

MISSION WEST COOPERATIVE DEVELOPMENT CENTER

FROM THEORY TO FOOD HUBS

UNDERSTANDING COMMUNITY ECONOMIC
DEVELOPMENT IN LOCAL FOOD SYSTEMS



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ABSTRACT

Despite the increasing prevalence of community economic development (CED) practices, debate among development practitioners still stagnates adoption of a standardized definition. This literature review focuses particularly on community economic development literature published between the years 2000-2020 and evaluates the modern practices of community development, economic development, and CED in order to a synthesize a working definition. The definition of CED is then used to discuss recent research regarding the ways in which regional food hubs, specifically agricultural cooperatives, can be crucial participants in the CED process and potentially act as CED organizations.



INTRODUCTION

Across the United States, regions are facing a deluge of complex issues surrounding social inequality and opportunity, environmental protection, as well as economic stagnation and decline. Typically, multifaceted issues are not treated as such and the social, political, and economic effects are approached separately as opposed to symptoms of a larger problem. Efforts to address development in struggling regions have primarily focused on either economic development or community development as mutually exclusive techniques (Shaffer et al., 2006). Modern development scientists and practitioners have adopted a more holistic practice of community economic development (CED), though they have struggled to agree on a standardized definition or the components that constitute its practice (Clay & Jones, 2009; Schaffer et al., 2006; Anglin, 2011; Sumner, 2018). This review focuses particularly on community economic development literature published between the years 2000-2020 and evaluates the modern practice of CED before synthesizing a working definition; this definition is then be used to discuss recent research into the ways in which agricultural cooperatives as regional food hubs can be crucial participants in the CED process.



UNDERSTANDING CED: WHAT IS COMMUNITY DEVELOPMENT?

Often the first barrier to defining community development is deciding what is implied by the term “community.” Flora, et al. (2016, p. 14) describe three separate uses of the term community: communities of place, communities of system, and communities of interest. Communities of place include shared space as a primary component of the definition (Shaffer et al., 2006; Flora, et al., 2016). Communities of system are defined as “the organization or set of organizations through which a group of people meet their needs” (Flora, et al., 2016, p. 14). Communities of interest are defined by the “shared identities” among a group of people (Flora, et al., 2016, p. 14). While the conceptions of communities are distinct, they are not always mutually exclusive; concisely put,

A community may or may not provide the social system through which its members’ needs are met. It may or may not provide a sense of identity for its members. What a community does provide is what some sociologists now call locality, a geographically defined place where people can interact (Flora, et al., 2016, p. 15).

For the purposes of this investigation into community economic development, communities of place and interest will be predominantly used. Green (2008, p. 52) posits that the most practicable form of community development harnesses the momentum behind “specific issues and problems as they relate to a particular place.” In characterizing community engagement this way, Green (2008) conflates communities of place and communities of interest so that the two are inextricably nested as a regionally based social conception.

In all cases, it is vital to emphasize that communities of any kind can make and implement decisions as a unit, thus underscoring the major tenets of development practices (Shaffer et al., 2006). Green and Haines (2016, p. 13) characterize community development as “a participatory effort to mobilize community assets that increases the capacity of residents to improve their quality of life” and in doing so emphasizes the ingenuity of the community members as well as the importance of a unifying goal. Flora, et al. (2016, p. 432) posit that the truly underscoring feature of all conceptions of community development is the power and fierce ability of “human agency.”

Traditional underpinnings of community development define the practice as working within the spheres of rights, organizations, and politics (Shaffer et al., 2006). More literal interpretations of community development maintain that it “implies that the quality of interaction among the people living in a locality improves over time” (Flora, et al., 2016, p. 433). Practitioners of community development rely on what community members themselves do to “organize to collectively address their shared need,” thus harnessing and encouraging collective agency, which is defined as “the ability of a group of people...to solve common

problems together” (Flora, et al., 2016, p. 433). Perhaps the most crucial component of any development practice, collective agency seemingly dictates the success and sustainability of development efforts. Green (2008, p. 51) defines community development as “collective social action toward solidarity and agency focused on a particular locality.” Green’s definition includes the notable components of collective agency, action stemming from within the community, and emphasis of community of place. Community development has changed greatly over time with early efforts focusing on modernizing the community and essentializing facilitation from individuals or organizations external to the community in question (Flora, et al., 2016). As community development has changed, four models of practice have emerged as dominant strategies: the technical assistance model, the power approach, the self-help model, and the appreciative inquiry approach (Flora, et al., 2016). Each strategy has individual merits and shortfalls, and can often be combined according to the specific needs of the community.

