



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta  
National Economic & Social Council

# Economic Resilience in Sustainable Communities: Innovative Approaches in Public Spending to Maximise Local Benefits

Research Series

Paper No.19

March 2021

## National Economic and Social Council

### Constitution and Terms of Reference

1. The main tasks of the National Economic and Social Council shall be to analyse and report on strategic issues relating to the efficient development of the economy and the achievement of social justice.
2. The Council may consider such matters either on its own initiative or at the request of the Government.
3. Any reports which the Council may produce shall be submitted to the Government, and shall be laid before each House of the Oireachtas and published.
4. The membership of the Council shall comprise a Chairperson appointed by the Government in consultation with the interests represented on the Council, and
  - Three persons nominated by agricultural and farming organisations;
  - Three persons nominated by business and employers organisations;
  - Three persons nominated by the Irish Congress of Trade Unions;
  - Three persons nominated by community and voluntary organisations;
  - Three persons nominated by environment organisations;
  - Five other persons nominated by the Government, including the Secretaries General of the Department of Finance, the Department of Business, Enterprise and Innovation, the Department of Housing, Planning, Community and Local Government, the Department of Public Expenditure and Reform.
5. Any other Government Department shall have the right of audience at Council meetings if warranted by the Council's agenda, subject to the right of the Chairperson to regulate the numbers attending.
6. The term of office of members shall be for three years. Casual vacancies shall be filled by the Government or by the nominating body as appropriate. Members filling casual vacancies may hold office until the expiry of the other members' current term of office.
7. The numbers, remuneration and conditions of service of staff are subject to the approval of the Taoiseach.
8. The Council shall regulate its own procedure.



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta  
National Economic & Social Council



# Economic Resilience in Sustainable Communities: Innovative Approaches in Public Spending to Maximise Local Benefits

Seán McCabe

Research Series

Paper No.19

March 2021

The NESC Research Series provides analysis of economic, social or environmental evidence and policy. The views are those of the authors and do not represent the collective view of the Council.

A list of the full set of NESC publications is available at [www.nesc.ie](http://www.nesc.ie)

## Table of Contents

1.	Introduction	1
2.	What is Community Wealth Building?	3
3.	Beyond the City – Wealth Building and Climate Action in Rural Communities?	13
4.	Have we Been Here Before? The Rise and Fall of LEADER	20
5.	Conclusion and Questions for Further Consideration.	24

## List of Boxes

Box 1:	Building the Social and Solidarity Economy in Ireland	8
Box 2:	Preston anchor institution - Community Gateway	12
Box 3:	Energy Efficiency in Appalachia	18

## List of Figures

Figure 1:	Change in spend of anchor institutions retained in Preston	10
Figure 2:	Change in spend of anchor institutions retained in Lancashire County	10
Figure 3:	Elements of the LEADER approach	20

## List of Tables

Table 1:	Funding from the government for Rural and Community Development	16
Table 2:	Government funding allocated to Rural and Community Development in 2019 (excluding LEADER)	17



## 1. Introduction

The Government of Ireland, as with all governments across Europe, faces a triple challenge of recovery from the economic crisis brought about by the COVID-19 pandemic, the urgent need for action on climate change and ensuring a just transition to a zero-carbon society so that opportunities and burdens are equally distributed.

In the government's plan for living with COVID-19, *Resilience and Recovery 2020-2021*, emphasis is placed on the role of local area economic sustainability initiatives to develop economic resilience<sup>1</sup>. The plan envisages local authorities working with local stakeholders - supported by the Departments of Housing and Local Government; Rural and Community Development; and Business, Enterprise and Innovation - to deliver tailored solutions to accelerate the delivery of local economic and community plans.

This paper asks whether it is possible to align the recovery from the economic impacts of the COVID-19 pandemic and the necessity to take climate action with innovative local wealth building approaches, to catalyse enhanced local sustainable development, in particular in rural communities. The public health crisis has exposed shortcomings in local economies across Ireland, with rural communities impacted hardest by the economic impacts of the crisis<sup>2</sup>, while the importance of active citizenship to the national response has underscored importance of resilient communities<sup>3</sup>.

Important questions have been asked as to the extent to which the recent focus on resilience at the local level is a sustainable strategy for local development or rather just a rhetorical device to disguise unsustainable deficiencies in public supports and services<sup>4</sup>. Believing it can be both, this paper sets out to explore mechanisms that genuinely extend democracy to economic life and give communities real power and a stake in their own future.

---

<sup>1</sup> Government of Ireland (2020), *Resilience and Recovery 2020-2021: Plan for living with COVID-19*.

<sup>2</sup> ESRI (2020), *The environmental and economic impacts of the COVID-19 crisis on the Irish economy*. Research series number 106.

<sup>3</sup> Initiatives like the Community Call sought to ensure that people in isolated situations were cared for.

<sup>4</sup> Donoghue, M., (2020), *Resilience as a Policy Response to Crisis?*. PublicPolicy.ie. Available at: [https://publicpolicy.ie/downloads/perspectives/2020/Resilience\\_as\\_a\\_policy\\_response\\_to\\_Crisis.pdf](https://publicpolicy.ie/downloads/perspectives/2020/Resilience_as_a_policy_response_to_Crisis.pdf)

It is necessary to recognise that local development is a process by which forces larger than the community come to have a much greater say about the flow of resources in that community than does the community itself. This imbalance risks the wellbeing and sustainability of community and undermining genuine resilience. Given these larger forces tend to be highly dependent on fossil fuel and other resource exploitation, the power imbalance also contributes to catastrophic impacts on environmental systems. To address this imbalance, it is necessary not only for government to prioritise community needs but also to invest the necessary resources to ensure communities have the capacity to build real resilience where people are, collectively, capable of influencing their life chances<sup>5</sup>.

Taking the definition of economic resilience to be ‘the capacity of an economic system to adapt to both short-term shocks and long-term change, while supporting the community to thrive’<sup>6</sup>, this paper will consider local systems of participation that enable communities to maximising the economic, social and environmental benefits of the post-pandemic recovery and the low carbon transition. In the wake of the pandemic, if efforts to encourage financial stimulus are seized and directed towards community development, the resources and tools could be put at the disposal of communities around Ireland to build real resilience and stimulate local, inclusive, economic development.

Processes that recognise the agency within community, and shift citizens from passive recipients of decisions made by local or national government to active participants with the power to direct local economies, can help to address the imbalance between the global forces acting on communities and the agency of communities to drive their own development. This paper will consider two such processes – Community Wealth Building (CWB), which is a concept gaining popularity in both the US and the EU, and Community-led Local Development (CLLD) which is the bottom-up development mechanism within the European Union.

---

<sup>5</sup> Meade RR, Shaw M and Banks S (2016) ‘Politics, power and community development: An introductory essay’, in RR Meade, M Shaw and S Banks (eds), *Politics, Power and Community Development*. Bristol: Policy Press, 1–27.

<sup>6</sup> Greenham, E.. and Ryan-Collins, J. (2013) *Mapping Economic Resilience*  
<https://www.friendsprovidentfoundation.org/wp-content/uploads/2017/11/nef-Mapping-Economic-Resilience-1-report.pdf>

## 2. What is Community Wealth Building?

Community Wealth Building (CWB) is not a new idea. Central concepts of CWB, such as cooperatives and credit unions, have existed in Ireland for decades. However, in the mid-2000s, most notably through the development of the “Cleveland Model” in the United States and, soon after, the widely heralded “Preston Model” in Lancashire in England saw CWB emerge as an economic model to challenge the extractive logic of neoliberalism<sup>7</sup>.

