

**AN INTRODUCTION
TO:**

Community Wealth Building

January 2023



Community Wealth Building Overview

Community wealth building is an important local economic and community development approach that creates more prosperous, equitable, sustainable, and resilient local economies and communities. Community wealth building changes the way our local economies function to place ownership, control and benefits into the hands of local people; and to ensure the economy genuinely works for all and the environment.

Community wealth building encompasses a variety of efforts, from comprehensive macro policy to on the ground community initiatives that aim to:

- **Empower local people and place** – by shifting control and decision-making of the local economy to the people that value and rely on it. Your local people, community, business owners and local employees.
- **Generate wealth for a local area and its communities** – by growing the overall economy as well as the retention and distribution of as much wealth as possible within that area and to the community
- **Increase local and broad ownership** – by empowering all local people to invest in and hold a financial and controlling stake in the economy and local assets of all kinds.
- **Make financial power work for local places and people** – by leveraging local capital and building local financial structures and systems led and owned by the community.
- **Create regenerative industries and jobs that are anchored to place and people** – by designing and preferencing industries, enterprises, jobs and supply chains that systematically reinvest in and regenerate the local community.
- **Reduce inequity and improve collective wellbeing and local resilience** – through individual asset and building and wealth distribution and diversification.
- **Strengthen whole regional systems** – by creating systems, institutions, enterprises, infrastructure and cultures that reinforce community ownership, leadership and wealth building.



Community Wealth Building Overview

Community wealth building is based on the idea that local assets should be locally and broadly owned by residents and wealth should be reinvested in the local community to support its growth and development. By supporting local businesses, investing in community-owned enterprises, and developing local supply chains, communities can create wealth that stays within the community and benefits its residents. It also promotes the idea that wealth should be reinvested in the local community to support its growth and development. Community wealth building can also promote sustainable economic growth by reducing dependence on external sources of investment and promoting self-sufficiency. This is because when communities are able to generate and retain wealth within their boundaries, they are less vulnerable to external economic shocks and are better positioned to weather economic downturns.

Community wealth building offers a balance between optimising local economic and community development outcomes, while continuing to embrace an open and global economy. It has its roots in the Sustainable Development Goals of the UN, and is also closely aligned with the principles of movements such as Doughnut Economics – in that it seeks to achieve empowered and sustainable communities who live within their ecological means whilst growing their own prosperity and social outcomes.