The technical assistance model of community development is based primarily on inviting experts from outside the community to facilitate solutions to specific community problems utilizing empirical evidence and measurable outcomes (Flora, et al., 2016). Practice of the technical assistance model is often alienating to community members and advantageous to political bureaucracies with conferred interests in certain outcomes (Flora, et al., 2016, p. 435-6). Distillation of community-level issues to purely quantifiable goals and measurable efficiency is a hallmark of the technical assistance model, though it is not appropriate to assume that these are the only outcomes of this model. Incorporation of experts from outside the community can be an important component of many different types of community development initiatives (Shaffer et al., 2006). This is notable in discussions regarding the differences between community building and community development, in which community building precludes community development and often requires external or bureaucratic facilitation to “build strong community institutions and initiatives that can promote economic and social mobility,” and, “encourage community definition” (Anglin, 2011, p. 50). While input from experts external to the community itself can be an important process of community building and community development, it is the reliance on these experts that is a promise of the technical assistance model, as well as its possible downfall.

While the technical assistance model maintains community development agency in established power systems, the power approach to community development—also known as the conflict model--emphasizes the ability of “those without power to gain it through collective action” in order to address community issues (Flora, et al., 2016, p. 440; Green, 2008). According to the power approach, power should be transferred to community members through their ability to organize in a way that is both “democratic and participatory” (Flora, et al., 2016, p. 440). While this approach seemingly stems endogenously from the community itself, it should be noted that often the process of organization and the transfer of power may require facilitation from an external mediator (Flora, et al., 2016, p. 441). As

the composition of those in power in the community shifts, greater opportunities arise for pursuit of tangible changes in community development as it relates to the issues that galvanized the restructuring (Green, 2008). When considering the merits of the power approach, it is important to note that this approach is foremost about creating shared space and resources around which community members can mobilize (Green, 2008, p. 53).

The self-help model of community development revolves around the ingenuity of the individual and how it can be harnessed to address the needs of the community. According to Flora, et al. (2016, p. 446), the self-help model “emphasizes process,” meaning that the model is based on the work of members of the community toward a shared goal. According to Green (2008, p. 52) the community members pursue the shared goal through working toward their individual goals, which “further develop[s] their capacity for action.” In order for the self-help model to be a successful tool for community development, the people who make up the community need to be relatively demographically similar, empowered to participate, and have a certain degree of insulation from outside influences (Flora, et al., 2016). Employing the self-help model without the aforementioned qualities being present in the community can lead to misrepresentation of interests and entrenchment of predefined social stratifications (Flora, et al., 2016, p. 447-8). As Green (2008, p. 52) points out, the focus of the self-help model of community development is to “develop a capacity for action [and]... community building.” This is similar to the power approach in that it emphasizes the community members’ impetus for mobilization around issues, though different in that it relies more heavily on the action of the individual.

Quite different from the first three strategies for community development, the appreciative inquiry approach is less oriented around what the community needs and more around what already functions in the community (Flora, et al., 2016). Succinctly phrased by Flora, et al.



(2016, p. 450) the appreciative inquiry approach “attempts to build transformative change by taking into the future what works best in the present and what has worked for community well-being in the past.” Despite the appreciative inquiry approach relying on change stemming from within the community, it can be helpful to call on certain professionals to facilitate the more technical steps of the approach, such as asset-identification and resource connections between community members (Flora, et al., 2016). While facilitators can be helpful for the approach, a special emphasis must be placed on the practice that these facilitators are strictly to “empower” community members, a stark divergence from what is commonly practiced in the technical assistance model (Green & Haines, 2016, p. 14). A hallmark of the appreciative inquiry model is the incorporation of local, community voices and knowledge to define the process; often, this practice includes heavily weighting the narratives and experiences that comprise the culture of the community (Flora, et al., 2016). The importance of this form of knowledge-gathering is crucial to determine not only the strengths and assets of the community, but also to design the goal of development and iteratively return when the process diverges from expectation (Flora, et al., 2016).

Often considered only part of the appreciative inquiry approach, asset identification and building can also be considered a self-contained and streamlined approach to community development. Green and Haines (2016, p. 321) deem this approach “asset-based development” and characterize it as a process in which “community resources can be transformed and mobilized to better serve local needs and enhance the quality of life of residents.” As with the appreciative inquiry model, the asset-building approach emphasizes taking stock of the available capitals in a community, sometimes through utilization of the Community Capitals Framework (CCF) (Flora, et al., 2016, p. 450; Green & Haines, 2016, p. 16). According to CCF, communities have different mixes of seven asset types: natural, cultural, human, social, political, financial, and built; and when these assets are utilized to create new resources within the community, they become useable capital (Flora, et al., 2016; Green & Haines, 2016). Following identification of capitals, the asset-based development approach emphasizes “mobilizing residents” to utilize community capitals in the process of amplifying well-being and addressing deficiencies (Green & Haines, 2016, p. 16).

The aforementioned approaches share some similarities, though they are largely viewed as disparate. Practiced approaches to community development often involve novel combinations theories, depending on the needs and abilities of the community in question (Green, 2008). Viewing community development as a social movement can aid an explanation for the chosen approach. Green (2008, p. 59) claims that the benefit to approaching community development as a social movement is manifested in “critically assessing intentional social change.” Further, community development is better equipped to address holistic change when the practice is negotiated in conjunction with “broader social, political, economic, and cultural forces” (Green, 2008, p. 59). Green & Haines (2016) connect asset-based development to specific social and political theories that provide

reasons for why such a development practice should be employed; for example, Green and Haines (p.14) specifically list resource mobilization theory to support that deployment of capitals and agency empowerment can dictate the success of the development effort.