CWB is a flexible, site-specific economic model. It works to counteract the negative outcomes produced by neoliberal approaches - ingrained poverty, inequality, ecological degradation and accelerating wealth extraction. Coined by The Democracy Collaborative in 2005, CWB is a place-based systems approach to economic development, built on local roots and plurality of ownership<sup>8</sup>. Proponents of CWB view it as the basis of local economic transformation plans to create democratic, inclusive and community-based economies – economies centred on collective well-being, local resilience, ecological sustainability and economic justice<sup>9</sup>.

### 2.1 Principles of Community Wealth Building

The Centre for Local Economic Strategies (CLES) in the UK describes CWB as a response to the contemporary challenges of austerity and financialisation, providing resilience where there is risk and local economic security where there is precarity. CLES define five principles of CWB<sup>10</sup>:

i) **Plural ownership of the economy**

Community wealth building seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. In this, community wealth building asserts that small enterprises, community organisations, cooperatives and forms of municipal ownership are more economically generative for the local economy, than large or public limited companies.

ii) **Making financial power work for local places**

Community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, as opposed to attracting national or international capital. For example, local authority pension funds can be encouraged to redirect investment from global markets to local schemes. Mutually owned banks are supported to grow and regional

---

<sup>7</sup> McKinley, S., Brett, M., & Lawrence, M. (2020). Democratic by Design: A New Community Wealth Building Vision for the British Economy After Covid-19. Democracy Collaborative/Common Wealth. Available at: [https://uploads-ssl.webflow.com/5e2191f00f868d778b89ff85/5f7d93ca26285b806f970\\_Democratic%20by%20Design.pdf](https://uploads-ssl.webflow.com/5e2191f00f868d778b89ff85/5f7d93ca26285b806f970_Democratic%20by%20Design.pdf)

<sup>8</sup> Guinan, J., and O'Neill, M., (2020). The Case for Community Wealth Building. Cambridge: Polity Press.

<sup>9</sup> Ibid. McKinley, S., Brett, M., & Lawrence, M. (2020).

<sup>10</sup> CLES (2020), The principles of community wealth building. Online. Available at: <https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/>



banks - charged with enabling local economic development - are established. All of these are ideally placed to channel investment to local communities while still delivering a steady financial return for investors.

iii) **Fair employment and just labour markets**

As large employers, the approach that anchor institutions take to employment can have a defining impact on the prospects and incomes of local people. Recruitment from lower incomes areas, commitment to paying the living wage, and building progression routes for workers are all examples of actions that anchor institutions can take to stimulate the local economy and bring social improvements to local communities.

iv) **Progressive procurement of goods and services**

Progressive procurement can develop dense local supply chains, SMEs, employee-owned businesses, social enterprises and cooperatives and other forms of community business. These types of businesses are more likely to support local employment and have a greater propensity to retain wealth and surplus locally.

v) **Socially productive use of land and property**

Anchor institutions are often major local asset holders. These assets represent a base from which local wealth can be accrued. In community wealth building the function and ownership of these assets is deepened to ensure that any financial gain is harnessed by citizens. Furthermore, there is a desire to develop and extend community use of those assets. Public sector land and facilities are a part of the commons and can be used to develop greater citizen ownership.

The Democracy Collaborative articulate a separate set of eight principles, with much overlap. The three additional principles from this set could be articulated as: vi) enhancing collaboration to build local power; vii) rebuilding the fabric of active community to enhance democratic participation; viii) focusing on larger systemic change<sup>11</sup>.

There is no one size fits all approach to CWB - the pillars, or strategies, utilised by CWB models differ depending on the needs and strengths of the local community. As indicated by the principles discussed above, CWB is a partnership between anchor institutions, communities and businesses which aims to create strong, sustainable local economies that support fair work, encourage local spending and use public land and property for the common good. Crucially, social and environmental gains are included as an intentional function of the economy in a CWB model which ensures environmental and economic stability. Harnessing the capital and influence of anchor institutions, CWB aims to develop resilient, inclusive local economies, with high levels of local employment and a diverse business base, ensuring that wealth is locally owned and benefits local people.

---

<sup>11</sup> Democracy Collaborative (2018),

A primary challenge for proponents of CWB – which will be discussed in section 3 – is devising a model that works for rural communities. The reliance of the model on anchor institutions, and the relative scarcity of anchor institutions in rural communities, presents a design challenge. Later this paper will explore how climate action itself could provide a type of temporary anchor institution upon which rural CWB models could be developed. This section will first explain the basic concepts of CWB and explore the urban example of the Preston Model.

## 2.2 Anchor Institutions

Anchor institutions are stable organisations with real purchasing power in a community. In Ireland, potential anchor institutions could include - local authorities, hospitals, universities, colleges, trade unions, and large private employers with a loyalty to place. Depending on the scale and geography of the community, anchor institutions could also include small and medium sized businesses (SMEs), community organisations and charities.

The CWB model views anchor institutions as ‘community wealth builders’<sup>12</sup>. The jobs and supply chains connected to anchor institutions carry economic, social and environmental potential and can generate and retain wealth in the locality. Combining the economic power of local government itself with the associated power of local ‘anchor institutions’, CWB can reorient the impact of publicly owned institutions on local economies<sup>13</sup>.

In response to, and in parallel to, the opportunities to build local wealth created by anchor institutions, other economic devices are established to harness local economic opportunity. Some examples include:

- **Progressive Procurement**

Progressive procurement coexists with public anchor institutions and the driving force behind community wealth building. Progressive public procurement recognises that the procurement decisions of local government and municipally owned or influenced institutions can have key implications for the sustainability of business, the growth of jobs and the circulation of incomes within communities. Community wealth building transforms public procurement so that it is not purely administrative, but can shape and influence public services, can ensure that public spending reaps maximum local economic, social and environmental benefits, and can be receptive to mitigating climate change.

Public procurement must be in keeping with the principles set out in European Community Treaty, which covers all public sector procurement contracts. The principles are supported by European directives, which set down procedures and

---

<sup>12</sup> CLES (2020) Community Wealth Builders Toolbox. Online. Available at: <https://cles.org.uk/community-wealth-building/toolbox/>

<sup>13</sup> Guinan, J., and O’Neill, M. (2019) From Community Wealth Building to System Change: Local Roots for Economic Transformation. IPPR Progressive Review, Spring 2019.

standards (based on openness, non-discrimination and competition) for choosing tenderers and awarding contracts with an estimated value above a set limit or threshold. EU law sets minimum harmonised rules for tenders whose monetary value exceeds a certain amount and which are presumed to be of cross-border interest. The Official Journal of the European Union sets procurement thresholds and all public sector bodies will have internal procedures or standing orders which will determine how the procurement process is handled.

- **Community Development Financial Institutions**

Community Development Financial Institutions (CDFIs) are community-focused organizations that provide financial capital and advisory services to underserved communities<sup>14</sup>. There are four general categories of CDFIs: community development banks, credit unions, loan funds, and venture capital funds. In Ireland, credit unions offer a significant opportunity for supporting local wealth building activities as a CDFI. In July 2020, the Irish League of Credit Unions published a comprehensive report outlining their desire to play a role in promoting societal wellbeing in national recover from the COVID-19 pandemic and detailing the legislative changes required to make this possible<sup>15</sup>. The Social Finance Foundation, which was established by the government in 2007, is an example of a CDFI. It provides funding to its lending partners Clan Credo and Community Finance Ireland.

