

AUSTRALIAN CENTRE FOR CO-OPERATIVE RESEARCH AND DEVELOPMENT

**Community & Economic  
Development:  
Towns Shaping Their Destiny**

**Jill Jordan**  
June 2001

**ACCORD Paper No. 4**

ACCORD

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ISBN 1-86365-842-4

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## **Abstract**

In 1979 a group of relative newcomers to the small rural town of Maleny decided to start a co-operative store to satisfy their desire for access to wholefoods and to bring a new service to the heart of town. This venture marked the start of a series of community based co-operative ventures which included a credit union, a recycling/waste minimisation group, a business incubator, an artists co-operative, the Upfront Club (a licensed social and cultural club), and two community schools. Local capital was harnessed through the establishment of a credit union and LEED (the Local Economic and Enterprise Development coop.), and a Local Energy Transfer System (LETS) was established.

The author was directly involved in these developments and draws out the key factors affecting the success or failure of community economic development initiatives: that the initiative addresses a real community need; an understanding of the level of energy required to make it happen; a physical focus for the initiative; clear aims and objectives; commitment to the vision; and education and training.

The paper concludes by outlining some of the key skills needed, and suggests some 'golden rules' to follow when beginning a community economic development strategy.

## **Maleny: the growth of a co-op town**

The effect of the current economic paradigm on the planet (and its people) can be summarised thus:

As technology has become increasingly complex and mystifying and institutions have become larger and more powerful, people have reacted by feeling unable to affect their destinies. This has resulted in apathy, and an adoption of the "welfare mentality" that is so prevalent today (that somebody else - especially the Government - should take care of them).

Many of those who still have jobs hate their work, doing it merely to gain an income. This attitude results in loss of productivity through compensation claims and sick leave. Those who are "on the scrap heap" - the unemployed, and especially the youth, with all their energy and potential - are resentful, bored and get into mischief. Vandalism and crime are on the increase. This is exacerbated by the breakdown of the family unit and the increasing isolation that is experienced by lonely individuals who have few outlets for their emotions and their innate creativity.

The effect of our economic activities on our planet can be seen in our degraded landscapes, our polluted air, water and soil. Increasingly greater inputs (e.g. fertilisers, more sophisticated techniques) yield lower outputs (crops, minerals) as the planet's resources become depleted and more difficult to extract. And with this activity, we are poisoning ourselves and every other species by our emissions (air and water pollution, chemicalised food) and by our disregard for habitat.

It was within this framework that I moved to Maleny in 1970.

Rolling green hills, which to the untrained eye seem lush, frame the rural town of Maleny, 100 kms north of Brisbane in the hinterland of Queensland's Sunshine Coast. In the seventies, these very hills signaled the death knell of all the activity from which Maleny had drawn its wealth.

Following the first European settlement of the Blackall Range, with Maleny at its heart massive timber-getting operations stripped the steep slopes of their rain-forest cover. Then came the dairy farms, and

when in the late fifties, there was a down -turn in the dairy industry, the farmers turned to beef cattle to earn their living from the land. But this too was a hard way to make an income, as the farmers quickly found out. The terrain and the climate were not particularly conducive to this activity and the markets were unstable.

It was into this mood of despair that the first wave of "new settlers" arrived in the mid-seventies. Mostly they were in the age bracket of their 20s to 30s, with a smattering of older folk. Generally well-educated, with many of them possessing university degrees or the equivalent, they had left the cities disillusioned with the materialism they saw as the prevalent ethic. Most of them yearned for a simpler life-style, even though this meant "dropping out" of well-paid jobs.

The locals were characteristically suspicious of the newcomers, whose ideals were so different from their own. In their turn, the "hippies" did not make it easier for the old settlers - they criticised the farmers' use of the land unmercifully. They showed no understanding for the problems that were confronting the farmers: indeed, neither party had a clear perception of what was wrong.

The new settlers did know one thing, however. Some of their needs were not being satisfied in this small rural town, miles from the nearest commercial centre.