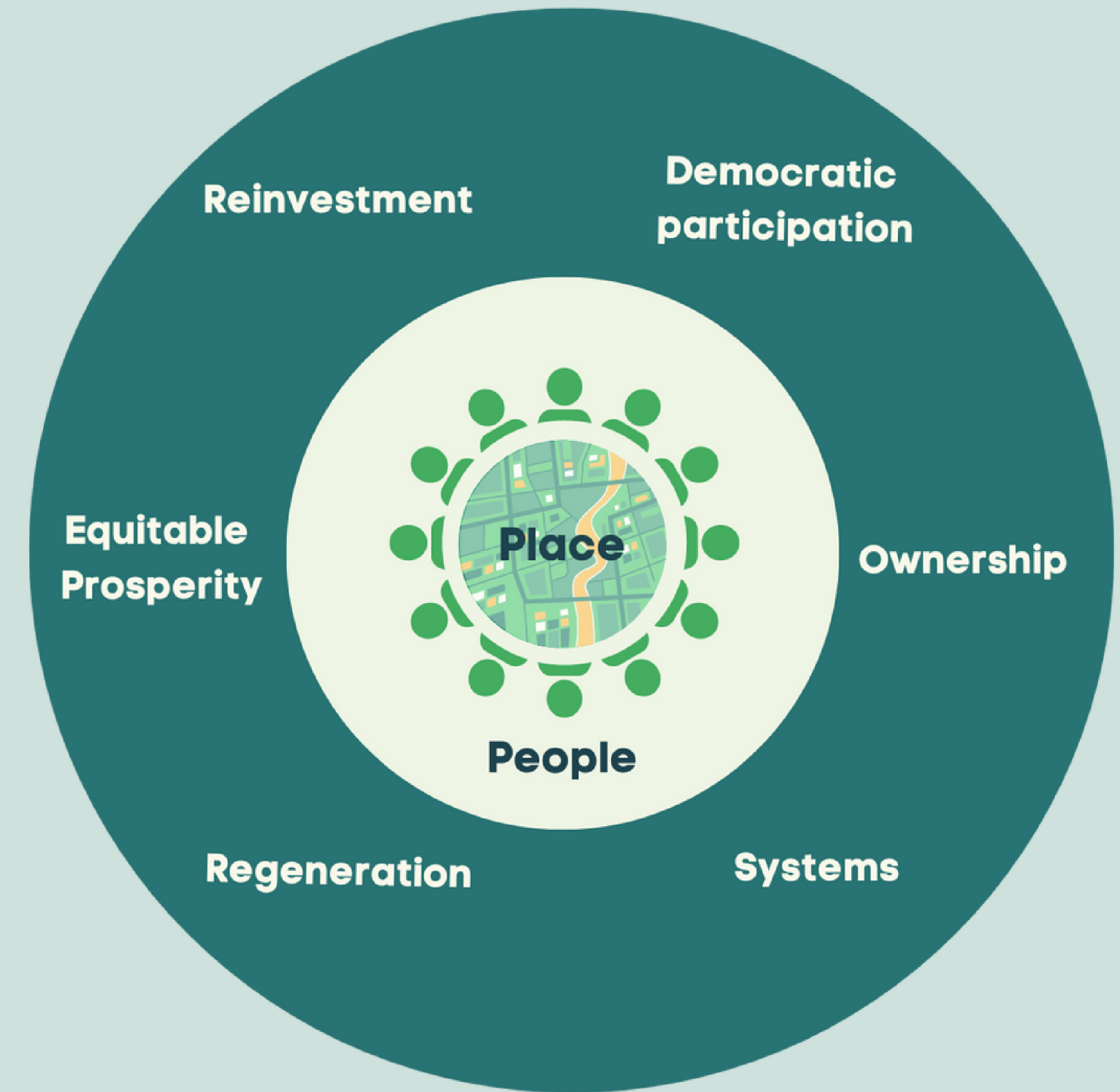
For communities that face economic and social challenges, community wealth building can build capacity and capability among local people and organisations to undertake locally relevant economic development and transform their regions' economic and social wellbeing, especially through future challenges. It can stimulate economic activity, create local jobs and build a more stable economy.

