



COMMUNITY WEALTH BUILDING

AN EQUITABLE APPROACH TO ECONOMIC DEVELOPMENT FOR AOTEAROA NEW ZEALAND

A collaboration of WEAll Aotearoa and The Urban Advisory

WHITE PAPER

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THE URBAN ADVISORY
RETHINKING OUR CITIES



EXECUTIVE SUMMARY

Community Wealth Building offers Aotearoa New Zealand an approach to economic development that leads to more prosperous, equitable, sustainable, and resilient local economies and communities. At its heart it puts people back at the centre of local economies.

Community Wealth Building has been used successfully overseas where it has transformed cities such as Cleveland in the United States and Preston in the United Kingdom, and indigenous communities in the US and Canada (such as the Lakota of Pine Ridge Reservation). Aotearoa New Zealand has already been practising elements of Community Wealth Building in various towns and cities. The opportunity now is to supercharge this and roll it out in a coordinated and ambitious fashion.

The purpose of this paper is to raise awareness of Community Wealth Building in Aotearoa New Zealand and to encourage cities, regions, individuals, and organisations to work together to apply these principles and strategies. The paper explores the principles of Community Wealth Building, outlines the five pillars with case studies of how it has worked internationally and in Aotearoa New Zealand, identifies common challenges, and shares what people can do to get Community Wealth Building started in their area. We hope it acts as an introductory guide and have provided resources to find out more.

Across Aotearoa New Zealand, iwi, mana whenua, councils, the Crown and economic development agencies have been looking for new approaches to deliver more inclusive and sustainable economic development. Community Wealth Building ensures wealth generated in a local economy is held and invested back into that local economy, and puts control and benefits into the hands of local people. With the Coalition government exploring city and regional deals and promoting localism and social investment, Community Wealth Building is a common sense, pragmatic approach to support these outcomes.

Based on the principles of place-based, self-determination, partnership and collaboration, and regenerative systems, there are five interconnected pillars of local action:

Pillar 1: Harnessing Spending and Local Supply Chains

Pillar 2: Prioritising Fair Employment

Pillar 3: Investing Locally

Pillar 4: Diversifying Ownership Models

Pillar 5: Making Land and Assets Work for Locals and the Environment

Whatever your role – community leader, councillor, government agency, iwi entity or business – you can offer meaningful leadership in growing a Community Wealth Building approach in your local area. There are tangible ways you can kick-start Community Wealth Building in your local areas:

- Establish a champions' network
- Map local needs and opportunities
- Support new and existing local businesses
- Explore new funding models
- Create a new entity to deliver Community Wealth Building.

If you or your organisation are interested we'd love to have a conversation about how to raise awareness and take steps towards a Community Wealth Building approach in your community.

ABOUT THE AUTHORS

This paper is jointly authored by The Urban Advisory and The Wellbeing Economy Alliance (WEAll) Aotearoa who have worked with international and domestic experts to publish this introductory guide.

WEAll Aotearoa is a registered charity that works in Aotearoa New Zealand to reshape our economy so that it is designed around the wellbeing of its people and nature. The Wellbeing Economy Alliance is a leading global collaboration that brings together organisations, individuals and governments to transform the economic system into one that prioritises dignity, purpose, nature, fairness and participation. Supporting the Community Wealth Building movement in Aotearoa New Zealand is a priority workstream for the Wellbeing Economy Alliance in 2024.

The Urban Advisory (TUA) is a team of sustainable urban transformation professionals, working across Aotearoa New Zealand to deliver healthier and more equitable neighbourhoods, towns, and cities. TUA has led international study tours visiting Preston and Cleveland to show delegates how Community Wealth Building works and the benefits for Aotearoa New Zealand. TUA has supported clients to develop Community Wealth Building strategies, and advised on establishing housing cooperatives and community land trusts. TUA also provides a range of research, design and property related services as part of a multidisciplinary offering.

ACKNOWLEDGEMENTS

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THE BUILDING BLOCKS OF COMMUNITY WEALTH BUILDING

The language of 'Community Wealth Building' might be new to you, but the purpose of putting people and nature back in the centre of local economies isn't. It's a global approach that can be adapted to the context of each place. How might we use it to think differently about intergenerational wealth and economic development in Aotearoa New Zealand? In this section we introduce key terminology, why it's needed, and how it fits within the broader wellbeing economy movement.

WHAT IS COMMUNITY?

Communities are groups of people brought together by a shared geographic location, interests, values or characteristics. We are all part of one or more communities and are connected through time to our ancestors and descendants.

WHAT IS WEALTH?

Wealth is more than just about material possessions or net worth, it's inclusive of the Living Standards Framework¹ conceptions of social cohesion, natural environment and human capability. Wealth to us also encompasses what we need to sustain our physical, emotional, spiritual and cultural wellbeing and an overall sense of life's purpose. In Community Wealth Building, wealth refers to foundational assets that underpin our wellbeing and prosperity, such as a secure, safe, healthy, and affordable home.

WHAT IS COMMUNITY WEALTH?

Community wealth is the collective assets – social, intellectual, cultural, financial, etc. – that a community owns or controls that enables members of the community to care for one another and the natural environment.² These assets are resources that can be used to promote greater equity, economic resilience, and community wellbeing.

1 New Zealand Treasury, "Treasury paper: The Living Standards Framework (LSF) 2021" (October 28, 2021). <https://www.treasury.govt.nz/publications/tp/living-standards-framework-2021#overview-of-the-2021-lsf>

2 Alkhemyki, "What is Community Wealth?", last accessed May 4, 2024, <https://alkhemyki.org/what-is-community-wealth/>.

WHAT IS COMMUNITY WEALTH BUILDING?

Community Wealth Building is a collaborative approach to economic development that puts people back at the centre of local economies. It ensures wealth generated in a local economy is held and invested back into that local economy, and puts control and benefits into the hands of local people.³ By keeping wealth circulating locally, it helps prevent economic leakage and acts as a multiplier, where positive feedback mechanisms generate greater community wealth both in the present and for future generations.

This is achieved by aligning the interests of business, community, development agencies and local government. It is about creating the permissions and incentives needed for local institutions to invest in their own communities, retain wealth and skills, and provide better employment.

Community Wealth Building offers Aotearoa New Zealand an approach to economic development that aligns more closely to te ao Māori and the existing structures of Māori organisations. This is vital as we work towards te tiriti justice and more prosperous, equitable, sustainable, and resilient local economies and communities.

3 Centre for Local Economic Strategies [CLES], "What is Community Wealth Building?", last accessed May 4, 2024, <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>.

THE IMPETUS FOR CHANGE

For decades the dominant belief has been that the purpose of government policy is to grow the economy as quickly as possible as measured through gross domestic product (GDP). This narrow focus has been a principal contributor to unjust and unsustainable economies.

Cities and regions have likewise seen their role in economic development as attracting large investors and businesses who can generate fast economic growth. These businesses are not incentivised to provide living wages and we've seen an increase in in-work poverty. Aotearoa New Zealand is facing social and economic challenges resulting in families having to borrow money to survive, and rising interest payments mean they end up in a debt spiral.⁴ Largely overseas owned banks then extract these interest payments from the local economy and Aotearoa New Zealand.

Around the world, many governments are now recognising that this traditional focus is not delivering greater wellbeing but rather greater inequality, environmental degradation and poorer physical and mental health.

⁴ Te Hiko, "Porirua Wealth Pool". (2023). <https://www.tehiko.org.nz/resource-hub/porirua-wealth-pool>

COMMUNITY WEALTH BUILDING IN A WELLBEING ECONOMY

A Wellbeing Economy puts our human and planetary needs at the centre of its activities, ensuring that these needs are all equitably met, by default.

A Wellbeing Economy approach encourages a greater purpose than just GDP growth. It's about preventing environmental and social damage from occurring in the first place; increasing community resilience in managing shocks; asking the economy to do more of the pre-distribution of resources and opportunities; incorporating greater public participation; and centred on people and place.

Community Wealth Building is part of the global Wellbeing Economy movement for designing economies in the service of life. Community Wealth Building has a richer purpose than growth at all costs. It encourages more diverse voices to participate in making local economies more just, equal and regenerative, both socially and environmentally.

An example of Community Wealth Building is the Porirua Wealth Pool created by Te Hiko in Cannons Creek, Porirua. A group of people who live or work in this community come together to save their money collectively. The group experiences the power of having savings for emergencies, but also allows people to lend to each other within the community. Te Hiko is also leading a timebank and the Good Cents initiative to reframe people's relationship to money.

“Communities know their people and place. Community Wealth Building harnesses that knowledge to create new opportunities and reduce long-term damage to local environments and to families on the margin. It is a powerful social movement to strengthen agency and wellbeing.”

PROFESSOR PAUL DALZIEL, WELLBEING ECONOMY ALLIANCE AOTEAROA

**COMMUNITY WEALTH BUILDING
FOR EMPOWERING AND RESHAPING
COMMUNITIES**

The benefits of Community Wealth Building are regenerative, building on and reinforcing each other to form a spiral of ongoing wellbeing benefits, improving conditions for people and planet to thrive. For an individual and whānau, the spiral begins with skills development and opportunities for stable well-paying jobs. At a community scale, these opportunities reduces in-work poverty, and the benefits multiply toward growing and circulating wealth locally and ultimately, over time, building towards a thriving and resilient local economy.

