viewed as unknown and uncertain, presenting us with a major opportunity to make changes appropriate to our needs and wishes.
Philosophy of universalism where abstraction has a higher reality than concrete things, and nominalism where society is merely an aggregate of individuals.	Philosophy of heterogeneity where what characterizes society is the nature of interrelations which the individuals develop among themselves.
Unity achieved by similarity, repetition and symmetry.	Unity achieved through a harmony of diverse elements and an avoidance of repetition, symmetry.
Diversity seen as source of conflict and uniformity seen as basic and desirable.	Diversity seen as enrichment, mutual beneficial and a necessity, uniformity seen as impoverishment and a decrease of resources and competition.
Political emphasis on programs, issues, platform, and manifestos.	Emphasis on perspective, resistance to rigid programs and schedules.
Institutionalization of help and services.	Encourages individual help, voluntarism as a complement (not replacement) to government role, and self-help, mutual help networks.
Impetus towards strong central government.	Decentralization of government wherever feasible, and horizontal distribution of power.

Old Paradigm Thinking	New Age Thinking
Change is imposed by authority.	Change grows out of consensus and/or is inspired by leadership.
Politics is party or issue oriented.	Politics is paradigm oriented, determined by worldview and perspective of reality.
Left versus Right.	Synthesis of conservative and liberal traditions, transcendence of old polarities and quarrels.
Choice between best interest of individual or community.	Self interest and community interest reciprocal.
Characterized by entrenched agencies, programs and departments.	Encourages experimentation, frequent evaluation, flexibility, ad hoc and self-terminating programs.
Professional emphasis on efficiency, specialization and emotional neutrality.	Professional emphasis on human values, integrated concern for the whole, with professional caring.
Emphasis on treatment and elimination of 'symptoms' of disability and disease.	Emphasis on patterns, causes, and achieving maximum wellness.
Body and mind are separate, mind is secondary factor in organic illness.	Bodymind perspective, mind is coequal factor in *all* illness.
Primary reliance on quantitative information.	Primary reliance on qualititative information.
Emphasis in education on content, acquiring a body of 'right' information.	Emphasis on how to learn, how to ask good questions, how to evaluate, importance of context.
Learning as a product, a destination.	Learning as a process, a journey.
Emphasis on external world; inner experience often considered inappropriate.	Inner experiences seen as the context for learning.
Emphasis on analytical, linear, left-brain thinking.	Augments left-brain rationality with holistic, non-linear and intuitive processes.
Primary reliance on theoretical, abstract and 'book' knowledge.	Theoretical and abstract knowledge complemented by experiment and experience.
Education seen as social necessity for a certain period of time to inculcate specific skills and specific roles.	Education seen as a lifelong process, one which is only tangentially related to schools.
Increasing reliance on technology and dehumanization.	Appropriate technology with human relationships of primary importance.

APPENDIX TWO
Vehicles of Local Economic Development

Local and community economic development relies upon a number of dynamics such as entrepreneurism, as well as a number of vehicles or tools with which to implement the local economic development process, and achieve specific goals and strategies such as increased self-reliance, improved entrepreneurial climate, and sustainable development. These vehicles include: community development corporations, collectives and cooperatives, community enterprises, business incubators, barter and local currency systems, business improvement areas and venture capital funds.

The Community Development Corporation

Community development corporations (CDC's) are often the principal organizational structures and formal entities which implement economic development strategies. CDC's are also referred as local development corporations (LDC's) and local development organizations (LDO's) and in essence are "tools that turn out more tools" including the ideas, businesses, services and organizations intended to meet the needs of a community (Kelly 1977, 2).

CDC's are flexible organizations able to be molded to meet specific local needs. They combine social purpose with economic realities and are usually tax-exempt incorporated structures pursuing a set of localized economic development goals and aims formed by and for a community's needs. While concerned with the well-being of the community, community development corporations operate strategically and tactically like a well run business and may take the form of non-profit or for-profit corporation, a federation, cooperative, or multipurpose corporation (Macleod 1986, 50; Malizia 1985, 60; ICMA 1985, 1)

However, CDC's share a number of basic attributes and characteristics including flexibility, strong and creative leadership, solid local support, adequate funding, and a committed dedicated staff. As well, community development corporations also share four other important traits:

- Their basic goal is community development and improvement through the use of economic resources
- CDC's are an attempt to develop an enabling structure to serve the community on a long term basis
- They wish to be autonomous and self-sustaining
- Above all, they are local, self-help movements based upon the history and traditions of particular groups of people.
  (Macleod 1986, 55).

The corporation aspect of community development corporations suggest economic activities which combine corporate and business expertise in a systematic way to achieve goals established not by an individual but by a community. Though the goals of local economic development are social and values-based, the techniques used to assure economic viability and achieve goals are similar to those used by all corporations.

Consequently, the structure of the CDC's is similar to that of other corporations in that there is a board of governors and a staff headed by a director or manager. In principle, the board of the CDC exists to express the interests and intentions of the local community while the staff is charged with the execution of the board's policies (Macleod 1986, 60).

In practice both must work together for the common intention of greater community welfare as the corporation does not exist to pursue the private economic goals of individuals. While the board is most often the entity which originally initiates the local economic development process, it represents community interests and must also monitor, suggest, and possibly initiate the activities of the corporation. Consequently, there is a level of technical expertise and a different type of voluntary activity required in the board. For example, lawyers, financiers, planners, etc., are all asked to contribute their particular skills and expertise to the organization within the overall context of the betterment of the community (Macleod 1986, 56).

Similarly, the staff and director of the community development corporation must go beyond merely their job description and share a vision of the local economy and community should best be developed. As well they must be committed to the long term, sustained development of the community, and must be prepared to undertake extensive community education and participation, including the education and self-development of the board (Malizia 1985, 60).

The close, symbiotic relationship between the CDC and those who work for it is just one aspect which distinguishes community development corporations from traditional corporations. Another significant difference is the notion of profit, which in the CDC is a means of measuring and ensuring efficiency and financial strength and a means to accomplish additional objectives. In traditional corporations, profit is an end in itself (Macleod 1986, 57). In general, CDC's differ from conventional corporations in their employment of new economic ideas and concern for qualitative, sustainable development.

Further, CDC's possess a flexibility which includes a willingness to experiment and an ability to learn from past mistakes, respond to changing circumstances, and seize opportunities when they arise. Projects and actions are continually reassessed and new ones are explored to discover the most suitable and beneficial mix of activities. As well, the CDC functions best as an initiator and facilitator of new projects and new developments on behalf of individuals, but will also undertake needed initiatives and enterprises on its own. In this way, the CDC is also much different from conventional economic development authorities and commissions.[1]

Capital and funding for CDC's are obtained from a variety of sources. While community development corporations are community owned, they are often dependent upon a wide range of public supports. As well, they do not hesitate to use traditional lines of credit and financing, or charge fair market rates for services rendered. Finally, they engage in a host economic as well as social projects in order to remain self-supporting (Ross and Usher 1986, 63).

One of the most important sources of funds is the sale of shares or membership contributions. Shares in the CDC are not like shares in other corporations as they are not

[1] The International City Management Association (ICMA) cites four major advantages of LDC's (local development corporations) in relation to purely government associated agencies and private sector corporations: 1) they can be fueled by a diversity of funding sources - member dues, foundation and corporate grants, individual contributions, in-house revenue, and government grants - which are important in generating start up capital, 2) the LDC can often be independent of many of the pragmatic and procedural requirement which slow down city economic development efforts, have more flexible and responsive services, projects, and activities, 3) the LDC can have a clearly defined mission and can pursue its goals without worry about competing with other departments and agencies, and 4) ideally, the LDC can have political independence and can become a special interest within the "politics" of local government decisions, as well, a non-profit corporation can attain "third party" status and successfully liaison between government and the private sector (ICMA 1985, 2).

regarded as an investment with a return on capital. They do not pay dividends in the form of financial benefits as the objective is to build up the community's economy, and they should not be set so high as to be a barrier to the involvement of any community member. In addition to providing capital to the CDC, shares and contributions by community residents is essential in order that individuals have a "stake" in their community and in the local economic development process (Alberta Tourism and Small Business 1981, 4-5).

The "output" of community development organizations is largely a combination of social and economic improvements as well as being a balance between projects which which financially marginal but socially beneficial and those which are commercially profitable. Social outputs include a variety of social and human services, recreational and athletic activities, and artistic and cultural pursuits which are provided without charge or at subsidized rates. Economic outputs can involve a variety of community owned businesses providing goods and services which are deemed necessary for the subsistence and future prosperity of the community, as well as activities which are commercially profitable thus allowing the corporation to continue its other non-financially profitable activities.[2]

Collectives and Cooperatives

Collectives and cooperatives can encompass a variety of business enterprises and take on a number of organizational types, however, they share a common feature in that they distribute surpluses or profits according to the degree of member participation or according to the certain needs of a particular community, and each retains a significant degree of responsiveness to the will of its members with each member having one vote.[3]

Collectives are privately owned by their members, but are distinguished from "group capitalism" by the strong sense of community which pervades the goals of the collective. Commercial profit is secondary, and while they may follow fairly traditional business practices and ventures, they then use their profits to outreach into the community supporting various groups, activities or initiatives. Collectives have a broad ownership base and decisions are taken collectively through a consensual approach. Funding is acquired through the sale of goods and services as opposed to public or private sector grants and donations (Ross and Usher 1986, 59-60).

Cooperatives are similar to collectives and offer a form of ownership which allows people to control their own livelihoods and express their own values. They are extremely important to CED as local cooperatives are very strongly rooted in the community and unlikely to "up and leave" and, because of their values, they rarely exploit their workers, customers, or pollute their environment. (Dauncey 1986, 10).

Cooperatives can take many forms, from small day care centres, housing coops, and cooperative ventures to very large cooperative complexes.[4] Ross and Usher distinguish

---

2 For example, the New dawn development corporation in Cape Breton pursues a wide variety of activities which are profitable and others which are aimed at improving the quality of life in the area. The corporation initially began by acquiring and developing real estate for housing at market rates. Once they acquired sizeable assets and income, New Dawn undertook construction of low income family housing. As well, the corporation has been involved in bringing dentists to the area, providing senior's housing and group homes as well as sponsoring a host of cultural, artistic, and recreational activities (Hanratty 1981, 5-11). More information on the activities of New Dawn and other community development corporations can be found in Macleod (1986), Erdmann, et al. (1985), and Wismer and Pell (1981).

3 Ross and Usher state that public legislation often defines the forms, practices and activities which collectives and cooperatives must adhere to in order to qualify for tax and other advantages (1986, 59).

4 The most cited example of a large cooperative model is Mondragon in Spain, which is a complex of

four basic forms of cooperatives which all follow the principles of cooperation, but differ in their various practices and activities.

The first form is a cooperative community which are often located in rural areas and in which members are dedicated to living their whole lives in a cooperative fashion.[5] The second form of cooperative is one which "sells" for its members. These are often called producers' or workers' cooperatives of which there are two types. The first type is essentially a marketing coop in which producers organize to retail their goods directly to the public, avoiding middlemen, and passing the savings on to the producers or consumers. The second type is a worker coop which replaces the employer-employee arrangement with the worker as owner as well. Management is drawn from the workers and decisions are reached only after the full participation of all the workers (Ross and Usher 1986, 60-61).

