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How can we move closer to relocalisation? Colin Hines has a phrase for it: protect the local, globally.

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If a thousand economists were asked if they wanted to be protected, in their everyday lives, by the police, say, or by an insurance policy, they would undoubtedly reply with a unanimous 'yes'. Everyone wants protection for themselves, their families and their communities from people, events or influences that may harm them. But try adding an 'ism' to the end of the word and economists reach for the cross and garlic, politicians go into paroxysms of outrage, and commentators prophesy a return to the 1930s overnight.

How can three little letters – ism – turn the common sense concept of protecting important interests into a dirty word? Part of the reason is a misreading of history; another is that it helps keep any discussion of meaningful protection for any of us from the ravages of globalisation firmly off the agenda.

First, the history. According to popular wisdom, recycled in economics textbooks, it was 'protectionism' which caused the worst recession the world has ever known in the 1930s. The introduction of some trade barriers by the US, in the form of the 'Smoot-Hawley' Tariff of 1930, so this popular wisdom goes, raised duties to record levels, worsened the depression, provoked extensive foreign retaliation, and destroyed world trade.

However, Professor Alfred E Eckes, a former chairman and commissioner of the US International Trade Commission – and no radical – has debunked this myth. Using official data and archive materials from the US, Canada and the UK, as well as the research of other economic historians, Eckes concluded the Smoot-Hawley Tariff did not precipitate the 1929 stock market crash. (Hardly surprising, since it was introduced the year after!) Nor did he find any compelling evidence that it exacerbated the Great Depression. In truth, it wasn't tariff barriers that caused the 1930s slump, but a lack of global demand following the collapse of false stock market optimism and the unsustainable credit binge of the 1920s.

This rather dry historical detour has not been made merely to underscore the chilling parallels with today's markets. Far more important is to use this knowledge to debunk the myth that protective measures such as controlling access to domestic markets will lead inevitably to a global depression. For it is this historically unfounded threat that is invoked by all pro-globalisation political leaders whenever the suggestion is made that a country or community should have the right to protect itself against the adverse effects of world trade.

The powerful myth of the dangers of protectionism is one of the philosophical keystones of today's globalisation model. If it is not unravelled, those who oppose globalisation will continue to have a hard fight on their hands.

It is crucial, then, that we stand up for the right to economic protection from today's destructive forces of global trade as loudly as we defend protection of environmental, community or human rights. The 'There Is No Alternative' siren song of the defenders of the status quo must be rejected, and in its place, a 'New Protectionism' must be called for – one that will save the environment and reverse the present trend of rising poverty.

Fortunately, such a radical alternative is beginning to emerge. It centres on the replacement of the present political and economic theology of globalisation with an emphasis on local production and the rebuilding of local economies. The policy suggestions to achieve this already exist, and I have pulled them together in my recent humbly entitled book; *Localisation – A Global Manifesto*. At a political level, UK Green MEPs are already endeavouring to push for such policies Europe-wide: a scale necessary to tackle the globalisation agenda of big business.

Localisation means, very simply, that everything that could be produced within a nation or region should be. Long distance trade is then reduced to supplying what cannot. This would provide an increase in local control of the economy and the potential for it to be shared out more fairly and locally. Technology and information would be encouraged to flow, when and where it can strengthen local economies. Under these circumstances, beggar-your-neighbour globalisation gives way to the potentially more cooperative better-your-neighbour localisation.

The prerequisite for achieving the relocalisation of the world economy is to challenge the accepted wisdom that the process of globalisation is inevitable and can be made beneficial. At the same time, it is crucial to propose a cogent alternative. Its policies must be judged by whether they are seen as a plausible way to reverse the instability and insecurity that trade liberalisation has wrought upon the world. Protection is at the heart of a set of self reinforcing policies to achieve localisation, which can be encapsulated in the slogan 'Protect the Local, Globally'.

The essence of these policies is to allow nations, local governments and communities to reclaim control over their local economies; to make them as diverse as possible; and to rebuild stability into community life. This does not mean a return to overpowering state control. Instead, governments merely provide the policy framework which allows people and businesses to rediversify their local economies. The reduction of product or service miles (distance from provider to consumer) is also an environmental goal. In short, it means developing a positive discrimination in favour of the local, and allowing countries to protect themselves through limiting access to their markets and keeping most money circulating locally.