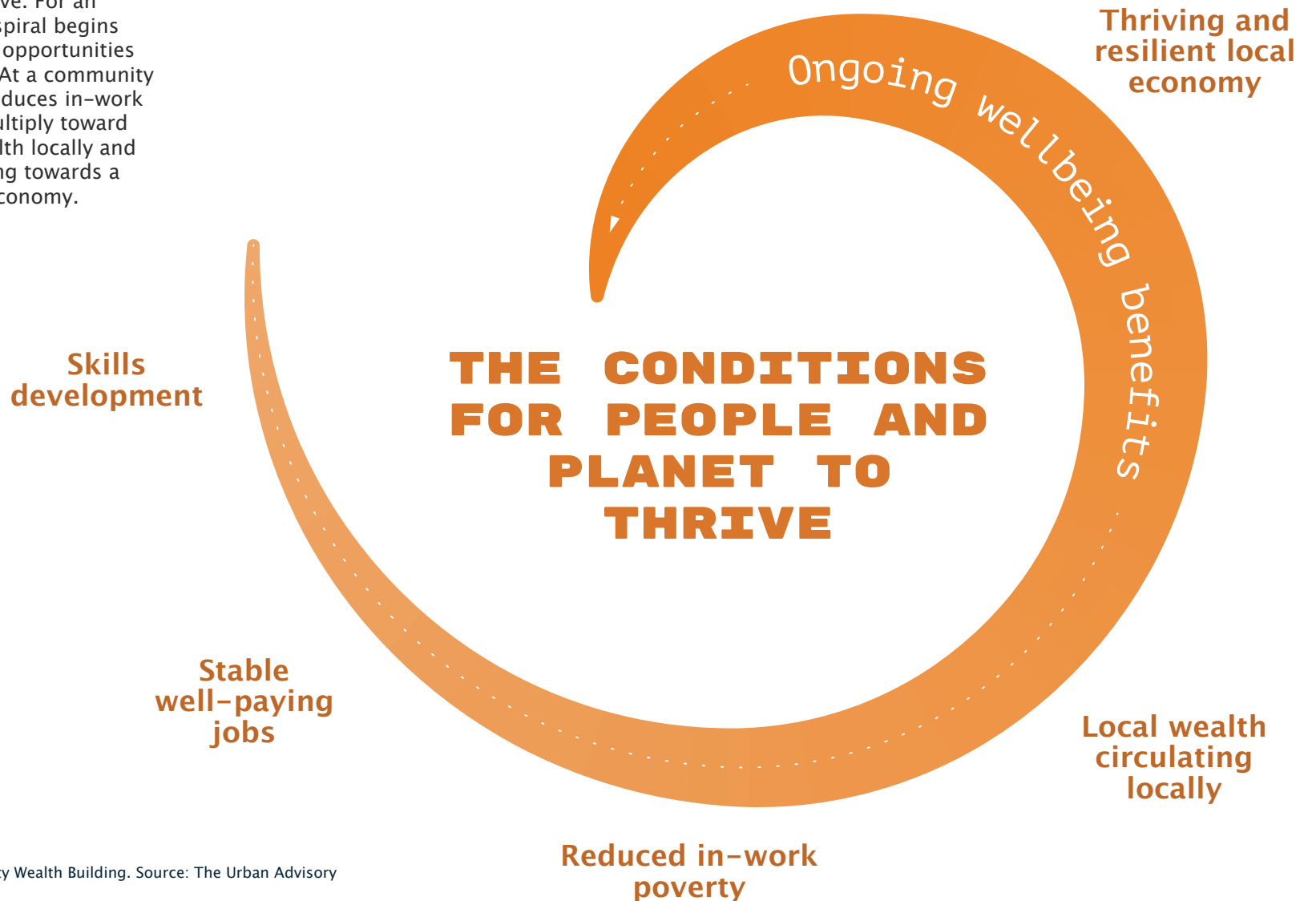


Figure 1. The benefits of Community Wealth Building. Source: The Urban Advisory

HOW DOES IT WORK DIFFERENTLY TO THE STATUS QUO?

THE FUNDAMENTAL PRINCIPLES OF COMMUNITY WEALTH BUILDING

Community Wealth Building is an approach to economic development that is underpinned by four fundamental principles. Its principles reflect long acknowledged approaches to building better economies: by investing in people, place, and regenerative cycles in the economy. This section explains each of the following principles:

Principle 1. Place-based

Principle 2. Self determination

Principle 3. Partnerships and Collaboration

Principle 4. Regenerative systems

The case studies shared as appendices below highlight these principles being applied in different ways.

PRINCIPLE 1. PLACE-BASED

Community Wealth Building can look different in every town, city or region, because it responds to the context and the communities in a particular place. The approach seeks to develop under-utilised local assets and create jobs for the benefit of local residents;⁵ for example, by linking employers with workers, and supporting workforce development. In each place it will look different, depending on the local assets, Anchor Institutions, businesses and workforce.

Local Anchor Institutions are supported to promote local, broad-based ownership of the economy and meaningful employment. Supportive institutions and systems are often developed to underpin this new norm of job creation and localised economic development. Anchor Institutions are institutions with a mission to serve local communities, such as Councils, hospitals, universities, community foundations, marae, iwi and sometimes large businesses or government agencies working locally. These entities have power to influence and drive how resources are applied in a local area. They are uniquely placed and resourced to support equitable place-based economic development.

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PRINCIPLE 2. SELF-DETERMINATION

Community Wealth Building recognises and aims to strengthen the agency of iwi and local communities in determining their economic wellbeing. In the current system, land and property ownership is one of the main means of generating economic and political power, and also a major driver of wealth inequality.⁶⁷ Through a bottom-up approach Community Wealth Building centres democratic ownership of the economy and community self-determination, contributing to an economic power shift. Diversifying, broadening, and collectivising ownership of economic assets – including land, labour and capital – will enable local communities and people to have greater control and permanent affordability of these assets.

⁵ Marjorie Kelly & Sarah McKinley, "Cities Building Community Wealth" (Takoma Park, MD: Democracy Collaborative). (2015).

⁶ Sarah McKinley & Neil McInroy, "Action Guide for Advancing Community Wealth Building in the United States," (2023), <https://static1.squarespace.com/static/62f41050584b40607baef690/t/65a7f7e9a91acf4164eff5be/1705506804639/Community-wealth-building-action-guide-us.pdf>.

⁷ Max Rashbrooke, "Too Much Money: How Wealth Disparities Are Unbalancing Aotearoa New Zealand" Bridget Williams Books. (2021).

The UK Centre for Local Economic Strategies describes Community Wealth Building as “an intentional reorganisation of the local economy in order to tackle the inequalities and disadvantages that are today, so acutely felt in our homes and communities”

CENTRE FOR LOCAL ECONOMIC STRATEGIES

Image provided by Wesley Community Action

Community Wealth Building: An Equitable Approach To Economic Development

PRINCIPLE 3. PARTNERSHIP AND COLLABORATION

Community Wealth Building requires the work of many hands, implemented and supported by a range of stakeholders who share the vision to create a thriving local economy.⁸ Partners can include foundations, Anchor Institutions, councils, iwi entities, unions, community organisations, NGOs, progressive business networks, workers, and community leaders and residents. In contrast to traditional economic development, where the demands of business drive the economic development approach, Community Wealth Building creates a ‘power shift’ by bringing the community to the table alongside government and business, to expand accountability, good jobs and community benefits. The combined force of these collaborative partners can create momentous change to local economies. Overseas Community Wealth Building partnerships have emerged both from top-down and bottom-up approaches.

PRINCIPLE 4. REGENERATIVE SYSTEMS

Community Wealth Building is a regenerative framework for economic development. It works to restore the wellbeing of natural environments and local citizens. A welcome response to the clear limits of existing economic and social systems that often rely on extracting wealth from a community (its natural resources or low-wage labour) for the benefit of distant shareholders.

Regenerative Community Wealth Building means:

- Prioritising social and environmental health and wellbeing.
- Viewing wealth holistically, including but not limited to financial wealth.
- Economic activity is circular, rather than extractive and wasteful.
- Empowering local communities and local government to create and retain wealth.
- Ensuring the benefits of wealth creation are distributed equitably and contribute to the common good of local communities.

Regenerative and restorative ways of doing is inherent in mātauranga Māori – Māori knowledge or the Māori way of knowing.⁹ The alignment between a Community Wealth Building framework and a kaupapa Māori approach to sustainable and inclusive growth is clear, with a common regenerative, intergenerational approach to economic development that respects Papatūānuku and the life supporting capacities of the natural world.

⁸ Centre for Local Economic Strategies & Preston City Council. “How we Built Community Wealth in Preston”. May 2019. https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Docu

⁹ Me Tū ā-Uru. “Me Tū ā-Uru: An action plan for a flourishing and abundant environment” (2023), 59. <https://www.metuauru.co.nz/wp-content/uploads/2023/07/Me-Tu-a-Uru-WEB-2.pdf>

WHAT CAN IT LOOK LIKE? THE FIVE PILLARS OF COMMUNITY WEALTH BUILDING

Community Wealth Building involves five interconnected pillars of local action. The five pillars are a suite of coordinated and multi-levered strategies that can shift the system. These strategies can be applied anywhere. Working together, communities can develop bespoke approaches fit for their people and their place. The five pillars are:

Resources in Appendix 1, organised by pillar, are a great collation of research, ideas and practical guidance on Community Wealth Building.

APPENDIX 1



**PILLAR 1.
HARNESSING
SPENDING AND
LOCAL SUPPLY
CHAINS**



**PILLAR 2.
PRIORITISING
FAIR
EMPLOYMENT**



**PILLAR 3.
INVESTING
LOCALLY**



**PILLAR 4.
DIVERSIFYING
OWNERSHIP
MODELS**



**PILLAR 5.
MAKING LAND
AND ASSETS
WORK FOR
LOCALS AND THE
ENVIRONMENT**

There are already initiatives in various towns and cities in Aotearoa New Zealand that exemplify these five key pillars. In this section, we explain how we can action each pillar and highlight examples from across Aotearoa New Zealand. While each pillar is distinct, they intersect and interweave depending on context and use. We hope you find them a useful framing for this work but they should not restrict us.

'We' refers to any people and organisations that could have a role in implementing this work, be it iwi, community groups, councils, economic development agencies, central government, NGOs, individuals and whānau. Different strategies can be actioned by different players.

PILLAR 1

HARNESSING SPENDING AND LOCAL SUPPLY CHAINS



We can support locally-owned and operated businesses (existing and new). We can partner with the community and key stakeholders to advance social procurement and associated benefits. We can invest in local capacity building strategies. We can partner with Anchor Institutions to prioritise spending and sourcing services and products locally. For example, a local Council or hospital might seek to use its catering or maintenance services contracts to promote certain types of local businesses such as Māori and Pasifika-owned firms or cooperatives.

