

THE INCLUSIVE LOCAL ECONOMY SAMPLE BOOK

Working Frame



Building neighborhood based networks that ignite inclusive local economies and vibrant communities.

(IMPACT Revised Mission Statement—June 2012)

www.ImpactSilverSpring.org

Provide people with the knowledge and ability to create healthy, thriving communities.



(CHEER Mission Statement)

www.CommunityCheer.org

Proposed Values

***From Business Alliance for Local Living Economies,
<http://bealocalist.org/Localism-101>***



OWNERSHIP MATTERS

With local ownership comes local accountability; when you live in the community where your business decisions are felt, you have the understanding to make better decisions. Having a larger density of locally owned businesses results in higher per capita income, more jobs, and greater resiliency in the local economy. Plus more people living in their true vocation, with meaning and purpose, is good for all of us.



PLACE MATTERS

Supply chain decisions based on choosing local resources — vegetables, energy, timber, finance, and other locally made goods and services — engender a natural respect for the environmental and human resources in a place. Also, preserving the diversity of our food and different cultures, is not only smart, but so much more fulfilling!



OPPORTUNITY MATTERS

We're all better off when we're all better off. With inequality, we miss out on good ideas and relationships, unhappiness increases, and eventually systems collapse. Rather than "everyman-for-himself," we understand that real security comes from community. We need to rebuild the middle, engage in fair trade, and decentralize power and business ownership.



NATURE MATTERS

All wealth comes from nature. Without respecting natural boundaries and renewal rates for the animals, plants, soil and water on which we depend, we will not have wealth or health for our own species going forward. Part of the joy of being awake and alive is also to be in awe of the mysterious beauty of the inter-connected natural world.



WE MEASURE WHAT MATTERS

It's time to start defining our contributions and success by what really matters. Our businesses need to be profitable, but we are motivated by knowledge, creativity, health, happiness, meaningful work, and the ability to provide opportunity to others.



RELATIONSHIPS MATTER *MOST!*

Only through cooperation will we be able to rebuild local food distribution or make renewable local energy affordable. We must re-connect eaters with farmers, investors with entrepreneurs, and business owners with the communities and natural places on which they depend. No one can do it alone. (And why would we want to anyway?)

The Connection Between Community and Local Business

“It grows,” she writes, “out of people stopping by the bar for a beer, getting advice from the grocer and giving advice to the newsstand man, comparing opinions with other customers at the bakery and nodding hello to the two boys drinking pop on the stoop . . . hearing about a job from the hardware man and borrowing a dollar from the druggist . . .

“Most of it is ostensibly utterly trivial, but the sum is not trivial at all. The sum of such casual, public contact at the local level. . . most of it fortuitous, most of it associated with errands . . . is a feeling for the public identity of people, a web of public respect and trust, and a resource in time of personal or neighborhood need. The absence of this trust is a disaster to a city street.” *1*

What Jacobs describes here could be an urban neighborhood or a small town. Its defining feature—and indeed the very foundation of this close-knit community—is a vibrant local retail economy. It is a place of small stores and sidewalks; a place where public and private space overlaps; and a place where we buy goods and services from businesses owned by our neighbors.

Jane Jacobs—The Death and Life of Great American Cities

Local Production

Definition: Technological developments in manufacturing have changed the size, location, and capital requirements for many industrial products. This is creating opportunities to bring manufacturing out of the large centers and closer to home in more energy efficient and ecologically friendly processes. It is now possible to manufacture or assemble many goods in your own neighborhood, including some durable goods such as construction materials like bricks and machines like ovens and tractors. All can be made at a fraction of the cost of conventional mass produced products by people without advanced training.

Examples:

- The Factor e Farm (FeF)

The FeF experiment in Missouri aims to take everything that civilization has learned to date, to create a working blueprint for communities that work.