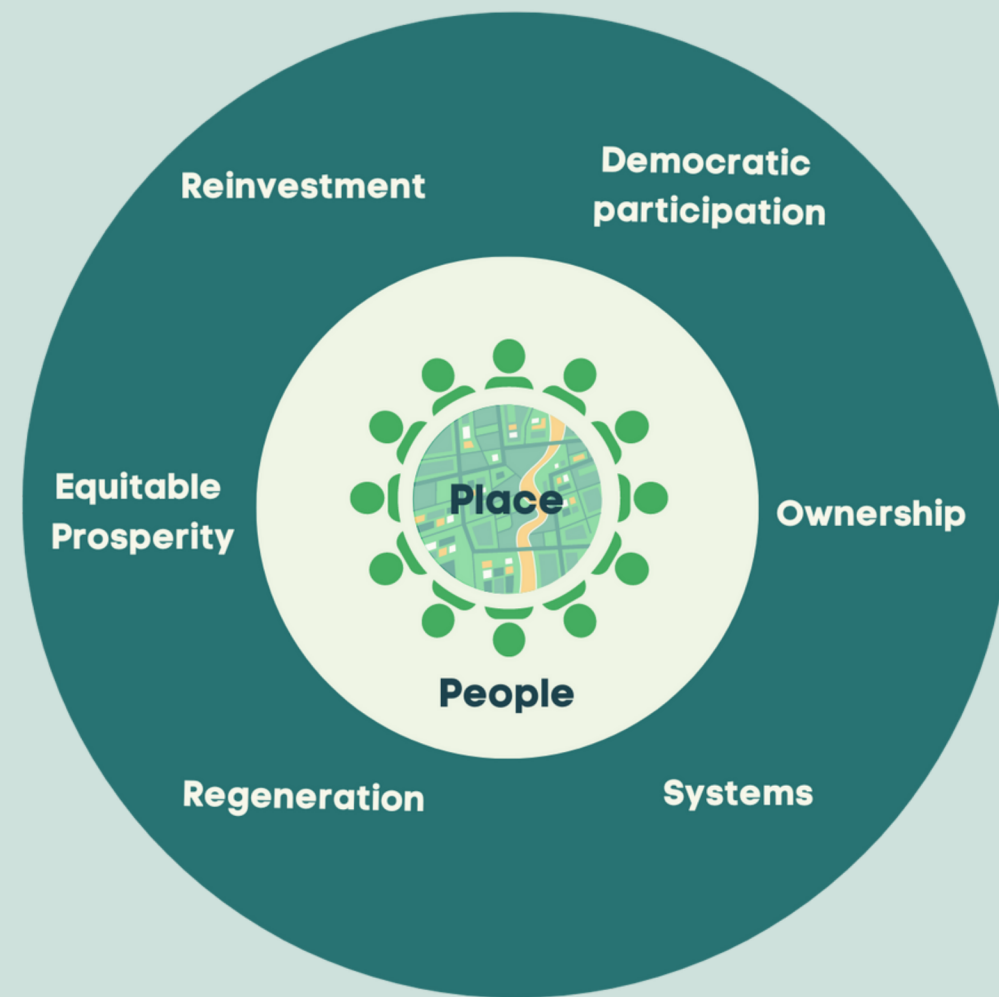
For communities that already have a strong local economy, community wealth building can give residents more control and influence in local economic and social matters, promote economic and social resilience and self-sufficiency, increase individual and community wealth and prosperity, build economic & social equality and ensure the local economy achieves the needs and aspirations of the local community now and into the future.