EXAMPLES IN AOTEAROA NEW ZEALAND

Toha Kai: Ōtautahi-based company that redistributes food from local producers and collaborating with local organisations to provide a platform for education and community building (i.e. through cooking workshops).

Amotai: supplier diversity intermediary working to connect Māori and Pasifika-owned businesses with buyers. Contributes to Aotearoa New Zealand's economic development and minority groups' wellbeing by facilitating procurement from minority-owned businesses.

Local Government Procurement: Councils around the country have social procurement or procurement for impact strategies using their spending power to create social, economic and environmental outcomes beyond the goods, services or works purchased. The Southern Initiative in Auckland, for example, works towards community based socio-economic transformation in South Auckland by supporting local supply chains and through a variety of other programmes.

Repair Cafe Aotearoa New Zealand (RCANZ): Repair Cafes provide events for local people to repair items like clothes, gadgets to bikes, saving items from landfill. RCANZ operates to support and resource small established Repair Cafes across Aotearoa New Zealand, reducing the historic duplication of processes, resources, time and energy of individual Repair Cafes.

Te Hiko: Te Hiko harnesses collective buying power and volunteers to reduce the cost of fresh kai. It supports local growers, and it brings fresh, seasonal produce to whānau table at the lowest cost.



PILLAR 2

PRIORITISING FAIR EMPLOYMENT



We can develop and adopt a Living Wage and inclusive employment policy. We can support and encourage union protected jobs. We can increase opportunities for workers to have greater control and participation in their workplace through employee ownership, open book management or workers boards. We can engage Anchor Institutions and associated businesses to hire locally, provide training, and adopt a Living Wage policy in their own supply chains. We can develop or support programmes which unlock employment pathways, develop job seeking skills, and offer qualifications, mentoring and support for low-income, unemployed or 'second chance' workers.

EXAMPLES IN AOTEAROA NEW ZEALAND

Living Wage Movement: campaigns for the implementation of a Living Wage, the income necessary to afford basic necessities of life and empower workers to engage as active citizens in their communities. The Movement offers the Living Wage Employer accreditation scheme. Accredited Living Wage Employers commit to paying a Living Wage to all directly employed staff, and regular contractors.

4 Day Work Week at Perpetual Guardian and Unilever: during trials of Aotearoa New Zealand-based companies the 4 Day Work Week proved to significantly improve employees' wellbeing while maintaining company goals.

Mayors Taskforce for Jobs: nationwide network of mayors with the goal of engaging all young people aged 16-24 in education, training, employment or other impactful activities in their communities. Achieved through specific projects and provision of data on youth unemployment.

He Toki ki te Mahi: a collaboration between Hawkins Construction, Te Rūnanga o Ngāi Tahu and the Christchurch Polytechnic Institute of Technology to create employment pathways during the Christchurch rebuild.

“Councils can do much more to facilitate intergenerational wellbeing and local democracy if they fully commit to this purpose. Putting wellbeing at the centre of councils' day-to-day work will require them to use all their existing relationships, infrastructure, assets, and levers to unlock greater community wellbeing.”

Gael Surgenor, He Piki Tūrangā, He Piki Kōtuku, Review into the Future of Local Government 2023

PILLAR 3

INVESTING LOCALLY



We can support Anchor Institutions to boost local investment through their own spending decisions and in turn, customers and employees investing in them. We can focus on redirecting and building up existing and new local businesses to realise this opportunity, facilitating and supporting their investment in the community to create new forms of generative (rather than extractive) economic activity.

We can explore ways of investing local money into housing through community finance assets. For example, iwi organisations are increasingly partnering with others to deliver more equitable land development opportunities.

We can create local investment strategies that support Councils or municipalities to redirect funds towards equity investments in their communities. This could include financial partnerships with foundations, local banks, iwi, and Community Development Financial Institutions (CDFI) who contribute funding into municipal loan funds, or creating responsible banking policies¹⁰.

EXAMPLES IN AOTEAROA NEW ZEALAND

Trust Tairāwhiti: provides direct investment and funding for community projects, regional events, and local businesses and innovators to support economic development of Tairāwhiti.

Te Rūnanga o Toa Rangatira: iwi authority that is utilising their land through a Community Land Trust, encouraging shared and progressive home ownership. Ngāti Toa is the Ministry of Education's largest landlord and launched a social supermarket.

Simplicity: the vertically integrated investment and delivery of build-to-rent homes by Simplicity Living, owned by KiwiSaver and Investment funds managed by Simplicity.

¹⁰ Kelly & McKinley, "Cities Building Community Wealth." Democracy Collaborative. (2015). <https://ccednet-rcdec.ca/resource/cities-building-community-wealth/>



Image of Te Puna Oranga o Ōtaki. Source: The Urban Advisory

PILLAR 4 DIVERSIFYING OWNERSHIP MODELS



We can focus on equitable growth models to support local enterprises, which return economic power to local communities and businesses. We can encourage and support employee-owned businesses, cooperatives and social enterprises that return profit to the employees. Māori businesses, trusts, and post treaty governance entities model approaches to shared governance and intergenerational practices which are intrinsic to Māori tikanga. We can fund and implement equitable and sustainable, community-focused housing, supporting local people to co-design, co-develop, and co-own a range of housing types. Housing models such as Community Land Trusts and Cooperatives deliver permanently affordable housing provision and economic opportunities.

EXAMPLES IN AOTEAROA NEW ZEALAND

Auckland Library of Tools: A community hub providing affordable access to shared tools and equipment, promoting sustainability and collaboration and empowering people to build and create together.

Ngāti Whātua Ōrakei: operates an iwi-owned health center, provides health insurance and unlocks home-ownership for papakāinga.

Nau Mai Rā: Māori power company redistributing a portion of their profit to bring electricity to those facing energy hardship. By paying their power bill, customers support fellow community members struggling to afford theirs.

Queenstown Lakes Community Housing Trust: provides affordable and secure tenure housing in the Queenstown Lakes area. Programmes include Public Housing Rental, Senior Housing, Affordable Rental, Rent-to-buy along with its assisted ownership model, the Secure Home programme.

“The vast majority of our tools have been donated to us by the community. By facilitating the sharing of this untapped collective wealth, we are able to reduce the need for individual tool ownership and storage, while simultaneously improving the accessibility of these items for our community. By sharing tools and resources, we dramatically improve the efficiency of material use represented by these items.”

AUCKLAND LIBRARY OF TOOLS

PILLAR 5

MAKING LAND AND ASSETS WORK FOR LOCALS AND THE ENVIRONMENT



We can restructure the function and ownership of local assets to ensure we deliver tangible financial benefits for local residents. Across Aotearoa New Zealand there is considerable vacant or underutilised land in public or council ownership that could be used to drive Community Wealth outcomes. We can advocate for tino rangatiratanga and land back for whānau, hapū and iwi. Mātauranga – Māori knowledge or the Māori way of knowing – can inform our decisions around land and asset use.¹¹ We can use legislation to protect and advocate for nature.

We could undertake a review of community assets and their uses, in order to co-design the future purposes and use of those assets and land. How might the assets be consolidated or managed differently to better optimise their restoration, use and reduce cost?

EXAMPLES IN AOTEAROA NEW ZEALAND

Te Urewera: a former national park, was redefined with its own legal identity and is governed and managed by a Board of Crown and Tuhoe iwi representatives.

Whanganui River: was declared a legal person in 2017, which enables environmental protection and restoration, and also recognizes the Whanganui Iwi's unique ancestral relationship with the river.

Otama Marere Trust: manages 45-hectares of land in the Bay of Plenty, communally owned by 632 people. The trust provides education and grants to the owners, organic farming and kiwifruit and avocado orchards spur economic development in the region and the fragile wetland ecosystems are protected through responsible use.

Ngāti Whātua Ōrākei & BNZ collaboration: development of a home loan framework making papakāinga housing/home ownership more accessible for hapū members.

¹¹ Me Tū ā-Uru, "Me Tū ā-Uru: An action plan for a flourishing and abundant environment" (2023), 59. <https://www.metuauru.co.nz/wp-content/uploads/2023/07/Me-Tu-a-Uru-WEB-2.pdf>



Image of Tākou Kauri Sanctuary in Te Tai Tokerau (Te Rūnanga o Ngāti Rēhia)

LEARNINGS FROM OVERSEAS

Community Wealth Building strategies have been deployed in diverse locales around the world and its application has varied depending on the context and community. Communities employing these strategies have reaped the benefits, and there is strong evidence for its success. While noting that success is not linear, and the examples shared below face ongoing challenges, including changing political priorities. Our examples highlight implementation led by a central government, a local council, and Anchor Institutions.

MINISTERIAL AGENDA FOR COMMUNITY WEALTH, SCOTLAND

There has been significant practical progress in implementing Community Wealth Building in Scotland. The Scottish Government was the first country to adopt a Community Wealth Building approach to its national economic development, including a Minister for Community Wealth and Public Finance.¹² However, in May 2024, the ministerial position changed from Minister for Community Wealth and Public Finance, to Minister for Employment and Investment.¹³ The Wellbeing Economy name has also been dropped from the new cabinet portfolio.¹⁴ How significant this change will be for progressing a Wellbeing Economy is to be seen. The Government still intends to introduce legislation on Community Wealth Building as planned in 2021.

Community Wealth Building is still seen as the practical way that Scotland can deliver on a wellbeing economy at the local and regional level and as a key way to turn the wellbeing vision and strategy into tangible action. Scottish Ministers and public sector bodies have the ability to embed the Community Wealth Building model of economic development into their corporate plans and wider strategies.¹⁵ Local authorities are taking a lead, often in partnership with their community planning partners.

¹² National records of Scotland, "Minister for Community Wealth and Public Wealth" (2023), <https://webarchive.nrsotland.gov.uk/20240416131619/www.gov.scot/about/who-runs-government/cabinet-and-ministers/minister-for-community-wealth-and-public-finance#:~:text=Tom%20Arthur%20was%20appointed%20as,Public%20Finance%20in%20March%202023.>

¹³ Kyrstie Brown, "Community Wealth Building, the road to where?," Scottish Council for Voluntary Organisations, (May 15, 2024), <https://scvo.scot/p/91412/2024/05/15/community-wealth-building-the-road-to-where>

¹⁴ Wellbeing Economy Alliance Scotland, "WEAll Scotland response to new First Minister" (2024), <https://www.weallscotland.org/post/weall-scotland-response-to-new-first-minister>

¹⁵ Neil McInroy (Democracy Collaborative), personal conversation, 19 April 2024.