The third form of cooperative is that which "sells" to its members and is often called a consumers' coop. These coops generally buy commodities, buildings, services, etc. at reduced prices and pass the savings on to coop members.[6] The fourth form of cooperative is the credit union which, in effect, both sells to and for its members. It takes the savings of its members and lends some of it out to its members, thus providing a way of raising and keeping money within the community or association (Ross and Usher 1986, 61-62).

Community Organizations and Enterprises

Non-profit organizations and community enterprises are business organizations run by local people for social or educational purposes. While they trade and sell their output, generating profit and charging full prices are the primary goal. Because they are publicly owned, they are controlled in varying degrees by the community and are accountable through boards of directors, and so on. Typical community enterprises can include day cares, community centres, clinics, or any combination of services provided by a community development corporation. In each case, providing the service or developing a program and activity is the most important aspect, as opposed to realizing a profit (Dauncey 1986, 10; Ross and Usher 1986, 62-63).

Barter/Skills Exchange and Local Currencies

Barter and skill exchanges and local currencies represent innovative ways for individuals to trade with each other and receive needed goods and services without requiring normal currency or money. A skills exchange consists of people providing a number of hours of skilled or unskilled work to other members in return for an equal number of hours of other's skilled work.[7]

Barter can simply involve the mutual trading between individuals without using money, however, using barter, one would have to find someone interested in accepting what he has to trade before he can obtain what he needs. As a result, a variation of the barter system is local currency.

---

interlocking cooperatives founded in 1956. It now involves over 20,000 workers and has annual sales of over $1.5 billion (Dauncey 1986, 10). Details of Mondragon can be found in William and Kathleen Whyte's *Making Mondragon,* (New York: Cornell University, 1988).

5 An example of this type of cooperative is The Marquis Project, a cooperative farming community located near Brandon, Manitoba involving Pat Mooney, David McConkey and others. The project and individuals involved are profiled in *City Magazine,* Vol. 10, No. 2, Winter 1988, 10-18.

6 This form of cooperative would also include housing cooperatives and cooperative land banks in which access to housing or land ownership is enhanced through the pooling of capital.

7 This is the principle behind Habitat For Humanity which builds homes for low income families by using donated materials and skilled and unskilled labour in return for the family's participation and labour in the construction of additional homes.

Local currency essentially allows individuals to buy and sell using a currency which does not physically exist, but rather which exists only as a measure or means of recording a transaction. The rationale behind a local currency is simply that money is used as a store of wealth which no real inherent value. Thus if one has no money, it does not mean he/she has no wealth or value. A local currency allows people to buy and sell from each other, building up credits when they sell which can then be used to purchase other goods and services, or building up "commitment" when they purchase which will have to be repaid in some manner, by either providing a service or selling a good.[8]

The purpose and advantages of a local currency are to keep the flow of money within the community and prevent the export of its wealth, and to ensure that all in the community can participate in a local market regardless of the money or income they make by utilizing a means of exchange that is accessible to all (Ekins 1986, 197).

Business Incubators

Business incubators are mechanisms for fostering small business through the provision of low cost space, shared services such as secretary, financial and marketing services, and on-site technical and managerial assistance. This assistance and encouragement is provided only until such a time as the business has matured and can survive on its own (Investment Canada 1987, 2).

The goals of an incubator facility are: 1) to encourage the development of small businesses and enterprises; 2) to help businesses survive their first few years of start-up and operation; and 3) to promote faster growth of small businesses. It is a useful tool in job creation, economic revival and diversification, however, it can only survive and succeed where entrepreneurs, markets, and capital already exist as it cannot by itself bring them into existence (Investment Canada 1987, 3).

The structure of an incubator facility essentially involves a board of directors who typically establish the entry, exit and graduation criteria of prospective tenants. The key features of the incubator is the resource network which can be called upon to assist tenants in marketing, financial, legal, and technical aspects, and the seed capital which is available to assist businesses in starting up. Incubators have been housed in a variety of facilities and can include a variety of tenants although light manufacturing are most dominant (Investment Canada 1987, 4-5). A variation on the incubator principle has been used in a number of communities which purchase and provide space in order to attract needed services such as doctors, retail outlets, or other professional services.

Business Improvement Areas

Business Improvement Areas (BIA's) or Business Improvement Zones (BIZ's) are self-help mechanisms by which business people in an area can administer funds to improve the area and jointly promote their businesses. Essentially, a BIA involves an elected board representing a group of local businesses who have, under provincial legislation, agreed to impose a special levy or property tax on the commercial properties in a given area, for the improvement and rejuvenation of that area (Douglas 1989, 40).

---

8 This is the principle behind LETS, The Local Exchange Trading System which uses "green dollars" to keep track of individuals' commitment or credit. When someone wants to trade, they simply phone the person they wish to trade with, agree on a price, and then phone a central book-keeping system which records the respective credit and commitment. LETS often combines federal dollars and green dollars within a transaction, by requiring that a certain percentage of the price be in federal dollars for income or sales tax purposes and the remainder in green dollars. The system has been operating successfully for a few years in a number of British Columbia communities.

With the funding, the BIA can then undertake a number of activities including: promoting the area through group advertising and special events; preparing studies and design projects regarding marketing strategies, planning and streetscape enhancement; acquiring property within the area; and improving or maintaining municipal buildings or infrastructure in the area. While the BIA has proven a useful tool in organizing businesses and the business community, it has often been used principally as a vehicle for physical redevelopment such as tree planting, streetscaping and storefront improvements, in addition to some joint marketing and promotion, as opposed to broad based community and local economic development initiatives.

Venture Capital

Venture capital pools or networks are often integral vehicles for community economic development. Venture capital is essentially high-risk capital lent out to new or emerging businesses and initiatives which are otherwise denied capital from traditional sources such as banks. Lacking suitable assets or a proven "track-record," such businesses are unable to raise capital from conventional sources for start-up, expansion, or innovation.

As a result, venture capital pools and community loan funds enable businesses and initiatives to obtain at least part of the risk capital they need, or provide a degree of community collateral which enables them to borrow funds from banks and lending institutions. Such pools and loan funds are often established through the investments of local residents in addition to government grants, and provide low interest loans to small businesses, entrepreneurs, and social action groups for the purposes of establishing opportunities (Dauncey 1986, 7-19).

In addition, more advanced venture capital pools also provide step-by-step business expertise which aid entrepreneurs in establishing a business plan, marketing strategy, financial projections, and so on, in much the same manner as a business incubator. The benefits of such expertise and risk capital are significant enough to virtually reverse the 80% average failure rate for businesses in their first few years of operation to an 80%-90% success rate.[9]

In summary, the vehicles of community and local economic development share a number of common features such as their emphasis on cooperation, community and individualized, personal aid and assistance. In addition, short-term profit-making is one of the least emphasized goals. Rather, what is emphasized is start-up, initiative, innovation, and participation with an aim towards long-term security and sustainability, along with social and community responsibility.

---

9 The 80% average failure rate is a figure commonly used in the U.S. for businesses in the first three years of operation. Venture capital pools and networks such as the Briarpatch Network in the U.S., WEDCO in Minneapolis (Women's Economic Development Corporation, Local Enterprise Agencies in Britain, CCEC (Community Congress for Economic Change) in Vancouver, and Colville Investments in B.C., boast of 80%-90% success rates (Dauncey 1986, 18-19).

APPENDIX THREE
The Frameworks of Planning Theory

The difficulty in adequately defining planning as a singular activity with common theoretical elements underpinning and underlying its practice necessitates the employment of a framework to understand and categorize the body of knowledge constituting planning theory. And, while a suitable definition of "theory" is relatively easy to ascertain before examining planning theory, a definition of "planning" is not, nor is it particularly useful.[1] The definition of a type of planning often explains or leads to the theory behind its practice, and conversely, a given theory often results in a certain definition of planning.

While no singular definition can describe or circumscribe all that planning does, Gakenheimer provides a suitable definition of the planner and an initial starting point for examining planning theory: "The planner is defined by what he says he is, what the problems are, what his backlog of experience makes possible, and what current societal and governmental commitments say he has to be" (1967, 290).

Consequently any definition of planning is accompanied by diverse images as to the scope, issues, concerns, and activities with which it should be preoccupied, and equally diverse methods, procedures, and techniques it should employ. As a result of this diversity, Friedmann states at the beginning of his examination of planning theory:

> A comprehensive exploration of the terrain of planning theory must cull from all the relevant disciplines those elements that are central to an understanding of planning in the public domain. The theory of planning is an eclectic field (1987, 39).

Planning theory is distinguished by procedural and substantive theory, or theories <u>of</u> planning and theories <u>in</u> planning (Hightower 1969, Faludi 1973). The former concerns the process of planning, including its ideology, values, purposes and principles (Galloway and Mahayni, 1977) and is intended to describe or explain what planners do or should do (Darke, 1983). The latter substantive "theories in planning" deal with theories concerning phenomena with which planning os concerned (Hightower, 1969) including theories of the city, urbanization, sociology, economics, and so on (Bolan, 1974).

---

1 Theory can also be defined in a number of ways: as providing explanation (Faludi 1973, 1), as knowledge of broad applicability representing comprehension of the phenomenon or subject matter in question (Branch 1973, 1) or, as the confluence of human purposes and interests and array of activities which alter human affairs in accordance with some mutually agreed to, desired, or purposeful goal (Bolan 1974). Webster's dictionary provides several definitions of theory including: "the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame of reference for a field of inquiry," and, "the body of generalization and principles developed in association with practice in a field of activity and forming its content as an intellectual discipline (Cook 1969, 44). The latter definition is perhaps most relevant to the field of planning.

Synonymous with this distinction is the belief that procedural planning theory contains or forms the envelope to substantive theory (Faludi 1973), and the planning process is largely independent of the phenomena planned.[2]

The frameworks for understanding and categorizing planning theory for the most part adhere to this distinction between procedural and substantive theory. In addition, the majority of frameworks equate the whole of procedural planning theory with rationality and the rational planning paradigm.[3]

Such frameworks either exclude those traditions, theories, and movements in planning which lie outside the mainstream of planning theory (Friedmann and Hudson 1974)[4], or classify the host of planning theory into essentially two streams: those in agreement with the rational planning model or those in abandonment and in search for a new paradigm (Alexander 1984), otherwise referred to as those in the rationalist-scientist tradition and those in the reform-humanist tradition (Micheal 1974, Klosterman 1978, Albrecht and Lim 1986).

Other frameworks reflect actual planning practice and activity (Hudson 1979) or ignore the distinction between procedural and substantive theory altogether (Branch 1975).[5] Richard Bolan (1974) "maps" planning theory according to his complex concept of planning being composed of a thinking process and a social process with both a time-

---

2 This viewpoint is attributed to Melvin Webber by Galloway and Mahayni in "Planning Theory in Retrospect: The Process of Paradigm Change" *AIP Journal,* Volume 43. No. 1, Jan. 1977. Webber's actual quote can be found in "The Prospects For Policies Planning" in *The Urban Condition,* edited by Leonard J. Duhl (New York: Basic Books, 1963, p. 320.). Challenges to this view see procedural and substantive theory as interdependent with substantive theory holding the key to the development of procedural theory (Harris 1960, 272, as cited in Galloway and Mahayni 1977), making it impossible to divorce the social context of planning and the theories that planners hold from the internal procedures of planning practice (Paris, 1982).

