

Enabling Conditions for Community Wealth Building

Introduction

This working paper summarizes and explores the enabling conditions which influence the start up, growth, and—ultimately—success of Community Wealth Building (CWB) in place. These conditions are identified from observed patterns of CWB in practice, including from the work of practitioners in The Democracy Collaborative’s CWB Community of Practice. They also reflect the learning from TDC’s engagement with CWB practitioners and partner organizations across the USA and abroad.

Alongside [TDC’s Five Pillar model](#) for CWB activities, these enabling conditions offer a means by which we can deliver CWB more effectively.

Background

At TDC, we believe that the multiple crises we face are driven by the extractive nature of our current economic system: characterized by concentrated ownership, community disinvestment, increasing precarity of labor, environmental degradation, and structural injustices. We believe that CWB has the potential to directly confront and address these trends and build an economic system where ownership is shared—broadly, democratically, and equitably .

This is very hard work. The problems are easy to see; they are all around us and we are dealing with their consequences every day. But the way forward is not as clear. Systems of power and wealth benefit from the existing system and either choose to ignore the problems or actively mount barriers in the way of solving them.

As such, system change is essential. CWB’s theory of change is based on a steady, inexorable process of designing, building, and scaling solutions, leveraging both the tools at our disposal while simultaneously innovating new ones to tackle our economic system at the root.

There is no one-size-fits-all model of CWB. Each approach will be different, based on local context, resources, and politics. That said, some illuminating patterns across practice have begun to emerge. For example, some places take up CWB more readily while others do not. CWB action moves faster and goes deeper in some areas than in others. CWB will sometimes start slow and build toward greater momentum, while other times it starts with a bang and then peters out. These variations illustrate the different enabling conditions that impact the viability, uptake, growth, and sustainability of a CWB strategy locally.

It is therefore important to be aware of these conditions, take advantage of their presence, and work on developing them when they are absent and/or seek to nurture and scale them when they present.

Enabling Conditions

Below we outline our initial observations of these enabling conditions, separated into three broad groupings: (1) people, (2) place, and (3) organizations/institutions. These conditions have differing levels of importance at different stages of CWB evolution; some are more important when getting started, while others are instrumental to sustaining the approach over time. Ultimately, however, the presence of one or more of these enabling conditions is necessary to support CWB in a local landscape.

People

In all movements, the people involved are the heart and soul, spreading knowledge and driving action. Considering how certain individuals can leverage their positional power and influence, and understanding how to access that power - and ultimately reclaim, reshape and restructure it - at both the grassroots and the institutional levels, is critical to advancing CWB. Some of these key people include:

- **Elected politicians.** Democratically-elected politicians wield political influence that makes them powerful champions for CWB—from mobilizing people and directing much-needed resources to advancing structural change (e.g. a newly elected mayor that ran on an economic development strategy platform rooted in CWB).
- **Activists/organizers.** Activists rally communities against lived injustice and their organizing energy helps to position, sustain, and mobilize CWB action (e.g. activists against land speculation and development).
- **Champions in non-government anchor institutions.** Non-political actors embedded in anchor organizations who are passionate about change serve as key drivers of CWB practices within institutional machinery (e.g. a university procurement director who is shaping contracts to connect with local firms advancing fair work and democratic enterprise).
- **Engaged and active community members/residents.** Residents who have the time, energy, and resources to agitate for change sustain CWB action from organizing and holding to account to implementation (e.g. an intergenerational group of citizens who are directly affected by and motivated to resist ongoing gentrification and displacement).
- **Committed civil servants.** Government employees from a wide variety of departments who can influence policy and practice shifts within the apparatus of government are powerful change agents (e.g. an economic development director who is aware that old forms of corporate subsidies are not working and has taken up the mantle of CWB).
- **Researchers and storytellers.** Being able to paint the picture of CWB solutions in a way that builds the case while also resonating with community, using data and media tools to reach people where they are and building out participatory research, is essential for moving CWB from an idea and a framework to reality and landing it people's lived reality..
- **Generative professionals.** Having the lawyers, accountants, business people, architects and planners that don't just parachute in to a locality and leave, but can lend their skill and expertise to communities in a way that develops local talent and ability is important to advance CWB beyond piloting and to imbed efforts directly into mainstream practice.

