



**Community Wealth Building:
Sustaining small business and social enterprise in
Skelmersdale**

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Session aims

- To briefly discuss the concept of Community Wealth Building
- To introduce our research project, Supporting the small local enterprise sector in Skelmersdale
- To talk through some of our findings with focus on
 - the importance of the small local enterprise sector
 - sustainability
 - the difference that socially fair procurement practice can make
 - the role of the university

Community wealth building

- An ethical approach to economics
- In the UK, CLES (the Centre for Local Economic Strategies) has been at the vanguard of this approach
- The 'Preston model' is the best known example but it is gathering momentum across the UK
- It acknowledges that economics cannot be seen as separate from the climate crisis.

It is entirely possible for governments 'to move from a continuous economic growth model focused on a planet with finite resources to a sustainable one where metrics are the wellbeing of people and the planet' (Rubio-Mozos et al 2019, 3).

The generative economy

- Small businesses and enterprises are more adept at meeting local needs and enable communities to ‘regain a measure of local economic democracy and control’ (Dubb, 2016).
- The community and the economy should be seen as intertwined, not mutually exclusive. There is a need for ‘a decidedly different understanding of economy as something modifiable, differentiated, and perhaps beholden to the needs and desires of community’ (Community Economies Collective, 2019).
- ‘Community wealth building seeks to restructure the composition of the economy itself, so that the production of wealth is focussed on community benefit by ensuring it is widely held, shared and democratised’ (CLES, 2019).

A more caring economy

‘Economy’ can be traced back to the Greek word, oikonomos, ‘one who manages a household’ (CLES, 2019).

‘Let’s show exactly how we can move from that gig and dig economy to a society based on principles of care – caring for the planet and for one another. Where the work of our caregivers and of our land and water protectors, is respected and valued’ (Naomi Klein, 2017).

Supporting the Small Local Enterprise Sector in Skelmersdale

Research aims:

- To highlight some of the work of Skelmersdale's small local enterprise sector and the contribution it makes to community wealth building
- To better understand the range and scale of barriers that small local enterprises face, including participation in the supply chains of major organisations
- To identify and inform programmes of training and support for small local enterprises
- To develop and grow networks and collaborations across the area
- To make suggestions for changes to procurement strategy for major organisations

Organisations and place

- 'It's not normally just a transaction in terms of business – there is that element to it. But it's also about being part of a community. So they don't just benefit those that they employ, but they benefit those that they engage with and they normally provide lots of opportunities for volunteering to learn how to get into those employment situations. And for every bit of trade that they do they're paying some form of tax and contributing to the economic cycle, so I think [social enterprise] is essential' (research participant).
- What is crucial is that 'organisations work together for a place' (research participant).
- Marjorie Kelly recognises the need for plural models of ownership and enterprise and understands them as rich in biodiversity opposed to the monoculture model of industrial-age ownership. These models potentially provide foundations for a 'generative economy' which generates 'the conditions for life to thrive, an economy with a built-in tendency to be socially fair and ecologically sustainable' (Kelly, 2013).

Sustainability

- 'I think there's something around diversity... if you need to create 1000 jobs and you have 100 small businesses, if one or two move on, the impact is less. So it creates a more sustainable, vibrant ecosystem, really, because it's not just about economy, it's about well-being, it's about people having the right means to ... reach their aspirations, have a good quality life, and have opportunity as well....' (research participant).
- '[I]f you've got local businesses, or if you've got smaller local enterprises, then ... as they grow, they will naturally grow within the community, like a tree really... bringing hopefully more employment from, you know, local young people developing skills, and then it's that kind of almost like self-fulfilling prophecy as well.... Business and organisations are people, and if they invest in the local area, then do you know what? You're going to have a better, more successful and vibrant area' (research participant).

Procurement and social value

- Cultural change is needed for people to be able to see the importance of social value over the principle of best value. This latter idea 'has been kind of banged into local government for years and years and years. And that doesn't really lend itself to supporting local business' (research participant).
- Lancashire PCC considers three areas when assessing social value that contractors bring: economic, environmental and sustainability.
- 'It might be they're just employing local people. Or it might be they're actually putting some money into the local community ,They might want to, you know, build a community shelter or do something in the community centres there.... Or it might be, we're going to put solar panels in somewhere' (research participant).

Support

- For SMEs to be able to respond to tenders with offers that include social value, there needs to be support. This might start with awareness raising.
- Systems are not always fair and ‘just don’t really lend themselves to very small businesses’ (research participant).
- ‘In an ideal world you'd give local organisations a chance to do something differently. But a lot of procurement processes and tendering processes say, give us two examples of when you've one exactly this somewhere else. Well if you've never done it, you're never going to get the chance to do it. Which seems a bit bizarre, really. So I think that's the safeness that local government has indoctrinated itself into a little bit’ (research participant).

Conclusion

- ‘This connectedness with the social sphere should be central to any local economic development. What is the point of local economic development if it does not deliver social outcomes or address poverty? In this we need to think about building a local civil economy – an economy which is decent, fair and works for people’ (McInroy, 2014).
- Universities in particular have the potential to ‘consciously and strategically apply their long-term, place-based economic power, in combination with their human and intellectual resources, to better the communities in which they reside’ (Axelroth Hodges and Dubb, 2012, xix-xx).