3 Rationality and the rational planning model or paradigm is generally regarded to be defined best by Paul Davidoff and Thomas A. Reiner in "A Choice Theory of Planning" *JAIP,* Volume 28, No. 2, May 1962, pp. 103-115.

> Planning is the process for determining appropriate future action through a sequence of choices made at three levels: first the selection of ends and criteria, second the identification of a set of alternatives consistent with these general prescriptions, and the selection of a desired alternative, and third guidance of action toward determined ends.

Further, the rational paradigm is characterized by a scientifically inferable knowledge of the public interest, centrally controlled coordination of implementing agencies, as well as the rational foundation to planning and public management (Vasu 1979, 42-49, 178-180).

4 Friedmann and Hudson identified four major traditions in planning theory: rationalism (decision-making and how decisions are made), organization development (structure and behavior of organizations), empiricism (policy analysis and policy science), and philosophical synthesis of the outstanding contributions of other disciplines. By their own admission radical, utopian, and leftist traditions of planning were excluded (1974, 2-16).

5 Hudson maintains rational or "synoptic" planning as the dominant planning approach upon which four other schools of planning (incremental planning, transactive planning, advocacy planning, and radical planning) embark taking as their departure point the limitations of the rational approach (1979, 388). Branch offers a comprehensive textbook classification of planning theory into eleven self-explanatory categories: legacy, design, form, information, process, analysis, simulation, management, institution, environment, and emerging concepts (1975, 1-10).

cognitive perspective and a social perspective.[6] Mario Camhis (1979) examines planning theory in relation to the philosophy of science and two oppositions: rationalism vs. irrationalism and idealism versus materialism. Similarly, Roy Darke (1983) classifies planning theories according to their compatibility and relation to each other and their relation to the opposite and conflicting dimensions of subjectivity-objectivity, and social order (regulation) -social conflict (radical change).[7]

John Friedmann's framework in *Planning and the Public Domain* (1987) is more closely associated with the latter framework in that it classifies and examines planning theory in relation to the major intellectual traditions influencing planning, the underlying notions and beliefs these traditions possess regarding the role of planning in society, and the influence these traditions have had in the way in which planning and planners undertake their tasks, whatever these tasks may entail and wherever they may take place. While Friedmann incorporates many of the characteristics of previous frameworks, he avoids rigid categories and acknowledges a great deal of overlap between traditions. He does not separate procedural from substantive theory or exclude those traditions which have not had great influence in actual planning practice and activity.

Thus, Friedmann's framework for understanding planning theory covers the entire ideological spectrum from extreme conservatism to utopianism, socialism, and anarchism. At one extreme are the theorists and traditions who believe in the total affirmation of the state, express predominantly technical concerns, proclaim political neutrality, and whose principal role is in service to the state. The other extreme of the framework covers those traditions which are fundamentally opposed to the existing relationships between people, particularly the working class and the state or those in the power. In the centre, lie the traditions which are reformist in ideology, yet technical, efficient and largely scientific in practice. Together they form and define the territory of modern planning theory and the

---

6 The time-cognitive perspective attempts to discover and utilize ways of understanding the past and present, ways of imagining the future, and ways of achieving the future. Within the various "time" perspectives, the social perspectives attempts to look at and understand four levels of social relations: problem-solving and opportunity-seeking relations, cultural relations, institutional relations, and psychological and behavioral relations (Bolan 1974, 13-16).

7 Darke found the majority of planning theory to lie in the "objective-regulatory" quadrant with procedural or rational planning the extreme in this regard. Pragmatism and incrementalism as planning and policy making principles occupy the same sector as do theories concerned with effective action and policy implementation; all are inherently conservative, follow established principles, and reinforce existing values and beliefs. In addition, Darke states the realities of social and advocacy planning, particularly the difficulty in representing a plurality of interests, the remoteness of planners, and the inability of the disadvantaged to mobilize, undermine its efforts at subjective change and thus planners in this vein remain tied to the assumptions and principles of rationality. Theories lying outside the "objective" sphere but with the social order/social regulations sphere included organizational learning and phenomenology, both of which involve a more subjective examination of behavior and structures. The only two schools of thought lying outside the social order/social regulation sector were "political economy" and "new humanism." The former places planning in the broad context of political and governmental activity and objectively holds that social change will occur as a result of structural contradictions and divergences within capitalism. The latter sees change and a new social order occurring as a result of inter-personal relations with planning as an agent for the facilitation of small group relations (1983, 16-35).

variety of planning traditions which arose as the need for new solutions, new actors, and new conceptions of the state arose (Friedmann 1987, 53-54). [8]

Acknowledging that the realization of planning as a profession and practice did not occur until the late nineteenth and early twentieth centuries, Friedmann's framework encompasses approximately two hundred years of planning theory commencing in the late eighteenth century with the notion that scientifically based knowledge about society could be applied to society's improvement. Within this initial underlying assumption emerged differing and conflicting notions and theories of how this knowledge should be properly linked to action, how societal change should be brought about, and the role of the planner and planning in bringing about this change.

Consequently, Friedmann distinguishes four main "traditions" which, although not necessarily evident in practice, underlie and influence planning thought to this day. These traditions are: Social Reform, Policy Analysis, Social Learning, and Social Mobilization.

PLANNING AS SOCIAL REFORM

The Social Reform tradition, according to Friedmann, is the central tradition of planning theory with its origins forming the foundation for the entire spectrum of planning thought. The tradition commences with the belief that science and knowledge could be utilized and perfected towards the improvement of society. The three most influential theorists in this regard were Jeremy Bentham, Claude de Saint Simon, and Auguste Comte.

Bentham's utilitarianism principle established the belief that if society was to function properly it needed an organizing principle which measured every law, every institution according to its social usefulness. That principle, which John Stuart Mill and others refined into "utilitarianism," became the "greatest good of the greatest number," defining a conception of the public good and the public interest. Bentham's ideas were also picked up by Claude de Saint Simon regarded as the father of modern scientific planning, and transformed into a vision of society ruled by scientific principles with a decisive role for the state and in which scientists and engineers, in the service of society, consciously set out its future course of action according to a comprehensive plan (Friedmann 1987, 52).

Comte furthered Saint Simon's vision with his belief that human freedom lay in the submission to natural, scientifically established laws. It was the business of science to establish these facts and "immutable" laws, and the task of planners to guide and direct society, imposing order, systematization, and classification (Friedmann 1987, 69-71).

---

[8] Friedmann distinguishes "modern" from pre-19th Century planning which he calls "orthogonal" planning by stating the latter is primarily concerned with physical arrangement and design, particularly the rational Euclidean order of activities and spaces. It was intended for a static, hierarchical world and based on rules of procedures and experience passed on from master to apprentice. "Modern" planning is concerned with the full range of problems which arise in the public sphere. It takes place in a constantly changing and dynamic world and is derived from scientific and technical research in addition to the knowledge of experience (1987, 23- 24).

The Social Reform tradition of planning notes Friedmann, focuses on the role of the state in societal guidance and directing social progress, believing that industrial society, capitalism, and the status quo can be perfected through appropriate reforms. The powers of technical reason and scientific method being the means to both determine what is correct and forge the consensus needed for action. Planning is seen as a science chiefly concerned with making action by the state more effective through the provision of information, the application of reason, and the limitation of politics. The tradition's main vocabulary and legacy is derived from the sub-traditions of sociology and institutional economics (1987,76).

Sociology provided the belief in the application of the scientific method, which derived answers from systematic collection and research, to the study of human society and social behavior which had only previously been used in the natural sciences. Macrosociologists such as Durkheim, Weber and Mannheim furthered this into a belief in science's ability to provide a synthesis of all social knowledge and a method for the objective analysis of that knowledge in order to determine rational action. Durkheim insisted on the "comprehensiveness" of analysis; that the totality of social phenomena formed an entity which must be studied in its own right and not dissected or dissolved into individuals and particulars. Weber set forth conditions for the objective analysis and understanding of society which removed value judgements, personal intuition, and preference from social science as they had been from natural science; while Mannheim viewed planning as the rational control over the irrational. The irrational being the institutions of a free, unregulated market, mass behavior, and pseudo-democratic politics in which the "most powerful, most ruthless and least scrupulous elements could surface" (Friedmann 1987, 99-102; Rossides 1978, 292).

The influence of sociology and macrosociology on planning thought can be seen in the beliefs of Louis Wirth and the Chicago School. Wirth viewed rational, comprehensive planning as the prescription for the variety of social maladies which exist in cities as a result of their large size, high density, and heterogeneous population. These three characteristics of cities, he says, are instrumental in encouraging individuality, secularity, and impersonality or a new culture of "urbanism." A strong, rational concentration on regional or city-wide issues would transcend small-scale, localized social and policy problems and result in a collective consensus through a centralized, ordered, and regulative planning function without devolution of authority to neighbourhoods or community organizations and with the minimal participation of citizens in the contribution of the "goals" which planning should pursue (Smith 1979, Chapter 1).

The second major progenitor of the reformist tradition in planning was Institutional Economics. Unlike orthodox or neo-classical economics, Institutional Economics studied the existing economic and social institutions and their failures in relation to social purposes and reforms; viewing the market system and the forces of supply and demand, as being

part of and dependent upon an evolving social and political order. Institutional Economists wished to make economics more relevant to social problems employing it as an instrument of reform, distinguishing between right and wrong, production and exploitation, and replacing the utilitarian view of man with an interpretation based on the findings of social science (Adams 1980, 7; Seckler 1975, 1).

Planning in this context is also viewed as an instrument with which to achieve reform, it is seen as a better way of helping people attain affluence, freedom from immediate and compelling need, and greater collective control over their economic destinies. It was viewed as a liberating device mindful of the public interest leading toward a better life (Adams 1980, 13). As well, Friedmann notes, this conception of planning was consistent with Keynes' 1936 *General Theory* which advocated and legitimized a strong role for the state in three areas: economic growth, maintenance of full employment, and redistribution of income (1987, 76-77).

As such, the institutionalization of this type of planning was strongly advocated by theorists such as Walker, Altshuler, and Tugwell. Tugwell viewed planning as a directive force used in the public interest to achieve an elaborate vision of the future. He advocated that planning become a branch of executive government above petty politics, with autonomous and substantial authority to devise plans for "the whole" be it the national economy, the physical form of the city, or any other set of "interlocking social processes requiring societal guidance from the top" (Friedmann 1987, 109).

