

# Community Wealth Building

Jane Lethbridge

Matthew Brown and Rhian E. Jones (2021) *Paint the Town Red. How Preston took back control and your town can too*, Repeater Press

The COVID-19 pandemic has shown how the UK economy depends on 'just in time' global supply chains and poorly paid front-line workers in the hospitality, transport and care services, who are predominantly young, female, BAME and migrant workers. This comes after 40 years of a free-market experiment which has resulted in economic stagnation, de-industrialisation and political neglect in many regions in the UK. The decline of the retail sector in high streets, speeded by the pandemic, adds to a sense of economic collapse.

The rise of radical municipal governments in Europe and the United States provides evidence that action can be taken at a local level to start to address these fundamental economic and social problems. The concept of community wealth building, which builds on:

established principles of cooperative movements and initiatives which focus on the local and municipal, as communities find ways of helping each other by developing new economic and social models as a response to inequality and decline (p.13)

is key to this approach. It can bring together a wide range of groups working locally, operating with limited resources. Particularly important is the attempt to develop democratic collective ownership through institutions and policies.

This book provides a useful introduction to the concept of community wealth building, explaining its origins as well as outlining examples such as the Mondragon model, a long-established cooperative in the Basque country and the Cleveland model in Ohio, which created a network of worker cooperatives, Evergreen Cooperatives, to provide the supply chain needs of not-for-profit and quasi-public institutions and to change their procurement policies. Evergreen Cooperatives eventually took over a contract from the global multinational company, Sodexo and created several thousand jobs.

In Preston, the failure of a large-scale shopping centre development in 2008 led to a rethinking of local economic strategies. Many local authorities have experienced the collapse of a large project

which has then exposed some of the assumptions, particularly in relation to large multi-national companies, that have influenced local economic strategies in the last 40 years. The interesting question that Preston has tried to answer is how to move in a different direction and what is involved. One of the authors of this book, Matthew Brown, is leader of Preston Council, and the book provides an account of how Preston incorporated community wealth building into its economic strategy. The Centre for Local Economic Strategies (CLES) has supported the process of transforming Preston Council's economic strategies. It identified five key principles of community wealth building: plural ownership of the economy; making financial power work for local places; fair employment and just labour markets; progressive procurement of goods and services; socially productive use of land and property. The role of CLES in the development of Preston's economic strategy has been crucial.

The important role that CLES has played in Preston illustrates the role of universities and research in supporting municipalities when rethinking local economic development. This has to be accompanied by a number of individuals within the locality who have the vision, interest and perseverance to develop new initiatives. In the case of Preston, Matthew Brown was supported by several councillors and two council officers. They drew on the experience of the Cleveland model, worked with the Cleveland Collaborative, a think tank similar to CLES, and adapted strategies for the Preston context.

Part of the strategy has been working with local or 'anchor' institutions with extensive procurement budgets and encouraging them to pursue public procurement strategies which use local enterprises, whether social, public or not-for-profit, to provide services to local institutions. University of Central Lancashire (UCLAN) and Preston College both became 'anchor institutions' and started to procure services from local companies and cooperatives, thus contributing to keeping resources in the locality to prevent them from becoming part of the profits of a multinational corporation. UCLAN had had a similar experience to Preston Council in that a large investment project to set up international campuses had failed and UCLAN decided to focus on how to

meet the needs of the local community.

The five key principles of community wealth building, outlined by CLES, show that there are a range of strategies that municipalities can take. Preston has also developed local community financial institutions and investments, for example community banking, local investment of pension funds and encouragement of worker-owned cooperatives. The book provides many examples of how community wealth building took place within Preston and other areas in the UK, as well as a detailed list of useful terms and resources.

There are two issues which the book does not really address adequately. It recognises that 'rather than being mutually exclusive or in conflict, the interplay between local, national and international are vital to the future of progressive projects' (p.32), but does not explain how to establish this process. The power of local economic strategies is important, but the structural problems of the UK economy will not be solved just by local action. A national industrial strategy supported by government-led research and development and the strengthening of existing public and not-for-profit institutions will be essential before a new economy evolves that is sustainable and able to address inequalities, recognised as essential for addressing the climate / environment emergency. It will no longer be profit-driven or based on consumerism.

The second issue which is not addressed is how to create 'buy-in' by local people. The creation of local economic strategies and new local financial institutions requires the democratic involvement of local people. Brown and Jones write that we should not 'underestimate what involvement would mean but also not underestimate citizens' capacity', which may reflect their experience, but more is needed to support people's participation in community wealth building.

As well as becoming 'anchor institutions', educational institutions have a wider role to play in community wealth building. New education and training programmes are needed to set up new organisations, cooperatives and institutions which are democratically run and able to generate new economic activities. How FE/HE institutions become involved in this process will partly be influenced by existing local relationships with municipalities. At a time when educational institutions are being encouraged by national government to change their business models this book might provide them with alternative strategies that can be used in collaboration with local institutions. It also raises questions about the wider role of education in creating a population that can participate in a financial democracy.