“Visiting Preston and Cleveland gave us first-hand insight into the positive impacts that Community Wealth Building creates for communities - there are lots of opportunities to unlock value for people in their local communities here in Aotearoa, we just need to use systems and institutions differently.”

GREER O'DONNELL, THE URBAN ADVISORY

'GUERRILLA LOCALISM' STRATEGY, PRESTON CITY COUNCIL

Another leading example is known as the Preston Model. In Preston, UK, the Preston City Council and The Centre for Local Economic Strategies (CLES) partnered to reform the city's public procurement processes by "harnessing the potential of public institutions"¹⁶. It had significant direct impacts, including¹⁷:

- £74m redirected back into the local economy through procurement
- £200m invested in the wider (regional) Lancashire economy
- Real living wage jobs in Preston increased from 76% to 88% from 2015–2022¹⁸
- Reduction in unemployment from 6.5% in 2014 to 4% in 2023 (3000 people aged 16+). Lowest unemployment rate in Preston among areas in the North West¹⁹

It was also reported that by encouraging Anchor Institutions to spend their money locally and socially, Community Wealth Building has:²⁰

- Developed the skills of local people
- Created stable, well-paying jobs
- Reduced levels of in-work poverty
- Kept money circulating in the local economy
- Realised good local economies for people and places
- Improved mental health outcomes²¹

Preston demonstrates a successful 'proof of concept' of how Community Wealth Building works in practice with the important capacity to "achieve a meaningful transfer of wealth and power back to local communities"²². See Appendix 3 for a case study of the Preston Model.

16 Centre for Local Economic Strategies & Preston City Council. "How we Built Community Wealth in Preston". May 2019. https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Docu

17 Ibid.

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A LAKOTA TRANSLATION: AN INDIGENOUS APPROACH TO COMMUNITY WEALTH BUILDING

A Lakota translation of Community Wealth Building was created after a five-year co-learning and co-creation collaboration project involving multiple Native American organisations.

“Lakota Community Wealth Building is about loyalty to place and to our people, with ownership held by the community, working with each other as one, considering each person and their ability to be part of the economy, and seeing our economy as circular where everything is connected—consciously recreating sustainable communities.”²³

This Learning/Action Lab has led to new developments in worker and community ownership. For example the Thunder Valley CDC are developing a net-zero “regenerative community” managing their own construction to create both jobs and housing for their community in South Dakota. Also on Pine Ridge, The Native American Natural Foods (Tanka Bar) are transitioning to employee ownership while bringing the buffalo back to Native Lands.

A CITIZEN-LED ENERGY MOVEMENT, AUSTRALIA

Across Australia, communities are engaging in many activities related to Community Wealth Building, including establishing cooperatives, leading community development efforts, and creating generative enterprises. One co-operative enterprise, Pingala, is building a ‘citizen-led energy movement, working for a fast and fair transition to clean energy’.²⁴ The community collectively owns and operates their local renewable energy in a way that’s cheap and fair. The project involves local community financing for solar infrastructure, allowing residents to purchase capped share bundles with a 5–8% return on investment. The business or organisation leasing the solar infrastructure benefits from community financing, keeping wealth local.²⁵

²³ Stephanie Gutierrez, Hope Nation LLC, “An Indigenous Approach to Community Wealth Building: A Lakota Translation” Published by Published by The Democracy Collaborative (2018) <http://base.socioeco.org/docs/communitywealthbuildingalakotatranslation-final-web.pdf>

²⁴ Pingala, “Fairer Energy: Pingala makes energy that puts communities first,” (2018), <https://pingala.org.au/>

²⁵ Ethical Fields, “Community Wealth Building For Councils Workbook.” (April 2024).

LOCALLY OWNED PETROL STATION, YACKANDANDAH, AUSTRALIA

In Yackandandah, the community now owns the town’s only petrol company. When the only petrol station was announced it was going to shut in 2002, seven locals established the Yackandandah Community Development Company which then built and began operating as a petrol station in 2003. It has a public company structure with broad based community ownership and a business model designed to retain community assets. It works to provide a financial return to the community. They have now expanded and are running a rural supplies hardware business and a local newspaper.²⁶

BUILDING COMMUNITY WEALTH IN AOTEAROA NEW ZEALAND

There is a lot to learn from overseas Community Wealth Building approaches, and only a brief taster is provided here. **Appendix 3** and **Appendix 4** provide more in-depth case studies of the Preston Model and the Cleveland Model, respectively.

We see that there are natural commonalities between international and local initiatives for building community wealth too. For example, not unlike the Yackandandah petrol station, locals in Karamea set up an information and resource centre in response to the closure of the local garage and fuel supply. After some negotiation and with the backing of Development West Coast, the Karamea Information Centre took over the fuel supply, moved into the renovated service station and has provided employment for three part-time staff.

As we can see through the Pillars section, many local initiatives are doing Community Wealth Building in Aotearoa. For a detailed local example, see The Southern Initiative case study in Appendix 2.

“The [Karamea Information] Centre is truly a tribute to the “do it yourself” attitude inherent in all small rural isolated communities, with well-being of the people at the heart of what we do!”

KARAMEA INFORMATION CENTRE

²⁶ Ibid

CHALLENGES FOR COMMUNITY WEALTH BUILDING IN THE AOTEAROA NEW ZEALAND CONTEXT

Community Wealth Building may require new relationships, new entities and new ways of thinking and working to overcome existing challenges. Below are common challenges we see in implementing this in Aotearoa.

SILOED WORKING

Our current legislative, governance and accountability systems do not always encourage deep collaborations or working across organisations to achieve broad outcomes. Organisations often work in silos which can be a challenge to collaboration and effective joint-work. Central and local government approvals, processes and funding systems aren't set up for multi-agency, long-term partnerships. Community Wealth Building promotes organisations working together in an aligned and coordinated way to deliver the greatest benefit for their community. This requires leadership and vision to explore new ways of working together.

RELATIONSHIPS TAKE TIME

Trusted relationships are needed to work in non-traditional partnerships, which can take time to grow and nurture. Success typically needs buy-in from councils and Anchor Institutions as well as support from businesses and the community. This can take time but relationships are a crucial investment.

NEW WAYS OF WORKING CAN INVOLVE RISK

Councils are under pressure to get the basics right and can be risk-averse. It's easy for any organisation to focus on delivering existing work rather than looking for new opportunities or partnerships that could involve risk. A challenge for Community Wealth Building is that it could be seen as an added responsibility or a 'nice to have' and communities could miss out on the benefits. Community Wealth Building encourages experimentation, testing new approaches and thinking outside the traditional box.

POWER AND RESOURCE IMBALANCES

In Aotearoa New Zealand we have one of the most centralised government systems in the OECD. Councils and their council-controlled entities are often considerably smaller with less resources than central government entities. This can lead to power imbalances where central government entities convene or dominate collaborations. Likewise, organisations are often competing for the same funds from central or local government which can cause conflicts.

DOMINANT ECONOMIC THINKING

It is widely acknowledged that Aotearoa New Zealand fails to plan long-term and think intergenerationally.²⁷ Councils and economic development agencies can find it easier to focus on the quantity of economic activity rather than the quality and not explore if greater wellbeing is being delivered through economic growth. Economic development agencies' have traditionally focused on encouraging new investment, ideally from large enterprises as a driver of economic growth, which often sees communities pitted against one another. Community Wealth Building uses existing policies, tools, assets and investments to deliver sustainable and inclusive growth and achieve the purpose set out in the Local Government Act to 'promote social, economic, environmental, and cultural wellbeing of communities in the present and for the future.'

These challenges are not insurmountable but it's worth reflecting on how you might overcome them in your community.

27 Productivity Commission, "A fair chance for all: Breaking the cycle of persistent disadvantage." (2023). <https://www.productivity.govt.nz/assets/Inquiries/a-fair-chance-for-all/Fair-Chance-for-All-Final-Report-June-2023.pdf>

OPPORTUNITIES FOR COMMUNITY WEALTH BUILDING IN AOTEAROA NEW ZEALAND

Community Wealth Building offers Aotearoa New Zealand a new approach to economic development that simultaneously delivers multiple benefits, including more prosperous, equitable, sustainable, and resilient local economies and communities. Aotearoa has already been practising elements of Community Wealth Building in various towns and cities as you've read above. The opportunity now is to supercharge this and roll it out in a coordinated and ambitious fashion.