As a result, the Social Reform tradition, cites Friedmann, became enshrined into planning thought and universally associated and equated with planning. It established planning as a centralized, institutional function of government performed by technical experts for the purpose of guiding society, directing change and alleviating the problems associated with industrialization, urbanization, and capitalism. Reformers believed in the perfectibility of society through the application of science and reason, a collective public interest, and an objective, politically neutral, advisory function for planning. The embodiment of the tradition is the rational, comprehensive planning process and the master plan, which has subsequently undergone change in focus and scope, but essentially remains the dominant planning tool. The tradition addressed itself to the rulers of society, the state, and the institutions of the state. Reform was to be achieved from the top with a strong role for the state in providing policy and making decisions and a strong role for planning in producing scientific knowledge to inform and advise decision-making with a view towards rationality, democratic consensus and a collective public interest (Friedmann, 134-136).[9]

---

9 Also included in the Social Reform tradition by Friedmann are those theorists who suggest changes to the rational, comprehensive, synoptic, or master planning approach to make it more effective, less bureaucratic, more democratic, or more aligned to the prevailing power structure while maintaining the belief in the scientific method, objective analysis and top-down planning which characterize reformist planning. These include Perloff who calls for greater participation and democracy in the

PLANNING AS POLICY ANALYSIS

The Policy Analysis tradition is a product of the Social Reform tradition and occupies the extreme conservative dimension of Friedmann's framework; that dimension which is predominantly technical, proclaiming political neutrality, and which is primarily in service to the state.

The tradition has as its intellectual legacy the ideas and values of Bentham's utilitarianism as refined by John Stuart Mill and orthodox or neo-classical economics, as well as the legacy of public administration theory. From neo-classical economics come the values of individualism, supremacy of the market in the distribution of wealth and allocation of resources, and an inherent conservatism which Friedmann says is still indicative of policy analysis (Friedmann 1987, 79). From public administration theory came the belief in a politically neutral bureaucracy and the reconciliation of democratic control and professional administration through a distinction between "politics" and "administration." The former being the proper vehicle for the exercise of democracy with the latter being free from political interference (Waldo 1970, 64).

Policy analysis as a tradition of planning, Friedmann notes, originated in the period between the Great Depression and World War II and dominated in the turbulent 1950's, 1960's and early 1970's. Its rise, he adds, signalled the rise of a new professional class and technical "intelligentsia" and was heralded as a means of "keeping society on course through the application of technical reason." And while the tradition has a legacy of neo-classical theory the most extreme of which is best illustrated by Hayek's belief in the "invisible hand" and "unfettered market economy," Keynesian economics, as previously noted, legitimized an interventionist role for the state in the correction of market injustices and inefficiencies.[10] It is within this context that policy analysis emerged as a major planning tradition with an emphasis on ensuring the rationality of decisions and decision-making, particularly non-routine decisions and social problems. To handle such problems, the tradition developed an assortment of specialized, analytical skills and techniques including cybernetics, game theory, and information theory (Friedmann 1987, 54-55,137).

The Policy Analysis tradition outlined by Friedmann incorporates elements of public administration, welfare and social choice, policy science, and systems analysis. Early public administration theory brought a belief in a politically neutral bureaucracy and a belief

---

planning and goal-setting process to achieve consensus, and at the other extreme, Etzioni who rejects master planning in favour of a planning that is more "interwoven" with the agencies of control and power which guide societal processes and change. It also includes Popper and Lindblom who criticize the notion of the comprehensive reform of society as a whole on the basis of lack of available knowledge, in favour of piecemeal "social engineering" which seeks to remove and solve specific problems and incremental analysis and incremental planning as more practical and realistic methods of achieving results and making decisions (Friedmann 1987, 114-129).

10 Friedmann notes that Hayek rejected the scientific reason of social reformers and planners and believed they should be replaced by an unfettered market economy (1987, 6). A greater elaboration on Hayek and his beliefs regarding planning can be found in *Hayek* by Eamonn Butler, (London: Temple Smith Publishers, 1983).

in the ability to separate politics and administration. Later public administration theory became concerned with the conditions in large organizations and bureaucracies which limited rationality, the relation of planning to politics, and the functions of central planning. The most influential theorist in this regard according to Friedmann was Herbert Simon who emphasized synoptic, rational analysis and decision-making as the means of identifying the best possible course of action limited only by "bounded rationality" or the available knowledge of a given subject (Friedmann 1987, 78).

Welfare and Social Choice Theory, following in the wake of utilitarianism, neo-classical economics, Keynes' legitimization of state intervention, and Hayek's belief in the unregulated market mechanism, established a belief in an optimality of decision-making which benefits some but makes no one worse off (Pareto optimality). Further, through an analysis of social preferences (Social Choice), it was believed the very best of the "optimal" decisions can be found (Feldman 1980, 2-8).

Policy Science follows naturally with the above traditions particularly public administration theory by subjecting public policy decisions on specific issues to socio-economic analysis utilizing cost-benefit analysis, cost effectiveness analysis, zero budgeting, and project evaluation techniques to determine the "best," most rational, most efficient alternative (Friedmann 1987, 54).

Finally, Systems Analysis as derived from a variety of theorists provided the specialized technical skills and models with which to determine "optimal" decision-making and forecast future outcomes and results. Systems Analysis defined involves the separation of an entity, issue, or problem into its interrelated parts in order to discover their nature, proportion, function, and relationship to one another and to the entire system as a whole. It is concerned primarily with the method and methodology of study rather than the content, and defines and attacks a problem systematically in terms of objectives, alternatives, evaluation, selection, simulation. and feedback.[11]

The incorporation and substantiation of policy analysis as a discipline says Friedmann was the shared belief among all the sub-traditions that "the objective methods of science would and should be used to make policy decisions more rational and more rational decision making would improve the problem-solving ability of organizations (1987, 139).

Policy analysts were specialists and technicians in nature versed in neo-classical economics, statistics, mathematics and other sub-disciplines such as systems analysis, forecasting, cybernetics, and simulation modelling. They worked with a belief that they could calculate the "best" solution within a concept of "system" that holds reality as being quantitative, measurable, and capable of being reduced to component parts, inputs and

[11] A more detailed outline of the systematic planning process is found in Catanese and Steiss (1970, 35).

outputs, and feedback with a strong support of centralized control and planning from above (Friedmann 1987, 139-140).

However, Friedmann points out a number of problems and contradictions within the Policy Analysis tradition such as the belief in universal problem solving methods regardless of subject matter (although the more knowledge about the subject, the more rational the decision), problems in forecasting and modelling (the notion of causality and systems asserts that action sets in motion a complex web of other actions whose ultimate outcome is unforeseeable), "wicked" problems which defy optimal solution, and the lack of attention paid by the tradition to the effective implementation of decisions.[12]

These limitations, have resulted in the search and employment of theories of practice which move away from the straight-line decision-making of policy analysis towards action and implementation which is more in tradition with the social learning approach.[13]

PLANNING AS SOCIAL LEARNING

The Social Learning tradition is less a unified tradition than a theory of knowledge, epistemology, or style of practice. Its emphasis is on "learning by doing" insisting that knowledge is derived from experience and validated in practice. As such, the tradition represents a significant departure from the previous traditions of Social Reform and Policy Analysis in which scientifically generated knowledge is the foundation for social change (Friedmann 1987, 12-13).

Social Learning theorists believe that knowledge emerges from dialectical processes, conflicts, and is realized through new practical undertakings enriching existing theory with lessons drawn from experience. Learning represents a continuous process of action and change as opposed to the straight-line process of policy analysis. The immutable laws of rational scientific theorists are only one means of understanding the social world and the scientifically correct way of affecting change is through "social experimentation," careful observation of the results, and a willingness to admit error and learn from past experiences (Friedmann 1987, 81-82).

Unlike Policy Analysis which focuses on decisions, particularly anticipatory decision-making which first explores and evaluates alternative policies and courses of action, Social Learning begins and ends with action, not analysis. In addition, it

---

12 Authors cited by Friedmann as providing greater elaboration on the limitations of policy analysis include Allison 1971, Weiss 1977, Majone and Wildavsky 1979, and Pressman and Wildavsky 1979 (regarding implementation), Rittel and Webber 1973 (wicked problems), Morgenstern 1963, Lee 1973, and Meadows 1982 (forecasting).

13 This shift is best illustrated in Friedmann through the writings of Carol Weiss (1977) who suggests the major emphasis of policy analysis should not be to necessarily determine policy actions, but provide the intellectual background of concepts, operations and empirical facts to inform policy makers such that the gradual, cumulative effects can be to change the conventions of policymakers and reorder their insights, theories, and ways of looking at the world..

incorporates political strategy and tactics, existing theories of reality, and values which together constitute a social practice in which learning and practice are synonymous.

The progenitor of Social Learning theory was John Dewey whose philosophy of pragmatism emphasized getting things done through a learning by doing approach with an ardent belief in empirical science and the capability of man to shape his own fate. All valid knowledge according to Dewey, came from experience and through experience the world could not only be understood but could also be changed (Friedmann 1987, 189).

With each experimentation in practice, knowledge is consolidated and error eliminated and assertions and hypotheses deemed valid only if they succeed in giving guidance to help dispose or settle a problem. The true pragmatist must therefore let go of a hypothesis or theory the moment it loses its guiding ability or validity. Commitments, stakes, interests, fears of loss, and attachments are irrational impediments which must be overcome in a properly scientific approach. As a result, Dewey states skepticism becomes the mark of the educated mind and represents a bias against not only articles of older creeds, but any far-reaching ideas and systematic participation based on these ideas. In the context of a philosophy of experience, he says, the breakdown of traditional ideas is an opportunity for science and art to unite and be brought to bear upon human relations in general (Dewey 1930, 182 as reprinted in Kennedy 1950, 31).

Dewey's ideas, according to Friedmann influenced both conservative and radical factions. On the one hand, Dewey espoused a belief in experts and technocrats to provide a semblance of order amidst the continuous flux of change in society, and on the other, he held a vision of a "community of neighbours" which transcended politics by providing a democratic dialogue on public questions.

The radical influence of Dewey's ideas are illustrated by Mao Tse Tung who, like Dewey, believed that in order to gain knowledge, one must take part in the changing of reality. Perceptive knowledge or theory is the starting point for action, but social practice must be guided by appropriate theory which is then revised as a result of lessons of experience (Friedmann 1987, 196). [14]

On the utopian side, Dewey's ideas influenced Lewis Mumford, whose roots were not in pragmatism but in the historical development of the city. Mumford's vision devolved planning, particularly large-scale regional planning, into the hands of the people and away from the experts. He saw planning as a a self-educative process of self-transformation with four distinct phases: surveys to obtain data and information, outlines of area needs and purposes, an imaginative projection of the future, and most important, the absorption of the plan by the populace and its translation into action. Planning and

12 However, where "appropriate" theory for Dewey meant a scientific paradigm or hypothesis, appropriate theory for Mao Tse Tung meant Marxist-Leninist theory of revolutionary participation (Friedmann 1987, 196).

learning were pushed down to the local level and accomplished not by experts from above (as Mao proposed), but from below and within the existing structures of power (Friedmann 1987, 198-200).

On the conservative side, social learning theory as applied to management, enterprise, and corporations became known as Organizational Development (O-D). In so doing, Friedmann states, social learning was transformed from a philosophy into a "soft" technology originally employed by large private corporations and later extended into the public domain.

Organizational Development evolved out of the tradition of Scientific Management whose primary concern was efficiency in corporate organization, time-motion studies, and the enhancement of long-term profitability. Organizational Development expanded on this and drew principally upon the disciplines of sociology and psychology and laterally on production engineering, anthropology, economics, and political science to study the structure and functioning of organizations and the behavior of groups and individuals within them. O-D was a response to change and its aims were to change the beliefs, attitudes, values, and structure of organizations in order that they can better adapt to new technology and change itself. O-D studied the relations between workers and their environment and experimented with social and physical improvements to working conditions discovering that physical improvements had little effect while improvements to social working conditions not only increased output but led to greater worker satisfaction as well. Organizations were thus seen as social systems, which gave rise first to the study of small group behavior and dynamics and later to large groups and organizations (Pugh, et al. 1975, 1; Bennis 1969, 2; Friedmann 1987, 205-206).