- **Community Land Trusts**

A community land trust (CLT) is a non-profit corporation that holds land on behalf of a place-based community, while serving as the long-term steward for affordable housing, community gardens, civic buildings, commercial spaces and other community assets on behalf of a community<sup>16</sup>. While popular in the UK, the idea has been slow to catch on in Ireland<sup>17</sup>. In the Irish context the focus is primarily on cooperative housing and discussion are progressing but barriers of finance, land and construction costs, and a lack of understanding of the models remain.

- **Cooperatives**

Cooperatives play a central role responding to the demand created by anchor institutions in the CWB model. They are member-owned enterprises engaged in the production and/or distribution of goods. While direct economic opportunities may arise from cooperatives, they also allow for sustainable

---

<sup>14</sup> Mosley, J. (2019) 'Community Development Financial Institutions: Invaluable Capital Partners in Low-income Rural Areas', *State and Local Government Review*, 51(4), pp. 275–282. doi: 10.1177/0160323X20928401.

<sup>15</sup> Irish League of Credit Unions (2020) *The Movement: How Ireland's credit unions can play a key role in economic recovery and sustained community development*. Available at: <https://www.creditunion.ie/getmedia/46000b09-b1f4-44a4-93dd-ed11b9122061/The-Movement-ILCU-Report-2020-FINAL.aspx>

<sup>16</sup> National Community Land Trust Network (2020) *What is a CLT?* Online. Available at: <http://www.communitylandtrusts.org.uk/what-is-a-clt>

<sup>17</sup> Kapila, L. (2017) *Might Dublin See its First Community Land Trust?* *Dublin Inquirer*. Available at: <https://www.dublininquirer.com/2017/07/12/might-dublin-see-its-first-community-land-trust>

economic development in areas that traditionally have had little opportunity to engage such processes.<sup>18,19</sup> Tangible benefits of using cooperatives in a CWB setting include increased economic traffic and employment opportunities, potential declines in outmigration from rural areas, and support for essential community components.<sup>20</sup> The use of cooperatives can also have a direct impact on community cohesion and development<sup>21</sup>.

The benefits of cooperative approaches were detailed in *Framing the New Progressive Narrative: A Mutual and Cooperative Approach to the Economy and Society* by Hunt and Willetts (2017) which emphasises that, through cooperative approaches, communities can counterbalance the negative effects of globalisation, share wealth and challenge inequality, establish an economy that prioritises people's interests and ensure meaningful work. In the wake of the COVID-19 pandemic, a renewed focus on corporate plurality and the role of cooperative and mutual businesses through appropriate policy, legislative and regulatory actions would help to ensure the recovery is shared and inclusive.

Cooperatives have played a central role in the development of communities and culture in rural Ireland. In his book, *Civilizing Rural Ireland: The Co-operative Movement, Development and Nation-state, 1869–1939*, Patrick Doyle highlights how, before and following independence, critical ideas about the nation emanated from the sphere of economic and social organisation, where the cooperative movement held sway.

Despite their history in Ireland, the co-operative sector in Ireland today is small and underdeveloped<sup>22</sup>. Yet studies in the UK have shown that cooperatives are more resilient than conventional business. A 2016 study by the Welsh Co-operative and Mutuals Commission<sup>23</sup> found that mutual and employee-owned enterprises with 75 employees or fewer are outperforming conventional businesses, creating higher profits and with 90% surviving their first three years of operation compared with 65% of conventional businesses.

- 
- 18 Bendick, M., & Egan, M. L. (1995). Worker ownership and participation enhances economic development in low-opportunity communities. *Journal of Community Practice*, 2(1), 61-85. Blake, 1999
- 19 Brennan, M. & Luloff, A., (2005). A Cooperative Approach to Rural Development in Ireland: Cultural Artifacts and the Irish Diaspora as an Example. *Journal of International Agricultural and Extension Education*. Volume 12, Number 1
- 20 Ibid.
- 21 Luloff, A.E. and Bridger, J., 2003. Community agency and local development. *Challenges for rural America in the twenty-first century*, pp.203-213.
- 22 Gavin, M., et al. (2014) *The Worker Co-operative Sector in Ireland: Current Status, Future Prospects*
- 23 Welsh Co-operative and Mutuals Commission (2016). *Report of the Welsh Co-operative and Mutuals Commission*, Welsh Co-operative and Mutuals Commission. <http://gov.wales/docs/det/publications/140221coopreporten.pdf>

**Box 1: Building the Social and Solidarity Economy in Ireland**

“Social and solidarity economy organizations are well positioned to become an essential part of the tool kit for achieving the 2030 Agenda for Sustainable Development in general and for better localizing the SDGs in particular. Building on their value-driven and human-centred approaches, they can help build a new economy that strives for social justice and decent work.” Guy Ryder, ILO Director-General<sup>24</sup>

Increasing attention has been paid to the role of the social and solidarity economy in ensuring community wellbeing and resilience around the world, particularly in the wake of the Global Financial Crisis of 2008.<sup>25</sup> According to RIPPES, the primary network of SSE globally, social and solidarity economy is a dynamic of reciprocity and solidarity which links individual interests with the collective ones. It puts forth a different paradigm of development that upholds solidarity economy principles.<sup>26</sup>

The term social and solidarity economy is used to refer to a broad range of organizations that are distinguished from conventional for-profit enterprise, entrepreneurship and informal economy by two core features. Firstly, they have explicit economic and social (and often environmental) objectives. Secondly, they involve varying forms of co-operative, associative and solidarity relations.<sup>27</sup>

The Social and Solidarity Economy is a significant employer in Ireland. The latest figures from Benefacts estimated that 173,000 people were employed by Irish non-profits.<sup>28</sup> Yet Ireland lags behind our neighbours in Europe in terms of an enabling environment for the Social and Solidarity Economy. As it stands there are only a few statutory provisions regulating cooperatives, and these are fragmented. Ireland currently has no legal provisions for mutual societies, associations or foundations.<sup>29</sup> While charity organisations do benefit from tax exemption in Ireland, regulations could go further to explore sets of favorable tax or fiscal treatments to encourage the growth and proliferation of organisations within the Social Economy of various underlying legal forms. In 2011, the Court of Justice of the European Union (Judgment in joined cases C 78/08 to C 80/08, CJEU, 8 September 2011) ruled that the specific tax treatment is justified because social economy entities (cooperatives in the case) are, in principle, different in nature from for-profit companies.

<sup>24</sup> Ryder, G. (2019) Social enterprises play a key role in a decent future of work. Speech. Durban, South Africa. Available here: [https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/ilo-director-general/statements-and-speeches/WCMS\\_677542/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/ilo-director-general/statements-and-speeches/WCMS_677542/lang--en/index.htm)

<sup>25</sup> Rossel, C. et al., (2015). Social and solidarity economy: Beyond the fringe. Zed Books Ltd.

<sup>26</sup> RIPPES, (2020) Related Concepts. Online. Available at: <http://www.ripess.org/what-is-sse/related-concepts/?lang=en>

<sup>27</sup> European Commission (2020) A map of social enterprises in Europe.