Taking stock of underlying commonalities between each community development strategy, while overlaying the social movement perspective, facilitates a working understanding of community development. All the aforementioned strategies, in addition to foundational understanding of social movements, indicate that perhaps the most crucial components of community development are the connections between community members and their “sense of a shared future” (Flora, et al., 2016, p. 16). There is no mistake that these qualities also define social capital, of which increases in abundance and movement within communities begins the process of “spiraling-up” (Emery & Flora, 2006, p. 33). The term “spiraling-up” describes the capacity of a community to layer and build upon positive changes as they relate to the stock of capital (Emery & Flora, 2006). The idea of an upward spiral of positive change beginning with the initiative and agency of community members is exactly the type of imagery one conjures when conceptualizing structural community reimagining.



UNDERSTANDING CED: WHAT IS ECONOMIC DEVELOPMENT?

Though historically practiced separately from community development, economic development has been theorized to vacillate between functioning as an antithetical and a subsidiary practice to that of community development (Flora, et al., 2016, p. 433 & p. 462). Of course, within the CCF, economics plays a crucial role, not only to define the types of capitals, but also to measure and quantify their benefits (Flora, et al., 2016, 15-16). As in the practice of community development, social capital is a key component of economic development. Green and Haines (2016, p. 178-179) notes that the importance of social capital as it relates to economic development can be seen especially in the promotion of “synergy,” the positive connection between political officials and community-members, as well as “organizational integrity,” the accountability of a community’s government to the concerns of the citizenry. When social capital is prevalent and strong between the various hierarchies of power within the community, then it is said that the community is in a “developmental state” (Green & Haines, 2016, p. 179).

Unfortunately, economic development has often been equated to and used interchangeably with economic growth (Deller et al., 2017, p. 622). A historically coveted concept, economic growth occurs when the unit of evaluation (the community, municipality, state, nation, etc.) experiences increases in available economic assets such as jobs or incomes (Shaffer et al., 2006, p. 61). While these fundamental hallmarks of economic growth are crucial for CED and community well-being, economic development implies “structural change” within the community (Green & Haines, 2016, p. 5). Definitional differences between economic growth and economic development determine the long-term sustainability of development practices, particularly those of CED. Many development practitioners note that economic growth, when practiced incorrectly, can actually be a detriment to the community that it was intended to help through entrenching economic inequality or structuralizing unsustainable “boomtowns” (Flora, et al., 2016, p. 433; Shaffer et al., 2006; Anglin, 2011). As economic growth can have unintended detrimental effects on a community, the crucial distinction between “growth” and “development” is the idea that the former ought to incorporate strategies specific to the region or community that uniquely enhances their capital assets (Flora, et al., 2016; Anglin, 2011).

Recognizing that economic development must address the specific needs of the community itself, it follows that there are multiple distinct connections between community development and economic development. The connections, however, are often based on the desired effect of economic returns (Flora, et al., 2016). Flora, et al. (2016 p. 459) points out that

there are two dominant approaches to economic development: firm recruitment and self-development. According to Flora, et al. (2016), the firm-recruitment strategy focuses on job creation, especially in the form of attracting firms from outside the community, and is most easily related to the technical assistance model of community development. The firm-recruitment strategy is often understood as supply-side development because it focuses on making the community's resources more available to or favorable for outside firms (Flora, et al., 2016, p.459). In contrast, the self-development strategy is referred to as demand-side development because it approaches economic development by evaluating what the community needs and fostering community partnerships to address those needs; thus, the self-development strategy focuses primarily on "mapping assets" and diversifying economic opportunities from within the community (Flora, et al., 2016, p. 460-1). In originating economic development from within the community as opposed to without, the practice becomes place-based, harnessing all existing assets to serve the needs of the community itself. Anglin (2011) posits that the place-based, self-development strategy is not only the most sustainable practice but also the future of economic development. Notably, the idea of "resident mobilization for... economic self-sufficiency" is deemed one of the primary tenets for the sustained practice of economic development (Anglin, 2011, p. 29).

The concept of community "self-sufficiency" (Anglin, 2011, p. 29) in economic development is consistently demonstrated to be of utmost importance. When describing the principle tenets of modern development practices, Shaffer et al. (2006, p. 61) state, "development reduces vulnerability to outside-the-community changes." Additionally, Flora, et al. (2016, p. 434) emphasize that when development practices are employed, "the goal is to identify and enhance assets in a systemic way." The evaluation of historical practices can lend a great deal of insight into the value of place-based economic development. Evaluation of past practices also emphasizes the importance of distinguishing between economic growth and development, as many historical growth practices vacillated between exporting and accumulating assets, both of which are reliant on outside-the-community resources (Shaffer et al., 2006, p. 60). The reliance on external forces is notably present in the firm-recruitment model of economic development. Flora, et al. (2016, p. 459-60) point out that, despite extensive regional efforts to accommodate firm relocation, firms typically relocated "overseas for cheaper labor and laxer pollution controls." Over time, communities would advertise very low wages as a "bargaining chip" to attract firms to the region, while severely undermining workers in the area (Flora, et al., 2016, p. 459). Additionally, should a firm bring well-paying jobs to a community, it was capricious whether the skills available in the community matched those required for the position (Flora, et al., 2016). The negative effects of relying on an outside firm for economic reinvigoration can extend to the qualities of general community well-being, such as increased wealth disparities and prices while social capital ("neighborliness") decreases (Flora, et al., 2016, p. 433).