All levels of society can implement community wealth building. It provides practical tools and approaches within the control and influence of local council and partners including local community, state and federal government, regional partners, locally based community organisations, private sector partners and employee of council. This is achieved using the community wealth building principles, pillars and strategies.

Community Wealth Building Principles

Central to community wealth building are a number of common principles for how to structure and operate our local economies.





Place

Community wealth building is a place-based approach. It focuses on place, be that a regional area, local area, township or neighbourhood. It creates local economies that primarily work for place.

People

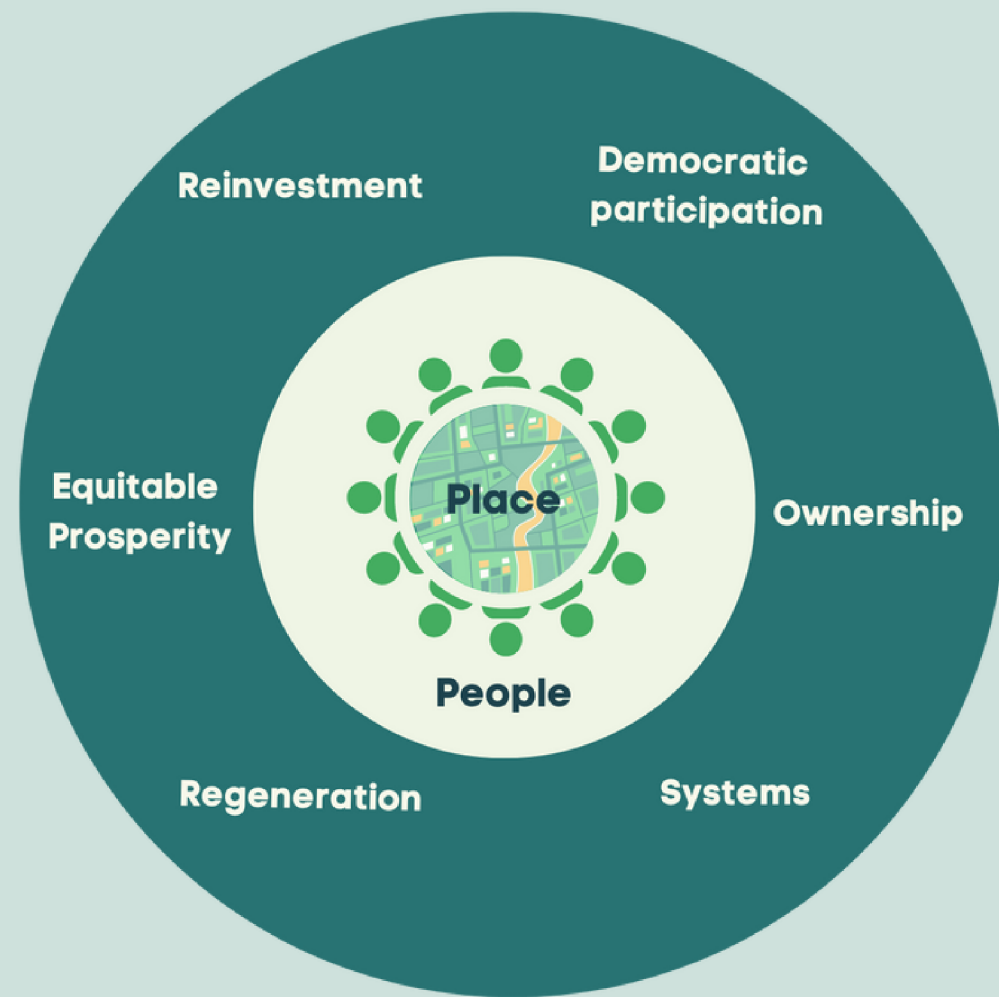
In community wealth building people really matter. It empowers the people that value and rely on the local economy most – local individuals, families, business, employees, community organisations. It builds on and builds up local talents, capacity and capability. It builds local agency and self-reliance and increases the ability of communities to determine and control their regions development and economy.

