

To: Board of Aldermen  
From: Mark Chilton and Dan Coleman  
Date: November 30, 2006  
Re: Proposal to engage services of Robert Shuman for the economic development discussion at our retreat

**Background**

As the Board will recall, a representative of the Alliance for Community Economics recently urged the Board to consider the work of Michael Shuman in evaluating the RTS Report and in planning for the town's economic development. After reading the book that ACE provided us, we feel that her suggestion has some real merit.

Michael Shuman is the author of *The Small Mart Revolution: How Local Businesses are Beating the Local Competition* and of *Going Local: Creating Self Reliant Communities in a Global Age*. He's also cofounder of BALLE ([www.livingeconomies.org](http://www.livingeconomies.org)), the Business Alliance for Local Living Economies. Shuman has consulted with dozens of governmental and business organizations.

Shuman is the leading figure in the country today in the field of "locally owned, community-nourishing economies." He has worked with numerous municipalities, including Santa Fe, Portland, Berkeley, Duluth, and Boulder.

"[Shuman] ignites us with the startling facts and the confidence-surge we need to recreate locally owned, community-nourishing economies... Hurrah, Michael Shuman!"  
Frances Moore Lappé

**Discussion**

In short, we would like to propose that we invite Michael Shuman to come to Carrboro to participate in our discussion of the RTS Report and related economic development issues at our retreat in January. We had planned to bring this concept up first with the retreat planning committee (which will meet for the first time on December 8<sup>th</sup>). Unfortunately this topic may not be able to wait that long, as the Board will not meet again for another month and by then it may be too late to arrange a visit from Schuman. We also feel that this proposal is a significant departure from the Board's past practice with respect to the Board Retreat and that the full Board should be consulted about the matter.

"The Small-Mart Revolution aims to improve the prosperity of every community by maximizing opportunities for locally owned businesses." *Small-Mart Revolution*

We have gone so far as to make contact with Mr. Schuman and asked him whether he would to look over the RTS report (at no charge) and then speak with us about the possibility of coming to Carrboro. He had a number of interesting observations to make about the RTS Report and

was very willing to come to Carrboro to meet with the Board of Aldermen about our economic development strategy. Shuman made a preliminary suggestion of the following topics:

- Entrepreneurship** – what resources can the town and community bring to bear to support entrepreneurship?
- Business Alliances** – how can the town help foster active and proactive business alliances including and beyond the creative community alliances suggested by RTS?
- Local Demand Mobilization** – how can the town and business community work to foster local demand for local products and services including broad community education and engagement in the importance of the local economy?
- Plugging Leaks** – this is one of Shuman's fortes – how can we plug leaks through which dollars flow out of the Carrboro economy and keep more of those funds at home, increasing the multiplier effect and increasing the financial well-being of our citizens?
- Investment Capital Mobilization** – how can we take full advantage of the community's investment resources to further capitalize the development of local business?
- Public Policy** – how can we expand our public policy repertoire, beyond planning mechanisms and branding/marketing, in support of the above goals?

## ATTACHMENT A-2

Again, the above is a quick take from Shuman. We expect a more formal proposal from him in time for our meeting on December 5.

If the Board is interested in pursuing this opportunity, Shuman will be available to work with the retreat planning committee to flesh out further details.

### Time Frame

Shuman is available to spend the full day with us on January 29. He would arrive the afternoon of 1/28 which would give him time to take a look at the town and perhaps have a dinner meeting. [Note: Shuman visited Durham and Chapel Hill in September. We will email an .mp3 link for his appearance on WUNC's State of Things with Ruffin Slater and Rob Nichols.]

"The living wage is to Wal-Mart what kryptonite was to Superman."  
- *Small-Mart Revolution*

### Cost

Shuman charges \$1000 for a day and \$500 for a half day or travel day. Thus, the cost would be \$1500 plus expenses. Expenses would include one night hotel and car rental plus miscellany. The total cost would be under \$2000. The retreat budget includes \$2000 for professional services. In addition, there is a \$900 cushion in the budget. [Note: Shuman has agreed to study the RTS report and to have preliminary conversations with the retreat committee at no extra charge.]

### Proposal

We are requesting that the board authorize the retreat committee to engage the services of Michael Shuman provided the cost is within the retreat budget. In addition, we would like the board to charge the retreat committee with working out the details of Shuman's participation in the retreat.