The self-development approach to economic development, in contrast to that of firm-recruitment, emphasizes the diversity and efficiency of local economic actors (Flora, et al., 2016). Specifically, the self-development strategy focuses on community members and organizations utilizing collective decision-making to determine how to ignite and sustain economic structural change (Flora, et al., 2016). The self-development approach is intersectional and endogenous in that it emphasizes social inclusion as well as utilization and amplification of existing regional assets (Flora, et al., 2016). In doing so, the self-development model fosters collective agency (Flora, et al., 2016). The prominence of collective agency is observed time and again in the self-development strategy of economic development, the self-help model of community development, as well as modern definitions of CED.



DEFINING CED

Modern CED is represented primarily as the combination of community development and economic development, a conception that is, for the most part, accurate. Concisely, CED can be defined as the process in which “residents [of a community] engage in mobilizing and building assets that will improve their individual and collective future” (Anglin, 2011, p. 1). Through the process of CED, the community is viewed holistically as a product of social, economic, political, organizational, and environmental influences that work together and are harnessed in conjunction to improve collective opportunities for community members. In some situations, it is important to clarify a difference between CED and “market-based CED”, in which the latter practice essentializes “increasing for-profit initiatives in geographically discrete low-income neighborhoods [in order to] produce economic transformation and community empowerment” (Cummings, 2001, p. 401). In both definitions, the contributions of community development and economic development are clear; specifically, the concepts of self-sufficiency, asset identification and building, collective agency, and shared goals. Drawing on these commonalities, in addition to the previous discussions of community development and economic development, this review will hereafter rely on a hybridized definition as follows: CED is an interdisciplinary practice of encouraging action and providing resources for regional communities to collectively pursue change that strengthens community relationships, diversifies financial opportunities, and reinvests in amplifying and sustaining holistic well-being.

While CED can be thought of theoretically as combining the disparate practices of community and economic development, that approach is not entirely accurate. It is the history of CED that shapes so many of its important tenets, such as accessibility, inclusion, intersectionality, and diversity. CED, as a singular concept and practice, began with the underpinnings of the civil rights movement during the early 1900s (Cummings, 2001). The systematic exclusion of Black Americans from all spheres of society caused civil rights leaders to evaluate the best way to uplift black individuals and, if not end, then find power amidst the marginalization of black communities (Clay & Jones, 2009). While specifics of the best strategy to accomplish this task were debated, the two most prominent camps—belonging to the famed minds of activists Booker T. Washington and W.E.B. DuBois, respectively—were economic self-sufficiency and emphasizing education for Black Americans to better combat the systemic racism of politics (Cummings, 2001, p.410-411). Both camps of the early CED movement emphasized heavily the importance of economic independence and entrepreneurialism of Black Americans, individually, and as members of black communities, collectively (Cummings, 2001). The autonomous success that was sought after as a goal of CED for black communities is still observed today in more modern CED practices both rural and urban.

The initial practices of CED during the early civil rights movement demonstrated that the practice must encapsulate the individual facets of community and economic development, which includes access to economic capacity and socio-political inclusion (Shaffer et al., 2006). In embodying these seemingly disparate aspects, CED is theoretically and in practice both

process and outcome (Pittman et al., 2009, p. 81-84). Pittman et al. (2009, p. 81) state, “community development produces assets for improving the quality of life and business climate, and economic development mobilizes these assets to realize benefits for the community,” an observation that not only emphasizes the inextricable link between the two practices, but also the iterative core of CED. Some scholars argue that CED is a more advanced practice than either community or economic development individually, as emphasis on only one form of development lacks “an important part of the overall equation” (Pittman, et al., 2009, p. 83). Often the success of CED in a community can be attributed to the holistic nature of the practice in that it “comprehensively examines the different dimensions of the community” (Shaffer et al., 2006, p. 61).

It is crucial to recognize that CED is intended to construct and enable regenerative resources for communities and, within communities, individuals. In short, CED is “meant to produce wealth and facilitate change or adjustment” for the community to use as well as reinvest for a sustainable future (Shaffer, et al., 2006, p. 70). Wealth created through CED practices can be either monetary or not, with monetary wealth being defined traditionally as income and nonmonetary wealth as diversity of opportunity or that which has intrinsic value (Shaffer, et al., 2006). The dualistic conceptions of wealth are again highlighted when considering the difficulty of measuring CED outcomes, as measurement often implies objective observation though nonmonetized wealth is inherently subjective (Pittman, et al., 2009). Pittman et al. (2009) attempted to measure the correlation between community member’s perceived level of their community’s “capacity factors” (those that are more subjective) and “development factors” (those that are more objective). This research emphasized strong correlations between what is considered social capital factors or community readiness and development functions or “outcome” factors (Pittman, et al., 2009, p. 91-92). Not only did this implicate, again, the linkages between community and economic development, but the results also indicate that actors in and practitioners of CED must consider how their practices incorporate a full spectrum of their community’s needs, including building monetized and nonmonetized wealth (Pittman, et al., 2009).