Democratic Participation

In community wealth building, empowered local people directly participate in the decisions affecting their lives, their communities, their economies and their local environments. Community wealth building democratises the local economy so that economic power is invested in local people and exercised by them.

Ownership

Community wealth building places ownership of the local economy into the hands of local people. It enables more local people to hold a financial and controlling stake in their local economies, local development, their place of employment and local assets of all kinds.



Reinvestment

Community wealth building creates local economies and enterprises that systematically reinvest back into the local place and people. It keeps wealth, resources and opportunities circulating locally to multiply local value and impact.

Equitable Prosperity

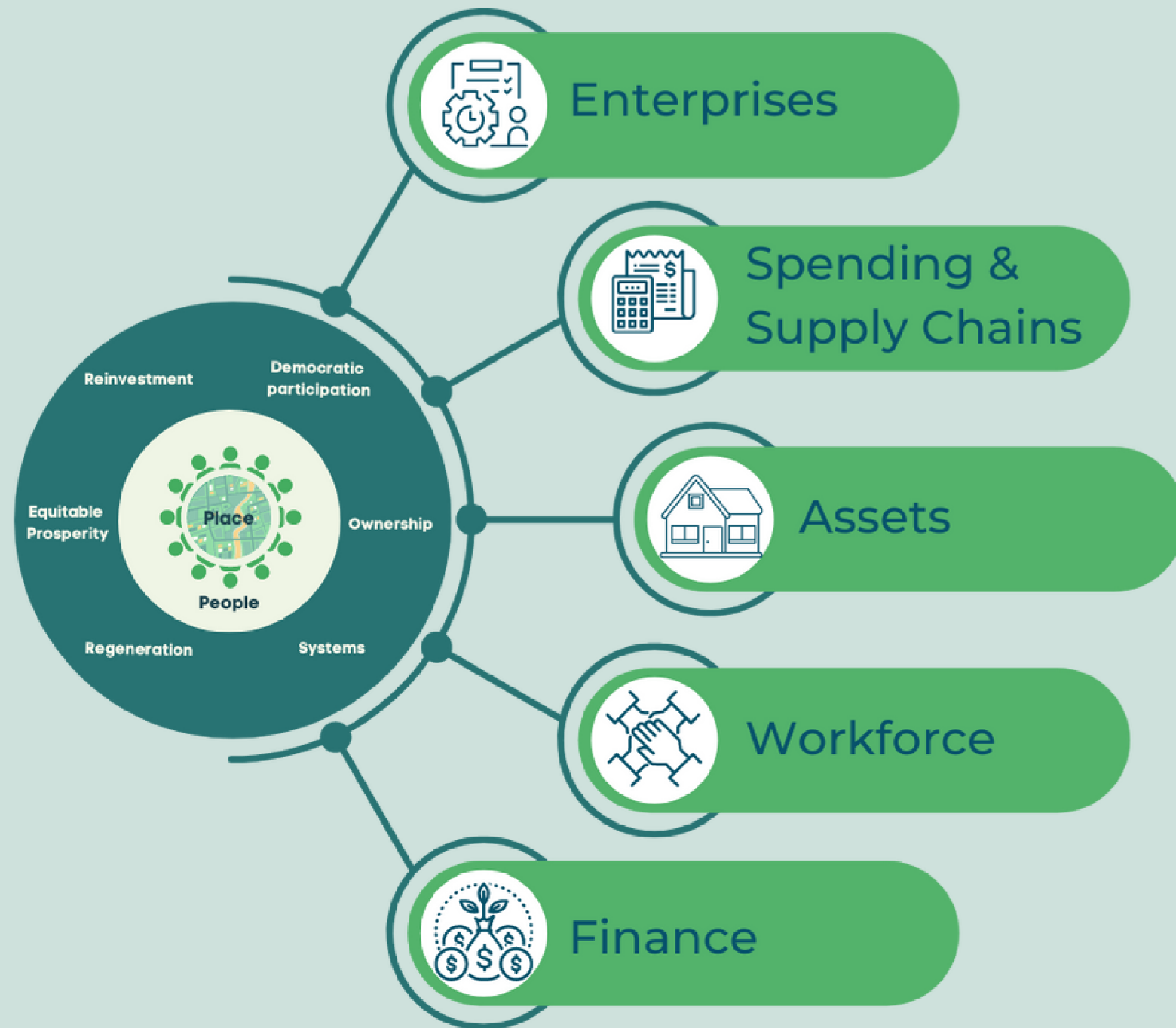
Community wealth building creates an inclusive economy and society that works for all. It enables more local people to benefit from the wealth and opportunities our local economies generates. It provides more equal distribution and equitable access to public resources, infrastructure and goods.

Regeneration

Through increased local control and leadership, community wealth building encourages local economic systems that regenerate the local environment and increase social and cultural cohesion.