### Enclosed

1. Short article on Shuman appearance in Toronto
2. Shuman's vita

"A local elected official should ask some tough questions of the economic developers at the next council meeting: Have you studied leakages in the economy? Why not? How do you know which of your efforts will have the greatest multiplier effect?" - *Small-Mart Revolution*

## **Can Local, Green-Minded, Socially Responsible Businesses Defeat Wal-Mart & the Big Box Bullies?**

By WAYNE ROBERTS (source: [http://www.organicconsumers.org/2006/article\\_1032.cfm](http://www.organicconsumers.org/2006/article_1032.cfm))

If hometown business enthusiast Michael Shuman has his crystal ball in working order, we now know where global insecurities about pandemics, terrorism and scarcity in the new century lead. The affluence of the 1950s spawned prophecies about the end of ideology; the collapse of the Soviet Union in the 80s led to predictions of the end of history; mass layoffs at giant corporations in the 90s forecast the end of work.

But in this epoch, Shuman says, all the indices foretell nothing less than the end of Wal-Mart, a prognosis more likely to come true than all the others.

At the invitation of Green Enterprise Toronto, the local branch of Business Alliance for a Local Living Economy (BALLE), the Washington-based economist addressed a Toronto audience in late June, just prior to the release of his latest book, *The Small-Mart Revolution: How Local Businesses Are Beating The Global Competition*.

As local businesses learn they have nothing to lose but their chain stores and start fighting back, Shuman says we will witness "an epochal struggle between two dramatically different visions of capitalism, the outcome of which will define many interesting and important years of history to come."

Shuman, the orchestrator of a number of local economic projects and a founder of BALLE, calls the conflicting visions Tina and Lois. Tina is short for global corporations that maintain that There Is No Alternative to the placeless way they do business, versus the Local Ownership and Import Substitution folks who stick with the people in their 'hood.

Lois offers a local anesthetic to a lot of unnecessary pain and turmoil in a turbulent world. In an age when cheap conventional petroleum is burning fast, fuel prices will level the playing field for businesses with local connections. In an era when water is scarce, water-intensive ag exports don't seem so wise any more.

At a time when overcrowding of animals and people creates wildfire zones for the spread of contagious disease, it becomes madness to permit meat exports. Think avian flu.

When power lines can be snipped by trees or terrorists who fall out of the sky, long-distant power makes little sense. When planners and politicians take these issues seriously and start looking closer to home for basic necessities such as food, water and energy, the case for what Shuman calls "Jurassic economic development" falls apart.

"Dependence holds a community hostage to mistakes, misdeeds and misfortunes totally outside its control," he says. Lois companies already account for the great majority of jobs in a modern post-industrial economy, he points out. Think of the butchers, bakers, candlestick makers, cleaning men and women, renovators, landscapers, main-street retailers, childcare workers, nannies, bookkeepers, volunteers, housekeepers, mom-and-pop grocers who do the heavy lifting of day-to-day life and taxpaying.

The multiplier effect is the secret weapon of small and local business, since it creates about three times more local wealth and employment than distant firms that take local dollars and export the multiplier effect elsewhere. Against that background, the "penny wise and pound foolish" tactic of saving a few pennies or dollars by buying from, or putting public subsidies into, distant corporations becomes local self-abuse.

Making the decision to give a few breaks to local businesses will be hard for government planners, policy analysts and program managers. The U.S. pork barrel amounts to about \$110 billion a year in government giveaways that lure distant corporations to please stay around, Shuman calculates.

By my guesstimate, a proportionate amount of subsidies goes out the door in Canada, albeit usually disguised as invisible hand-ups rather than visible handouts.

To give one example, there is no reward to local dairies and juicers who sell products in thick recyclable bottles and thereby avoid garbage costs. And there is no penalty for long-distance dairies and juicers that sell in single-use tetrapak and plastic containers that are recycled or landfilled by taxpayers at great expense.

U.S. and Canadian federal and regional governments both wrap an invisibility cloak around subsidies that prop up giant, nomadic corporations by forcing taxpayers to foot the bill for highways that carry all those long-distant goods.