<sup>28</sup> Benefacts (2020) Covid-19 and employment in the non-profit sector. Blog. Available at: <https://www.benefacts.ie/2020/04/14/covid-19-and-employment-in-the-nonprofit-sector/>

<sup>29</sup> Council on Foundations (2020), Non-profit Law in Ireland. Available at: <https://www.cof.org/country-notes/nonprofit-law-ireland>

However, the social enterprise component of the social and solidarity economy has received greater attention in Ireland recently. In 2019 Ireland published its first National Social Enterprise Policy and in December 2020, Ireland signed the Toledo Declaration on Social Enterprise, recognising the social economy as a key driver of an inclusive and sustainable recovery.<sup>30</sup>

Work could be undertaken in Ireland to consider how the state could support a rounded development of the social and solidarity economy in Ireland, including but encompassing more than current social enterprise models. This could be achieved through creating a facilitative legislative environment, while remaining cognisant of the numerous problems, trade-offs and contradictions associated with state initiatives that can cause the social and solidarity economy to deviate from core principles and practices.<sup>31</sup>

Similarly, with the largest 195 non-profits having an aggregate turnover of almost €9 billion, thought should be given to the role that these organisations could play as anchor institutions and how such a role could be supported.

### 2.3 Example of Community Wealth Building: The Preston Model

At present, CWB models in action can be found in seven towns and cities in the UK<sup>32</sup>, and CWB initiatives exist in 48 cities across the USA<sup>33</sup>. CLES is currently supporting the dissemination of CWB ideas in towns and cities across Europe, New Zealand, and Australia. The USA models rely heavily on the funding of Foundations, while in the UK, local government is the driving force that establishes municipally owned vehicles for investment and return, sometimes in partnership with other anchor institutions.<sup>34</sup>

The Preston Model emerged from crisis. When plans for major private sector investment in Preston to revitalise the town centre core collapsed in 2012, Preston City Council sought alternatives to its conventional economic development approach. City Councillor Matthew Brown, in partnership with CLES took up the model and radically expanded it. With supportive funding from the EU URBACT programme – Preston City Council and CLES conducted spend analyses for the City and Lancashire County and convened practitioner groups to shift behaviour and practice. The study, which covered Lancashire County Council, Preston's College, Community Gateway, Cardinal Newman College, the Office of the Lancashire Police

---

<sup>30</sup> Irish Government (2020) Ireland signs the Toledo Declaration on Social Enterprise. Press Release. Available here: <https://www.gov.ie/en/press-release/5323b-ireland-signs-the-toledo-declaration-on-social-enterprise/>

<sup>31</sup> Utting, P., (2017). Public policies for social and solidarity economy: Assessing progress in seven countries. ILO

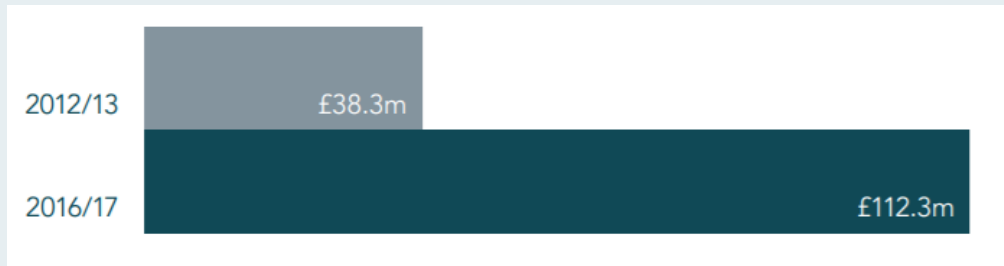
<sup>32</sup> The Centre for Local Economic Strategies

<sup>33</sup> The Democracy Collaborative

<sup>34</sup> Neil McInroy et al. (2017) 'Lessons From Preston', RSA Journal, Vol. 163 (2), p.46

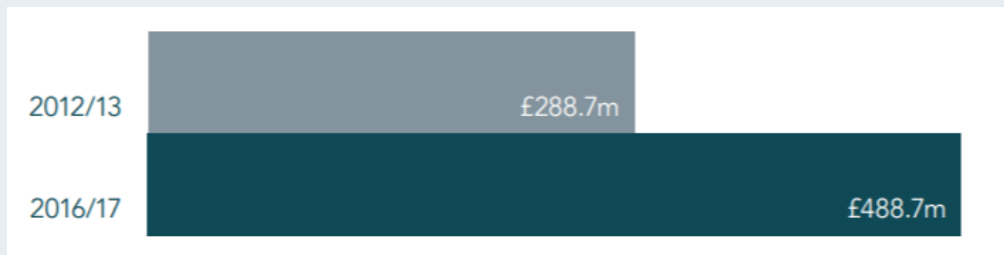
and Crime Commissioner and UCLan, found that of the collective £750m spent by the six institutions procuring goods and services, 5% was spent with organisations based in the Preston boundary, with 39% spent with organisations based in wider Lancashire (including Preston). Over £458m was leaving the Lancashire economy<sup>35</sup>.

**Figure 1: Change in spend of anchor institutions retained in Preston**



Source: CLES & Preston City Council

**Figure 2: Change in spend of anchor institutions retained in Lancashire County**



Source: CLES & Preston City Council

Having secured buy in from these six anchor institutions, in which they agreed to achieve ‘long term collaborative commitment to community wealth building in Lancashire for influenceable spend.’ analysis began on the spend that was leaving Lancashire. This necessitated developing an in-depth knowledge of local/socially responsible suppliers as well as overhauling procurement documentation and procedures to make opportunities accessible to a broader range of suppliers<sup>36</sup>. By understanding how money was leaving Lancashire, or being utilised in socially

<sup>35</sup> CLES & Preston City Council (2019) How we built community wealth in Preston: achievements and lessons.

<sup>36</sup> Ibid.

unproductive ways, opportunities were identified to capture and retain this spend for the benefit of local workers, employees and businesses.

Thanks to this work, over a 5-year period from 2012 to 2017 an additional £74m was retained within Preston and a further £200m additional funding was retained in the wider Lancashire area. The figures showed that over the five years since 2012/13, locally retained spend had increased within Preston from 5% to 18.2% and within Lancashire from 39% to 79.2%<sup>37</sup>.

Upon engagement with local businesses Preston City Council found that there were some types spending going for goods and services where local alternatives were limited or unavailable. Catering was an example of this. The City Council recognised an opportunity to encourage the growth of new businesses and ensure more democratic forms of business ownership.

Working with academics at UCLan, the council were able to advance the cooperative sector in the city by establishing the Guild Cooperative Network and Preston Cooperative Development Network. These initiatives have been helpful in developing worker owned cooperatives in the catering, tech, and digital sectors - for example, The Larder (a food cooperative) and the Preston Digital Foundation (specialising in digital transformation). The CLES/Preston City Council analysis of the development of the Preston Model from 2019 includes a number of case studies of the work undertaken by anchor institutions. One of these case studies is presented in box 2.

Beyond retaining wealth in the economy, the Preston Model has coincided with: a reduction in unemployment from 6.5% in 2014 to 3.1% in 2017; a 10% rise in 16-24 year olds in Preston receiving a National Vocational Qualification of Level 3 or higher; and Preston moved out of the top 20% of most deprived local authority areas in the UK.<sup>38</sup>

---

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.