Early in 1979, a small group of newcomers met to discuss how to satisfy their need for whole-foods. The one supermarket in town stocked only processed foods and was not interested in changing its habits for a handful of people, Among the group was an American woman who had recently immigrated; while in the USA she had belonged to a food cooperative. In formulating the plan to satisfy their own needs, the group made a major decision: rather than just initiate a bulk buying operation to service an elite clique, they chose to open a store in the centre of town. This shop would not only provide healthy foods for anyone who wished to purchase them, but would provide a focus for newcomers to obtain information on housing, job opportunities, etc.

The Maple Street Cooperative opened its doors on January 14th in 1980, selling not only whole-foods, but also local produce, surplus to the growers' needs. At first the conservative locals were suspicious, but little by little, as they realised that they too could sell in the shop any spare vegetables or fruit that they produced, they began to patronise the Coop. Labour was at first voluntary: as the Coop prospered, paid hours of work were increased slowly, the pace reflecting the growth of the business. The information service worked well and the Coop took on the role of a resource centre. It served to network people with similar values.

In 1983, one of the Coop's founders took part in a conference in Tasmania on local financing strategies. The organiser of the conference, Bill Mollison of Permaculture fame, had recently returned from the USA where the ethical investment movement was flourishing. Over there, communities were aware of the importance of harnessing capital in their regions in order to carry out the projects they thought worthwhile. In response to this, they were starting their own financial organisations to provide what came to be known as community revolving funds. This refers to the function of the fund, which accepts money from within a region which is surplus to the immediate needs of the investor and lends it to those residents in the region who have worthwhile projects, but do not have the necessary capital.

Inspired by the power of this strategy, the cooperator returned to Maleny and launched the idea at a Coop general meeting. Enthusiasm was sufficient for a working group to be formed, and an action-packed five months later the Maleny and District Community Credit Union was incorporated.

On its first day of trading, the new Cooperative (for that was what credit unions were in those days - registered under the same Act as the Maple Street Cooperative) took in \$53,000. Eighty-five percent of this was able to be loaned out to community members, many of whom, by the banks' criteria, would not have been able to get a loan no matter how worthwhile their project. Again this Coop was founded on voluntary labour - by people providing a service for themselves in exchange for the work necessary to run the operation. As the Credit Union grew, wages were paid, the number of paid hours increasing rapidly as turnover increased.

Three years later, the Credit Union had an asset base of over a million dollars. Many people had been helped to buy their own land, build their own house and start their own businesses with money borrowed via the Credit Union from others in their locality.

In 2001, with over 4500 members, this organisation is the life-blood of the community. It has provided finance for over one hundred and eighty new jobs, within 78 new businesses and was the financier to facilitate the establishment of Crystal Waters Permaculture Village. It has within its structure a number of funds: the Community Development Fund, into which go a proportion of surplus each year, and which money is dispersed by a specially-formed committee annually to a wide range of local community projects; and a Community Assistance Fund, which can be distributed in times of hardship (e.g. fire, accident, emergency) by directors to members or non-members alike.

But there was still something missing! Even though the people who previously had little access to capital were more easily able to gain that access, and thus initiate their projects, at the end of the day, those with the money resources in the beginning had more money at the end, while those who had little money in the beginning had less at the end, since they had to pay interest on the money they borrowed.

It was at this point in time that the LETSsystem surfaced. Begun in Canada in 1982 by a Scot Michael Linton, it was being used on the West Coast of Canada. The documentation was sent in disk form to Maleny by a Permaculture teacher, Lea Harrison. She had run into Michael Linton and had thought of Maleny and its innovations immediately. A simple concept, the LETSsystem works on the premise that the wealth of a community lies in its goods and services, not in its money resources. Money is merely the measure of exchange for those goods and services. Thus in a situation where money is in short supply, why not create an alternative measure to enable that exchange of goods and services to take place? The alternative unit of exchange would have several different characteristics from money, the chief of these being that it is created within the community at the time of each trade, not by an outside agency such as a Government, and that a credit balance does not attract interest, neither does a debit balance get charged interest.

This system was studied in its home base before launching it in Maleny in October 1987. It took off with a rush: people were ready for it. Whereas it was quite an onerous task to run a Credit Union, with all the legal restrictions that taking responsibility for other people's money entails, establishing and running the LETSsystem was relatively simple. It was an extremely empowering community economic tool.

