

BUILD COMMUNITY WEALTH

WHAT NEEDS TO BE DONE?

“We need an overhaul of economic development policymaking and practice to meet the technological challenges of the future. There is a need to deepen the connections between the economy, wealth creation, environmental limits and the people. We require a broader and deeper focus on accelerating social gains alongside a more effective local harnessing of existing wealth.”

THE CHALLENGE

Local economic policy has followed a ‘trickle-down’ path, assuming investment capital will be enticed, wealth creation will flourish, the business supply chain will benefit and local jobs will be secured. However, wealth gains are not always as strong as the economic activity would otherwise indicate. Wealth is too often held by distant market providers with little local economic or social return. As such, we need to create fairness within the market and repatriate some of this wealth. The inclusive growth agenda emits positive messages, but we need substance. Moving forward, local economic activity in an era of increased automation, needs to make the market work better for local people; a market which advances the interests of the community as a whole, and creates a torrent of wealth, rather than a trickle.

ADVANCE COMMUNITY WEALTH

We need to develop ownership models, such as cooperatives, mutuals, community interest companies etc., which circulate and broaden wealth rather than extract, or narrow it. An advancement of these means, affords ends which will herald a ‘lock-in’ of wealth for local areas, communities and people. We must also advance the role that land and property holdings, public sector pension funds, and investments play in benefitting local economies.

ADVANCE SOCIAL INNOVATION

We must accelerate activities which seek to provide a plurality of ways to harness and reorganise wealth and economic activity. This includes local currencies, local banks, community shares and community energy schemes.

ADVANCE THE FOUNDATIONAL ECONOMY IN OUR POOREST AREAS

In many of the poorest areas the market is failing, where economies that have been hollowed out, by successive waves of de-industrialisation, lack of investment in the real economy and recession. It is socially insufficient to rely on inward investment and the pursuit of growth and a promise of ‘trickle-down’. Therefore, we must advance more local ownership of the foundational goods and services which are needed for a civilised life. In this we need new forms of local shareholding, including public/municipal/community ownership of elements of the economy (i.e. social care sectors and utilities).

HARNESS THE WEALTH OF ANCHOR INSTITUTIONS

Institutions like hospitals, universities and larger commercial employers buy an array of goods and services. We should harness this spending power in terms of buying from local and/or socially progressive businesses, within the supply chain. These 'anchors' should also look to employ more people from poorer areas, and they should make sure their land and property assets, benefit the local economy. This economic 'densification' is about anchors as institutional beacons of progressive social and economic activity.

PROGRESSIVE PROCUREMENT POST BREXIT

The purchasers of goods and services within the public sector must appreciate how their spending choices impact on local economies, people and jobs. A post Brexit UK, may mean that we will no longer be subject to European procurement law. As such we need to take back control of this vital element of our national economy and develop a national procurement framework. This will support competitiveness and business development, but also advance national and local suppliers within the public sector supply chain. This framework should also embed wider social value as an intrinsic feature of all suppliers to the public sector.

ADD SOCIAL RETURN TO NATIONAL INFRASTRUCTURE INVESTMENT

It is important that our national infrastructure investment and Northern Powerhouse activities have some focus on growth, GDP and market return. However, we also need new criteria, which includes weighting toward national investment for wider social return and value - including environmental, well-being, local employment and community development outcomes.

ADVANCE THE COLLABORATIVE ECONOMY/SHARING ECONOMY

Smart technologies herald a new open source collaborative economy, where peer to peer activities take economic wealth production away from a narrow few within a vertical hierarchy, to many within horizontal systems. This new economy can create deeper relationships between producers and consumers, creating a more distributed market with greater propensity and sensitivity to social concerns and unmet social needs. We require a national strategy with a push on the collaborative economy.

ADVANCE BUSINESS CITIZENSHIP

Beyond the provision of jobs and wealth, many businesses play a social role. This role should be celebrated and developed. This is about growing a new economic version of traditional corporate social responsibility (CSR), moving toward ingrained behavioural change, where the social benefits of business are not perceived as an 'add on', but about intrinsic, deep and caring business attitudes to wider society. This includes the advancement of employee involvement in the board room. We need new incentives to encourage new forms of business citizenship, including linking progressive behaviours, to reductions in local business rates.