**Box 2: Preston anchor institution - Community Gateway<sup>39</sup>**

Community Gateway is a housing association formed from the transfer of Preston City Council's housing stock in 2005. It owns and manages over 6,500 homes in and around the city and employs approximately 250 staff. The three CWB strategies utilised by Community Gateway - fair employment and just labour markets, plural ownership of the economy, and socially productive use of land and property – are detailed below.

**Strategy 1: Fair employment and just labour markets**

Recognising the importance of linking tenants and the wider community to job opportunities Community Gateway has secured funding for the Preston Vocational Centre. The Centre provides training for up to 200 students from local schools who have struggled to engage with academic courses. Several Community Gateway suppliers provide employment opportunities for students at the Centre. In terms of its own workforce, Community Gateway was an early adopter of the Living Wage Foundation Living Wage. It has also implemented an annual employee 'community activity pledge' through which staff are able to spend a number of working days per year supporting local community projects.

**Strategy 2: Plural ownership of the economy**

Community Gateway is a tenant-led cooperative business which has pioneered a governance model which promotes local pride, tenant democracy, and community engagement. Named the 'Community Gateway model', this involves representation of local people on the Board, in service action groups and on-going and direct contact between staff and residents. Demonstrating their commitment to utilising their financial assets to promote more democratic and locally beneficial models of business ownership, in 2013 Community Gateway made the decision to bring the repairs service back in-house. Previously, the service was delivered by companies based outside of the region. The decision to bring the service in house has generated significant local economic benefit, with many tenants securing jobs within the service. This has brought back around £5m per year to the local economy and has provided the opportunity for tenants to secure jobs within the service.

**Strategy 3: Socially productive use of land and property**

Recognising the twin issues of significant numbers of vacant, run-down, privately owned properties and a shortage of social housing, Community Gateway has worked with the City Council on its Empty Homes programme, buying and renovating empty properties so they can be rented out to people in need of social housing.

---

<sup>39</sup> Ibid.

### 3. Beyond the city – wealth building and climate action in rural communities?

The Preston Model illustrates the significant potential of CWB approaches. However, achieving CWB outside of cities is difficult as there is not the same density of potential anchor institutions and rural CWB projects have been few and far between<sup>40</sup>. CWB models rely upon influenceable government spend, typically procurement, as the primary resource lever to enable the development of cooperatives and community business in response to a stimulated demand. For Ireland, however, the more immediate challenge to establishing CWB models is addressing the existing procurement culture.

#### 3.1 Enabling progressive procurement in Ireland

In the Irish context, public procurement guidelines and rules apply to all public sector bodies, such as Government Departments/Offices, local and regional authorities, health authorities, commercial and non-commercial State bodies. Also, most works and related services contracts awarded by a private entity, which are subsidised 50% or more by a public body, are covered by the EU Directives if they exceed the EU thresholds.

Contracts below €25,000 can be filled through direct invitation. Contracts with an estimated value above €25,000 and below the relevant European Union (EU) threshold<sup>41</sup> must be filled through open procedure which could disadvantage start-up community led initiatives or simply dissuade them from participating. However, the scope for creative tendering processes to facilitate community wealth building is not utilized in Ireland. Procurement processes often forgo the opportunity to assess tenders based on quality, which could include labour, environmental and local economy standards, in favour of a simple lowest price only approach.

---

<sup>40</sup> There have been some examples of rural communities building wealth such as small scale biofuel production in the Arkansas Green Energy Network ([https://www.wealthworks.org/im/CRC2013SharingWork\\_07\\_AltArkansasGreenEnergyNetwork.pdf](https://www.wealthworks.org/im/CRC2013SharingWork_07_AltArkansasGreenEnergyNetwork.pdf)) or the sewn goods revival in North Carolina through worker owned cooperatives (<https://www.wealthworks.org/success-stories/north-carolina-textiles>).

<sup>41</sup> As of January 1st 2020, these thresholds are as follows:

Works

€5,350,000 – Government Departments, Local and Regional Authorities and public bodies;

Supplies and Services

€139,000 – Government Departments and Offices

€214,000 – Local and Regional Authorities and public bodies outside the Utilities sector

€750,000 – light touch regime – social and other specific services listed in Annex XIV of the EU Directive 2014/24/EU.

Utilities

Works Contracts – €5,350,000

Supplies and Services – €428,000

For further information see: <https://ogp.gov.ie/859-2/>

Under the Irish ‘Public Spending Code’, government departments and public bodies have a duty and responsibility to the taxpayer to secure ‘value for money’ in the use of public resources. Recent research on social procurement produced by the Community Action Network highlights that Ireland’s approach to value for money reflects conflicting goals – sustainability versus value for money and opportunities for business – whereas in Scotland the model of procurement defines value for money as an appropriate balance of cost, quality and sustainability, ensuring public money is spent in a way that can ‘deliver the most benefit to society’.<sup>42</sup>

There have been recent efforts to create a greater legislative footing for social procurement. In 2019, the Public Authorities and Utility Undertakings (Contract Preparation and Award Criteria) Bill sought to make price: quality ratio; the default assessment for public procurement contracts, requiring all companies bidding for public contracts to compete on quality as well as price. However, the bill did not pass into law.

Further to this, there is no centralised database of public procurement contracts in Ireland that would allow for an analysis of sums procured between the thresholds. Such an analysis would shed light on the numbers and volumes of public contracts awarded that could be directed towards anchor institutions. This would allow for a genuine assessment of existent market opportunities for the development of a social economy while also shedding light on opportunities to divide tenders to better suit social economy engagement.

It follows also that if no centralised clearing house for data on public procurement exists, there is also no ability to assess how much current public procurement could be classified as climate action. However, as a result of the Climate Action Plan 2019 the Department of Public Expenditure and Reform has issued a circular promoting Green Procurement and linking public procurement to the delivery of social good<sup>43</sup>. This provides a strong basis from which to advance CWB models through the delivery of climate action.

### **3.2 Potential gains from combining climate action and rural development**

Climate action holds significant potential for job creation in Ireland. Retrofitting alone could deliver as many as 32,000 building industry jobs<sup>44</sup>. For every billion spent on public transport, some 22,000 direct and indirect jobs are sustained<sup>45</sup>.

---

<sup>42</sup> Halloran, D., (2020). Social Clauses in Public Procurement: The Irish Experience. Community Action Network. Available at: <http://www.canaction.ie/what-we-do-human-rights-community-benefit-from-public-procurement/>

<sup>43</sup> DPER (2019) Circular 20/2019: Promoting the use of Environmental and Social Considerations in Public Procurement. Available at: <https://ogp.gov.ie/wp-content/uploads/DPER-Circular-20-2019.pdf>

<sup>44</sup> Curtin, J (2009) Greenprint for a National Energy Efficiency Retrofit Programme

<sup>45</sup> Nugent, C & Goldrick-Kelly, P (2019) Investing in a Just Transition. Realising the potential of a low-carbon economy. NERI

One area where the collective ownership of climate action is better understood is in renewable energy generation. In Ireland, Community Power is an energy company comprised of a partnership of community energy groups working for a sustainable energy future for Ireland. Community Power grew out of Ireland's first community owned wind farm, Templeberry Wind Farm in Co Tipperary. Similarly, Sustainable Energy Communities (SEC) are increasing in number. SECs are communities in which people work together to develop a sustainable energy system. To do so, they aim as far as possible to be energy efficient, to use renewable energy where feasible and to develop decentralised energy supplies. The Sustainable Energy Authority of Ireland has created an SEC Network to help build capacity and share skills across communities.