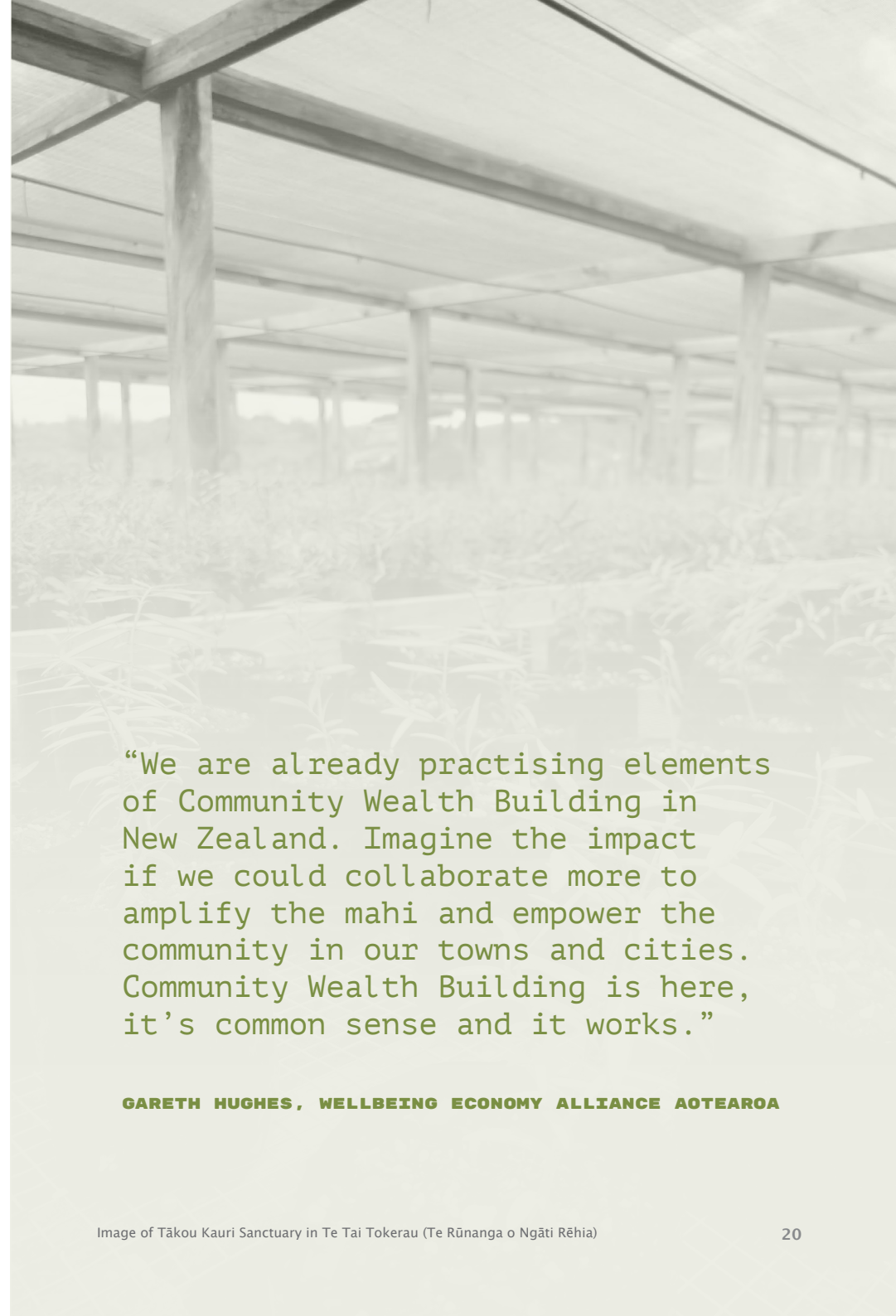
We can build on these successful examples by raising awareness, and by connecting local champions, existing initiatives and Anchor Institutions to partner and participate in an aligned approach.

IT IS PRACTICAL AND SNOWBALLS SUCCESS

Long term, pursuing Community Wealth Building creates the conditions for people and the planet to thrive. In-work poverty reduces and people build skills that they can use in stable, well-paying jobs. When more money starts circulating locally, synergies abound and a thriving resilient local economy emerges.

THERE'S AN OPPORTUNITY TO EXPLORE ALONGSIDE LOCALISM, CITY, AND REGIONAL DEALS

The Coalition Government has indicated a desire to promote greater partnership between local and central government with city and regional deals. These are place-based approaches to identifying, selecting, and funding future infrastructure needs based on models delivered in the UK and Australia. Community Wealth Building offers an opportunity to move beyond a focus on who funds what projects to a strategy for ensuring current and future investments deliver maximum benefits and outcomes for local communities. It is an effective approach to ensure existing policies, tools, assets and investments work to deliver the purpose set out in the Local Government Act to 'promote social, economic, environmental, and cultural wellbeing of communities in the present and for the future.'



“We are already practising elements of Community Wealth Building in New Zealand. Imagine the impact if we could collaborate more to amplify the mahi and empower the community in our towns and cities. Community Wealth Building is here, it’s common sense and it works.”

GARETH HUGHES, WELLBEING ECONOMY ALLIANCE AOTEAROA

HOW CAN WE DO IT TOO?

We can see the opportunity for Aotearoa to grow and coordinate Community Wealth Building strategies. How might we kick-start the process in our local areas? Below we share some steps to catalyse and develop a Community Wealth Building approach in your area.

» TAP INTO THE LOCAL ENERGY AND ESTABLISH OR SUPPORT AN ENDURING CHAMPIONS NETWORK

Observe what's going on, see where there are already Community Wealth Building initiatives underway, and identify local champions active in the community. Bring together an informal network of local champions to gather early momentum. This could include iwi and mana whenua or local businesses. This could lead to the formation of a stakeholder coalition or community advisory board. This network of people should meet regularly, build awareness and understanding of Community Wealth Building, and secure political and community support (such as from a local Councillor or Mayor). Begin to develop agreed ways of working, values, goals, and, if possible, a localised strategy for this work.

Establish a local culture and ways of working together. Aim to be proactive and collaborative in responding to local opportunities (and challenges) across different organisations and sectors. Formalise partnerships through MoUs, relationship agreements or kawenata, outlining the shared commitment to partner in a way that is different from what has been done in the past. Lay out how risk is managed and resources shared (for the benefits of not just each individual organisation, but for wider community). Form the groundwork for arrangements like land swaps or co-funding of infrastructure.

» IDENTIFY LOCAL OPPORTUNITIES

Who is doing what? Map the relevant initiatives, organisations and institutions in our area, and where possible relate them to the Community Wealth Building Pillars. Understand local gaps of what businesses don't exist to meet specific demands and plan to grow these, rather than competing with existing businesses. Research how wealth flows (or leaks) locally, how assets are used and local procurement is delivered to evaluate a baseline.

» UNDERSTAND LOCAL NEEDS

Explore and understand community needs that aren't being met in your local community, to identify key opportunities. Consider what factors give the private sector the confidence to engage, and invest in the future.

» APPOINT OR CREATE AN ENTITY TO DELIVER COMMUNITY WEALTH BUILDING

Secure a committed Anchor Institution, like a Council, hospital, university or iwi, to build momentum and visibility of Community Wealth Building. Create an organisation or appoint staff across agencies that are resourced and responsible for brokering and aligning, to orchestrate and coordinate deliverables. This might start within the network of local champions, or with one champion, but will typically need to transition to a different structure or organisation (e.g. local Council or a not for profit) over time to be sustainable.

» KICKSTART NEW BUSINESS OPPORTUNITIES

Respond to identified local gaps in the business landscape, and focus decision making around opportunities that are either supported by or identified by the community as fit for the community. Develop an incubator for local businesses which facilitate existing and new businesses. Find or establish organisations that can help build capability and capacity in the Māori and Pasifika and cooperative business sectors. Businesses and partners must have the opportunity to leverage local conditions, and build the approach together based on local realities, rather than a 'lift and shift' interventionist approach.

» EXPLORE FUNDING MODELS (INCLUDING DIVERSIFIED OWNERSHIP)

There are few clear funding streams for this work in Aotearoa New Zealand. Government agencies or philanthropic organisations may be able to offer seed funding. Anchor Institutions and private sector partners may provide funding and delivery support later, once they are on board. Long-term, major partnerships with organisations like Kiwisaver funds or ACC could provide a diversified financing pool.

CALL TO ACTION

COMMUNITY WEALTH BUILDING IS PLACE-BASED, GROUNDED IN BESPOKE LOCAL APPROACHES.

Whatever your role - community leader, councillor, government agency, iwi entity or business - you can offer meaningful leadership in growing a Community Wealth Building approach in your local area.

If you or your organisation are interested we'd love to have a conversation about how to raise awareness and take steps towards a Community Wealth Building approach in your community. We can support you with resources and connections.

GET IN TOUCH WITH US!

WELLBEING ECONOMY ALLIANCE AOTEAROA



WEAll Aotearoa is a registered charity that believes a Te Tiriti-led, broad-based, people-powered movement can transform the economic system to a Wellbeing Economy. Our vision is an Aotearoa New Zealand with a reshaped economy designed around the wellbeing of its people and nature. Supporting the Community Wealth Building movement is a priority workstream for us in 2024. We work with individuals and organisations including councils and economic development agencies to promote Wellbeing Economy approaches.

We are part of the Wellbeing Economy Alliance (WEAll) the leading global collaboration that brings together organisations, individuals and governments to transform the economic system into one that prioritises dignity, purpose, nature, fairness and participation.

Website: weall.org/hub/newzealand

Email: newzealand@weall.org

THE URBAN ADVISORY



The Urban Advisory is a team of urban transformation professionals. Our mission is to create healthier and more equitable homes, neighbourhoods, towns and cities.

We bring together a range of different skills and experiences to turn strategy into action. Our core services offering includes research and engagement, design and planning, as well as infrastructure, housing and property advisory.

As a team we are future-focused and tackle systems issues. We have an empathetic approach to taking everyone on the journey because we care about everyone's perspectives with the aim of building capability to inspire enduring change.

Website: theurbanadvisory.com

Email: info@theurbanadvisory.com

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APPENDIX 1.

RESOURCES FOR COMMUNITY WEALTH BUILDING

A selection of Aotearoa New Zealand and international resources on Community Wealth Building have been collated. These resources are grouped by the Pillars of Community Wealth Building, and general resources, and demonstrate the “lego blocks” we need to catalyse and grow the Community Wealth Building sector in Aotearoa New Zealand.

The ‘Action Guide for Community Wealth Building in the United States’²⁸ is a notable reference that has informed this list of resources.

Resources in blue are New Zealand-based resources.

PILLAR 1 HARNESSING SPENDING AND LOCAL SUPPLY CHAINS

- Undertake transparent analysis to understand where money is being spent and with whom. For more information, see [Making Spend Matter](#), a guide to conducting a local spend analysis. While this tool is designed for use in a European context, it offers a framework for developing a process to measure spending flows.
- Secure community benefit agreements committing to positive community outcomes. For more information, see [Emerald Cities’ Community Benefits Playbook](#), which provides a concrete example with guidelines for how to ensure investment and development benefits community.
- Case studies and strategies on targets and frameworks for equitable, diverse, and sustainable purchasing. For more information, see [The Sustainable Purchasing Leadership Council](#)
- PolicyLink’s [Guide to building a field of policy and practice](#) around inclusive procurement and contracting.
- “[The Anchor Dashboard](#)” introduces a framework to assist Anchor Institutions in understanding their impact on the community.
- [The Inspiring Communities](#) and [Te Hiko](#) websites have libraries of local examples.