Systems

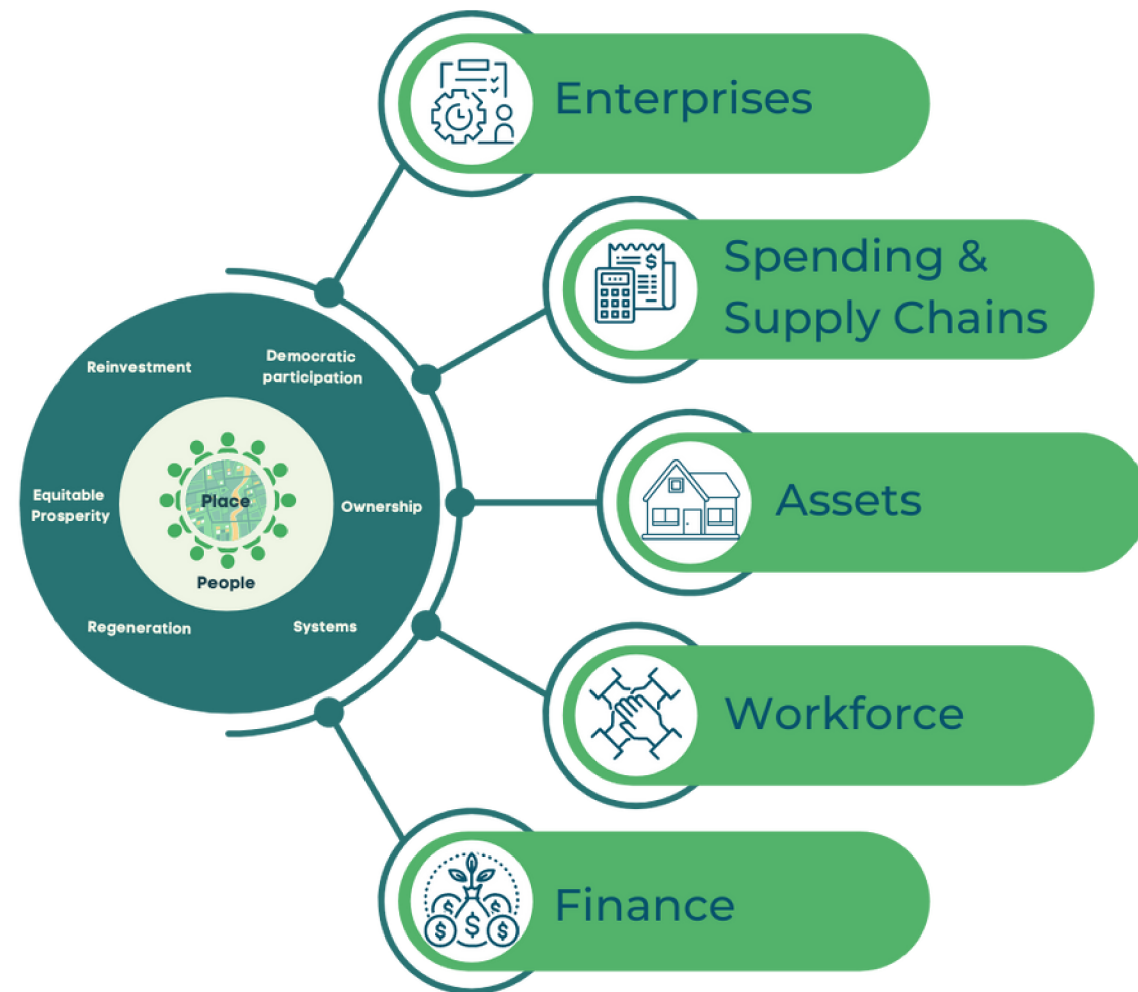
Community wealth building isn't about just one project or initiative. It's changes the way our local economies function by creating systems, institutions, enterprises, infrastructure and cultures that reinforce community ownership, leadership and wealth building.



Community Wealth Building Pillars

Local economic intervention areas that local places can control and influence. In community wealth building we want to shift these local economic areas in the direction of the principles.

Community Wealth Building Pillars



Enterprises

Community wealth building promotes and supports the growth of generative industries, enterprises and development activity with for purpose and impact models and local, inclusive and democratic ownership and governance models that are committed to, reinvest in and regenerate their employees, the local community, local economy and the local environment.

Spending & Supply Chains

Community wealth building harnesses the wealth that already exists within the local economy and recirculates and retains as much as possible within that area. It does this by maximising local procurement and spending power to deliver local economic, social and environmental benefits from that expenditure. It also establishes supply chains – both whole of place and enterprise level - that support community wealth building and leverage the local multiplier effect.

Assets

Community wealth building grows the value that local communities gain from local assets and resources of all kinds – land, infrastructure, buildings, enterprises, plant, machinery, equipment, IP, patents/trademarks, inventory, cash etc. It leverages asset ownership models that generate community ownership, wealth and benefits..

Workforce

Community wealth building develops local labour markets that support the wellbeing of communities. It builds inclusive jobs where employees have a financial and controlling stake in their place of employment and financially rewards unpaid work.