Not only is LETS an extremely powerful economic tool, it is also a magnificent social tool with which to (re-)build a community. Given the breakdown of the family unit and the physical mobility of younger generations, older people often find themselves living alone, on fixed incomes, with declining strength precluding them from undertaking the more physical tasks they need for their survival and dignity.

Even though they have built up a life-time of skills, they feel unwanted, useless, as they have no outlet for passing these skills on to younger people before they die. LETS enables the young and the elderly in the community to get together, the elderly teaching their skills and earning credits, which allows them to employ energetic young people to do the physical work which they can no longer do for themselves.

At the time of writing this article, there are over 300 LETSsystems around Australia, in various stages of development, The largest system operates in the Blue Mountains outside of Sydney where over 1500 families trade on LETS; while some fledgling systems have as few as 30 members. The Commonwealth Government has finally recognised the value of the LETSsystem as an employment-generator through taxation and Social Security policies (several years ago Social Security brochures recommended that unemployed people join their nearest LETSsystem) and State Governments in Western Australia and New South Wales have funded LETS development projects. In recent months a delegation from one of the prefectures in Japan visited Maleny in order to learn about how the LETSsystem might be used within their local government.

Then followed more Cooperatives in Maleny. Wastebusters set up a recycling depot in July 1989. This cooperative was inspired by the fact that, although Maleny was becoming an extremely innovative town, with a plethora of community enterprises filling various needs within that community, the waste management strategies employed by the local Council of the time were primitive in the extreme. Members of a task force met with the Council to inquire about the prospect of bringing up a recycling depot in conjunction with the major landfill in the area.

Unbeknown to the group, the Council was contemplating closing down that tip site and introducing wheelie bins for the residents' use. But they did have a problem with a smaller rural tip site, and, following a feasibility study funded from a State Government grant (which paid for Mollie, the truck which was to prove so essential in the cooperative's initial stages), Wastebusters Cooperative was established as a "joint venture" with the Council, who partially funded the organisation by the provision of tip management fees.

The motives behind starting up Wastebusters were threefold:

1. Alleviating in some small way the environmental degradation that occurs because of waste from our throw-away society;
2. Seeing in the so-called "waste" valuable resources and wanting to recover those resources; and
3. Generating employment.

This last was seen not only by the employment of those operating the recycling depot, but by the potential for small "renovation" industries which could make use of the resources coming from the operation, e.g. white-goods, electronic goods, bicycles, furniture. These "sidelines" have proved to be valuable adjuncts to the main operation of the tip face.

Not only has the operation been able to prevent about 60% of the waste generated from having to be land-filled, it has changed many residents' attitude to their waste management. As the wheelie bins were introduced, about one-third of the population of the "suburb" of Maleny where the recycling depot is located, loaded the unwanted bins on to the back of a farmer's truck and dropped them off in front of the Council Chambers in a show of solidarity for "their" recycling depot. This was the spur for the Council to introduce a "recycling approval" into their rating system - half rates to genuine recyclers who did not have a need for their wheelie bins.

Wastebuster groups sprang up along the whole of the east coast of Australia, some with a prime aim to lobby Government and their local Council and to educate on the benefits of recycling and (more and more these days) waste minimisation, some to operate recycling drop-off centres.

Another opportunity for waste reduction was seen to be in organic matter, so Wastebusters bought a chipper and encouraged the locals to bring their garden waste to be chipped instead of land-filling it. They did the same with household putrescible waste, and the Council bought recycled plastic compost bins which it sells to the residents for cost price. The Council of the day introduced a three monthly "kerbside chip-up" service where residents put out their garden waste to be chipped in this door-to-door service. They could then either buy it back for a small price or Council used it on their parks and gardens (which saved them having to buy mulch).

Unfortunately, the successive Council did not see the value in this service, and it has been discontinued, while successive generations of new residents (most coming from cities) have demanded wheelie bins. But still the Wastebuster depot services a large proportion of Maleny's environmentally-conscious population.

Following the success of the initial recycling depot and with the advent of one of the Coop's initiators being elected to Council, Wastebusters expanded their operations to another rural tip-site within the City of Caloundra. The Council also recognised the value of community initiatives in recycling when reviewing their Waste Management Strategy. For many years they employed one of the large urban

contractors for their urban kerbside recycling strategy while community groups such as Wastebusters and Progress Associations, who had begun recycling depots in the late 1980's or early 1990's were contracted to provide kerbside recycling services to the small towns in the rural areas of the city. Two years ago, however, the large contractors were awarded the rural areas as well, while Wastebusters services commercial premises.