²⁸ Sarah McKinley & Neil McInroy, “Action Guide for Advancing Community Wealth Building in the United States”. The Democracy Collaborative (August 2023).

PILLAR 2 PRIORITISING FAIR EMPLOYMENT

- [Living-wage accreditation](#) that creates standards for employers to ensure that full-time workers earn enough to meet basic needs. For more information, see [Living Wage NZ](#), which offers employer accreditation as well as information for employers.

“The people in our Movement, our robust accreditation system, and independently calculated rate have led to the Living Wage becoming the benchmark for decent pay in Aotearoa-New Zealand. Our accredited Living Wage Employers also play a vital role in this. They take the concept of a Living Wage and make it a reality. Businesses from a variety of industries have become accredited – banks, law firms, NGOs and fashion among them.”

**GINA LOCKYER, EXECUTIVE DIRECTOR LIVING WAGE MOVEMENT
AOTEAROA NEW ZEALAND**

- [Fair Pay Agreements](#) are a way of deciding what’s a fair way to treat working people in a particular industry. They cover things like pay, hours, leave and health and safety. For more information, see [Make Fair Work NZ](#)
- Pipelines to employment that create tailored employment training to meet specific hiring needs. For more information, see [Towards Employment](#), which works with both job seekers and employers to provide training and tailored support for advancement.
- Emerald Cities’ [High Road Workforce Guide for City Climate Action](#) offers steps for planning and implementing quality workforce development pipelines to address climate change.

PILLAR 3 INVESTING LOCALLY

- Impact investment is investing with the intention to generate positive, measurable social, cultural, or environmental impact alongside a financial return. For more information, see the [Impact Investing Network's resource](#) on connecting to local impact investors.
- Cooperatively owned banks or credit unions, which are member-owned financial cooperatives that provide financial services to a designated group. For more information, see the [Reserve Bank of New Zealand's register](#) of credit unions and building societies. Known cooperatives NZ banks are: [Co-operative Bank](#), [Rabobank](#) and [SBS Bank](#).
- You can also raise capital through the issuance of shares, and not only through debt. [Syndex's](#) role is to provide a common, go-to place for investors that have an interest in investing and trading in private or alternative, proportionally-owned assets. It has assisted numerous co-operatives in raising capital.
- Participatory budgeting initiatives, which seek to give people the power to decide how public dollars are spent. For more information, see [The Participatory Budgeting Project](#), which offers training and technical assistance.
- Community investment vehicles (CIV), which are legal mechanisms for directing economic and real estate development money to community use. For more information, see the [CIV Playbook](#) from Community Desk Chicago.

PILLAR 4 DIVERSIFYING OWNERSHIP MODELS

- Employee-owned cooperatives (also known as worker cooperatives), businesses that are owned and governed democratically by their workers on a one-member, one-vote basis. For more information, see Democracy at Work Institute and the ICA Group, both of which provide technical assistance on setting up, growing and advancing worker-cooperatives. For information about cooperatives in New Zealand, visit [Co-Operative New Zealand](#)
- Social enterprises, which have wide application but are typically non profit organisations that operate businesses in order to fulfil their missions and generate revenues. For more information, see the [New Zealand legal handbook](#).

- Municipal enterprise, businesses or services owned by local public authorities that provide services or generate revenue for local communities. In New Zealand, these entities are known as Council-Controlled Organisations. For more information, see the [Office of the Auditor General](#), which provides background information and how CCO's should operate.
- Conversion to employee -ownership of enterprises whose owners may be looking to sell or retire. For more information, see [Project Equity](#), which offers conversion planning and strategy development and [The Working World](#), which offers financing as well.
- Employee stock ownership plans (ESOPs), a mechanism that enables full or partial ownership of a business by its employees through a pension plan or trust. See the [National Center for Employee Ownership](#), which provides research and strategies for advancing employee ownership.
- [Worker Cooperatives: Pathways to Scale](#), a report from Hilary Abell at Project Equity, provides ideas for expanding cooperative development.
- "The Elements of a Democratic Economy" series includes examples of various enterprise forms, including [worker cooperatives](#), [low-profit limited liability companies](#), [municipal enterprises](#), and [employee stock ownership plans](#).



Image: Holzmarkt, Berlin. Source: The Urban Advisory

PILLAR 5

MAKING LAND + ASSETS WORK FOR LOCALS AND THE ENVIRONMENT

- Collective housing is innovative, community-focused housing which provides options outside of the typical renting or ownership models. Three of these models – Cooperative housing, Community Land Trusts, and Cohousing – are internationally popular tools to provide affordable, stable housing, but they are poorly understood in Aotearoa New Zealand. For more information, see [“The Urban Advisory’s Learning Guide”](#) on each of these innovative models.
- Cooperative housing models are common across Europe, and provide an attractive “third option” for delivering housing beyond traditional rental and ownership models. Despite this, the model is not present and poorly understood in Aotearoa. The Urban Advisory (TUA) have distilled key lessons from visiting several European cooperatives in this report to show the wider potential of cooperatives and how they could work here. For more information, see The Urban Advisory’s report, [“Delivering Co-operative Housing”](#).
- Community Land Trusts (CLTs) are a growing response to the provision of affordable housing. CLTs have the potential to respond to the immediate crisis of a lack of reasonable quality, affordable housing for low-income families and key workers and sustain people in their homes for generations. For more information, see [“Community Land Trusts: Performance and Relevance for Aotearoa New Zealand.”](#)
- [Community Control of Land and Housing](#), a report showcasing strategies to democratise land ownership and decision making.
- The [Center for Community Progress report](#) showcasing how land banks can work with CLTs to provide equitable housing for generations.

GENERAL RESOURCES

Community Wealth Building Background Material

- [“Key Reading For Community Wealth Building”](#), A Selection Of Centre For Local Economic Strategies’s Publications Explaining The Principles And Applications Of Community Wealth Building
- [“Community Wealth Building: The Path Towards A Democratic And Reparative Political Economic System,”](#) A White Paper By Thomas Hanna And Marjorie Kelly On The History And Origins Of Community Wealth Building.

- [“Family Wealth Building Isn’t Enough: We Must Pursue Community Wealth Building As Well,”](#) A Chapter By Ted Howard And Sarah Mckinley In The Book The Future Of Wealth Building Published By The Federal Reserve And The Aspen Institute.
- [“Educate And Empower: Tools For Building Community Wealth,”](#) A Report From The Democracy Collaborative With Recommendations For How To Lay The Groundwork For A Strong Community Wealth Building Approach.

Good Practice And Case Studies

- [“Implementing Community Wealth Building – A Guide,”](#) This Scottish Guide Offers Practical Support For All Those Seeking To Pursue A CWB Approach In Their Locality And/Or Wider Region. It Is Both A First Introduction For Those New To The Topic As Well As A Source Of Helpful Advice And Resources For Any Stage Of The Journey.
- [“Community Wealth Building And Land Guidance,”](#) A Scottish-Based Guide That Sets Out Actions That Can Be Taken In The Short And Long Term To Support An Inclusive, Sustainable, And Empowered Local Economy, Where Land Is Used And Managed Productively And In The Public Interest
- [“Community Wealth Building Models And Best Practices,”](#) A List Of US-Based Examples Of Effective Wealth Building Project Typologies.
- [The Anchor Mission](#) Is A Case Study Of The University Hospitals System Vision 2010 Program Focused On Hiring And Procuring Locally In Northeast Ohio.

Videos And Graphics

- [“Community Wealth Building: An Economic Reset”](#) documentary by The Laura Flanders Show.
- [“What is Community Wealth Building?”](#) an introductory video to Community Wealth Building by the Democracy Collaborative

APPENDIX 2.

THE SOUTHERN INITIATIVE

The Southern Initiative (TSI) is one of the best and most well-developed examples of Community Wealth Building initiatives in Aotearoa New Zealand. In 2012, TSI was established through the Auckland Plan 2050 by Auckland Council as a place-based priority to help address some of South Auckland's most pressing social and economic challenges.

TSI was developed in light of the recognition that business-as-usual practices in both the public and private sectors were not bringing about the changes needed at the pace required. In short, South Aucklanders had not shared in Auckland's economic growth and prosperity.

TSI works to champion and enable social innovation, including experimenting, learning and delivering real socio-economic transformation. Its central philosophy is strengths-based and whānau-centric, working with whānau, local social change agents, grassroots entrepreneurs, businesses, agencies and a number of organisations. Its work to date has especially aligned with Community Wealth Building principles of using local supply chains, and prioritising fair employment. TSI has also played a catalyst role so that land and assets can work for locals and their environment.

“Supporting a prosperous, resilient South Auckland where tamariki and whānau thrive.”

THE SOUTHERN INITIATIVE

Its vision statement is supported by four operational pillars, that outline what they do, which include:

- growing capability and capacity,
- prototyping and demonstrating,
- leveraging, influencing and incentivising, and
- joining up and connecting’.

The key focus areas of TSI include:

- **Shared Prosperity:** Demonstrating inclusive, just, circular and regenerative economic development where prosperity is shared.
- **Innovation and Technology:** Connecting Māori and Pacific rangatahi to innovation pathways that are future-focused.
- **Tamariki Wellbeing:** Enabling whānau centred approaches to counter prolonged cumulative stress and partner with whānau, for whānau led local initiatives.
- **Healthy Infrastructure and Environments:** Reinvestment in environment, home and community infrastructure that helps grow and restore mauri, safety, security, health and wellbeing.

AN ANCHOR INSTITUTION THAT EMBODIES MĀTAURANGA

TSI has acted as an example of an Anchor Institution playing a catalyst role establishing new entities like Amotai and demonstrating how procurement could be leveraged to include more diverse businesses, in this case Māori and Pacific owned businesses, into central government and council supply chains.

TSI holds a crucial point of difference, that reflects the New Zealand context: it provides space for, and reconnection to the innovation inherent in mātauranga (Māori knowledge) and create room for more whānau-centric approaches, including co-design, family and community-led local initiatives that support alignment with the aspirations and outcomes of South Aucklanders. To further this integrated approach, TSI works as a broker, facilitator and translator communicating across different worlds.