Community Economic Development Institutions (CEDIs) are notably important for the maintenance, facilitation, and management of CED practices and outcomes in communities. CEDIs are broadly interpreted as “the great range of locally based organizations involved in community economic development” (Anglin, 2011, p. 2). Notably, community development corporations (CDCs) are among the most prominent branches of CEDIs. CDCs are defined as “resident-controlled community corporations” that direct and support CED initiatives (Anglin, 2011, p. 2). The actions of CEDIs and

CDCs such as funding, resource investment, and information-gathering are especially important for the creation and assimilation of locally controlled and community reliant businesses, such as local food systems (Phillips, 2012).

LOCAL FOOD SYSTEMS AND CED THEORY

Local food systems are of particular importance in discussions of CED due to food’s central place in the social, economic, cultural, and environmental sectors of communities (Christensen & Phillips, 2016). Local food systems are defined by operation within a determined area or region, as well as through their actions that often include “production, processing, distribution, access, and consumption” of local food products (Christensen & Phillips, 2016, p. 638). Often, local food systems are explored as local food hubs, which are associated with the process of expanding and building more efficient and sustainable food systems (Barham, et al., 2012). Specifically, a report by the USDA, citing the National Food Hub Collaboration, defines food hubs as:

‘a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand’ (Barham, et al., 2012, p. 4).

In general, food hubs serve several important purposes for the communities in which they operate: acting as an interface to increase producers’ access to larger markets, strengthening and expanding established food systems in the community, stewarding social-economic-environmental impacts of food production and distribution; and, incentivizing entrepreneurial thought and business acumen among community members (Barham, et al., 2012). Fundamentally, the concept of local food hubs as CED businesses hinges on the dual purposes of maintaining their own financial success while contributing to the holistic success of their communities (Barham, et al., 2012).

Understanding local foods hubs as CED participants in a community can, in part, be accomplished theoretically. Community and economic development theory can offer unique insights into CED not only as an encapsulation of both processes, but as the stand-alone practice culminating from their inextricable overlap. As was previously mentioned, local foods hubs often rely on CEDIs or CDCs to act as intermediaries of various types of information-sharing, research, and support (Phillips, 2012; Anglin, 2011). The influence of CEDIs can be evaluated using the lens of technical assistance community development, especially during the early phases of local food hub establishment. Creation and growth of local food hubs also

draws heavily on the empowerment of individual ingenuity and iterative collection of community knowledge prevalent in the self-help and appreciative inquiry approaches to community development, respectively (Green and Haines, 2016; Flora, et al., 2016).

Establishment of local food hubs as CED intermediaries requires the mapping, building, and maintenance of all seven types of community assets as well as their transformation into capital, characteristic of CCF (Flora, et al., 2016). The ubiquity of capital transformation by local food hubs is most obviously exemplified with natural capital. The self-development approach to economic development, specifically its success metric to “reorganize and mobilize local assets,” highlights the crucial role of natural capital as an “economic resource” (Flora, et al., 2016, p. 46; Green & Haines, 2016, p. 256). Natural capital is utilized sustainably by local food hubs through practical support for stewardship of the region’s ranching and agricultural land (Barham, et al., 2012). Additionally, local food hubs act as an interface for conversion of natural capital into other capital forms, as will be explored in greater detail throughout the remainder of this section (Green & Haines, 2016).

Explored earlier as the power approach to community development, conflict theory supports that local food hubs are crucial for CED in that they transfer power, i.e., “control over one’s food supply,” to the community as opposed to corporatized agriculture and “external firms” (Christensen & Phillips, 2016, p. 644). This transfer of power is consistent with conceptions of development in general: that it “reduces vulnerability to outside-the-community changes” (Shaffer, et al., 2006, p. 61). Conflict can arise, however, if local food hubs de-emphasize community involvement in favor of celebrating agricultural entrepreneurialism (Christensen & Phillips, 2016). Such a conflict is consistent with the cautions of theories of community development like appreciative inquiry, which heavily emphasizes the intentional incorporation of community narratives and feedback as necessary for inclusion and holistic success (Flora, et al., 2016). While the collective agency of the community is crucial in CED, entrepreneurs are still especially vital to the local food hub’s success as a CED intermediary. Social capital theory, as applied to local food hubs, supports that entrepreneurs are “rooted within an area that supports their businesses and are more likely to be vested in the overall health of their community” (Christensen & Phillips, 2016, p. 643). This application of social capital theory is just one example of the critical importance of social capital accounting in discussions of local food hubs and CED.