Place

CWB is rooted in the context of a particular place. Understanding this cultural and historical landscape is essential in cultivating the soil that supports and fosters vibrant CWB efforts. Key among these are:

- **Pre-existing policy and action across the Five Pillars.** Most places already are advancing elements within the Five Pillars of CWB. Naming and connecting pre-existing policies and practices across the Pillars accelerates the take up and growth of CWB. (e.g. do anchor institutions incentivize living wage agreements and have supplier diversity commitments, are there existing CDFIs, cooperatives, and community land trusts?)
- **Legal infrastructure.** Having supportive legal and jurisdictional configurations allows for the advancement of actions and elements across the Pillars (e.g. a local taxation authority).
- **Motivational local issue.** An ongoing issue that is widely experienced and is not being solved or addressed by current economic development strategies (e.g. segregation, gentrification, blight, capital flight, industrial decline, crime, racial injustice, etc.) creates a slow boiling discontentment which motivates organizing for and action toward change .
- **Trigger event or crisis.** Calamitous events such as a flood or fire or police brutality expose structural injustice that trigger wider calls for economic justice and community control position CWB as a productive antidote (e.g. the police killing of Mike Brown in Ferguson, MO). More often than not, necessity is the mother of invention.
- **Progressive or radical political provenance.** A history of a place where there has been significant and overt politicization and mobilization of people (e.g. fighting against racial and/or class injustice in Chicago, IL) creates a collective cultural identity and lineage to which CWB can connect.
- **Values-aligned financial resources.** The existence of public and private investment flows make it possible to both catalyze and sustain CWB action (e.g. the presence and support of the Denver Foundation to launch the Center for Community Wealth Building in the city).
- **Economic sector.** Certain economic sectors may have a tradition of broad-based ownership models (e.g. agriculture), while other, emerging sectors are primed for democratic ownership models (e.g. energy). Both offer the opportunity to demonstrate and scale CWB activity (e.g. the long history and influence of the Rocky Mountain Farmers Union in CO).
- **Culture of community building and self-determination.** Some communities have a deep culture of cohesion and bonding—often as the result of historical disinvestment and exclusion—meeting and sustaining economic needs through informal cooperative practices that can be built on to legitimize and sustain CWB activity locally (e.g. the long history of cooperativism among Black communities).

Organizations/Institutions

A robust landscape of active and engaged organizations can serve as the infrastructure to deliver CWB. These institutions can also lend credibility and heft to CWB, offering the mechanisms to scale and institutionalize power.

- **Anchors.** These large public and nonprofit organizations are rooted in place and have a mission to serve. Often, they shape the conditions of local markets, so they can help to create the conditions that enable CWB actions to thrive (e.g. using their procurement power to support the growth of local cooperative enterprises, using their land and property assets for socially productive purposes, committing to local equitable pipelines of employment, etc.)
- **Trade unions.** Trade unions not only represent and protect worker interest, but also serve as political actors in place. They can play an important role in advocating for local economic reforms central to CWB such as support for employee ownership and worker buy-outs.
- **Local government.** The support and commitment of local governments to create policies, provide resources, and convene key players is ultimately critical for the long-term success of CWB.
- **Nonprofit/“backbone” organizations.** Community-based organizations are often the key drivers of CWB action. From building and iterating the various elements of CWB (e.g. land trusts, cooperatives) to building coalitions among community stakeholders, backbone organizations amplify action across the Five Pillars. Importantly, some of these organizations are positioned to act as intermediary bodies, providing the infrastructure to hold complex relationships and the resources to help build capacity and advance development.
- **Inclusive and democratic enterprises.** The presence of a plurality of enterprise forms—from social enterprises to cooperatives to municipal enterprises—can create a point of reference (or a proof of concept) of democratized ownership and act as a rallying coalition for CWB.
- **Supportive Technical Assistance providers.** High touch and specialized assistance to support and professionalize local CWB institutions and elements is necessary to rebuild capacity that has been drained from communities through disinvestment and atomization.
- **Philanthropy.** Philanthropic, non-governmental dollars act as seed or catalytic capital, necessary to start CWB by modeling proofs of concept or building the technical assistance capacity that may be missing in a particular place to deliver on CWB ideas.

Moving Forward

Not every place will have all of these enabling conditions—and nor do they need to in order to get started. Some of these conditions are catalytic while others are about staying power and the enduring quality of a long term CWB strategy. Indeed, especially in smaller places, many of these conditions can be cultivated through broader movement networking, partnership, and collaboration. In different places, these factors will overlap and bleed together in different ways. Some of these conditions are more important than others, depending on the place and its context. Various combinations of these factors can be at play in any given place at any given time; some will be stronger or more dominant than others at different times, so it is important to be able to use such openings as opportunities and go where a community’s strengths and energy are. Determining the presence and sophistication of these various conditions in a given place is helpful in assessing a community’s readiness for CWB strategy.

Ultimately, a successful CWB approach must nestle within the personal, political, cultural, and institutional context of a place, leveraging and augmenting—and ultimately transforming—what already exists. Doing so will not only empower more immediate action but help sustain CWB strategy as central to economic change.