Then came Mountain Fare, a women's cooperative which grew and marketed herbs, established a catering arm and a frozen foods section while providing business training to women who had been out of the workforce for many years, or who had never entered it previously. This very successful little cooperative produced a remarkable number of businesswomen, many of whom left to develop their own small enterprises. It also initiated an annual "Spring Workshop" weekend, where five strands of learning were offered: cooperative/community development, Permaculture, arts and culture, spirituality and natural health. This initiative lasted for eight years, and attracted participants from all over Australia. In the late nineties, this cooperative was wound up, as the original need for which it had been established was no longer relevant.

Black Possum, the publishing cooperative was the next to take off, followed by the Barung Landcare group. And all this in the context of forming land-based communities: Crystal Waters (which was to become the first Permaculture village in Australia), Prout Community, Cedarton Foresters, Frogs Hollow Community (Manduka) and Jireh.

In 1994 an artists' collective, "Peace of Green" was formed within a retail outlet. It began with three artisans, swelling to twenty-eight within the space of five years, all exhibiting and selling their high - quality products. A cooperative Club, one of whose main functions is to provide a venue for local entertainers, was established in the town centre in the same year. This licensed venue, which provides high-quality but inexpensive food, attracted over 1100 members in its first four years. A community FM radio station was established during the same period of time, but for reasons of satisfying the broadcasting bureaucracy, was moved to another community with greater broadcasting coverage. It

had a short career there, and was moved back to Maleny in the hope of reviving it, but "died" on the journey back!

On the education front, two community schools have been established, one of which has shown solid progress from the start. The other, over-reaching its financial capacity in the early stages (see later in this article), foundered in its original form and had to restructure itself two years after inception in order to continue. It has stabilised in a more modest form at the time of updating this document, and provides an excellent model of student self-management and broad-based education.

Internal education (for cooperative members) has been provided over the years by regular annual education weekends (sponsored by a regional organisation called the Cooperative Community Council) and training sessions, while a publication "The Coop. Review" published jointly for six years on a quarterly basis, initially served to keep members up to date on the latest developments within the cooperatives. A portion of the profits from the Maleny Credit Union are put towards funding bursaries for young people to attend these annual cooperative education weekends.

In an attempt to inform the wider community of the presence of the cooperatives in Maleny, money provided by the Cooperatives has enabled them to have their logo displayed on boards at the entrances to the town, along with the CWA, Rotary and the RSL.

As Maleny became famous for its self-start ventures, the State Government began to take an interest in helping to capitalise some initiatives in the town. At this time, facilities called Enterprise Centres, or Shared Workspaces, or Incubator Centres were becoming popular in Australia. Begun in Ireland some fifteen years previously, these centres provided support for fledgling businesses. They did so by the provision of tailor-made spaces for new businesses, with a reasonable rent and no startup costs, such as bonds, power connection, etc. They also included the provision of a manager, who could give technical and moral support to the fledgling business enterprises, which also had the benefit of a shared secretarial service with facilities such as a fax and photocopier.

Within Maleny was an old, unused butter factory: a charming old building which had seen better days and was looking decidedly disreputable. The State Department of Employment put up a large sum of money in 1989 to renovate this building into a shared workspace and to lease it and pay management fees initially, until the facility could pay its own way. The period of renovation was not without its trials and tribulations, as anyone who has worked on bringing an old building into conformity with new building regulations will testify. But finally, the spaces were ready to let.

By 1994, the Enterprise Centre boasted its first "graduates", who expanded to the point where their businesses could "make it" in the commercial world. The Enterprise Centre has housed a number of individual and group businesses, covering a broad range of enterprises and ventures, from desktop publishing through manufacturing businesses ("Pure Pasta Products" using organic grains, and "Maleny Clean Cuisine" which produces relishes, sauces and chutneys, all from organic produce) and sales outlets (for example, "Sustainable Timbers" which sells beautiful timber grown for that purpose, rather than timber harvested from the world's diminishing resources). A variety of small businesses, some of which obtained Government grants to start up their venture, and others which struggled to "bootstrap" their initiator's dream, worked alongside offices housing the local Landcare group and the Queensland branch of the Threatened Species Network.