There is nothing particularly radical about this; indeed, to most people it may seem like simple common sense. To achieve it, I would suggest seven interrelated policy programmes aimed at increasing local control over economies, which can be adopted by countries or localities as they see fit. The end goal of an economy run along these lines would be maximum self-reliance, rather than today's fetishism of international competitiveness. The seven steps are:

- reintroduction of protective safeguards for domestic economies (tariffs, quotas etc);
- a site-here-to-sell-here policy for manufacturing and services domestically or regionally;
- localising money, so that the majority stays within its place of origin;
- enforcing a local competition policy to eliminate monopolies from the more protected economies;
- introduction of resource taxes to increase environmental improvements and help fund the transition;
- increased democratic involvement both politically and economically to ensure the effectiveness and equity of the movement to more diverse local economies;
- reorientation of aid and trade rules so that they contribute to the rebuilding of local economies and local control, particularly through the global transfer of relevant information and technology.

Pie in the sky? Not necessarily. A 'Protect the Local, Globally' policy is neither anti-trade nor autarkic (ie totally self-sufficient). Its goal is maximum local trade within diversified sustainable local economies, and minimum long-distance trade.

Of course, such a dramatic turnaround in the direction of the international economy could not just occur in one country. To take on the powerful international forces of international capital and big corporations would require these policies to be introduced, for example, EU-wide or across the whole of North America. But it could be done – and once one place had done it, an example would have been set.

The advantages of such an economic re-orientation, meanwhile, would be legion. A good way to illustrate this is by looking at how it would affect the most basic of human needs – food.

The transition to maximum self-reliance using the policy tools of 'Protect the Local, Globally' is actually a precondition for a fair food policy. Consider: fair land reform, for example, cannot take place if the thrust of all government's policies is to compete internationally. This requires keeping costs low and encouraging inward investors seeking maximum returns to locate and not relocate. It also needs a pool of cheap labour and farming intensively to reap economies of scale. Land reform can also never happen on the scale required if investors are not to be frightened off by radical and egalitarian social and farm policies.

However, once a country's food goals, and those of its regional neighbours, are only to accept investment and to consider exports when they contribute towards greater self-reliance, then land reform actually becomes a prerequisite. Similarly, other destructive agricultural practices like surplus dumping, import dependence and export concentration will wither away when there is a greater emphasis on national food needs and less dependence on producing surpluses.

In other words, to have a more self-reliant food system will require the rebuilding of rural economies and infrastructures, and a decrease in wealth discrepancies. This is crucial, since, for developing countries in particular, such spreading of opportunities and wealth in the rural sector will be necessary for building up the demand for the goods from a growing domestic manufacturing and services sector.

For both developed and developing nations, the increasing dependence on local food resources should act as a spur to improve the environmental sustainability of local resource use, since this is where the future food supply will predominantly come from. More labour-intensive, less chemically-intensive agriculture will not only improve the local economy, but also ensure that new techniques are developed that will not threaten the local agricultural resource base, since importing your way out of problems becomes less of an option. The emphasis on resource taxes, including energy and agricultural pollution taxes, to help fund the transition to localisation, will also direct agricultural practices towards more sustainable patterns.

Finally, the most significant improvement inherent in the 'Protect the Local, Globally' form of localisation is that it controls the activities and investment patterns of multinational companies. Such players would not be able to force down wages or conditions through the threat of relocation. Access to national markets depends on being in that market and staying there. The increased control of governments, plus the local competition laws, dramatically reduces the power of transnational corporations to control the world food system.

The food example shows what could be achieved – and why it is necessary. The challenge before us now is to build the political will to get it done. The time has arrived for a radical economic rethink of the enormity seen since the end of World War II. Then, the experience of the Great Depression and its resulting war led to a massive channelling of national resources into improved social infrastructure, health, education and rebuilding economies with an end goal of full employment and economic security.

Now, it appears that the world is entering another period of international economic upheaval. This could be just the catalyst for change that we need. Those who are already politically active on these issues need a fresh look at how to achieve their goals at a time of economic slowdown and the growing constraints posed by globalisation. It is time for them to consider supporting policies that allow countries worldwide to protect and rebuild their national economies and, in doing so, tackle their social and environmental problems.

Campaigners can then move from campaign-specific 'isolation' to seeing the mutual advantage of forging themselves into effective alliances. For motives ranging from morality to self-interest, a fundamental change away from globalisation towards localisation is the way to success for most issues. The strength of such a coalition is that it would range from issues that are of wide and immediate public, business and political concern (such as jobs and declining demand levels, education and health), to more local issues – declining shops, etc. It would also encompass crucial concerns that lose out in times of economic insecurity, such as the environment and reduction of global poverty and inequality.

A new, unified chant needs to emerge from this huge grouping, ranging from international NGOs to local community groups, from small and medium-sized businesses to unions, from food activists to the culturally concerned. Activists must assert loudly and together that their campaign demands can only be realised through a move away from distorting national economies in order to achieve international competitiveness. Instead the goal should be protecting and rebuilding local economies. It's time to protect the local – globally.

Colin Hines is an Associate of the International Forum on Globalisation. His latest book, *Localization – A Global Manifesto* was published last year by Earthscan.