

Community wealth building at scale:

EXPERIENCES AND LESSONS FROM SCOTLAND, UNITED KINGDOM



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Webinar

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COMMUNITY WEALTH BUILDING (CWB) IS PICKING UP STEAM ACROSS THE WORLD, BUT SCOTLAND IS A LEADER IN TAKING THIS APPROACH TO SCALE

CWB is a placed-based approach to development that seeks to harness the wealth that communities create by pre-distributing it and redistributing back into the hands of local communities and people. In light of net-zero ambitions, it also includes a focus on sustainability and considers how we can increase the pace in the pursuit to decarbonise our economy and nurture our biosphere. CWB is a concept but also a model in practice to rewire economic systems for a more sustainable, inclusive, and resilient future.

The CWB approach has been used in communities across the globe to boost and share community wealth in both urban and rural areas. Preston (United Kingdom), Amsterdam (the Netherlands), Cleveland, Chicago, and Somerville (Boston area) (United States), as well as Sydney (Australia) are just a few examples of where CWB models are being deployed.

As part of its national strategy for economic transformation and a “well-being economy”, Scotland, United Kingdom has been working to mainstream CWB in its strategies and policies. The importance that this approach has taken is even reflected in Minister titles, i.e. Tom Arthur as the Minister for Public Finance, Planning and *Community Wealth*.

THE CWB APPROACH IS MULTI-FACETED AND CAN BE ADAPATED BASED ON LOCAL NEEDS AND PRIORITIES

Scotland’s CWB approach is based on 5 pillars that can be tailored to the needs and priorities of local communities:

- **Inclusive ownership:** Developing more local and social enterprises which generate community wealth;
- **Spending:** Maximizing community benefits through procurement and commissioning and shorter supply chains;
- **Workforce:** Increasing fair work and developing local labour markets that support the wellbeing of communities;

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RELATED RESOURCES

- [Scottish Government site on Community Wealth Building](#)
- [EDAS Guide to Community Wealth Building](#)
- EDAS Blog post: [Community Wealth Building key to creating stronger Scottish communities](#)
- Hear from Minister Arthur on the new podcast ‘Talking EDAS Episode 7 - Tom Arthur & Neil McInroy’ [here](#).
- [The Democracy Collaborative](#) (originator of CWB approach)



Community wealth building creates a sustainable prosperous and inclusive economy, bringing economic, social and environmental well-being to all of its people and communities.

Liz McEntee,
*Chair of the Economic Development
Association of Scotland*

- **Land and property:** Growing the social, ecological, financial, and economic value that local communities gain from land and property assets; and
- **Finance:** Ensuring that flows of investment and financial institutions work for local people, communities and businesses.

For example, the CWB approach to procurement is two-fold. First, it seeks to create a more inclusive and accessible tender process so that organisations beyond the “usual suspects” can successfully bid and deliver, for example smaller firms or social enterprises. Secondly, it considers the supply chain and incorporates priorities such as net zero, social value and quality local employment. Using a wider range of procurement criteria beyond cost alone can be used as part of the procurement processes and can help contribute to virtuous local supply chains. For example in Preston, UK their CWB strategy included adapting the procurement process, centring the spending power more locally and encouraging local anchor institutions to work together. This has led to approximately 70 million GBP returning back to the local economy.

Shifting how finance and investment operates and who and where it flows is a great opportunity. With much to do. For example, a number of public sector pension funds are now seeking to have a portion of their investment vehicles dedicated to local investment or social impact investing. Credit unions and other types of community investment vehicles are two other examples.

CWB GOES BEYOND THOSE INSTITUTIONS THAT TRADITIONALLY CONSIDER THEMSELVES IN THE ECONOMIC DEVELOPMENT FIELD

Public, commercial and third sector organisations such as health boards, universities, local councils, and longstanding local business can be considered as anchor institutions due to their established roots within a community. Tapping into their sense of civic responsibility and their contributions to the local ecosystem – from how they purchase goods and services to their employment policies to their investment and finance strategies – can also further a CWB approach.

For example, ‘Community planning partnerships’ in Scotland convene anchor institutions to build on their civic responsibility and to contribute to the local economy and community well-being. Further afield, in Cleveland, one of the early leaders in CWB, the purchasing power of anchor institutions is used to support community cooperatives. In this way, local procurement contributes to a sustainable and reliable demand for local products and services that is met in a way that provides quality jobs for local residents.

The Cleveland example highlights the links between CWB and the social economy, such as worker-owned cooperatives. Going forward, there could be further opportunities to strengthen these linkages, for example via digital platform cooperatives that are more community driven e.g. local food delivery or transport services. Such platforms allow for the wealth to be recirculated back to local communities rather than relying on global platforms with limited local returns.

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“ CWB deals with the economic determinants of ill health, so whilst their primary role is to deliver health services they also have a role as economic agents of change within the economy, as purchasers of goods and services, as employers, as land, property and financial asset holders. They can build community wealth.

Neil McInroy,
Community Wealth Building Advisor to the Scottish Government and Global Lead, Community Wealth Building, Democracy Collaborative.

The OECD Local Development Forum is a community of thousands of individuals worldwide, united by their shared commitment to making their communities more resilient, inclusive and sustainable. It counts members from over 70 countries, representing city, regional and national governments, education, employment and training agencies, chambers of commerce, social innovators, start-ups, businesses and NGOs in the fields of local economic development, employment, skills, entrepreneurship and social innovation. It is a unique setting for the private and public sector to challenge assumptions, learn from each, and work together to forge practical solutions to today’s economic and social challenges.

The Local Development Forum is part of the OECD’s Local Employment and Economic Development programme (LEED). LEED provides practical solutions for how to create good jobs in great places. It was launched in 1982, to share innovative approaches to local job creation, social inclusion and economic development. Since then, it has continued to bring together policy makers and practitioners from around the world to identify, evaluate and disseminate promising approaches to local development.