Some four years later, the old Butter Factory changed its emphasis to become the local Telecentre. In this role, it delivered computer training to groups as diverse as farmers and people with a severe hearing impairment. Its new brief meant that the assistance to small businesses became less of a focus, and, when Government money ran out, the manager, who initially provided support services to the fledgling businesses, was no longer employed. This left the Centre without a "driver" for its primary function until the formation of a self-help group initially calling itself "Self-LED" (standing for Local Economic Development) in 1997 (see later).

While the Telecottage facility gave the community access to modern technology computers, database search, labour market research, distance education and computer-aided training packages, it no longer provided the support function for start-up businesses. It still continues to benefit the community in

terms of job creation, as well as the opportunity for new and existing businesses to access information and equipment resulting in increased service/productivity, but a vacuum had been created.

An employment agency was established as a private business in the Butter Factory a short time later, but finished operating when the Commonwealth Government tendered employment services out to large corporations, leaving small agencies with little choice but to close their doors. In 1998, the local economic development group (Self-LED) took up where the private provider left off, providing some of the original support services again. Last year a core of five members from this group formed itself into a worker cooperative which is now a tenant in the Enterprise Centre and provides assistance to start-up businesses. It has established a partnership with the Maleny Credit Union, mentoring local people starting micro- and mini-business ventures, while the Credit Union provides small amounts of capital for the start-ups.

Following a visit early in 1999 of the noted futurist Robert Theobald, social cohesion was targeted as an issue that needed to be addressed within the district. In spite of the proliferation of community organisations and the increased diversity in economic activity that had taken place since the early nineteen seventies, there still existed a tendency for division into “old settlers” and “new settlers”. In order to address this issue in a way that might appeal to every sector of the community, the first Maleny Community Fair was organised. Its primary objective was to display the wealth and diversity of the community to itself, and to promote a sense of identity through this richness.

As the importance of partnerships becomes better understood, many of the cooperatives and the cooperative community organisations have begun meeting to enhance existing partnership arrangements, and look to create new ones. This group, calling itself the Maleny Strategic Alliance group, has developed a plan to produce a community audit of current skills and resources available within the district, to conduct a needs analysis, and to develop a strategic plan for the area.

## **The Community and Economic Development Process**

Although, on the face of it, all the above strategies have quite different forms and specific objectives unique to each project, there is an essential thread running through all the strategies. This ensures the replicability of the process across all situations, whether urban or rural. The actual strategies appropriate to various communities will differ, but the essential elements remain the same. Projects which take account of the following factors are more likely to succeed; projects which ignore any of them are more likely to fail.

(a) **Need:** Any project must have as its basis a perceived need in the community.

It does not matter how good an idea is, if there is not a community need, the project will not take off. A needs assessment can be quite simply gauged by means of a survey, interviews or local talkback radio.

(b) **Energy:** An assessment of the energy requirements of any project must be undertaken. For instance, when starting the Credit Union, we needed to find if there were people who:

- (i) Had money they would deposit with the alternative financial institution;
- (ii) Had worthwhile projects that needed capital; and
- (iii) Were prepared to commit themselves to bringing up and running the Credit Union.

(c) **Physical Focus:** It is most important that any community (economic) project has a "home" - a physical space which is identifiable and accessible to the public. This not only ensures a clear identity for the entity, but enables the community to "own" it more easily, in a way which is not possible if the project is based in a "private" space e.g. someone's home). The physical space can be ever so humble, rented or donated, but it must be capable of community identification of it as their space.

(d) **Clear aims and objectives:** It is most important initially to formulate a clear set of aims and objectives for each project. This will provide guidance not only as the project gets 'off the ground', where it will inform the budgetary process, promotional strategies and provide a focus for the founding group's energy, but also as a clear direction in years to come.

This is not to say that these initial aims and objectives cannot be modified as the need arises at a later stage, but merely emphasis on the importance of this strategic planning in the early stage of the project's existence.