Finance

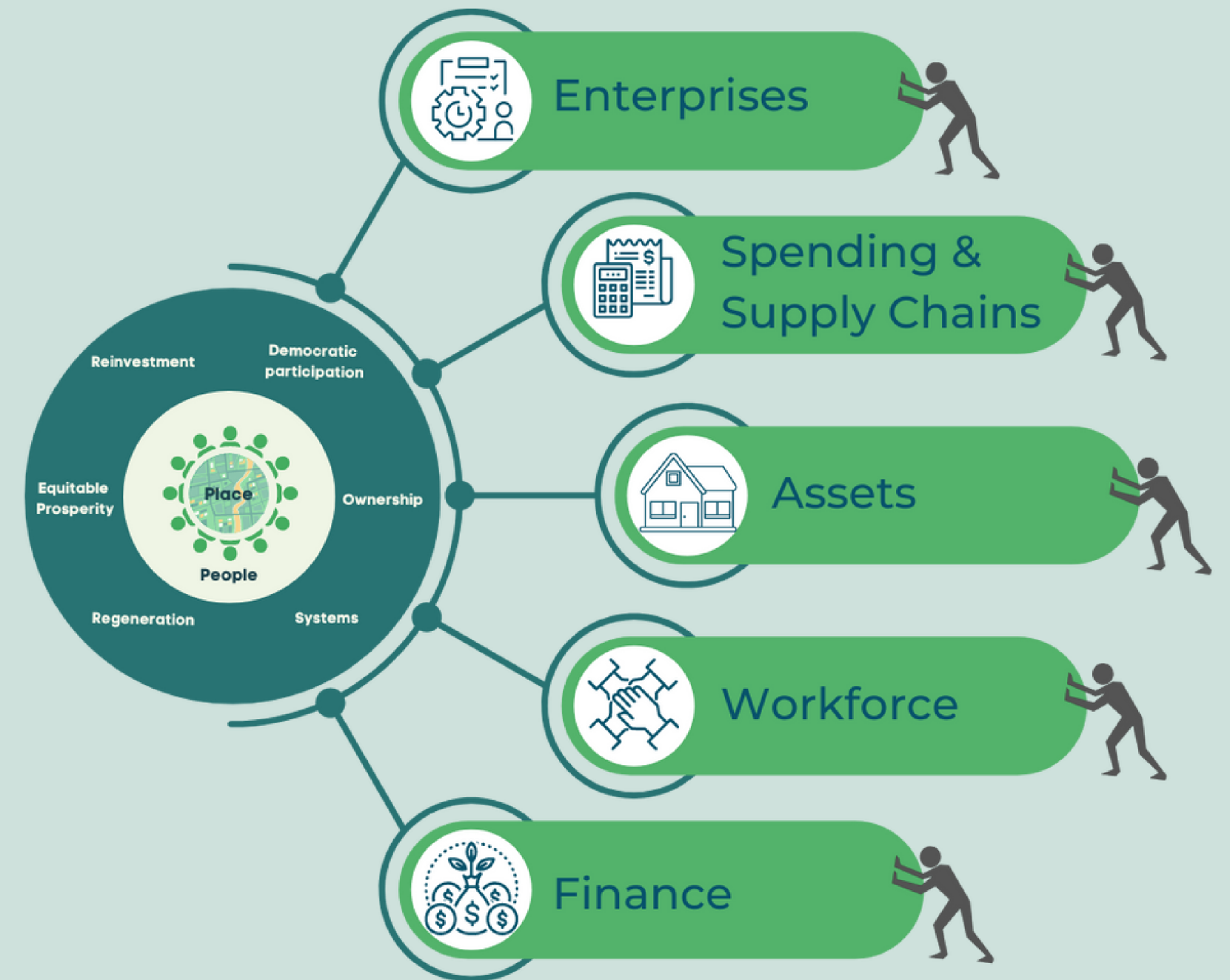
Community wealth building harnesses capital from within the community and directs flows of investment and financial structures to make wealth and capital accessible to everyone. It enables local people broadly to invest in their local economy and benefit from the capital and other returns from this investment. It aligns capital with the broad environmental and social goals of the community.

The CWB Wedge

The Wedge represents community wealth building's transformative power – powerfully combining the actions within these pillars to disrupt the extractive economy, creating a new model that drives a more democratic economy (The Democracy Collaborative).

These elements are not new – they have been benefiting communities for generations. While they can produce positive outcomes on their own, they become transformative when they are leveraged through a cohesive strategy. That's where community wealth building comes in. It sees the big picture and implements each pillar in a strategic, holistic and interconnected way. In doing so, it achieves the urgency, scale and outcome required for local places and people. This is called the Community Wealth Building “Wedge.”

When deployed in a region, a suite of actions are selected which, taken together, act as the Wedge to democratise the local economy through practical, focused and achievable steps (The Democracy Collaborative).



Ethical Fields 2022, adapted from
The Democracy Collaborative

Benefits & Impact

Where successfully implemented, there are many benefits and outcomes that community wealth building achieves.