An equally invisibilized subsidy to the nomads comes in the form of weak federal and regional laws protecting worker rights and minimum wages, the purchasing power of which has been allowed to slip in both countries by as much as 40 per cent since the 1960s.

Looking at their own modest incomes, small local businesses usually resist minimum-wage protection for their staff, because they fail to see that decent wages are key to their competitive advantage against the big guys.

"The living wage is to Wal-Mart what kryptonite was to Superman," Shuman argues, since the nomads can't function without reserves of cheap, de-skilled and casual labour.

It's Shuman's hope and this is what makes his book a political manifesto that the conflict between two ways of doing business will lead to the tilling of common ground between two seemingly diverse constituencies. These are independent businesses, now largely represented by ultra-conservative corporate lobbies tied to Tina firms, and progressives, tree huggers and cultural creatives who never felt entirely at home in the conventional left.

"Color me neither red nor blue, but purple," Shuman tells me.

His political odyssey started in 1976 when he dropped out of Stanford University to work with Friends of the Earth and campaign against nuclear power in California. The year-long fight ended in a major victory for anti-nukes that changed Shuman's life.

"We felt this incredible jolt of power," he says.

He's been a positive energy guy ever since, even when he led the Washington-based Institute for Policy Studies, what he calls "the Jolly Roger of think tanks" during the 90s. He wrote *Going Local: Creating Self-Reliant Communities In A Global Age* almost immediately after leaving the institute in 97.

The rest is local history.

## CURRICULUM VITAE OF MICHAEL H. SHUMAN

Michael Shuman, an attorney and economist, is Vice President for Enterprise Development for the Training & Development Corporation (TDC) of Bucksport, Maine. He has written, co-written, or edited seven books, including most recently, *The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition* (Berrett-Koehler, 2006) and *Going Local: Creating Self-Reliant Communities in the Global Age* (Free Press, 1998).

In recent years Shuman has been promoting local-economy concepts through a variety of projects, including: creating a small-business venture capital fund in New Mexico; launching a community-owned company in Salisbury (MD) called Bay Friendly Chicken; organizing university-government-business collaborations in St. Lawrence County (NY) and in the Katahdin Region (ME) to study opportunities for import replacement; analyzing the impact of devolution in the former Soviet Union for the United Nations Development Programme; preparing a buy-local guide and coupon book for Annapolis (MD); developing a web site (CommunityFood.com) to support marketing by family farmers; serving as a senior editor for a recently published *Encyclopedia of Community*; and building the Business Alliance for Local Living Economies (BALLE).

He has written nearly one hundred published articles for such periodicals as *New York Times*, *Washington Post*, *Nation*, *Weekly Standard*, *Foreign Policy*, *Parade*, and *The Chronicle on Philanthropy*. His books and articles have explored people, practices, and policies in the fields technology, national security, citizen diplomacy, municipal foreign policy, entrepreneurship, philanthropy, and business development.

Shuman received an A.B. with distinction in economics and international relations from Stanford University in 1979 and a J.D. from Stanford Law School in 1982. During these years he served as a columnist for *The Stanford Daily*, and organized and taught freshman writing classes on "Nuclear Power: Issues and Choices." He also held internships with Natural Resources Defense Council, California Energy Commission, Friends of the Earth, and Stanford Institute for Energy Studies.

In 1982 he founded the Center for Innovative Diplomacy, which grew into an 8,000-member nonprofit organization that promoted global peace, justice, development, and environmental protection through direct citizen and city participation in international affairs. Through his leadership, CID helped create PeaceNet (a global computer network ultimately acquired by Earthlink), published a quarterly *Bulletin of Municipal Foreign Policy*, and mobilized nearly 3,000 local elected officials on behalf of various foreign policy issues.

He then became a Fellow at the Institute for Policy Studies for two years and Director for six years. Among his accomplishments were launching a new program in peace and security, starting the Social Action and Leadership School for Activists, strengthening the

Institute's links with the Progressive Caucus on Capitol Hill, and putting the institution on a strong financial footing after two decades of deficit spending.