Similar to the international model of Community Wealth Building, TSI is a place-based initiative that takes an integrated and inclusive approach to social and economic development. In this way, TSI seeks to transform South Auckland. TSI “enables local Māori and Pasifika businesses to gain access to local government and corporate supply chains that will have massive benefits for years to come. It is just one example of the unique opportunity TSI has to broker connections and collaborate with the community to unlock the region’s enormous potential”.²⁹

29 TSI Year in Review 2018 <https://knowledgeauckland.org.nz/media/1867/southern-initiative-auckland-year-in-review-2018.pdf>

EXAMPLES OF COMMUNITY WEALTH BUILDING APPROACHES IN TSI'S WORK:

Using local supply chains – Amotai

TSI played a critical role in the establishment of Amotai (formerly He Waka Eke Noa) who works with government, corporate and Iwi organisations to unlock procurement opportunities and enable meaningful connections with Māori and Pasifika businesses. With more than 2200 Māori and Pasifika-owned businesses in its directory, Amotai connects them with over 200 government and corporate clients and buyers wanting to purchase goods, services and works. As a result Māori and Pacific peoples disadvantaged in the labour market get increased employment opportunities, including training, qualifications, sponsorship, pastoral care and mentoring. This often includes people who struggle in mainstream businesses to sustain employment.

Prioritising fair employment – Uptempo

TSI also helped create Uptempo, who empower Pasifika-led, workforce innovations that can create the solutions needed for Pasifika people to grow and thrive. Focused on local outcomes, Uptempo partners with government agencies and employers, to support workforce-wide changes that deliver clear pathways to better quality and higher paid jobs. Taking an 'aiga' or whole-of-family approach to workforce progression, Uptempo helps get young people into high quality jobs and existing workers to transition from low-quality poor-paid jobs often in sunset industries to better quality higher-paid work. It does this through strategic employer partnerships, providing brokerage and coaching support and partnering with training delivery partners on microcredentials.

Socially productive use of land and property – Papatoetoe Food Hub and Te Haa o Manukau

The Papatoetoe Food Hub concept revolves around community-led enterprise, within a circular economy model in which surplus food is rescued from being wasted and turned into good affordable food for the community, within a zero-waste approach. The idea to create a Food Hub emerged from a community collective including the The Southern Initiative's Healthy Families team in 2017 and Eke Panuku Development facilitated access to the land (an old netball court and club rooms that was locked up and not being used) which thanks to the work of many individuals and organisations is thriving space for community-led food solutions.

In 2018, a new innovation hub and co-working space – Te Haa o Manukau – opened in the heart of the Manukau CBD. Te Haa o Manukau is about furthering South Auckland's standing as the creative capital of Aotearoa New Zealand, helping to grow entrepreneurial ventures and prepare young South Aucklanders to navigate the future of work. Manurewa High School, New Zealand's largest decile 1 secondary school, also now has a co-designed MakerSpace which exists to support rangatahi into tech entrepreneurship through developing their leadership, creativity, problem solving and risk-taking skills.

LESSONS FOR AOTEAROA NEW ZEALAND

TSI success emerges from its integration of social and economic innovation within a people and place-centred approach. This has led to effective initiatives aligned with Community Wealth Building outcomes.

TSI highlights how council entities can show leadership and have a catalyst role implementing Community Wealth Building in towns and cities.

TSI connected national, regional and local players together to deliver practical projects and then acted as a knowledge sharer and catalyser. For TSI to thrive it was crucial to have the sponsorship of organisational leadership within Auckland Council.



Image of local market in West Auckland. Source: The Urban Advisory

APPENDIX 3

THE PRESTON MODEL

Preston in Lancashire adopted a Community Wealth Building approach in response to its economic situation in the 2000s. Preston had many economic and social issues common to declining deindustrialised cities, including stagnating population growth and retail floor space, poor quality housing, unemployment, child poverty, urban decay, rough sleepers, and the highest suicide rate in England.³⁰ The recession following the global financial crisis also brought a fatal blow to a proposed £700m mega-mall development, to be delivered by one of the world's largest developers, that was planned to revive Preston.³¹ But this proved to be a turning point, where everything changed for Preston, for the better.

In 2011, Preston City Council (PCC) adopted a “guerilla localism” strategy for tackling their economic challenges: keeping money in the local economy as much as possible to boost local spending, growing local business and establishing worker-owned cooperatives.

Working closely with the mancurian thinktank, The Centre for Local Economic Strategies (CLES), PCC entered into an official strategic partnership to reform the city's public procurement processes by “harnessing the potential of public institutions”³².

This work was inspired by successful cooperative economies in Mondragón, Spain and Bologna, Italy. CLES modelled Preston's reform on a model of Community Wealth Building previously developed in the American city of Cleveland, Ohio, by The Democracy Collaborative (see Appendix 2).

Modelling the power of collective methods of economic development, Preston has demonstrated that reliance on external investment is not the only way to support local economies (Ibid). Due to its success, this approach is now widely referred to as the ‘Preston Model’ and has inspired a wave of local authorities across the UK to take similar action.³³

30 CLES & Preston City Council, “How we Built Community Wealth in Preston”; “The Preston Model of Community Wealth Building in the UK,” Centre For Public Impact, November 15, 2018. <https://www.centreforpublicimpact.org/case-study/the-preston-model-of-community-wealth-building-in-the-uk>.

31 Ibid.

32 Centre for Local Economic Strategies & Preston City Council. “How we Built Community Wealth in Preston”. May 2019. https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Docu

33 Ibid.



Image of Preston, United Kingdom. Source: The Urban Advisory

THE ROLE OF PUBLIC BODIES AS ANCHOR INSTITUTIONS

PCC functions as the 'place leader' for the city, promoting the concept of Community Wealth Building to other Anchor Institutions in and around Preston and to the private sector. Working with CLES, PCC persuaded six public bodies to commit to implementing the Community Wealth Building strategy, including spending locally wherever possible, including:

- Lancashire County Council
- University of Central Lancashire
- Preston's College
- Cardinal Newman College
- Community Gateway Housing Association
- Lancashire Constabulary

CLES chief executive Neil McInroy presented this to Anchor Institutions as common-sense: while it defies conventional procurement strategies, "it's practical. You say to the housing association, 'how would you like to do more for your residents so they'll be better off and pay their rent on time?'"³⁴. Indeed, it has taken time for the local business and local tenders to adjust to working this way. But investing locally has continued to reap rewards, with more work for local businesses and local residents.

HARNESSING SPENDING AND LOCAL SUPPLY CHAINS

In 2012, Preston declared itself the first living wage employer in the north of England and later PCC established a credit union to take on the loan shops.³⁵ CLES analysis in 2013 identified a £450m leakage out of the Lancashire economy from Anchor Institutions (of a £750m spend), and only a 5% spend in Preston.³⁶ Working alongside CLES Preston City Council focused on influencing local spend. An example is how Lancashire County Council put a contract to provide school meals out to tender. Officials shaped the market to fit their society, breaking the impossibly large contract into manageable chunks, with hugely successful results. Local Lancashire suppliers won every contract, boosting the local economy by £2m.³⁷ Whenever the local economy was unable to supply the goods and services needed by Anchor Institutions,

CLES and PCC advocated for the creation of worker-owned co-operatives. These were meant to fill the gaps in the local economy, where the local economy was as yet unable to deliver the requested goods and services.

In 2018, the planned renovation of the central covered market was completed, led by a local family-owned developer who employed local contractors. In this project, the Community Wealth Building approach supported job growth and enabled more apprenticeships and jobs for local workers. In 2017, CLES reanalysed anchor institution spending, since 2013, revealing that spend in Preston economy had increased from £38m to £111m.³⁸

COMMUNAL OWNERSHIP

In early 2023, Animate, a £45 million cinema and leisure complex in the city centre under communal ownership of the Preston City Council began construction. Animate will provide a social meeting space and is expected to create over 100 jobs and become a catalyst for Preston's economic development and investments.³⁹ Public regeneration through public ownership (on publicly owned land) means that PCC can provide this cinema complex, and provide space for a museum, charities and local businesses to operate too.

In 2023, Preston City Council received £5.3 million from the UK Shared Prosperity Fund which will be allocated towards Community Wealth Building by investing in community infrastructure, place-making and skills development, supporting the voluntary sector and building a voluntary centre, promoting fairness and inclusion and delivering on the council's climate emergency declaration, amongst others.⁴⁰ While Preston has had success with receiving external government funding, working with existing assets remains fundamental to Community Wealth Building.

³⁴ Aditya Chakraborty, "In 2011 Preston Hit Rock Bottom. Then It Took Back Control," The Guardian, January 31, 2018, https://www.theguardian.com/commentisfree/2018/jan/31/preston-hit-rock-bottom-took-back-control?CMP=share_btn_tw.

³⁵ CLES & Preston City Council, "How we Built Community Wealth in Preston".

³⁶ Ibid.

³⁷ Aditya Chakraborty, "In 2011 Preston Hit Rock Bottom. Then It Took Back Control".

³⁸ CLES & Preston City Council, "How we Built Community Wealth in Preston".

³⁹ "Units to Let in Animate – Preston City Centre's Major New Development," Preston City Council, accessed May 4, 2024, <https://www.preston.gov.uk/article/6654/Units-to-let-in-Animate-Preston-city-centre-s-major-new-development>.

⁴⁰ "Preston Supports Climate Change and Community Wealth Building through New Funding," Preston City Council, May 25, 2023, <https://www.preston.gov.uk/article/7177/Preston-Supports-Climate-Change-and-Community-Wealth-Building-Through-New-Funding>.

STRATEGIC AIMS

The policy approaches and models that make up the Preston Model form a collection of strategies which aim to make it more difficult for local financial resources to ‘leak out’ of the local economy. They aim to leverage procurement rules and investments from Anchor Institutions to benefit the community. In order to achieve these community benefits, the Preston Model of Community Wealth Building aims to:⁴¹

- Increase asset ownership;
- Anchor jobs locally by broadening ownership over capital;
- Help achieve key environmental goals;
- Expand the provision of public services by strengthening the municipal tax base, and;
- Ensure local economic stability.