- (e) ***Commitment to the Vision:*** When launching a new strategy, capital will become an important issue. There are limited ways of capitalising a project, which I will outline briefly.

The first means involves putting in your own capital, or pooling the capital resources of your group. This is generally not an option for small, community-based groups, who are most often cash-poor. The second method involves borrowing the money required, in which case, you must be aware of the commitment to work at least twice as much as if you had not taken a loan, in order to pay the money back.

The third capital source is that of Government grants, which again have implications for the project. Firstly, the project may have to be altered, either slightly or substantially, to fit the grant guidelines and then a considerable amount of energy will be needed to make the application, furnish the periodic reports should the application be successful and keep the project within the Government guidelines until the conditions of the grant have been fulfilled.

The fourth method (which most community-based groups use) is that involving "sweat equity", where items needed for the start-up are donated or borrowed, and group members give their time in a voluntary capacity until the venture begins to be profitable and pay wages. In all cases, the commitment to the vision which inspired the group to undertake the venture will need to be strong, for it is a well-known fact that the pioneers of any strategy "subsidise" its success in years to come.

Although it is acknowledged that the traditional concept of leadership is no longer appropriate in this day and age, it is recognised in most circles that "functional leadership" is a necessary

aspect of group organisation. This concept acknowledges that at each stage, or within different aspects of a project, certain skills are required and, accordingly, there will be a "most appropriate person" (or maybe two people) who will naturally, if given the opportunity/encouragement, take carriage of this stage. Usually, there is one person who not only maintains the initial vision of the project but is able to "hold the belief" during the difficult stages of the project's birth and first years. This role enables others to be re-inspired if they are faltering in their resolve, and is an extremely important one.

- (f) ***Education/Training:*** Given that many people who launch into revitalising their communities have boundless enthusiasm but possibly have not learned many of the skills necessary to run a group enterprise, the role of education and training in community development projects cannot be over-emphasised.

In bringing up the business ventures in Maleny, very few of those involved had business or financial skills. This is not as serious a deficit as it may at first seem, as, by starting the project in a small, manageable way, these skills can be acquired "on the hop" (action-learning, as it is called these days) and grow along with the venture's success. There are numerous stories of individuals who, before coming into one of the Maleny Cooperatives, had never touched a calculator, let alone a computer, had never written a business letter, or had to negotiate with the Government or business community. They are now comfortable running their own micro- or mini-businesses, or managing a multi-million dollar (viz, the Credit Union) or multi-thousand dollar business. Such is our capacity to learn - given a conducive environment.

This commitment to education and training must take the form of multi-skilling people within the organisations and educating the wider community as to the objectives and benefits of the particular venture. This last ensures that anyone in the wider community who can benefit from the outputs of the strategy knows what the project is about and how to be included at their desired level of involvement.

The golden rules in beginning a community economic development strategy are:

- (1) Start small, with the skills and resources that are available within the community involved. Better for the process to create a small success than a grand failure!
- (2) Make use of role models - those who have trodden the path before - where possible. Have someone from your group spend time learning "on the job" in that similar venture even if it means travelling to do so. Most people involved in projects of this nature will be happy to share their insights, resources and skills and lessons with you. They remember what it was like starting up!
- (3) Make sure you bring up an organisation with a broad base. This ensures the stability of the entity. This is relatively easy at the start of your project, at a time when people are excited by the concept, but must be continued on throughout the life of the project, even through the more difficult phases later on. It is imperative to inform the broader community at all phases of the project as to its progress, and maximise opportunities for their involvement. This can best be done by use of the (very) local media.
- (4) Build up a base of mutual support within your organisation, and, as you bring up more organisations, between organisations. Use members of your organisation(s) to provide the support for its functioning, e.g. to write computer programs that you may need, or in obtaining supplies, etc.

As more organisations with different roles are started, it is possible and very beneficial, to use those different organisations to provide services, e.g. education/training or financing.

Probably the greatest barrier to starting up your first organisation is the (natural) fear of failure. It can block the energy badly and cause long, drawn-out start-ups. There is a reluctance to "go public" with a definitive meeting and people haggle endlessly over the structure or the constitution or some other

such aspect of the organisation. This fear must be recognised, admitted and worked through. Part of the fear may stem from a feeling of inadequacy regarding the skills that will have to be applied. And I can only say to those for whom this is a reality - start anyway! You will find that, in starting small, you will be able to cope with your low level of skills; as the organisation grows, so do your skills!