From 1998 to the present, Shuman worked as a contractor, sometimes independently and sometimes through the Green Policy Institute and Community Ventures (both projects of the Tides Center), with economically disadvantaged communities to create sustainable small businesses. He ran the Village Foundation's Institute for Economic Empowerment and Entrepreneurship, which worked primarily with African-American young men in U.S. inner cities. He worked with the Kellogg Foundation to support low-income farmers. And he prepared the platform for the New Mexico gubernatorial campaign of Native American activist Russell Means.

Shuman has appeared on numerous television and radio shows, such as the Lehrer News Hour and NPR's "Talk of the Nation," and is a periodic commentator on NPR's "All Things Considered." He has given an average of a talk a week for 20 years, including invited lectures or paid consultancies in eight countries, 26 cities, and at 27 universities.

In 1988 he received a public service award from the international relations department of San Francisco State. In 1980 he won First Prize in the Rabinowitch Essay Competition of the *Bulletin of the Atomic Scientists* on "How to Prevent Nuclear War." Between 1987 and 1990 he was a W.K. Kellogg National Leadership Fellow. He is also a member of both the State Bar of California and the District of Columbia Bar.

### **Educational History**

1982 Stanford Law School, J.D.

1979 Stanford University, A.B. in International Relations and Economics,  
With Distinction.

### **Professional History**

2004-Present Vice President, Training & Development Corporation

2002-Present President, Bay Friendly Chicken Inc.

2000-Present Director, Green Policy Institute (Project of Tides Center and  
later renamed Community Ventures)

1998-2002 President, ProgressivePubs.Com

1998-2002 Director, Village Foundation Institute for Economic  
Empowerment & Entrepreneurship

1992-98 Director/Co-Director, Institute for Policy Studies

1990-98 Fellow, Institute for Policy Studies

1988-90 Visiting Scholar, Institute for Policy Studies

1985-86 Co-Director, PeaceNet

1982-90 President, Center for Innovative Diplomacy

## Publications

### Substantive Books

The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition (Berrett-Koehler, 2006)

Encyclopedia of Community (Sage, 2004) (senior co-editor)

Local Rights and Global Wrongs: The Legality of Municipal Foreign Policies (forthcoming)

Going Local: Creating Self-Reliant Communities in a Global Age (Free Press, 1998; paperback by Routledge, 2000)

Towards A Global Village (London: Pluto, 1994).

Technology for the Common Good (Washington: IPS, 1993) (co- editor).

Conditions of Peace: An Inquiry (New York: Talman, 1992) (co-editor).

Security Without War: A Post-Cold War Foreign Policy (Boulder: Westview, 1993) (lead co-author).

Citizen Diplomats: Pathfinders in Soviet-American Relations (New York: Continuum, 1987) (co-author).

## Major Studies, Reports, and Directories

Local First: Why Buy Local (TDC, forthcoming).

Buy Annapolis: A Guide to Locally Owned Business (ProgressivePubs, 2002).

Rebuilding Effective Government: Local-Level Initiatives in Transition (United Nations Development Programme, 2001), (co-editor).

Chesapeake Friendly Chicken: Reinventing the Delmarva Poultry Industry (Chesapeake Bay Foundation, December 2000).

Financing A Community-Friendly Food System (Kellogg Foundation, 2000).

Urban Agriculture, Greenprint #1 (Village Foundation, September 1999).

111 Visionary Program Officers: A Who's Who of Progressive Foundations (ProgressivePubs, 1999).

Progressive Directory of Organizations in Washington (Progressive Resources, 1997).

Community-Based Development Initiatives (Hague: Towns and Development, 1992).

Having International Affairs Your Way: A Five-Step Briefing Manual for Citizen Diplomats (CID, January 1986).

Living without Harvard: A Critique of the Harvard Nuclear Study Group" (CID, November 1983).

Building Municipal Foreign Policies: An Action Handbook , Center for Innovative Diplomacy, 1987.

Pacific Northwest Model Energy Plan, Natural Resources Defense Council, 1981 (co-author).

## Magazine/Journal Articles

"Profits for Justice" (with Merrian Fuller), The Nation, 24 January 2005, pp. 13-21.

"The End of Globalization?" Utne Reader, Summer 2002.