Financing opportunities for community led climate action can be developed from national and EU resources that are increasing in scope and volume. The European Green Deal and the Sustainable European Investment Plan which accompanies it, aims to mobilise €1 trillion by leveraging private sector capital<sup>46</sup>. The EU Just Transition Fund, one of the three pillars of the Just Transition Mechanism, is being used to ensure a green recovery in Europe in the wake of the current pandemic, with distribution of funds to EU member states beginning in January 2020. Due to the Covid-19 pandemic, it has been increased five-fold to €40 billion<sup>47</sup>, made up of €30 billion from the EU Corona virus recovery fund and €10 billion from the 2021-2027 regular budget, the MFF (multi-annual financial framework).

Domestically, the Climate Action Fund, will provide at least €500 million in government funding up to 2027 in support of the national Climate Action Plan and is open to applications from the public. Similarly, the domestic Just Transition Fund, which is also open to public applications, aims to fund innovative projects that contribute to the economic, social and environmental sustainability of the Wider Midlands region. On November 26<sup>th</sup>, 2020, provisional offers of funding, totalling €27.8 million, have been made to 47 projects in the Midlands under the Just Transition Fund<sup>48</sup>.

Tables 1 and 2 indicate the number of funds currently addressing community and rural development, and the funding allocated to each in 2019. It is reasonable to assume that government spend on climate action annually will soon dwarf the €160m spent on rural development in 2019. Add to this the potential of a renewed focus on LEADER via the EU CLLD multi-fund approach (see section 4) and we begin to see that there is a war chest of funding available to support community-led responses and the co-development of local sustainable development policy.

---

<sup>46</sup> EU Commission (2019) Financing the green transition: The European Green Deal Investment Plan and Just Transition Mechanism

<sup>47</sup> European Parliament (2020) Just Transition Fund. Briefing. Available at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646180/EPRS\\_BRI\(2020\)646180\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/646180/EPRS_BRI(2020)646180_EN.pdf)

<sup>48</sup> Government of Ireland (2020) Just Transition Fund. Online. Available at: <https://www.gov.ie/en/publication/ed10d-just-transition-fund/>

**Table 1: Funding from the government for Rural and Community Development**

Fund	Purpose
Rural Regeneration and Development Fund	A fund aimed at targeting the regeneration of rural areas with a population of less than 10,000.
Community Enhancement Programme	This programme provides capital to small-scale infrastructure projects of a regenerative nature in disadvantaged areas. The programme is run by Local Community Development Committees.
Town and Village Renewal Scheme	This scheme provides funding to increase the attractiveness of a town or village as a local commercial and social centre in which to live and work, and to promote the locality's potential for tourism. Local Authorities work in partnership with local businesses and communities to identify projects.
Tidy Towns	This provides funding to communities to make their town or village an attractive place to live, work and visit. Community groups apply for funding.
CLÁR Programme	This Programme allocates funding for small-scale infrastructural projects in rural areas that have suffered the greatest levels of population decline. The programme is administered through Local Authorities in partnership with local communities.
Local Improvement Scheme	This funds improvement works on private and non-public roads in rural areas. Local Authorities administer this scheme.
Outdoor Recreation Infrastructure Scheme	This scheme funds new and maintains existing outdoor recreational infrastructure. This scheme is administered by Local Authorities.
Social Inclusion and Community Activation Programme	This programme aims to reduce disadvantage and poverty in rural communities. The programme is administered by Local Community Development Committees.
Community Services Programme	This programme provides funding to social enterprises that provide local services and create employment opportunities for disadvantaged people. This programme is administered by the Department of Rural and Community Development.

**Table 2: Government funding allocated to Rural and Community Development in 2019 (excluding LEADER)**

Fund	Allocated Funding
Rural Regeneration and Development Fund**	€52 million
Community Enhancement Programme	€4.5 million
Town and Village Renewal Scheme	€15 million
CLÁR Programme	€5 million
Social Inclusion and Community Activation Programme	€38.028 million
Community Services Programme	€46.19 million
<b>TOTAL</b>	<b>€160.718 million</b>

If we consider how finance channelled through procurement might be mobilised, in the Irish context, to serve the dual purpose of local economic development and climate action, we begin to glimpse how treating climate action as a type of “temporary anchor institution” could be transformative. Box 3 illustrates an example from communities in Appalachian Kentucky where climate action and community wealth building have been combined in rural communities. Channelling spending for climate action through community owned businesses and cooperatives would ensure that the enormous public investment in climate action stayed in communities and facilitated local development.

Such collaborative and collective action would require cooperation within and across levels of community and governance. The inherent complexity could be utilised to build interdependence and alleviate parochial issues or conflict between communities. As climate action advances, more and more government procurement will align with climate objectives. Current estimates in Ireland forecast that 20% of government investments between now and 2040 will be in climate action<sup>49</sup> and this figure will need to increase if the 1.5°C target set out in the Paris Agreement is to be achieved<sup>50</sup>. By creating the local infrastructure now, communities would benefit from accelerated action.

<sup>49</sup> Government of Ireland (2018), Investing in the Transition to a Low-Carbon and Climate-Resilient Society 2018 - 2027

<sup>50</sup> The European Commission has estimated that achieving the current 2030 climate and energy targets will require EUR 260 billion of additional annual investment, about 1.5% of 2018 GDP. This excludes the investment

**Box 3: Energy Efficiency in Appalachia<sup>51</sup>**

Eastern Kentucky is a region beset by a magnitude of challenges related to the transition to a zero-carbon economy. The predominantly rural area faces severe poverty and since 2011, almost 7,000 jobs have been lost due to the closure of coal mines. A spike in electricity rates in 2014 led to an increase in energy poverty and energy efficient homes became critically important.

Mountain Association for Community Economic Development<sup>52</sup> (MACED) started bringing together homeowners, rural electric cooperatives (RECCs), businesses, shopkeepers, researchers and policymakers. They found strong community interest in trying new approaches that could weave into a “value chain” of mutual-win results that would enable low-income homeowners and small businesses to benefit from energy retrofits that were, up until then, inaccessible due to cost.

MACED created How\$martKY™, which enables residents to apply future savings to pay for immediate retrofit upgrades. MACED or its partners conduct an energy assessment of the home, identify options for improving energy efficiency, and then oversee and test the retrofits. The homeowner is assigned a fixed monthly charge on their bill that pays for the upgrade over time—a practice called “on-bill financing.” As there is no up-front cost, low-income households can afford the retrofits.

The residential retrofits sparked demand from small business - particularly grocery store owners, who are important employers and resources in small towns. Most of these stores operate so close to the margin that the difference made by energy savings can be the difference between surviving and going out of business. MACED developed Energy Efficient Enterprises (E3) program to respond to commercial demand and provide small businesses with technical support—energy audits and billing analyses, consultation on efficiency or renewable energy systems, connections to utility rebates and other incentives, and analysis of the impact of upgrades on cash flow. If needed, MACED provides capital for financing energy retrofits.

The region lacked the infrastructure and workers to carry out the retrofits, particularly energy efficiency contractors. So, the Kentucky Sustainable Energy Alliance (KySEA) was born, with 55 members, 40 percent of which are small businesses. The states policy did not allow for measures such as “on-bill financing”, but this was resolved through engagement with decision

---

needs for climate adaptation or for other environmental challenges, such as biodiversity. On top of this, these do not include the public investments needed to address the social costs of the transition.