Consistently, local food hubs are associated with the amplification of the community’s social capital-- the central capital in spiraling-up community development (Emery & Flora, 2006; Deller, et al., 2017). Local food hubs foster trust and strengthen networks within and between producer and consumer groups; thus, social capital is strengthened and expanded within the community’s food system (Green & Haines, 2016; Barham, et al., 2012). The economic parallel of social capital are economic linkages. Economic “linkages” within communities can be increased by local food hubs through their ability to connect regional industries through resource supply and demand, representing a transformative decrease of resource “leakages” to external economies (McFadden, et al., 2016, p. 112-113; Sumner, 2018, p. 2). Local food hubs

also provide space for the participation of community members in their local food systems through purchasing opportunities and information-sharing, which is associated with the overall “civic awareness” that the individual experiences (Deller, et al., 2017, p. 628). These community-wide effects exist in conjunction with the specific benefits of local food hubs to producers and consumers as disparate entities.

Local food hubs are characterized by the connection of small- and mid-sized producers to larger or otherwise untapped markets, through offering product aggregation for appropriate supply scale as well as diversified distribution and processing techniques (Barham, et al., 2012). Producers also benefit from the short supply chain that local food hubs provide, as they allow “the benefits of a local food sale to accrue to the local producers instead of to geographically distant middlemen” (Deller, et al., 2017, p. 624). It ought to be noted that in addition to the economic value of short supply chains, food hubs also practice values-based supply chains rooted in community responsibility (Matson, et al. 2014). While local food hubs operate with the intention of maintaining a viable business structure for producers, they simultaneously fulfill the needs of a community (Deller, et al., 2017). Local food hubs are especially important when their distribution structure remediates the effects of “food deserts” in communities as well as generally filling an increasing demand for sustainable and diverse local food products (Barham, et al., 2012, p. 6; Christensen & Phillips, 2016, p. 641). In accomplishing these tasks, local food hubs tap into a community’s built or physical capital. Built capital can either be upgraded, repurposed, or created by local food hubs as they require storage and distribution infrastructure; furthermore, local food hubs have the potential to amplify physical capital through providing access to food, thus creating “improvements in resident satisfaction and ability to meet basic needs” (Green & Haines, 2016, p. 190; Barham, et al., 2012, p. 6 & 11). By the previously established definition of CED, contributions to communities in terms of built capital place local food hubs in a keystone position.



In addition to community development theories, the economic hallmarks of CED are also particularly crucial to understanding the position of local food hubs in a community. Local food hubs are host to a wide range of both monetized and nonmonetized wealth, thus placing them squarely at the intersection of community and economic development, or more concisely put, the action zone for CED (Pittman, et al., 2009). Financial capital exists in community resources that generate wealth and income (Flora, et al., 2016). Local food hubs mediate financial capital within the community in terms of equity invested in their business development by external forces, federal and otherwise, as well as the financial returns to producers and consumers generated directly or indirectly (Green & Haines, 2016; Barham, et al., 2012).

While direct financial benefits to producers and food hub employees can be easily measured, the wide-spread economic effects of local food hubs prove more difficult to quantify, though are frequently cited as beneficial (Motzer, 2019; Deller, et al., 2017). There are a variety of methods that can be employed to fully understand the economic impacts of local foods and food hubs, though the most methodical is an economic impact assessment, a tool utilized by economic development professionals for many years (McFadden, et al., 2016). Economic impact assessments of local food systems have generated promising results. Despite disproportionately touting job creation, these assessments also acknowledge expansion of regional tax bases, increasing incomes and farm profitability, and preventing migration from rural regions (Motzer, 2019; Barham, et al., 2012). Often assessments indicate amplification of human capital. Human capital is both created and enacted by local food hubs, which can provide training, jobs, and “workforce development” (Green & Haines, 2016, p. 136; Barham, et al., 2012, p. 14 & 18). However, many of the widespread economic benefits of local food hubs rely on income earned by producers and employees being reinvested in other local industries and products (O’Hara & Pirog, 2013). Economic research that focuses on reinvestment of local dollars offers continued opportunities for analysis and research.

Despite the hopeful promise increasingly exemplified in the subject literature, the economic benefits of local food hubs need to be further scrutinized. Theoretically, the purchase of local food permits a greater proportion of the money spent on food by consumers to remain in and be utilized by the community (Deller, et al., 2017). In some cases, these “region-specific economic consequences” are modeled using input-output analyses to generate multipliers (McFadden, et al., 2016, p. 112). Multipliers “indicate the extent of linked economic activity within a study region resulting from a change in production in a sector of the economy” and are often utilized to demonstrate the additional value to the local economy of a dollar generated by the food hub (McFadden, et al., 2016, p. 113; Phillips, 2012). Unfortunately, utilization of large multipliers to inflate the benefit of industry changes can occur, thus these metrics require critical investigation (McFadden, et al., 2016). Additionally, input-output models, while still valuable analytical tools, are constrained by the price and resource parameters present in real-world economies (O’Hara & Pirog, 2013, p. 37). Finally, debated protocol for defining and including opportunity costs in economic assessments, specifically those associated with increased local food purchases in a community, was repeatedly mentioned as a potential source of error in analysis as well as an opportunity for continued research (O’Hara & Pirog, 2013; Deller, et al., 2017; McFadden, et al., 2016).

