



BALLE BEAT

Merrian Fuller

IN LATE 2005, Greg LeRoy of Good Jobs First published *The Great American Job Scam*, which exposed the common practice of states and cities competing with each other to lure large corporations to their region. LeRoy estimates that state and local governments subsidize big business to the tune of more than \$50 billion a year in cash grants, income tax credits, property tax abatements, and other incentives. If these payouts brought wealth and prosperity to a region, one could argue that they were worth the cost to taxpayers. But as LeRoy details, the subsidized corporations rarely live up to their promises — and after receiving lucrative packages many of them lay off workers, offer only low-skill and low-wage jobs, and even relocate.

Some communities are responding by demanding that corporations sign Community Benefit Agreements (CBAs) to ensure that local citizens get returns from new developments. CBAs give communities a voice in shaping a proposed project, tailor the project's benefits to a community's particular needs and enforce a corporation's agreements to provide living-wage jobs, employ local residents, offer retail space to local business (in the case of a commercial development), or provide other promised benefits. For example, in Los Angeles the Figueroa Corridor Coalition for Economic Justice negotiated a

RETHINKING ECONOMIC DEVELOPMENT

CBA with the developers of a huge new commercial district. The CBA included requirements that 70 percent of the jobs created pay at least the city's living wage, that new hiring favor people displaced by the development, and that the residential component of the project include low-income housing.

While Community Benefit Agreements are a step in the right direction, some communities have begun to ask whether there is a better way to pursue economic development — perhaps by investing in and supporting local entrepreneurs, and tapping into local resources. Ideally, community members would not just negotiate with an outside company to secure jobs. Instead, they would come together and decide what type of businesses they wanted in their area that would provide quality jobs, be sensitive to the local environment, and fit with their vision for the future.

BALLE recently partnered with the San Benito County Integrated Waste

groups yielded a vision of the future of economic development in San Benito very different from the common plan to attract outside firms with cash and tax abatements.

The leaders in San Benito County wanted to encourage a thriving economy while maintaining the character, quality of life, and ecological health of their region. The focus groups identified four key areas for development:

Grow and distribute more organic and locally grown food, and market the entire region as a center for sustainable agriculture; Revitalize the retail district of Hollister, the county's main town, with distinctive local businesses that both attract tourists and support local community life; Support a green building materials and wood products sector; and Develop raw materials, processing, marketing, and distribution for biofuels.

Local entrepreneurs, supported by state and local government agencies and nonprofits, are spearheading concrete projects to create new businesses such as a biofuels company, a new downtown restaurant that will serve regionally grown wine and food, and a processing facility for humanely raised animal products. The community has also set up working groups to explore ways of expanding the sustainable agriculture and green building products sectors. Projects like these, and others that are happening all over North America, are creating new models for economic development that nourish and build on existing strengths rather than look for a quick fix from outside the community. □

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Management Department to begin a pilot project with these goals in San Benito County, California. In 2005, BALLE met with a wide range of community stakeholders: small business owners, farmers, bankers, landowners, developers, and representatives from the local chamber of commerce, economic development corporation, farm bureau, agricultural land trust, and water district, along with Hollister's Economic Vitality Forum and downtown association. Discussion with these

Merrian Fuller works with the Business Alliance for Local Living Economies (BALLE) office in San Francisco, which connects business networks across North America improving the social, environmental and economic life of their communities. She was formerly the director of the Sustainable Business Network of Greater Philadelphia. Visit the website at: www.livingeconomies.org. Email: merrianfuller@gmail.com.