The focus of social learning theory in general is on action and the task-oriented action group be it the individual, small group, collective, or community which learns from its own practice. This learning manifests itself in a change in activity, it is rarely systematized or formally articulated and may involve "change-agents," professionals, consultants, or facilitators who encourage, guide and assist in changing reality.

However, while Social Learning and Organizational Development represent a major step forward from anticipatory decision-making to action and social practice, Friedmann notes it has primarily been directed towards the management elites or large public or private corporations. As such, it assumes no fundamental change in the existing relations of power and is centralized in the hands of technical experts who are faced with the dilemma of validating relevant knowledge and disposing that which is irrelevant. For these reasons, social learning is conservative in nature, intent on improving existing relations in society from above, and more a style of thinking than a theory of practice (1987, 219-222).

PLANNING AS SOCIAL MOBILIZATION

Social Mobilization, along with the tradition of Social Reform, is one of the oldest traditions in planning thought having originated in the early nineteenth century. However, unlike the Social Reform tradition and indeed all the other traditions, Social Mobilization represents the radical counterpart to planning as societal guidance, that being planning as an instrument of social transformation.

While the other three traditions focus on the management of change from above, within the existing structures and relations of society, and are addressed primarily to the state, the Social Mobilization tradition as being unique is its advocacy of direct collective from below, addressing itself to those not in power, the underclass, in particular, the working class.

The tradition emerges from the interaction of utopian, anarchist, and Marxist (historical materialism) thought. Together these three oppositional movements represent the counter-tradition to the ideas and philosophies of social reform. While the Social Reform tradition responded to the social upheaval, pain and poverty of the industrial revolution with a belief in science and the scientific method as the means of improving society, theorists in the social mobilization tradition looked at the societal institutions and structures themselves as capable of being changed (Friedmann 1987, 54-55).

The tradition viewed the human individual and society as being two distinct entities and wished for a transformation and transcendence of the existing relations of power and thus addressed themselves not to the ruling class or the state, but to the working class. Utopians and anarchists rejected all forms of hierarchical power while historical materialist theorists, Marxists, and neo-Marxists saw the state as necessary and through class conflict, the existing relations of power would be replaced with a socialist state reflecting the interests of the working class (Friedmann 1987, 55).

Philosophically, the tradition encompasses a number of antagonistic movements including utopian communitarianism, anarchist terrorism, Marxist class conflict, and a host of other emancipatory movements, which differ in strategy and tactics rather than ideology. In general, two strategies can be seen, one of disengagement in which alternative communities demonstrate new ways of living, and secondly, confrontation in which struggle and conflict are necessary to transform the status quo (Friedmann 1987, 83).

However, the tradition is motivated by and united in its condemnation of the inherent oppression and alienation under capitalism. It is guided by a central belief in social emancipation achieved through a Rousseau-like vision of individual self-realization through a variety of collective action. Further, the tradition is informed by a social learning paradigm which is concerned with changing the world through collective action, asserting a firm belief in scientific and technical knowledge and through the application of that

knowledge, social transformation and reconstruction would be accomplished (Friedmann 1987, 228).

From utopian thought emerged the notions of a secular life lived in small communities apart from the state, money free economies, and the importance of the role of education and learning in society. Robert Owen and Charles Fourier established the importance of the influence of the social and physical environment on the formation of human character, and the belief in voluntarism, that perfection and utopia can be achieved and realized through commitment and the enlightened pursuit of self-interest. In general, however, most utopians were concerned with the moral ordering of the human being (as opposed to, but equally as strict as physical or social ordering) and featured emancipation with strict regimentation (Friedmann 1987, 227).

From social anarchism emerged the belief in the virtues of spontaneity as opposed to administered life, and the principles of mutualism and cooperation as opposed to competition. Further social anarchists hold a suspicion of all hierarchical relations as oppressive including the state and advocate the use of mass action as well as a federative principle in joining units of associated labour, self-managing communes, and regional communities based on cultural and geographical traditions (Friedmann 1987, 227).

Anarchists denounce and oppose all forms of authority and politics through either peaceful means of cooperation or the physical destruction of all authority. The former is illustrated by theorists such as Proudhon and Kropotkin who urge a peaceful structured reform and transformation in the midst of ongoing capitalism towards an alternative order based on self-governing working communities with a minimalist state, federative principles, communal traditions, self-sufficiency, and a classless society (Friedmann 1987, 237-238.)

Representing the other extreme are theorists including Bakunin and Sorel who view freedom as the absence of all restraint and the state as the ultimate restrainer. They believe in the revulsion of all authority and the cleansing power of destruction which wells up from the underclass and in Sorel's view would manifest itself in a general strike which would crumble the existing social order resulting in class war, the demolition of the state, and the self-liberation of the working class (Friedmann 1987, 239-240).

Finally, from historical materialism came an understanding of the class nature of social life and the importance of class consciousness and class struggle in the understanding of historical change, and in the analysis of the present from a scientific and critical perspective. In addition, historical materialists acknowledge the key role of theory in sustaining the political practice aimed at structural social change (Friedmann 1987, 227).

Historical Materialism as founded by Marx and Engels takes an approach to the understanding of world history based on four modes of analysis which emphasize dialectics or opposite social forces, class struggle, material base, and modes of production as interdependent and mutually reinforcing factors in historical development. It is scientific socialism and a science of social revolution with a firm commitment to revolutionary practice. It views capitalism as a necessary step in world development to defeat feudalism, but the creation of a working class whose labour is being extorted for profit will lead to capitalism's destruction to be replaced with transitionary socialism and eventual communism. It is within this context that Marxism is forced to continually interpret world events (Friedmann 1987, 248-250)

In the social mobilization context, planning is seen either as another form of elite domination and oppression and continuance of the capitalists state, or as a form of politics which seeks to alter the power structure, empower those who are powerless, and mobilize structural change from below. Historically, Friedmann says, the tradition has served to inform and criticize mainstream planning theory and planning, without ever fully becoming entrenched in a "radical" practice of planning (1987, 299-300).

In general, Friedmann's four traditions of planning thought are useful in illustrating the diversity and dialectics within the breadth of planning theory. Essentially, Friedmann's framework reveals two principal orientations for planning theory: societal guidance (Social Reform, Policy Analysis), and societal transformation (Social Learning, Social Mobilization). However, the roles of the planner, the function of planning, and the importance of science and analysis as opposed to action and pragmatics in decision making, differ among each of the traditions. Consequently, there is considerable room in planning theory for the inclusion of alternative practices, principles, ideologies, and philosophies such as community economic development.

APPENDIX FOUR

Notes on a Community Meeting[1]

The first thing an economic development officer (EDO) should do before he meets with a community group to discuss local economic development, is quickly familiarize him/herself with the community. This is achieved principally though a windshield survey of the community: its vacant business, houses for sale, local facilities, etc. (Once in the meeting, the information and familiarization may come into play during the course of discussions on local economic development.)

In starting a meeting with a group of residents who have already undertaken the initial task of organizing themselves to discuss local economic development, the EDO maintains a degree of flexibility in his what he/she is to present. First, a discussion of where the group "is at" is initiated, and what they did at their previous meetings is reiterated. Often the group is at a stage where formal direction and organization is needed.

The discussion of previous meetings is usually the point at which the individual group members relate their own ideas and agendas regarding the biggest needs in the community are; what the biggest problems are; and what they feel are the most worthwhile projects the groups could undertake in terms of stimulating local economic development (i.e. buying vacant business or houses, setting up an industrial park, attracting specific types of businesses which other communities have, etc.).

The role of the EDO at this point is very interesting, as contrary to what might be expected, he/she does not seize upon any of these ideas and agendas as worthwhile endeavours for local economic development. They are neither encouraged or discouraged.

Rather, the EDO now undertakes a discussion of what local and community economic development is really about; defining it generally as an approach to locally-based development undertaken by a collective of community residents for the purpose of improving <u>both</u> the quality of life in the community, as well as the environment for economic activity and development. Further, the EDO reinforces the reasons why local economic development is so important to many communities: changing demographics; loss of young people; declining agricultural economy; increased competition from other communities; and shrinking government services.

---

1 These notes were taken during the course of an actual community meeting on local economic development held in Birtle, Manitoba on June 5, 1989, between the Birtle Economic Development Committee and Mr. Leo Prince, Senior Development Officer with the Manitoba Department of Small Business Development and Tourism.

Following this, what the objectives of local economic development and the local development organization should be are spelled out:[2]

- Develop a realistic plan and appraisal of development in the community in an open and dynamic manner;
- Integrate economic development with other community objectives;
- Tie into other economic networks and programs;
- Understand the community competitors and strengths and weaknesses; and
- Use local resources effectively.

There are a number of questions which need to be answered before local economic can begin. These are:

- What is the existing economic base of the community?
- Where are there gaps in the community?
- What are these gaps?
- How can opportunities be pursued?

These are the questions which the economic development organization need to answer before it can undertake economic development. Further, the organization must priorize the three broad strategies in which all economic development initiatives, wherever they take place, fit into. These three are: 1) attract new business from outside; 2) retain of expand existing business; and, 3) encourage new business from within the community. It is the latter two which local economic development are focussed on, and it is the last two which the EDO states are the most important to communities to prevent existing businesses from leaving and provide future opportunities to keep young people and attract new residents.

Further, the EDO states, it is the latter two which are the most realistic approaches to economic development for small communities; attracting industry from outside is difficult for large urban centres, and nearly impossible for small communities. As well, thus type of development is often not the most beneficial as it has few real ties to the community and can create a dependency of sorts.[3]

The final part of the EDO's presentation is a discussion of the specific process and the various steps and tasks involved in local economic development. Essentially, local economic development involves the following six steps: 1) Develop goals and objectives; 2) Assign responsibilities; 3) Involve affected groups; 4) Understand community weaknesses and strengths; 5) Develop a proactive plan by which to measure successful economic development; and 6) Implement specific initiatives.

The specific tasks and responsibilities which need to be undertaken include: formal organization, creation of community profile, liaison with other community groups, interview and survey individuals to assess community needs and problems, priorize

---

2 The EDO usually has a summary of these points in the form of handouts or audio-visual aids whereever possible for the individuals of the group. He/she then gives a more in depth explanation of the concepts of local economic development.

3 Often, at this point, the EDO relates the various initiatives undertaken by other communities with which he is familiar with.

strategies, target particular sectors for initiatives, identify existing programs and funding, develop specific projects, and document activities into a economic development strategy which can be presented, examined, revised, and followed.

After the EDO has finished his/her presentation, it is very likely that all the various stages, tasks and responsibilities involved will have overwhelmed many of the individuals in the group or committee. However, this is not necessarily negative, for it is the responsibility of the EDO to make it clear that this is what is required for a community to properly undertake local economic development. If there is concern about the future of the community, and the will to do something about it, then this is the process by which that something can be achieved.