Individual, family, community benefits & impact

- Active and inclusive participation in local economic and community development activity
- Greater ownership and equity in the local economy and local assets
- Increased control and influence over local economic and community development activity
- Increased income and wealth received by individuals, families and community
- Increased income diversification combining and capital income sources with existing labour income sources
- Greater economic security, social resilience and self-sufficiency
- Greater economic & social equality
- Improved wellbeing of individuals, families and the community broadly
- Increased economic and social resilience and self-sufficiency



Benefits & Impact cont.

Where successfully implemented, there are many benefits and outcomes that community wealth building achieves.

Regional Benefits & Impact

- Improved capacity and capability among local people and organisations to undertake locally relevant economic development and transform their regions' economic and social wellbeing, especially through future challenges
- Improved capacity and capability to transform the economic, capital and investment landscape and build community wealth and economic resilience in the region.
- Enhanced community and business participation with issues of local economic and community development.
- Greater innovation from more people participating in local economic and development activity
- Increased local agency and control over local economic and social matters
- Increased local cohesion, relationships and partnerships
- Self-reliant, vibrant and positive economic and social identity embraced by the region
- Increased regional wealth and prosperity
- Increased regional wellbeing and socio-economic equity
- Greater regional economic diversification, security and resilience
- Better alignment between local economic activity and the range of needs and interests from the community

Sustainable Development Benefits & Impact

Greater ability for local communities and organisations to direct local development and the economy towards achieving broader goals such as sustainable net zero goals, regenerative goals and/or long-term, systemic and transformational change



Origins

Community Wealth Building has its origins in the United States and the United Kingdom. It emerged as a response to years of austerity, rising inequality, inaction on climate change and increasing frustration with economic systems and structures. Over the last decade, the model has been applied to regional as well as urban areas. The United Kingdom has seen rapid take up of the model in communities that include Preston, Wigan, Islington, Birmingham, Manchester, and Leeds. Recently, the Scottish Government has committed to exploring the potential for Community Wealth Building as an approach to delivering inclusive growth across Scotland and has several projects underway. The most well-known examples of community wealth building are “The Preston Model” where the CWB Wedge was deployed in Preston, UK and the Evergreen Co-operative Initiative, often referred to as the ‘Cleveland model’ where the CWB Wedge was deployed in Cleveland Ohio, US (City of Sydney 2022).

It is an emerging economic development model in Australia. Regions across Australia are increasingly adopting community wealth building approaches including Newcastle NSW, Glen Innes Severn NSW, Lake Macquarie NSW, Sydney NSW, Ballarat VIC, Wimmera Southern Mallee VIC, Adelaide Hills and Fleurieu Peninsula SA.



Who can implement community wealth building

All levels of society can contribute to community wealth building. It is most effective when it is systemically adopted across and supported from the top and bottom. Here are some examples community wealth building action that can be taken by key stakeholder groups.

1. Community & Community Organisations

- Shop and invest locally
- Work together to start a community owned business, such as a grocery store, petrol station or community energy enterprise
- Partner with local government to start a community development corporation or local equity fund to manage funds for local development initiatives

2. Local Government

- Embed community wealth building into council strategies and plans
- Set local targets for community wealth building
- Initiate an Anchor Collaborative
- Deliver programs to support community, business and regional partners to implement community wealth building
- Use your direct influence over council procurement, council assets, finances and your workforce to promote community wealth building
- Advocate to state and federal government

3. Businesses and Enterprises

- Adopt 'for purpose' business models
- Adopt inclusive business ownership models such as worker cooperatives, employee trusts, employee share schemes, community share schemes
- Reinvest profits back into local opportunities
- Adopt an exit to employees or community strategy so that ownership of the enterprise or assets stay local

4. Regional Partners & Non-Government Organisations

- Deliver programs to support community, business and regional partners to implement community wealth building
- Use your direct influence over council procurement, council assets, finances and workforce to promote and enable community wealth building in your region
- Advocate to state and federal government for policies and programs to support community wealth building

5. Federal & State Government

- Adopt a community wealth building policy and strategy
- Create a Minister and Officer for Community Wealth Building with a dedicated team and budget
- Provide programs and resources to build knowledge and capability and create the infrastructure and systems needed

For more information

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