Within a few years of changing the local procurement processes in Preston, the city has become a model for how local economies in the UK can generate their own wealth. In times of austerity measures and budget cuts by local authorities of up to 56 percent, the Preston Model has flourished (CLES & PCC, 2019). During the 2016 UK general election, Jeremy Corbyn, the Labour Party leader, praised it as a model town for economic development, and other Labour MPs began to endorse the model.

GROWING THE IMPACT

As more Anchor Institutions join Preston, more of their spend is directed to local businesses: and the layers of Community Wealth Building grow. Today there are over 8 worker cooperatives. Preston City Council continues to encourage other institutions and local businesses to join them as a Living Wage Employer. Over the last 10 years, 4,100 people have been lifted to a living wage locally (10–15% of the total workforce, excluding the self-employed) and employment rates are greater than the north-east England average. Through the pandemic over 100 jobs were created locally by the NHS, an Anchor Institution, with a focus on recruitment in marginalised communities. Preston Council purchased land from the County Council to set-up a cooperative structure for housing development for travelling communities, and developing a Community Land Trust on a former church site, providing 14 affordable homes. Preston has the second highest rate of affordable housing delivery in north-west England, supported by an

41 (Democracy Collaborative, 2020) <https://democracycollaborative.org/programs/cwb>

inclusionary zoning policy. Preston was also listed as the most improved area in England and Best City to Live and Work in, in North of England by Price Waterhouse Cooper several years in a row.⁴² In 2023, this Index ranked Preston as the highest performing city in the North-West of England, with the highest rate of owner occupation of all cities in the UK in 2023.

Reflecting on the last 5 years in Preston, Councillor Matthew Brown reiterates that Community Wealth Building can’t be delivered top down and it is the systems-wide approach that makes Community Wealth Building initiatives most impactful. It is important to work with marginal communities, women and local businesses and sharing widely how they can participate in the wellbeing economy (e.g. worker owned cooperatives). Preston has strong community groups which have helped to educate and communicate about Community Wealth Building, using simple accessible language and storytelling. New opportunities are on the horizon, like setting up Preston Digital Cooperative to provide free WiFi in low income areas and community centres, and distribute recycled devices.

The growth in political support for Community Wealth Building has built over time, from reflection on the past failure of neoliberal approaches which privatised community assets and gave business interests or developers strong influence on local politics.

“Together, we have built relationships with the city’s Anchor Institutions, poured over procurement data and done the hard work of knitting a new economic approach against the grain of much conventional thinking on economic development.”

COUNCILLOR MATTHEW BROWN, PRESTON CITY COUNCIL

42 “Good Growth for Cities – Unlocking the Potential of UK Cities,” PwC, May 23, 2023, <https://www.pwc.co.uk/industries/government-public-sector/good-growth.html#region>.

WHAT LESSONS FROM THE PRESTON MODEL ARE THERE FOR AOTEAROA NEW ZEALAND?

The Urban Advisory led a study tour in October 2019 which met with Matthew Brown from Preston City Council and Neil McInroy from CLES. Discussions provided some insights about the Preston Model:

- For the framework to be delivered, it was essential to have an organisation that is responsible for having a broker and align function to orchestrate and coordinate deliverables.
- Community Wealth Building can't be delivered in a top-down model and it should include multiple voices including those currently marginalised.
- Major partnerships with organisations such as the Pension Fund and the Sovereign Wealth Fund provided a diversified financing pool.
- The diversity of ownership models was a key driver, and supported the goal of 'building a democratic economy where local people are in control'.
- Three key steps included (1) building awareness and getting people to understand the framework and its value, (2) facilitating or incubating existing and new businesses, and (3) finding key partners (Anchor Institutions).
- There are dedicated organisations established and funded by the Council to build capability and capacity in the cooperative business sector.
- Establish a network of people who have knowledge and expertise in the area to meet regularly, and embed champions within the relevant organisation and local and central government level.
- The way in which affordable housing is changing; the definition of affordable housing is broad, the permanent rental sector is growing, the role of not-for-profit developers is increasing and the public sector is investing in them (through low interest loans and grant funding), as well as infrastructure to support the community-led housing sector.
- There is a greater degree of partnership occurring between the sectors, and interventions such as land swaps, funding for infrastructure, and the adoption of a 'sign-posting' mentality to direct people to the relevant organisations than that can assist with funding other support.
- Early engagement with the market has been critical; market sounding, and defining the parameters of what the city needs to be achieved gives the private sector the confidence to engage, and invest; opportunities for the private sector to make money are allowed while preserving some profit to be reinvested back into the city - "invest, support, or evolve".
- Identify and monitor appropriate impact measures, e.g. amount of Council spending occurring locally.



APPENDIX 4

THE CLEVELAND MODEL

At the turn of the 21st century, neighbourhoods around University Circle in Cleveland had some of the highest foreclosure and unemployment rates in the United States, with poor retail, services and public amenities⁴³. The weakened social and spatial fabric of these inner city neighbourhoods was the product of economic globalisation and capital flight, post-war renewals, highway and road construction, suburbanisation and changing federal and municipal strategies⁴⁴ from neighbourhood improvement to incentives and subsidies to attract private investment⁴⁵. As a result of these economic development approaches, these communities experienced more income and wealth inequality, social insecurity and spatial inequalities around development and investment.

Cleveland's response to this situation – Community Wealth Building. The Cleveland Model was implemented through a partnership between the Cleveland Foundation, the Ohio Employee Ownership Centre, the City of Cleveland and major hospitals and universities in the city, and supported by the Democracy Collaborative.

Collectively, they delivered a model of large-scale worker-owned and community-benefiting businesses. They partnered with University Circle Anchor Institutions, helping create green jobs and driving economic stability in nearby low-wealth communities.

43 Lily Song. "Evergreen Cooperative Initiative : Anchor-based strategy for inner city regeneration." *Urban Solutions* (4), (2014): 50-56.

44 Many of these tactics were racially motivated and involved things like red-lining and "slum clearances", also these neighbourhoods are all largely African-American.

45 Lily Song. "Evergreen Cooperative Initiative : Anchor-based strategy for inner city regeneration." *Urban Solutions* (4), (2014): 50-56.

It has been so successful that it is widely referred to as the 'Cleveland Model' and has been adapted in cities worldwide – including Preston (Appendix 3) – to support inclusive economic development, green job creation and neighbourhood stabilisation.

COOPERATIVES CREATED

- Cooperatives and past cooperatives include:
- Evergreen Energy Solutions
- Green City Growers
- Evergreen Cooperative Laundry

Since the early design and implementation phases, the model has evolved and matured to allow it to scale its activities. The structure of Evergreen Cooperative Cleveland (ECC) has morphed to ensure there is not only benefit to the cooperative owners but to the wider community as well. The non-profit parent holding company with a gold share/community vote within each of the cooperative companies, receives a small percentage of the profits from each cooperative business within its umbrella, so that it can continue to grow and support the broader Community Wealth Building agenda. For example, the ECC provides revolving loans and funds that support the growth/improvement of the cooperatives, as well as the conversion of other local enterprises to employee ownership.

Cleveland successes include the laundry business securing large contracts and taking over other laundry operations, and the addition of 5+ new cooperatives in the network. Overall there are 400+ employees, and the recent profit share for laundry employees was nearly \$10,000. Workers are paid 20 to 25 percent higher than employees at the cooperative's competitors⁴⁶.

The Evergreen Cooperatives of Cleveland have become a global innovation model for creating more sustainable regional economies. Local residents earn and grow their ownership stake as they create thriving businesses, while playing a transformational role in stabilising neighbourhoods.

46 Brandon Duong. "Despite a rocky start, Cleveland model for workers co-ops standards test of time." *Shelterforce*. (March 9, 2012). <https://shelterforce.org/2021/03/09/despite-a-rocky-start-cleveland-model-for-worker-co-ops-stands-test-of-time/>

ABOUT THE DEMOCRACY COLLABORATIVE

The Democracy Collaborative, participated in the early design and implementation phases and continues to support the continued Community Wealth Building efforts in Cleveland through the broader field building remit.

The Democracy Collaborative is a non-profit, founded in 2000, that offers a range of advisory, research, policy development, and field-building activities to support on-the-ground practitioners with Community Wealth Building. They are a national leader in equitable, inclusive, and sustainable development, working to shift the majority mandate of economic development—and of the economy as a whole—toward a new system that is place-based, inclusive, collaborative, and ecologically sustainable⁴⁷.

WHAT LESSONS FROM THE CLEVELAND MODEL ARE THERE FOR AOTEAROA NEW ZEALAND?

As part of the 2019 study tour, The Urban Advisory spent a day in Cleveland with Jessica Rose of the Democracy Collaborative. This included a meeting with the CEO John McMicken and a tour of two Evergreen Cooperative sites.

Key insights from this day were:

- A large part of the success of this model has been the not-for-profit organisation that sits behind the co-ops and has a management services agreement with each of them. This governance and management layer funds management teams with specific subject matter expertise to support the co-op management. They run the training programmes for the co-op leaders, including: job-specific training, supervisor and conflict training, communications training, and financial training. These services support the workers who own and manage their cooperative to have the right skills training to support their success.
- They describe their approach to delivering cooperatives as a “place-based strategy”, designed to have a long-term impact on neighbourhoods. They are, therefore, examples of how economic strategy and design strategy must intersect when taking an outcome-focused approach to regeneration.
- A ‘jobs first, homes second’ mission has helped to create more opportunities for their workers to be in a position where they can sustainably support paying their mortgages and working towards responsible home ownership.

⁴⁷ Democracy Collaborative. “Community Wealth Building” 2020. Last accessed 10 June 2024. <https://democracycollaborative.org/programs/cwb>

- The establishment of the cooperative businesses and the creation of the cooperatives was dependent on the commitment of Anchor Institution procurement contracts/spending. They were also supported by the city, through support with accessing capital; this made a significant difference to the viability of these models when in their initial inception phase.



Cleveland, Ohio. Community Laundry. Source: The Urban Advisory

NGĀ MIHI .

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