While this may seem very blunt, the rationale behind it is that if the group does not have the commitment to undertake the economic development process at the outset, then it is very unlikely that it will be able, in the long run, to sustain any kind of commitment for a specific business venture or development project.

Further, the EDO stresses throughout the discussion that following the process is the most important aspect of local economic development, as it provides the community with a coherent strategy and plan, with specific actions and initiatives, but also with some overall goals and objectives which provide direction and guidance. As well, the process eventually leads the community to identifying and assessing the real needs and problems of the community as well as the specific resources and opportunities which have the potential to stimulate development.

The documentation and formalization of the local economic process into an economic development strategy allows the community to follow a collectively developed plan and agenda, as opposed to individual ideas and agendas. It provides the community with a vehicle by which to measure its success as well as a tangible product which can be used to lever resources from governments, businesses, private individuals. and so on.

Finally, the process illustrates to the community that local economic development is a long term process involving a great deal more than an isolated project or an individual agenda. It reinforces the notion of collective improvement to the quality of life for everyone in the community.

Following the EDO's presentation and with the group's acceptance (however reluctant) of the various stages in the process of local economic development, the specific tasks are once again gone over to see what the next step is for the committee. Often, the initial few steps such as organization have already been accomplished. The EDO seizes upon this fact to state that the once the local economic development process is underway, a number of the steps and tasks naturally fall into place. Further, much of the information

needed to assess the community has already been done by various agencies and what is needed is some legwork to gather and collect it.

The rest of the meeting is then spent discussing formal organization and incorporation of the group into a community development corporation (CDC) or similar agency. As well, a regular meeting time, sources of funding, measures to get widespread support, and ways to get input on local problems (such as resident and business surveys) are discussed. Often the meeting lasts beyond the time the EDO chooses to leave, and covers a host of local issues from politics to weather.

What is significant during the course of the meeting, is the role of the economic development officer in interpersonal relations and small group dynamics. He or she avoids the possibility of singling out and encouraging or discouraging individual members' suggestions even when they may conflict with what he is saying. He/she removes himself from the individual conflicts and dynamics which inevitably arise, and the differing perspectives of economic development. Rather, what is stressed is the process and a commitment to the process of local economic development as the means by which all these difficulties can be worked out, and a common consensus and common goals and objectives can be achieved.

Finally and most importantly perhaps, is that the EDO never really assumes control of the meeting at any point, and always leaves the group feeling it has made a decision or several decisions on its own. By not assuming control, this does not mean the EDO does not play a major role in the discussion, but implies a role of facilitator who declines to take control and make decisions which the community should be making about their next steps and actions. The EDO plays a very important role in community and individual animation and mobilization, as well as a resource person providing examples and information wherever possible, all the time maintaining a commitment to the process which the group should be following. This is to ensure that no dependency between the EDO and the group is created and that the group continues to meet and act without the EDO, and begin to initiate the process local economic development in their community.

REFERENCES/WORKS CITED

Abrahms, Charles. 1971. *The Language of Cities: A glossary of terms.* New York: Viking Press.

Adams, John, ed. 1980. *Institutional Economics: Essays in honour of Allan G. Gruchy.* Boston: Martinus Nijhoff Publishing.

Alberta Department of Tourism and Small Business. n.d. *An Economic Development Guide for Municipalities.* Edmonton: Small Business Division, Regional Business Development Branch, Department of Tourism and Small Business.

_____. 1981. *The Local Development Cooperative.* Edmonton: Small Business Division, Regional Business Development Branch, Department of Tourism and Small Business.

Albrecht, Johann, and Gill-Chin Lim. 1986. A Search for Alternative Planning Theory: Use of critical theory. *Journal of Architectural and Planning Research,* 3 (May): 117-131.

Alexander, Ernest R. 1984. After Rationality What? *American Planning Association (APA) Journal,* 50 (Winter): 62-69.

Althshuler, Alan. 1965. *The City Planning Process: A political analysis.* Ithaca, New York: Cornell University Press.

_____. 1965. Goals of Comprehensive Planning. *American Institute of Planners (AIP) Journal,* 31 (August): 186-195.

American Planning Association (APA). 1986. *The Practice of Local Government Planning.* Published in cooperation with the International City Management Association (ICMA). Chicago: American Planning Association (APA).

_____. 1986. *The Practice of State and Regional Planning.* Published in cooperation with the International City Management Association. Chicago: American Planning Association.

Association of Professional Community Planners of Saskatchewan (APCPS). 1988. Planning Economic Development. *APCPS Scenario,* (August): 3-5.

Backman, Jules. 1983. Entrepreneurship: An Overview. In *Entrepreneurship and the Outlook for America,* ed. Jules Backman, 3-24. New York: Collier Macmillan.

Baker, Harold, 1985. Some Ideas and Viewpoints on Community Economic Development. In *Community Economic Development: Selected presentations for the 1984-85 program,* edited by Harold Baker for the Saskatchewan Committee on Rural Area Development (SCRAD), 112-118. Saskatoon: University of Saskatchewan.

Bannock, G., R.E. Baxter, and R. Rees. 1978. *The Penguin Dictionary of Economics,* 2d ed., Middlesex, England: Penguin Books.

Beauchesne, Eric, Dennis Bueckert, and Brenda Dalglish. 1986. Corporate Concentration. *Winnipeg Free Press,* 11, 13, 19 September.

Beauregard, Robert. 1976. The Occupation of Planning: A View from the Census. *AIP Journal,* 42 (April): 187-192.

Bella, Leslie. 1984. Community Power and the Community Development Corporation. In *The Nuts and Bolts of Community Based Economic Development,* ed. Candas Jane Dorsey and Ellen Ticoll, 17-20. Edmonton: Edmonton Social Planning Council.

Benevolo, Leonardo. 1967. *The Origins of Modern Town Planning.* Cambridge, Mass.: MIT Press.

Bennis, Warren. 1969. *Organization Development: Its nature, origins, and prospects.* Reading, Mass.: Addison-Wesley.

Bingham, R.D. and J.P. Blair, eds. 1984. *Urban Economic Development.* Vol. 27, *Urban Affairs Annual Review.* Beverly Hills, Calif.: Sage Publications.

Bookchin, Murray. 1989. *Remaking Society.* Montréal: Black Rose Books.

_____. 1987. *The Rise of Urbanization and the Decline of Citizenship.* San Francisco: Sierra Club Books.

Bolan, Richard. 1974. Mapping the Planning Theory Terrain. In *Planning in America: Learning from turbulence,* ed. David Godschalk. Washington, D.C.: American Institute of Planners.

Bowles, Samuel, David Gordon, and Thomas Weisskopf. 1983 *Beyond the Waste Land: A democratic alternative to economic decline.* Garden City, N.Y.: Anchor Press.

Branch, Melville. 1985. *Comprehensive City Planning: Introduction and explanation.* Washington, D.C.: American Planning Association Planners Press.

_____. 1975. *Urban Planning Theory.* Stroudsburg, Penn.: Dowder, Hutchinson, and Ross.

British Columbia Ministry of Industry and Small Business Development. 1985. *Operations Manual for Economic Development Committees.* Victoria: Ministry of Industry and Small Business Development.

British Columbia Ministry of Municipal Affairs. 1987. *Economic Development Strategy Manual.* Victoria: Queen's Printer.

_____. n.d. *A Model Economic Development Strategy for the City of Revelstoke.* Victoria: Ministry of Municipal Affairs.

Burch, John. 1986. *Entrepreneurship.* New York: John Wiley and Sons Inc.

Burchell, Robert, and George Sternlieb, eds. 1978. *Planning Theory in the 80's: A search for future directions.* New Brunswick, N.J.: Rutgers University, Centre For Urban Policy Research.

Butler, Eamonn. 1983. *Hayek.* London: Temple Smith.

Calgary Economic Development Authority. 1988. *Calgary In Fact: A profile 1988/89.* Calgary: City of Calgary.

Campfens, Hubert, ed. 1983. *Rethinking Community Development in a Changing Society.* Selected papers and proceedings from a conference held at Gene Park, Ontario, Nov. 19-20, 1982. Guelph: Ontario Community Development Society.

Canadian Institute of Planners (CIP). 1985. Sustainable Community. Conference notes on the 1985 CIP National Conference, Sudbury, Ontario. Sudbury: Canadian Institute of Planners.

Capra, Fritjof. 1982. *The Turning Point: Science, society and the rising culture.* New York: Bantam Books.

Catanese, A.J., and A.W. Steiss. 1970. *Systemic Planning: Theory and application.* Lexington, Mass.: Lexington Books.

Cauchon, Nolan. 1924. President's Address. *Journal of the Town Planning Institute of Canada,* 3 (June): 7-9.

_____. 1921. Town Planning. Address to a special committee of the Senate of Canada. *Journal of the Town Planning Institute of Canada,* 1 (June/August): 25-27.

Chomsky, Noam. 1979. *Language and Responsibility.* New York: Pantheon Books.

City of St. Paul. 1983. *The Homegrown Economy: A prescription for St. Paul's future.* Written in conjunction with David Morris and the Institute of Local Self Reliance. St. Paul, Minn.: Office of the Mayor.

City of Sudbury. n.d. *Draft Plan for the City of Sudbury.* Sudbury: Municipality of Sudbury.

Clague, Micheal. 1989. Moving Beyond the Rhetoric. *CCSD Perception,* 13, 2 (Spring): 26-29.

Clark, David. 1977. *Basic Communities: Towards an alternative society.* London: SPCK.

Cook, Theodore Stuart. 1969. *City Planning Theory.* New York: Philosophical Library.

Corby, Linda. 1974. What Kind of Planner Reads "Planning." American Society of Planning Officials Membership Survey (ASPO). *Planning* (June): 20-22.

Darke, Roy. 1983. Procedural Planning Theory: Explanation or control? In *Evaluating Urban Planning Efforts,* ed. Ian Masser, 16-35. London: Gower Publishing.

Dauncey, Guy. 1986. Introduction to Community Economic Development. Winnipeg: unpublished paper.

Davidoff, Paul. 1965. Advocacy and Pluralism in Planning. *JAIP,* 31, 4 (November): 331-338.

Davidoff, Paul, and Linda Davidoff. 1974. Commentary on Mazziotti's "Underlying Assumptions of Advocacy Planning; Pluralism and Reform. *AIP Journal,* 40 (January): 39,48.

Davidson, Gary. 1987. Divorced Realities. *Journal of Community Development,* 1 (March/April): 4-5, 25-26.

Dolan, E.G., and R. Vogt. 1981. *Basic Economics.* Toronto: Holt, Rinehart and Winston.

Douglas, David. 1989. Community Economic Development in Rural Canada: A critical review. *Plan Canada,* 29 (March): 28-46.

Dumas, Lloyd J. 1986. *The Overburdened Economy: Uncovering the causes of chronic unemployment, inflation and national decline.* Berkeley: University of California Press.

Dyckman, John W. 1970. Social Planning in the American Democracy. In *Urban Planning in Transition,* edited by Ernest Erber, 27-44. New York: Grossman Publishers.

Dykeman, Floyd. 1987. A Prescription for a Healthy Community. *Journal of Community Development,* 1 (May/June): 48-55.

Edmonton Economic Development Authority. n.d. *Role and Services.* Edmonton: Edmonton Economic Development Authority.