The skills you need to build to run a successful community organisation are two-fold:

(1) **Technical Skills:** Skills such as management, financial, organisational and such-like. There are plenty of easy-to-read books on such subjects and others who can point you in the right direction for your particular needs in this area. Do not be afraid to ask "professionals" for advice and help; many of them are happy to become peripherally involved in community organisations, either as an ethic or as a means of making the community aware of their involvement in other than strictly financial arrangements.

(2) **Inter-personal Skills:** These relating to being able to work together. These skills include democratic forms of decision-making and conflict resolution techniques. These are the type of skills that have not been emphasised in the past and are still given little weight in conventional business organisations. They are, however, essential for the successful operation of a cooperatively-structured business.

Although we have never been taught in school how to work together, or how to resolve conflicts, these are some of the most important skills we can learn. Also there is as broad a range of literature and techniques available for learning such skills as there is in the range of "technical" skills. I cannot emphasise this aspect of skills training enough; for without it, your organisation will surely fail to thrive. Just as it will if you do not properly learn how to manage the financial side of the business!

Although the model that we have used in Maleny was primarily based on the legal framework of cooperatives (i.e. initially using *The Cooperative and Other Societies Act* and now *The*

*Cooperatives Act QLD 1997*), there are several legal structures that can be used to bring up democratic organisations. It is important to use the legal instrument that best suits the needs of the organisation.

Other suitable structures are the *Associations Incorporation Act QLD* (especially if the organisation you are starting does not have as its prime goal a trading/profit making aim) and a particular type of company structure, known as a Company Limited by Guarantee. Trusts are also sometimes used for this type of organisation.

### **Community Economic Development - A Useful Model**

A model that I have found particularly useful in my work in helping the community to become empowered with regard to their economic life is one that has been generated at the Rocky Mountains Institute, in Snowmass, Colorado. It is a simple yet effective model when looking at strategies leading to the most powerful economic base. This model cites four important aspects of local economic development (in order of importance):

- (1) Plugging the leaks - this refers to bringing up strategies which produce import substitution. This they consider to be the most necessary set of strategies for economic revitalisation, as it immediately helps to restore the "balance of payments" in an area by making goods or providing services which were previously brought into the region, with a consequent drain of regional capital. These strategies need as their base a knowledge of what goods and services are currently being produced in the area, as well as a knowledge of what is currently being imported - in other words, an audit of goods and services needed and produced. It also needs an assessment of the raw materials produced (or capable of being produced) locally so that appropriate "value-added" industries can be created.
- (2) Supporting existing local businesses - this is considered the second most important set of strategies in this economic model and entails a similar assessment of what goods and services

are available, along with a concerted promotional campaign as to the benefits of supporting "local". It may also be necessary to mount a campaign with local providers to upgrade their services to take advantage of an increased local market. This can be done by way of an education and support group for local business people, as well as a campaign in the local media.

- (3) Facilitating the start-up of new appropriate businesses - this set of strategies is also based on a knowledge of what is "appropriate" for any particular region and needs a well-established and mature business support network. Whether this is provided by way of an Enterprise Centre, or through the local financing body or some other mechanism is entirely dependent on the pattern of development that occurs within your area.
- (4) Encouraging the entry/expansion of businesses from outside the region into your area; with this set of strategies, it is important to remember that these businesses also have to be appropriate to the area. It is also necessary to understand that merely relocating a business to your area, even if it is something that your community can use, will be draining another region, and thus the net benefit is doubtful in economic terms.

In concluding this dissertation on local community economic development, it is important to remind ourselves of the essential reasons for embarking on this path and asking ourselves whether in fact the central question of "What can one person do?" has been answered. For those who have traveled this path alongside me, and they are there in their thousands, in all parts of the world, I believe the answer would be a resounding "Yes". They are, in the main, ordinary people, with (often) few development skills to fit the task they choose, but with an extra-ordinary commitment to a vision and a dedication to following "the path with a heart" - which of course, leads directly to their empowerment. And that is just the beginning!