Video: <http://opensourceecology.org/>

- Local Food Networks/Community Supported Agriculture

CSAs can take many forms, but essentially they are community-supported farms in which members contribute to farming projects, usually by way of membership fees, in exchange for fresh, local produce. They are a great way to take advantage of fresh, locally grown fruit, vegetables, herbs, and more while supporting nearby farms. Each one is different, some offer pickup locations in urban areas, some offer only farm-based pick ups.

<http://mocoalliance.org/newsroom/community-supported-agriculture/>

Benefit: Local production provides basic human needs and can facilitate being good stewards of the land and using resources sustainably. Local production provides employment and a sense of local autonomy to both producers and local consumers. Local production also greatly increases resilience to potential global, national and regional economic downturns that can mitigate hardships in difficult times. It can also promote broader access to participation in the economic life of the community.

Built Environment

Definition: Urban design and development can foster the creation of spaces where community members feel safe and comfortable and that promote social interaction and exchange. The built environment can accommodate a diversity of people by income, race, age, and culture in dense urban spaces that are ecologically sensitive, income generating, and health promoting. Such communities can be achieved using a variety of tools, such as newly developed principles of social design associated with new urbanism and Community design charrettes. Additional tools contributing to diversity and interaction include community land trust, housing cooperatives, and community benefit agreements with developers.

Examples:

Northwood Plaza Community Charrette:

In 2008, the Neighborhood Design Center co-sponsored a public design workshop for re-envisioning Northwood Plaza Shopping Center. The event, held at Morgan State University, was well attended with more than 80 residents representing 13 surrounding neighborhoods participating. At the workshop, residents, business owners, students and design professionals discussed issues for potential uses and the needs of various user groups including desired types of businesses, services, institutions, housing, recreational opportunities and open space. At the end of the day, representatives from several of the groups presented the graphic results of their lively debates and brain-storming sessions. Some common themes quickly emerged including not just unanimous dissatisfaction with the plaza but, more importantly, a passionate belief that the location presents a remarkable opportunity for a new shopping, dining, social, educational and cultural experience within city limits. Specifically, participants expressed the desire to create a place that is more pedestrian friendly (in which vehicular traffic is limited or calmed), that encourages interaction among otherwise diverse groups of people, and in creating a unique destination that can be enjoyed day to day as well as support special events such as outdoor concerts, film festivals, or sidewalk events.

New Urbanism Development: New Urbanism recognizes walkable, human-scaled neighborhoods as the building blocks of sustainable communities and regions. It promotes mixed use and makes shared space the organizing element of a community.



SPRAWL RETROFIT

file://localhost/Video/ http://www.cnu.org/Intro_to_new_urbanism

Strong Towns Approach: Small investments in existing neighborhoods to make better use of existing infrastructure is more sustainable and yields higher returns than investing in big changes that require large investment in new infrastructure.

<http://www.strongtowns.org/neighborhoods-first/>

BENEFIT: New urbanism and Strong Town principles aim to create human scale neighborhoods that are accessible and build connections between people in safe comfortable environments. The new urbanism approach also creates a sense of place that inspires pride and commitment and integrates environmentally sensitive and efficient design into existing communities. Participatory design brings community members and stakeholders together to build positive working relationships to create a vision of the community that will last into the future.

Local Business

Definition: Local independent businesses provide for local exchange and interaction. They include retail, restaurants, and services, and local purchases, and production. They are found in commercial areas of the

community, in home based businesses, microenterprises, business associations, and in designated market spaces such as a weekly farmer's markets. Local businesses must be responsive to market demand to thrive.

Examples:

- Zingermann's Deli, Ann Arbor, Michigan

After 10 years of growth, the owners of Zingermann's decided to organize their business and a "hub" in their community that incubated new related businesses. In the end 8 new related businesses were formed, bringing jobs, investment, and increased community capital.

Video: <http://vimeo.com/danielseguin/zingermans-this-is-ownership>

- Appalachian Center for Economic Networks (ACEnet)

ACEnet's mission is to build networks, support innovation, and facilitate collaboration with Appalachian Ohio's businesses to create a strong, sustainable regional economy.