Edwards, Allan, and Dorothy G. Jones. 1976. *Community and Community Development.* Hague, Netherlands: Mouton and Company.

Ekins, Paul, ed. 1986. *The Living Economy: A new economics in the making.* Selected papers and proceedings from The Other Economic Summit (TOES). London: Routledge & Kegan Paul.

Erber, Ernest, ed. 1970. *Urban Planning in Transition.* New York: Grossman Publishers.

Erdmann, Robin, Harlan Gradin, and Robert O. Zdenek. 1985. *Community Development Corporation Profile Book.* Location unknown: National Congress for Community Economic Development.

Eversley, David. 1973. *The Planner in Society: The changing role of a profession.* London: Faber and Faber.

Faludi, Andreas, ed. 1973. *A Reader in Planning Theory.* Oxford: Pergamon Press.

Feldman, Allan. 1980. *Welfare Economics and Social Choice Theory.* Boston: Martinus Nijhoff Publishing.

Ferguson, Marilyn. 1980. *The Aquarian Conspiracy: Personal and social transformation in the 1980's.* Los Angeles: J.P. Tarcher Inc.

Feyerabend, Paul K. 1975. *Against Method: An outline of an anarchistic theory of knowledge.* London: publisher unknown.

Finn, Ed. 1986. The Widening Gap. *The Public Employee,* Fall: 2-6.

Fishman, Robert. 1980. The Anti-Planner: The contemporary revolt against planning and its significance for planning history. In *Shaping an Urban World,* ed. Gordon E. Sherry, 243-252. London: Mansell Publishing.

Frerichs, Eilert. 1972. The Politics of Radical Hope: Attacking the myth of moreness. In *The City: Attacking modern myths,* ed. Alan Powell. Toronto: McClelland Stewart.

Friedmann, John. 1987. *Planning in the Public Domain: From knowledge to action.* Princeton, N.J.: Princeton University Press.

_____. 1965. A Response to Alan Althshuler: "Comprehensive Planning as a Process." *AIP Journal,* 31 (August):195-197.

_____. 1959. From Polemic to Dispassionate Analysis. *International Social Sciences Journal,* Vol. 11, No. 3: 327-339.

Friedmann, John, and Barclay Hudson. 1974. Knowledge and Action: A guide to planning theory. *AIP Journal,* 40 (August): 2-14.

Galbraith, John Kenneth. 1987. *Economics in Perspective: A critical history.* Boston: Houghton Mifflin Co.

Galloway, Thomas D., and Riad Mahayni. 1977. Planning Theory in Retrospect: The process of paradigm change. *AIP Journal,* 43 (January): 62-69.

Galtung, Johan. 1986. Towards a New Economics: On the theory and practice of self reliance. In *The Living Economy,* edited by Paul Ekins, 97-109. London: Routledge and Kegan Paul.

Gans, Herbert. 1975. Planning for Declining and Poor Cities. *AIP Journal,* 41 (September): 305-307.

_____. 1968. *People and Plans.* New York: Basic Books.

Gappert, Gary. 1979. *Post-Affluent America: The social economy of the future.* New York: New Viewpoints.

Gardner, Linda M. 1983. *Building the Base.* Vol. 1, *Community Economic Development Strategies: Creating successful businesses.* Berkeley, Calif.: National Economic Development and Law Centre.

Gaughan, Joseph, and Louis A. Ferman. 1987. Toward an Understanding of the Informal Economy. *Annals of the American Academy of Political and Social Science,* 493 (September): 15-25.

Gerecke, Kent. 1974. Toward a New Model of Urban Planning. Ph.D. diss., University of British Columbia.

_____. 1976. The History of Canadian City Planning. *City Magazine,* 2 (Summer): 12-23.

Glazer, Nathan, ed. 1970. *Cities in Trouble.* Chicago: Quadrangle Books.

Godschalk, David R., ed. 1974. *Planning in America: Learning from turbulence.* Washington, D.C.: American Institute of Planners.

Goodman, Robert. 1971. *After the Planners.* New York: Simon and Schuster.

Gordon, Mitchell. 1965. *Sick Cities: Psychology and pathology of American urban life.* Baltimore: Penguin Books.

Gower-Davies, Jon. 1972. *The Evangelistic Bureaucrat.* London: Tavistock Publishing.

Grabow, Stephen, and Allan Heskin. 1973. Foundations for a Radical Concept of Planning. *Journal of the American Institute of Planners (JAIP),* 39, 2 (March): 106-114.

Gunton, Tom. 1984. The Role of the Professional Planner. *Canadian Public Administration,* 27 (Fall): 399-417.

Hamilton-Wentworth Economic Development Authority. 1988. *Economic Development Department: 1988 mid-term report.* Hamilton: Hamilton-Wentworth Economic Development Authority.

Hancock, Trevor. 1987. Healthy Cities: The Canadian project. *Health Promotion,* (Summer): 2-4.

Hanratty, John. 1981. *The New Dawn Story: An experiment in economically-based community development.* Ottawa: Health and Welfare Canada.

Harmon, W.W. 1975. Notes on the Coming Transformation. In *The Next 25 Years: Crisis and opportunity,* edited by Andrew A. Spekke, 10-22. Washington: World Future Society.

Harvey, David. 1988. Voodoo Cities. *New Statesman,* 30 (September): 33-35.

_____. 1978. On Planning the Ideology of Planning. In *Planning Theory in the 80's: A search for future directions,* edited by Robert Burchell and George Sternlieb, 213-233. New Brunswick, N.J.: Rutgers University, Centre For Urban Policy Research.

Hawken, Paul. 1983. *The Next Economy.* New York: Holt Rinehart and Winston.

Heilbronner, Robert L. 1980. *An Inquiry into the Human Prospect: Updated and reconsidered for the 1980's.* New York: WW Norton.

_____. 1978. *Beyond Boom and Crash.* New York: WW Norton.

_____. 1976. *Business Civilization in Decline.* New York: WW Norton.

Hemmens, George. 1980. New Directions in Planning Theory. *APA Journal,* 46, 3: 259-260.

Hightower, Henry. 1969. Planning Theory in Contemporary Professional Education. *APA Journal,* 35: 326-329.

Hoch, Charles. Doing Good and Being Right: The pragmatic connections in planning theory. *APA Journal,* 50, 3 (Summer): 335-345.

Hodge, Gerald. 1986. *Planning Canadian Communities.* Toronto: Methuen.

Howe, Elizabeth. 1980. Role Choices of Urban Planners. *APA Journal,* 46 (October): 398-409.

Howe, Elizabeth, and Jerome Kaufman. 1979. Ethics of Contemporary Planners. *APA Journal,* 45 (July): 243-255.

Hudson, Barclay. 1979. Comparison of Current Planning Theories: Counterparts and contradictions. *APA Journal,* 45 (October): 387-406.

International City Management Association (ICMA). 1986. *Strategies for Local Enterprise Development.* Vol. 18, No. 2 (February), *Management Information Service (MIS) Report.* Washington: International City Management Association.

_____. 1985. *Local Development Corporation: A tool for economic development.* Vol. 17, No. 6 (June), *MIS Report.* Washington: ICMA.

Investment Canada. 1987. *Incubators in Canada: A review of current Canadian small business incubator programs.* Ottawa: Investment Canada and the National Research Council.

Jacobs, Jane. 1984. *Cities and the Wealth of Nations: Principles of economic life.* New York: Random House.

_____. 1961. *The Death and Life of Great American Cities.* New York: Random House.

Jennings, William. 1985. *Entrepreneurship: A primer for Canadians.* Toronto: Canadian Foundation for Economic Education.

Johannisson, Bengt. 1987. Toward a Theory of Local Entrepreneurship. In *The Spirit of Entrepreneurship,* edited by R.G. Wyckham, L.N. Meredith, and G.R. Bushe, 1-14. Burnaby, B.C.: Simon Fraser University.

Kain, John F. 1970. Rampant Schizophrenia: The case of city and regional planning. *AIP Journal,* 36 (July): 221-223.

Kansas State University. 1987. *Understanding Your Community's Economy.* Manhattan, Kansas: Cooperative Extension Service.

Kaplan, Marshall. 1973. *Urban Planning in the 1960's: Design for irrelevancy.* New York: Praeger.

_____. 1969. Advocacy and the Urban Poor. *AIP Journal,* 35 (March): 96-101.

Kelly, Rita. 1977. *Community Control of Economic Development.* New York: Praeger.

Kennedy, Gail. 1950. *Pragmatism and American Culture.* Lexington, Mass.: Heath.

Kent, Calvin A., ed. 1984. The Rediscovery of the Entrepreneur. In *The Environment of Entrepreneurship,* 1-19. Lexington, Mass: Lexington Books, D.C. Heath & Company.

Kilby, Peter, ed. 1977. Hunting the Heffalump. In *Entrepreneurship and Economic Development,* 4-6. New York: The Free Press.

Kirzner, Israel M. 1984. The Entrepreneurial Process. In *The Environment of Entrepreneurship,* edited by Calvin Kent, 41-58. Lexington, Mass.: Lexington Books, DC Heath & Co.

Kitchen, Harry. 1985. *The Role for Local Governments in Economic Development.* Toronto: Ontario Economic Council.

Klosterman, Richard. 1978. Foundations for a Normative Planning. *AIP Journal,* 44 (Jan): 37-46.

Knack, Ruth. 1986. Here's Looking at You. *Planning,* (March):9-15.

Knight, R.V., and Gary Gappert. 1984. Cities and the Challenge of the Global Economy. In *Urban Economic Development,* edited by R.D. Bingham and J.P. Blair, Vol. 27, *Urban Affairs Annual Review.* Beverly Hills, Calif.: Sage Publications.

Kolko, Joyce. 1988. *Restructuring the World Economy.* New York: Pantheon Books.

Krieger, Martin. 1974. New Directions for Planning Theories. *AIP Journal,* 40 (May): 156-162.

Krueckeberg, Donald A. 1983. *Introduction to Planning History in the United States.* New Brunswick, N.J.: Rutgers University, Centre for Urban Policy Research.

Krumholtz, Norman. 1982. A Retrospective View of Equity Planning. *APA Journal,* 48 (Spring): 163-180.

Krumholtz, Norman, J.M. Cogger, and John Linner. 1975. The Cleveland Policy Planning Report. *AIP Journal,* 41 (September): 298-304.

Kuhn, Thomas S. 1970. *The Structure of Scientific Revolutions,* 2d ed., International Encyclopedia of Unified Science, Vol. 11, No. 2. Chicago: University of Chicago Press.

Kuttner, Robert. 1986. The Haves and the Have Nots. *The Public Employee,* (Fall): 7.

Lithwick, N.H. 1970. *Urban Canada: Problems and prospects.* Prepared for the Minister Responsible for Housing. Ottawa: Queen's Printer.

Lobell, John. 1981. *The Little Green Book: A guide to self-reliant living in the 80's.* Boulder, Colo.: Shambhala.

Long, Norton E. 1975. Another View of Responsible Planning. *AIP Journal,* 41 (Sept): 311-318.

Lotz, Jim. 1984. Community Entrepreneurs. *Policy Options Politiques,* (March): 40-42.

Loxley, John. 1985. *The Economics of Community Development.* Report prepared for the Native Economic Development Program. Winnipeg: HKL & Associates Ltd.