- "Who's Who in Philanthropy: Lifting the Veil of Secrecy," Chronicle on Philanthropy, 4 November 1999, p. 73.
- "Community Entrepreneurship," Shelterforce, September/October 1999, pp. 10-13/
- "Community Corporations: Engines for a New Place-Based Economics," The Responsive Community, 3:9, Summer 1999, pp. 50-57.
- "What's Wrong with Green Funding in America?," Orion Afield, Summer 1999, pp. 32-35.
- "Cheesehead Economics," Yes! Journal of Positive Futures, Spring 1999, pp. 30-31.
- "Creating Self-Reliant Communities in a Global Age," Grassroots Economic Organizing Newsletter, January-February 1999, pp. 1-7.
- "Food for Thought: Buying Local Makes Good Economic Sense," Newsletter of the Pennsylvania Association for Sustainable Agriculture, Winter 1999, p. 3.
- "Progressive Philanthropy Should Cast a Wider Net," Chronicle on Philanthropy, 5 November 1998, plus follow-up letters (Dec. 3 and Dec. 17) and author's reply (Jan. 14).
- "Going Local: Devolution for Progressives," The Nation, 12 October 1998, pp. 11-15.
- "Why Progressive Funds Give Too Little to Too Many," The Nation, 12/18 January 1998, plus letters in March 23 issue.
- "GATTzilla v. Communities," Cornell International Law Journal, Winter 1995.
- "Local Foreign Policy v. Courts," Foreign Policy, Spring 1992. Response to letters in Autumn 1992 issue.
- "What the Founders Really Intended," Intergovernmental Perspective, Summer 1990.
- "Grantees Bill of Rights," Foundation News, March-April 1989.
- "Alternative Security," In Context, January 1989 (co-authored with Hal Harvey).
- "Thinking Globally, Acting Locally," Nuclear Times, May-June 1987.
- "Soviet-American Citizen Exchange Initiatives," Nuclear Times, November-December 1986.
- "Local Foreign Policies," Foreign Policy, Winter 1986- 87.
- "The Environmental Catastrophe of Nuclear War," Not Man Apart, December 1983 (co-authored with Jim Harding).

### **Major Conference Addresses**

- Citizen Diplomacy Conference, Chicago (1987)
- Conference on Sustainable Letcher County (1999) (Keynote)
- Conference on Sustainable Rockester (1999) (Keynote)
- Conference on the Fate of the Earth, Ottawa (1986)
- Dutch National Congress on Municipal Foreign Policy, Amsterdam (Keynote Speaker) (1989)
- Ecotech Conference (1994)
- Ford Foundation Livable Communities Network (1999)
- Holland-Nicaragua Sister Cities Steering Committee (1990)
- International North-South Conference on Community-based Development Initiatives, Berlin (Keynote Speaker) (1992)
- Nelson Annual Teach-Ins, Nelson (British Columbia) (1987)
- Pennsylvania Association on Sustainable Agriculture (1999)
- Riverside Church Conference on Intervention (1987)



South-North Linking Conference, Bulawayo, Zimbabwe (1990)  
U.S.-Nicaragua Sister City Conference, Managua (Keynote Speaker) (1988)  
Winstar Conference, Aspen (1988)

**Noteworthy Governmental Consultations**  
(1986 - Present)

Anne Arundel County, Maryland (2001-present)  
Berkeley, California (1989)  
Boulder, Colorado (1989)  
Burlington, Vermont & state of Vermont (1998-99)  
Cedar Falls, Iowa (1986)  
Des Moines, Iowa (1986)  
Duluth, Minnesota (1988)  
Durham, North Carolina (1987)  
Iowa City, Iowa (1995)  
Irvine, California (1986)  
Jacksonville, Florida (2004)  
Kalamazoo, Michigan (2001)  
Letcher County, Kentucky (1999)  
Louisville, Kentucky (1987)  
Madison, California (1989, 2006)  
Nagoya, Japan (1999)  
New Haven, Connecticut (1987)  
New York, New York (1990)  
Portland, Oregon (1988)  
Portugal (1999)  
Pulaski County, Kentucky (1998)  
Santa Fe, New Mexico (2003-Present)  
Seattle, Washington (2003)  
Sacramento, California (1985)  
San Francisco, California (1985)  
Spokane (2002)  
St. Paul, Minnesota (1987)  
United Nations Development Programme, Bratislava (2000-2001)  
United Nations Development Programme, Moscow (2002)  
Western Massachusetts (various cities) (1987, 2001)