We focus on four main strategies including:

- Operation of two business incubators in Athens (30k sq./ft.) and Nelsonville (100k sq./ft.) including our nationally recognized Food Manufacturing Center located at the Athens property.
- Expansion of business capacity through business counseling, training, ecommerce, and market access programs.
- Business loan funds through our sister organization ACEnet Ventures.

- Economic policy development at the local, regional, state and federal levels to support small business development.

Video: <http://youtu.be/vXhD3RGyG6w>

- Fenton Street Market

FSM invigorates the local economy by providing a venue for locally owned businesses to sell quality crafts, imported goods, antiques and other unique products. FSM supports the growth and development of these locally owned businesses and serves as a community gathering space for entrepreneurs and neighbors. In 2012, over 400 vendors participated in the market and earned over half a million dollars. Approximately 4,000 shoppers visit the market each Saturday.

Video: <http://youtu.be/ykmVFB7oel0>

Video: <http://youtu.be/cHn6-WBaogs>

- Evergreen Cooperatives, Cleveland, Ohio

A model, developed for Cleveland, OH by the Democracy Collaborative at the University of Maryland. The goal is to focus and connect the purchasing power of large anchor institutions in proximity to neighborhoods to the production power of a community. This momentum creates the emergence of new businesses that are built on the Worker owned cooperative ownership model. 3 new businesses have been created—Laundry, Greenhouse, Solar Panels & Renewable Energy.

Video: http://youtu.be/-rQY_jD2NzE

- The Mondragon Corporation (Cooperative), Basque, Spain

A *corporation federation* of *worker cooperatives* based in the *Basque* region of *Spain*. It was founded in the town of *Mondragón* in 1956 by

graduates of a local technical college. Their first product was *paraffin heaters*. Currently it is the seventh-largest Spanish company in terms of *asset turnover* and the leading business group in the *Basque Country*. At the end of 2012, it employed 80,321 people in 289 companies and organizations in four areas of activity: Finance, Industry, Retail and Knowledge.

Video:

http://www.democracynow.org/blog/2013/3/25/video_understanding_the_mondragon_worker_cooperative_corporation_in_spains_basque_country

Benefit: Compared to their national competitors, local independent businesses reinvest more money back into the local economy and give greater support to a community's nonprofit and civic needs. They are better positioned to respond to the special needs of the community, and they are more tied to the community's real-time reality and future. Findings from a report on economies based on local business models indicate that locals contribute 2-3 times more economic activity than large national chains. A 2002 case study in Austin, Texas confirms these findings citing that for every \$100 spent at national chain and local bookstores the previous generates about \$13 for the local economy while the latter generates about \$45 for the local economy. Additionally, unlike a homogenized Anyplace, USA, a community with vibrant independent businesses retains its unique character as a great place to live and visit. They are a major source and driver of local employment & economic vitality.

Local Networks & Relationships

Definition: An inclusive local economy (ILE) built on network & intentional relationships requires that people & businesses, be thoughtful about they way we relate and connect to each other in our communities. An ILE built on networks is grounded in the practice of social capital development, intentional community, meaningful value propositions, reciprocity, and the greatest good for the widest group of people.

Examples:

- Lawrence Community Works, Lawrence Massachusetts

As an organization we are striving to build an environment that maximizes the ability of people to establish and nurture connections that are mutually beneficial; and to eliminate barriers and fear to engage in public life.

Network Organizing is a core practice of Lawrence CommunityWorks (LCW). At LCW we are all Network Organizers believing that in order for our community to continue to grow and thrive we are ALL responsible for connecting people with one another to build relationships of mutual support, while also connecting them with the opportunities that will empower them to succeed.