Macleod, Greg. 1986. *New Age Business: Community corporations that work.* Ottawa: Canadian Council on Social Development.

Maruyama, M. 1975. The Post Industrial Logic. In *The Next 25 Years: Crisis and opportunity,* edited by A.A. Spekke, 43-50. Washington, D.C.: World Future Society.

Mayo, James. 1982. Sources of Job Dissatisfaction. *APA Journal,* 48 (Autumn): 481-495.

Mazziotti, Donald. 1974. The Underlying Assumptions of Advocacy Planning; Pluralism and Reform. *AIP Journal,* 40 (January): 38-46.

McIntyre, Angus. n.d. *The Nature of Development.* Unpublished paper.

McLoughlin, J. Brian. 1969. *Urban and Regional Planning: A systems approach.* London: Faber and Faber.

McRobie, George. 1987. Local Economic Self Reliance: A matter of survival. *Journal of Community Development,* 1 (July/August): 72-77.

Meeker-Lowry, Susan. 1988. *Economics as if the Earth Really Mattered: A "Catalyst" guide to socially conscious investing.* Philadelphia: New Society Publishers.

Micheal, Donald N. 1974. Speculations on Future Planning Process Theory. In *Planning in America: Learning from turbulence,* ed. David Godschalk, 35-61. Washington, D.C.: American Institute of Planners.

_____. 1973. *On Learning to Plan and Planning to Learn.* San Francisco: Jossey-Bass.

Morris, David. 1987. A Global Village or a Globe of Villages. *City Magazine,* 9 (Summer): 30-34.

_____. 1982. *The New City States.* Washington, D.C.: Institute for Local Self Reliance.

_____. 1982a. *Self Reliant Cities: Energy and the transformation of Urban America.* San Francisco: Sierra Club Books.

Naisbett, John. 1982. *Megatrends: Ten new directions transforming our lives.* New York: Warner Books.

New Westminster Economic Development Association. 1986. *Community Based Economic Planning: The New Westminster experience.* New Westminster, B.C.: New Westminster Economic Development Association.

Niagara Falls Business and Industrial Growth Agency. 1984. *A Strategy and Workplan for Economic Development for the City of Niagara Falls.* Prepared by C. Chataway. Niagara Falls,Ont.: City of Niagara Falls.

Nielsen, Brenda. 1985. Planning Paradigm and Change: Outgrowing the growth ethic. Master's thesis. University of Manitoba.

Newman, Oscar. 1980. *Communities of Interest.* Garden City, N.Y.: Anchor Press.

Noyelle, Thiery. 1986. Economic Transformation. In *Revitalizing the Industrial City,* edited by R. Widner and M. Wolfgang, Vol. 488, *The Annals of the American Academy of Political and Social Sciences.* Newbury Park, Calif.: Sage Publications.

Nozick, Marcia. 1988. Changing Times: Understanding Community Economic Development for the 1990's. Master's thesis. University of Manitoba.

O'Leary, Tom. 1984. Community Development Corporations and Their Potential. In *Community Development Corporations: A SCRAD symposium,* edited by G.W. Hass, 1-11. Saskatoon, Sask.: University of Saskatchewan.

Osborne, David. 1988. The State's Role in Planning and Managing Economic Development. *Entrepreneurial Economy,* 6 (December/January): 4-6.

Page, John, and Reg Lang. 1977. *Canadian Planners in Profile.* Presented to the CIP Annual Conference. Toronto: York University.

Paris, Chris, ed. 1982. *Critical readings in Planning Theory.* Oxford: Pergamon Press.

Peck, Scott. 1987. *The Different Drum: Community making and peace.* New York: Simon and Schuster.

Perin, Constance. 1967. Noiseless Secession from Comprehensive Planning. *AIP Journal,* 33: 336-347.

Perry, Stewart. 1984. Evolving a New Economic Perspective. In *The Nuts and Bolts of Community Based Economic Development,* edited by Candas J. Dorsey and Ellen Ticoll, 5-13. Edmonton: Edmonton Social Planning Council.

Piven, Francis Fox. 1975. Planning and Class Interests. *AIP Journal,* 41 (September): 308-310.

_____. 1970. Social Planning or Politics. In *Urban Planning in Transition,* edited by Ernest Erber, 45-51. New York: Grossman Publishing.

Priddle, Terry. 1987. Economic Transition Not So Real. *Journal of Community Development,* 1 (July/August): 16-17.

Pugh, D.S., K. Mansfield, and M. Warner. 1975. *Research in Organizational Behavior.* London, England: Social Science Research Council.

Ratcliffe, John. 1981. *Introduction to Town and Country Planning,* Second edition. London, England: Hutchinson & Company.

Robertson, James, and Andre Carothers. 1989. The New Economics: Accounting for a healthy planet. *Greenpeace,* (January/February): 11-13.

Robinson, Carla J. 1988. Economic Development Planning and Policy: Results of a national survey of large cities. *APA Planning Advisory Service (PAS) Memo,* (January):1-4.

Rocky Mountain Institute (RMI). n.d. *Economic Renewal Project.* Workbook of the RMI Economic Renewal Project. Old Snowmass, Colo.: Rocky Mountain Institute.

Ross, David P., and Peter J. Usher. 1986. *From the Roots Up: Economic development as if community mattered.* Toronto: Canadian Council on Social Development, Lorimer and Co. Publishers.

Rossides, Daniel. 1978. *The History and Nature of Sociological Theory.* Boston: Houghton Mifflin.

Roszak, Theodore. 1979. *Person/Planet: The creative disintegration of industrial society.* Garden City, N.Y.: Anchor Books.

Royal City Community Development Association. 1986. *An Approach to Community Based Economic Planning.* New Westminster, B.C.: Royal City Development Association.

Royal Commission on the Economic Union and Development Prospects for Canada. 1984. D. Macdonald, Chairperson. Ottawa: Ministry of Supply and Services.

Sale, Kirkpatrick. 1980. *Human Scale.* New York: Perigree.

Saskatchewan Committee on Rural Area Development (SCRAD). 1985. *Community Economic Development: Selected presentations for the 1984-85 program,* edited by Harold Baker. Saskatoon: University of Saskatchewan.

_____. 1984. *Community Development Corporations: A SCRAD symposium,* edited by G.W. Hass. Saskatoon: University of Saskatchewan.

Schon, Donald A. 1983. *The Reflective Practitioner: How professionals think in action.* New York: Basic Books.

_____. 1971. *Beyond the Stable State.* New York: WW Norton & Co.

Schon, D.A., N.S. Cremer, P. Osterman, and C. Perry. 1976. Planners in Transition: Report on the survey of alumni of MIT's Department of Urban Studies 1960-71. *AIP Journal,* 42 (April): 193-202.

Schumacher, E.F. 1979. *Good Work.* New York: Harper and Row.

_____. 1973. *Small is Beautiful: A study of economics as if people mattered.* London, England: Abacus Books.

Seckler, David. 1975. *Thorstein Veblen and the Institutionalists: A study in the social philosophy of economics.* Boulder, Colo.: Colorado Associated University Press.

Shapero, Albert. 1984. The Entrepreneurial Event. In *The Environment of Entrepreneurship,* edited by Calvin Kent, 21-40. Lexington, Mass.: Lexington Books, D.C. Heath and Co.

Shuttleworth, Dale. 1987. Towards the Entrepreneurial City State: The York model. *Education Canada,* (Winter): 26-29, 45.

Silver, Jim, and Garth Whyte. 1987. Plant Closings. *Winnipeg Free Press,* 21 June.

Skolimowski, Henryk. 1981. *Eco-Philosophy: Designing new tactics for living.* London: Marion Boyars Publishers.

Smilor, Raymond D. 1986. Building Indigenous Companies: The technology venturing approach. In *Entrepreneurship, Intrapreneurship and Venture Capital: The foundations of economic renaissance,* edited by Robert Hisrich, 43-69. Lexington, Mass.: D.C. Heath and Co.

Smith, Michael P. 1979. *The City and Social Theory.* New York: St. Martin's Press.

Solnit, Albert, Charles Reed, Peggy Glassford and Duncan Erley. 1988. *The Job of the Practicing Planner.* Chicago: Planner's Press/American Planning Association.

Spekke, Andrew A., ed. 1975. *The Next 25 Years: Crisis and opportunity.* Washington, D.C.: World Future Society.

Stankovic, Dan. 1987. An Entrepreneurial Approach to Local Economic Development. *Plan Canada,* 27 (March): 6-13.

Stevenson, H.H., and W.A. Sahlman. 1986. Importance of Entrepreneurship in Economic Development. In *Entrepreneurship, Intrapreneurship and Venture Capital: The foundations of economic renaissance,* edited by Robert Hisrich, 3-39. Lexington, Mass.: Lexington Books, D.C. Heath and Co.

Susskind, Lawrence. 1982. Comment on Norman Krumholtz' "A Retrospective View of Equity Planning." *APA Journal,* 48:181-183.

Taylor, Michael. 1982. *Community, Anarchy & Liberty.* Cambridge, England: Cambridge Press.

Theodorson, George A., and Achilles G. Theodorson. 1970. *Modern Dictionary of Sociology: The concepts and terminology of sociology and related disciplines.* New York: Thomas Y. Crowell Company.

Toffler, Alvin. 1980. *The Third Wave.* New York: Bantam Books.

Tugwell, Rexford G. 1939. The Third Power. *Planning and Civic Comment,* (April/June).

Turabian, Kate L. 1987. *A Manual for Writers.* Fifth ed. Chicago: University of Chicago Press.

University of Wisconsin. 1984. *Community Economic Development in Wisconsin: Special conference report.* Madison,Wisc.: University of Wisconsin, Department of Rural Sociology.

Vasu, Michael Lee. 1979. *Politics and Planning: A national study of American planners.* Chapel Hill, N.C.: University of North Carolina Press.

Waldo, Dwight, ed. 1953. *Ideas and Issues in Public Administration.* Westport, Conn.: Greenwood Press.

Walker, Robert A. 1940. *The Planning Function in Urban Government.* Chicago: University of Chicago Press.

Whyte, William Foote, and Kathleen King Whyte. 1988. *Making Mondragon: The growth and dynamics of the worker cooperative complex.* New York: Cornell University, ILR Press.

Williams, Paul. 1988. Community Economic Development: Coming or going? *CCSD Perception,* 12, 2 (Spring): 48-49.

Wilson, William. 1983. Moles and Skylarks. In *Introduction to Planning History in the United States,* edited by D.A. Krueckeberg, Chapter 6. New Brunswick, N.J.: Rutgers University.

Winnipeg Free Press. 1986. Two Million Families in Need of $10 Billion to Touch Poverty Line. 14 December.

Wismer, Susan, and David Pell. 1981. *Community Profit: Community based economic development in Canada.* Toronto: Is Five Press.

World Commission on Environment and Development. 1987. *Our Common Future.* Gro Harlem Brundtland, Chairperson. New York: Oxford University Press.

Wyckham, R.G., L.N. Meredith, and G.R. Bushe, eds. 1987. *The Spirit of Entrepreneurship.* Proceedings of the 32nd Annual World Conference, International Council for Small Business, Vancouver, B.C. Burnaby, B.C.: Simon Fraser University.