<sup>51</sup> Adapted from WealthWorks case study, available here: <https://www.wealthworks.org/success-stories/appalachia-energy-efficiency>

<sup>52</sup> The Mountain Association for Community Economic Development was established in 1976 by eight community organizations in Eastern Kentucky and Southwestern Virginia to provide economic development assistance to local efforts in the mountains. It is now focused on Just Transition activities (<https://mtassociation.org/>)

makers. KySEA has drafted legislation, educated legislators, secured 10 bill sponsors, and participated in legislative hearings.

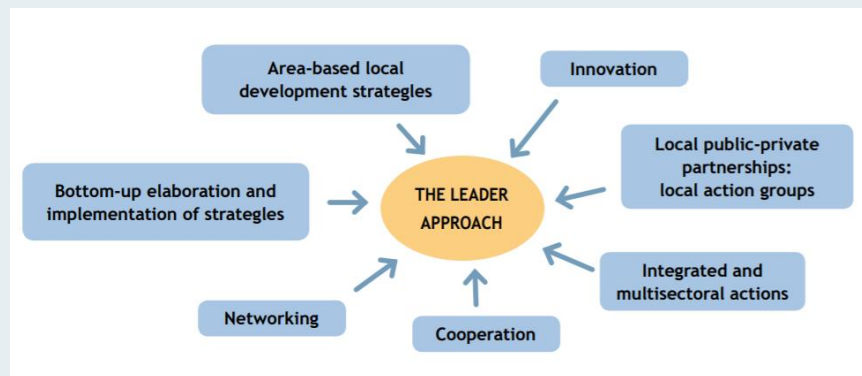
With six rural electric cooperatives in the (now permanent) How\$martKY™ program, 468 residential assessments and 238 retrofits have been done, many for low-income homeowners, saving households an estimated average of \$592/year in energy costs. Likewise, with E3's assistance, 126 commercial retrofits are saving local businesses \$1.4 million each year. For low-income families, more energy-efficient homes have resulted in the ability to spend money on other essentials like health care, education and other wealth-building endeavours.



## 4. Have we been here before? The rise and fall of LEADER

Before concluding, it is important to give some consideration to a model similar to CWB which has been active in Ireland for many years. Community-led local development (CLLD) is the EU's bottom-up approach to territorial development whereby local actors, considered best placed to identify challenges and maximise the benefit of local assets, work collectively to local development strategies<sup>53</sup>. Figure 3 sets out the components of the LEADER programme. The approach was pioneered in the form of the LEADER<sup>54</sup> Programme since 1991. It is now an integral part of the EU's rural development policy; however, Ireland has gone from a "leader" to a laggard over the decades since its inception.

**Figure 3: Elements of the LEADER approach**



Source: European Parliament

### 4.1 How the EU's Community-led Local Development works

CLLD (and LEADER before it) is based on three interconnected operational elements: local action groups (representatives of public and private local socio-economic interests), integrated local development strategies and well-defined territories<sup>55</sup>. These are governed by the Commons Provision Regulation<sup>56</sup> which requires specific

<sup>53</sup> European Parliament (2015) At a glance: Community-led Local Development. Online. Available at: [https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/551322/EPRS\\_ATA\(2015\)551322\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2015/551322/EPRS_ATA(2015)551322_EN.pdf)

<sup>54</sup> Liaison Entre Actions pour le Développement de l'Economie Rurale

<sup>55</sup> European Parliament (2014) New Territorial Instruments On Cohesion Policy: CLLD And ITI. Online. Available at: <https://epthinktank.eu/2014/07/09/new-territorial-instruments-on-cohesion-policy-clld-and-iti/>

<sup>56</sup> Available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303>

criteria such as: the territory in question shall have a population of 10,000 to 150,000, and strategies shall include, among other things, the objectives pursued, an analysis of the needs and potential of the area, and action and financial plans<sup>57</sup>.

Through area-based LAGs, partnerships between the public, private and civil sectors and local representatives are embedded into the development and delivery of local development strategies (LDSs), decision-making and resource allocation. Further, there is a wide range of areas projects can cover, including encouraging farm diversification, supporting small businesses, investing in villages and the natural/built heritage both to improve local services and to improve tourism.

The LEADER programme was traditionally financed by the European Agricultural Fund. However, since 2014, the seven key features of LEADER have been extended under the broader term “Community-Led Local Development” and programmes now benefit from other EU Funds. The multi-fund CLLD model offers a more tightly integrated approach and a diversified financing model and allows for urban as well as rural initiatives.

#### 4.2 The impact of the LEADER Programme in Ireland

The impact of LEADER in Ireland has been significant and the existent evaluation data, though some is quite dated, deserves attention. Kearney et al. (1995)<sup>58</sup> marked the first national evaluation of LEADER programmes in the Republic of Ireland, and two decades later Indecon (2017)<sup>59</sup> produced the second independent national evaluation (as part of the whole 2007-2013 Rural Development Programme). The Indecon study shows significant positive reception for the potential of the LEADER programme to develop local capacity and enhance governance - 77.8% of survey respondents believed that LEADER had a significant impact in building local capacities for employment and diversification, with a further 22.2% saying it had a moderate impact. Half of respondents stated that the implementation of the LEADER approach had a significant impact in relation to improving local governance, with 42.3% saying that there was a moderate impact from the LEADER approach<sup>60</sup>.

---

<sup>57</sup> REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

<sup>58</sup> Kearney, B., Boyle, E., and Walsh, J. (1995) EU LEADER I in Ireland: Evaluation and Recommendations. Dublin.

<sup>59</sup> Indecon (2017) Ex-Post Evaluation of the Rural Development Programme Ireland (2007-2013): Final Report. Available at: <https://www.agriculture.gov.ie/media/migration/ruralenvironment/ruraldevelopment/strategiesandprogrammes/ExPostEvaluationRDPIreland20072013%20160617.pdf>

<sup>60</sup> Ibid, X.

Over this time, Irish LAGs have also participated in EU-wide studies<sup>61</sup>. Despite these reviews, the difficulty in quantifying the social impacts of LEADER/CLLD projects is often remarked on<sup>62</sup>, and thus there remains limited quantitative data on the return-on-investment (and a lack of economic impact analyses more broadly) of LEADER projects in Ireland and throughout the rest of the EU<sup>63</sup>.