Suggestions for additional research regarding local food hubs indicate a desire to better understand how economic impacts support dynamic community goals, thus indicating an arch into CED research. Local food hubs possess political capital as engines that can convert a community's shared interest in fostering local food systems into "resource distributions that are enforced," a form of political capital also termed "community power" (Flora, et al., 2016, p. 184-185). Due to their community power, economic effects of local food hubs should include, in addition to counts of job creation, how they influence the "other long-term priorities that contribute to social welfare" across sectors of the community (O'Hara & Pirog, 2013, p. 38). Proposed examples of future CED research, from O'Hara & Pirog (2013, p. 39), include local food availability's effect on more nutritious dietary practices, increased property values, and increased food and business tourism. Approximate to the final research suggestion, a study of local food tourism was associated with positive increases in social and human capital stocks, as well as market expansion (Dougherty, et al., 2013). The researchers mention that this effect is stymied by "structural and cultural barriers" to establishment of food tourism networks, such as "higher transaction costs for Restaurateurs-- from dealing with many producers with limited distribution," which is a barrier that local food hubs specifically remediate (Dougherty, et al., 2013, p.3). The researchers point out that "one key motivation for tourism is the opportunity to experience novel cultures and places, and both food and agriculture are dimensions of culture" (Dougherty, et al., 2013, p. 15). Local food hubs, as an interface between agriculture and food consumption, raise important questions about how commodifying a community's culture for economic development maintains the principles of CED.

Food is not only an economic good, but a cultural one in the sense that its cultivation and preparation can "encourage cultural sharing," while its consumption can dictate "material well-being [and]... cultural identity" (Flora, et al., 2016, p.103 & 392). As organizational bridges between community groups surrounding food, local food hubs can dictate cultural capital, as "a filter through which people regard the world around them" (Flora, et al., 2016, p. 103). Some proponents of food hubs credit them with the evolution of a "diversified food culture" (Matson, et al., 2014, p. 5). Local food hubs can harness cultural capital to promote CED values through ensuring that disproportionate access to food, negative externalities associated with food production and distribution, and racial or economic barriers to local food are viewed as problematic. Unfortunately, when local food hubs are nurtured as solely economic entities in the community, cultural effects can demonstrate "unchanged outcomes for disadvantaged groups... racial and social divisions... and hint at the irreconcilability of farm security and equal access to food" (Motzer, 2019, p. 1154). Exclusion from CED outcomes in a community represents a fundamental divergence from the historical motivations for CED practice; thus, cultural imbalances require additional insights from future research regarding local food hubs as CED intermediaries.

AGRICULTURAL COOPERATIVES AND CED

Food hubs can also be specified according to their business structure into sub-categories, which include nonprofits, private businesses, public markets, and—of notable importance for the remainder of this review—cooperatives (Barham, et al., 2012). Agricultural or food cooperatives, exemplify—both in theory and practice—crucial tenets of CED. The United Nations recognize cooperatives as an important component to achieving sustainable development (Llamas & Jomo, 2018). Cooperative management structure and guiding principles are, in a sense, microcosms of CED definitional values (Phillips, 2012). According to the International Cooperative Alliance (ICA), a cooperative is defined as

an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise (ICA, 2018).

This definition harkens back to the definitional precepts of CED, such as collective agency and shared goals. Additionally, the ICA (2018) recognizes seven core principles of cooperative management that represent a condensation of common CED practices and goals; predominantly the democratization of community decisions, economic inclusion and equity, community economic autonomy and security, as well as monetary and nonmonetary wealth-building (Pittman, et al., 2009; Shaffer, et al., 2006; Flora, et al., 2016; Green & Haines, 2016). A survey of cooperatives conducted by Zeuli, et al. (2004), determined that some cooperatives exist in intentionally cultivated spheres of community development. Though agricultural cooperatives were not included in this survey, it is worth noting to underscore the inherent consciousness of community values in cooperative management. The guiding principles and practices of cooperatives mirror those of CED, which is both a cause and symptom of the critical value that cooperatives hold in CED and can be readily observed when cooperatives are incorporated as part of the local food system.

Food cooperatives can be owned by either producers or consumers, termed member-owners, and are usually governed by an elected board of directors (Barham, et al., 2016; Hassenein, et al., 2013). As practitioners of self-management, cooperative business structures exemplify an internalized commitment to “creating connection with community and can be considered a form of social organization” (Phillips, 2012, p. 191). The structure of cooperatives, in which practices of local ownership and resource mobilization predominates, maintains wealth and wealth-building in the hands of community-members and, hopefully, the regional economy (Zeuli, et al., 2004). Wealth-building is included in the operational structure of a “triple bottom-line” that is associated with some agricultural cooperatives and emphasizes “people (social responsibility), planet (environmental stewardship) and profits (fiscal success)” (Phillips, 2012, p. 195; Matson, et al., 2014, p. 5). According to Cook’s theoretical Life Cycle Framework of cooperative evolution, the first of five phases is “economic justification,” in which investments in



