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Increasing reliance on outside corporations puts us at risk

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In P-I business columnist Bill Virgin's Dec. 19 column, "[But how well will we do when a real disaster hits?](#)" he warned that our modern economy "is a thin veneer that can be pulled off when something goes wrong; the efforts to reduce waste and duplication also reduce the thinness of that veneer."

He noted Hurricane Katrina was an entirely different sort of event than what we have recently experienced. At a certain point, disasters precipitate an economic collapse; recovery takes years, and is likely to be only partial.

Our increasing reliance on outside corporations is putting us at grave risk. Profits are removed from our communities. Jobs that once were locally controlled are now subject to termination at the whim of distant stockholders. To address the thinness of the veneer, we need to rebuild our local economies with an emphasis on cooperatives.

Cooperative businesses are democratically controlled. And although most corporations are designed to create profit for investors, cooperatives exist to provide services to members. Co-ops often are quite profitable, but that is not the point. They exist to help people, and after a disaster, that mission becomes even more apparent. Cooperatives repeatedly have proved themselves as a remedy for hard times and as a way for independent businesses to compete with chains.

Certainly corporations such as The Home Depot also have been very generous with the materials needed for short-term recovery and survival on the Gulf Coast. Without outside help, our ongoing power outages would be even more prolonged.

However, that sort of outside assistance contributes little to restoring the local economy that the "modern economy" gutted even before the storm.

Payments for reconstruction work go elsewhere, the insurance and relief checks eventually run out and someone else takes the disaster spotlight. Then it will be much more difficult to rebuild the economic engines that make modern life relatively effortless.

To lay the groundwork for a real recovery, we need systems that are based on local investment and local connections. These can be adjusted quickly as conditions warrant, and they are controlled by decisions made by and for the people most affected by them.

Cooperative approaches can help at all levels. At the smallest levels of dealing with disaster, some improvisation is possible. But even then, having a functioning organization lays the groundwork for making group decisions about dealing with the unpredictable aftermath of a major disaster.

This could include securing equipment for immediate rescue and cleanup work. It can also take more ambitious directions: An outage-prone neighborhood can join together to buy a generator, solar array or windmill for some backup power.

And at the least, this preparation provides a social framework in which people have some experience with working together.

Disaster brings out a cooperative spirit in people, but that spirit can go only so far. It needs structures to sustain it, and the time to create those structures is now. At all levels, we'll be better off if we cooperate.

We'll also need help from outside a disaster zone, but for that help to be of most use, we need to have strong local structures to receive that help. A veneer won't do it.

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