See more at: <http://www.lawrencecommunityworks.org/network-organizing#sthash.tOfSwRfy.dpuf>

- Network Center for Community Change, Louisville Kentucky:

We are a non-profit organization driven by a Network of over 5,000 members who live, work, worship in, or care about Louisville's urban neighborhoods. Together we are cultivating new citizen leaders, advancing educational

opportunities, and contributing to stronger neighborhoods in Louisville.

<http://makechangetogether.org/nc3-network-nite/>

- Family Independence Initiative, San Francisco, CA & Boston, Massachusetts

The Family Independence Initiative is a national center for innovating new strength based approaches for economic and social mobility that put people in the driver's seat of their own change. Over this last decade FII has demonstrated that investing in people's strengths and initiative delivers more powerful, sustainable, and cost effective outcomes for low-income families. Our strength-based approach, as radical and as old as our democracy, is inspired by the historical successes of poor communities in the U.S.

Video: <http://youtu.be/2GDxtAQW4Xs>

Benefit: Networks and intentional relationships grounded in the above mentioned values and hallmarks create the conditions for a thriving ILE. Similarly, social capital in these contexts can serve as "fill-in" and be leveraged to access innovation and new financial capital for emerging enterprises.

Local Ownership

A community, defined by a group of people, relationships, and a geographic area that “owns” the process of deliberation, decision-making, production, and profit. ILE’s are best served and informed when they tend more toward collective models of investment, ownership, and profit.

Examples:

- Community Land Trust: Dudley Street Neighborhood Initiative

Initiated in 1984, a group of residents in Roxbury, Massachusetts organized themselves to take charge of the development that was (and was not) happening in their community. To control the quality of housing they began develop their own. To control the long-term cost of housing— i.e. to make sure that they did not become a gentrification zone, they created a community land trust. In this framework, the “community” owns the land underneath the houses while new homeowners own the physical building or house. The land is typically held in trust for a 99-year period; the land becomes a leverage-able asset for the community, and homeowners must agree to sell at moderate and pre-set equity increases.

Video: <http://www.dsni.org/gaining-ground>

- City First Land Trust, Washington, D.C.

Founded in 1993, City First is launching a community land trust initiative that aims to create one of the largest community land trusts in the country. The goal is to maintain “permanent” housing affordability in D.C. With \$10 million in support from the District government, which will leverage \$65 million in socially responsible investment funds supported by New Markets Tax Credits, the group plans to develop 1,000 units of community land trust housing. Ultimately, City First aims to develop a total of 10,000 permanently affordable housing units.

- Community IPO--Jacobs Center for Neighborhood Innovation

The **Jacobs Center for Neighborhood Innovation** (JCNI) is partnering with resident teams in southeastern San Diego to transform 60 acres into The Village at Market Creek, a LEED-certified neighborhood and vibrant cultural destination. Through a network of nonprofit and for-profit partners, locally-owned businesses and national tenants, a community and conference center, and a portfolio of social enterprise projects, JCNI is creating assets that will become economic engines for the community when the foundation sunsets in 2030. Under the banner of "**Resident Ownership of Neighborhood Change,**" the people who live and work in the community create the vision, lead the implementation and own the change in their community.

Video: <http://youtu.be/CoNPz4O4oXY>

- Benefit Corporation

A **benefit corporation** or **B corporation** is a corporate form in the [United States](#) designed for for-profit entities that want to consider society and the environment in addition to profit in their decision making process. Benefit corporations differ from a traditional corporation in regards to their purpose, accountability and transparency. The purpose of a benefit corporation is to create general public benefit, which is defined as a material positive impact on society and the environment. A benefit corporation's directors operate the business with the same authority as in a traditional corporation, but shareholders in a benefit corporation determine if the benefit corporation has achieved a material positive impact, not just a profit.

Benefit: Local ownership allows a community to be in more control of its social and economic destiny. The Benefit Corporation designation also allows for positive impact on society and the environment. Similarly, local ownership also creates the conditions for more instances of mutual support and accountability within the context of community.