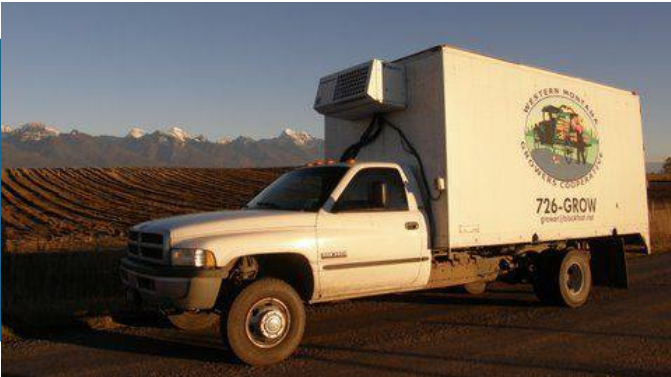
cooperatives are understood through financial motivations within the community (Cook, 2018, p. 2). It is for these reasons that cooperatives must maintain the delicate balance between their democratic social values and the economically necessitated sphere of capitalism (Gray, 2014). An economic impact assessment out of Montana found that agricultural cooperatives, involved in “marketing, service, and supply,” were responsible for over 50% of the revenue generated by cooperatives in the state in 2017, indicating their special importance amongst all cooperative types for wealth-building (MCDC, 2018, p. 3). The emphasis of cooperatives as profitable organizations underscores their ability as local food hubs to foster economic development through self-development and to reject firm-recruitment strategies (Flora, et al., 2016).

Agricultural cooperatives as food hubs operate with the ideal of “producers working together to provide outlets for their products, while also addressing the concerns of workers, consumers and the community” (Matson, et al., 2014, p. 5). The ability of agricultural cooperatives to harness their organizational power for community benefit accentuates their position as CED firms. Consistent with the self-development approach, agricultural cooperatives exemplify the self-help approach to community development in that they “build a civic capacity for collective action” and are strengthened by “community relations” (Flora, et al., 2016, p. 446; Phillips, 2012, p. 202). Research regarding agricultural cooperatives in Spain, cites four principles of rural development that are especially salient for agricultural cooperatives: “innovation, conservation, integration, and participation” (Ortiz-Miranda, et al., 2010, p. 670-672). Development principles such as these are often alluded to by members of agricultural cooperatives in expressing their desires to connect with their community (Phillips, 2012). As food hubs, agricultural cooperatives experience some of the inherent success of social capital building that were discussed in the previous section of this review.

Success, however, is not guaranteed for agricultural cooperatives as CED firms. The constantly changing landscape of agriculture in the United States has led to some observations of declining social capital in agricultural cooperatives (Nilsson, et al., 2012). Specifically, declining social capital is observed when agricultural cooperatives essentialize financial capital gains at the expense of the social drivers underpinning their management principles (Nilsson, et al.,

2012). Decreases in social capital are manifested as internal tensions between member-producers as well as external tensions with other producers in the community (Motzer, et al., 2019; Hassanein, et al., 2013). These tensions have been observed to be the result of increased heterogeneity and growth of agricultural cooperatives as they horizontally integrate to better confront increased competition with industrialized agriculture or achieve economies of scale (Nilsson, et al., 2012). This can be viewed as a reflection of what Diamond and Barham (2011, p. 102) point out: that farmers themselves are caught between the “contradictory developments” of global agriculture, which is the popularization of local food with increasing industrialization pressures. Horizontal integration and expansion can also lead to a loss of “local uniqueness” within the cooperative (Gray, 2014, p. 25). Competition and decreased social capital have the potential to harm the success of the cooperative, and, given the cooperative’s integration into the community, “may in fact destabilize the agricultural communities they are meant to support” (Motzer, et al., 2019, p. 1154). While these effects seem overwhelmingly detrimental, a proposed Life Cycle Framework of cooperatives posits that growth and heterogeneity are necessary in the evolution of long-term agricultural cooperatives (Cook, 2018). Acceptance of the unavoidability of growth and heterogeneity in agricultural cooperatives essentializes the “cooperatives’ capacity to generate a flexible and sustainable form of struggle” in the sense that contradiction exists fundamentally in cooperative structures and can be harnessed constructively (Mooney, 2004, p. 78 & 81). Projections for the future of agricultural cooperatives indicate that, in addition to economic research, understanding their governance and power allocation structures will be equally as important to maintain their success as CED organizations (Fulton & Giannakas, 2013). In protecting the balance of economic and community values that cooperatives embody, they can be maintained as important CED organizations to the future.

Community economic development is rooted in researched structural change, theory, critical evaluation, and iterative practice. It is a movement that presides over many aspects of regional communities in which agricultural cooperatives can be a specific and important part of a prosperous, equitable, and diverse community. While there are many cautions to consider throughout the tiered journey of food systems and CED—broad theorizing, local food hub analysis, and agricultural cooperative establishment—the most crucial considerations that ought to pervade every step are the people and places that will be made more functional for fostering holistic well-being.



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