Other available data is analysed by O’Keefe (2014) and covers the first two iterations of the programme - LEADER (1991-1994) and LEADER II (1995-2000). A census of a sample Irish LAG’s found half the expenditure on projects (56%) under the LEADER+ programme was spent in their promoter’s county, and 94% of all funds remained within Ireland<sup>64</sup>. Further, for one selected LAG, the 40 individuals and enterprises supported by LEADER generate business for 192 suppliers (108 within the same county), with 48.5% of their total outgoings remaining within the county<sup>65</sup>. Further, according to data from 5 LAGs on the sustainability of jobs produced, 67% of enterprises supported under LEADER I were still trading at the time of the study, while for LEADER II 74% remained operational.<sup>66</sup> Over the 2008-2013 programme a total of 2,219 enterprises were supported, about half of the 4,479 target.<sup>67</sup>

Some 7,093 full-time job equivalents have been directly attributed to the programme between 1991 and 1999<sup>68</sup>, though it is not possible to qualify how these have sustained over time. Meanwhile, over the 2007-2013 RDP period, under LEADER approximately 1,859 full-time equivalent (FTE) jobs were supported under business creation and development supports, which was 43% of the original target<sup>69</sup>. It should be noted however that there is missing data on FTE jobs created by encouragement of tourism activities (target 355)<sup>70</sup>, services to the economy and rural population, (target 514)<sup>71</sup>, village renewal and development, (target 1,630)<sup>72</sup>, and conservation and upgrading of rural heritage, (target 474)<sup>73</sup>. The expected impacts of the 2014-2020 LEADER programme include the creation of over 3,000

---

<sup>61</sup> Ibid, O’Keefe, 2014, 11

<sup>62</sup> European Network for Rural Development (2013). Summary of the Outcomes of the 11th LEADER Sub-Committee 11.11.2013. Brussels, Belgium. Retrieved: [http://enrd.ec.europa.eu/enrd-static/app\\_templates/enrd\\_assets/pdf/11thLeaderMeeting/11th\\_LSC\\_memo\\_final\\_for\\_upload.pdf](http://enrd.ec.europa.eu/enrd-static/app_templates/enrd_assets/pdf/11thLeaderMeeting/11th_LSC_memo_final_for_upload.pdf).

<sup>63</sup> noted in Veveris & Puzulis, 2019, p218. ; Dax & Oedl-Wieser, 2016, p35 ; p165, Vrievina, Lemaine and Melece (2015) Analysis of Economic Aspects of LEADER.

<sup>64</sup> Ibid. O’Keefe, 2014, 15

<sup>65</sup> Ibid. O’Keefe, 2014, 15

<sup>66</sup> Ibid. O’Keefe, 2014, 16.

<sup>67</sup> Ibid. Indecon, p139,

<sup>68</sup> Cawley, M. (2009) 'Local governance and sustainable rural development: Ireland's experience in an EU context'. *Revija Za Geografijo*, 4 (1):53-63.p 56 Available at: <https://aran.library.nuigalway.ie/handle/10379/14762>

<sup>69</sup> Ibid. Indecon, (2017) p1397

<sup>70</sup> Ibid. Indecon, (2017) p140

<sup>71</sup> Ibid. Indecon, (2017) p141

<sup>72</sup> Ibid. Indecon, (2017) p142

<sup>73</sup> Ibid. Indecon, (2017) p143

jobs in rural areas, with two thirds of the rural population covered by local development strategies (LDSs).<sup>74</sup>

### 4.3 From LEADER to laggard

Irish communities embraced the LEADER methodology over the past 30 years and Irish LAGs were lauded as among the most successful in Europe for their engagement with local volunteers and creation of local business and employment opportunities.<sup>75,76</sup> However, despite this success, successive leader programmes have seen independence eroded and resources and effectiveness diminished.<sup>77</sup>

The argument is made by some observers that TDs and councillors, wary of the influence of the LEADER partnerships and encroachment on political roles, appealed to the argument of a ‘democratic deficit’ in seeking to increase their own influence over LEADER.<sup>78</sup> Others have cited concerns regarding the financial and administrative accountability and potential duplication of governance<sup>79</sup> roles. Regardless, each iteration of LEADER programme has seen central government gradually expanded bureaucratic controls over local responsiveness and innovation as well as the representation requirements on LAGs (and in the 2010s IDLCs) for community representatives<sup>80 81</sup>.

Today, Ireland is one of only eight countries<sup>82</sup> to not opt into the first iteration of the enhanced LEADER programme - the multi-fund approach to CLLD - for the 2014-2020 programming period<sup>83</sup>. At the time of writing, it is unclear whether a different approach will be adopted for the new programming period, beginning in 2021.

---

<sup>74</sup> European Commission (n.d.?) *Factsheet on 2014-2020 Rural Development Programme for Ireland* [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key\\_policies/documents/rdp-factsheet-ireland\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/rdp-factsheet-ireland_en.pdf)

<sup>75</sup> European Court of Auditors (2010) *Implementation of the LEADER Approach for Rural Development – Special Report No. 5*. Luxembourg: European Union Publications, noted in O’Keefe 2014 p2

<sup>76</sup> Ibid, O’Keefe, 2014

<sup>77</sup> Kelleher, P. and O’Neill, C. (2018) *The Systematic Destruction of the Community Development, Anti-Poverty and Equality Movement (2002-2015)*. Available at: [http://irc-equality.ie/wp-content/uploads/2018/11/Kelleher\\_Oneill\\_2018\\_Paper-on-the-Destruction-of-Community-Development.pdf](http://irc-equality.ie/wp-content/uploads/2018/11/Kelleher_Oneill_2018_Paper-on-the-Destruction-of-Community-Development.pdf)

<sup>78</sup> Cawley, M., (2016). *Relationships between local governance and local government and the role of the State: evidence from the LEADER programme in Ireland*.

<sup>79</sup> Dail debate 5th Dec 2019 <https://www.oireachtas.ie/en/debates/question/2019-12-05/22/>

<sup>80</sup> Ibid, O’Keefe, 2014, 2

<sup>81</sup> for overview of differences across LEADER programmes over time, see Cawley, 2016, 97-102

<sup>82</sup> The other seven being: Belgium, Croatia, Cyprus, Estonia, Luxembourg, Malta, and the Netherlands.

<sup>83</sup> Harkin, R. (2017) *Advantages of the Community-led Local Development (CLLD) approach for integrated local and rural development*. European Economic and Social Committee.

## 5. Conclusion and questions for further consideration.

As we emerge from the COVID-19 pandemic, into a world beset by the challenges of recovery and the urgent need to tackle climate change, there may be opportunities to rethink how we progress climate action such that it addresses community needs, creates new economic opportunities that diversify local economies and enables genuine community-led development. This could be the dawn of a new era of economically resilient, thriving and empowered local communities across Ireland.

However, implementing the CWB models explored in this paper in Ireland and incorporating them into the roll out of climate action, would require significant political will as well as cultural change and a concerted policy and legislative push to bring about a conducive environment. This provokes some further questions for consideration:

- a) **Can community wealth building be facilitated in Ireland?** Change will be necessary to allow for the development of CWB in Ireland. Firstly, progressive procurement will need to be enabled through changes to the Public Spending Code. Perhaps more challenging will be to change the culture of procurement to one that proactively seeks to identify community wealth building opportunities. This would require significant capacity building at local and national levels. On the supply side, a more conducive legislative environment would be required to enable cooperatives and mutuals to flourish. Furthermore, there are opportunities for CWB presented by the prevalence of Credit Unions in Ireland, how could these be maximised?
- b) **Should funding coherence be prioritised to ensure economic resilience?** Existing funding for rural development is fragmented with small parcels delivered without evaluation of impact. Currently LEADER is oversubscribed, and projects which have gone through consultation processes cannot avail of funding. Anecdotally, in some instances funding clashes on a program level – for example LEADER and PEACE in the six border counties. Going forward, a new layer of funding – that for climate action and just transition – will be channelled into similar constituencies. Should the fragmentation of rural development funding be addressed and rectified? Should climate action funding, if seeking to enable local development and thus benefit from local social approval, seek to achieve coherence with rural development funding?
- c) **What is the future of LEADER in Ireland?** The LEADER Programme has provided a form community-led development similar to that proposed by advocates of Community Wealth Building models. The diminishing of the independence of Local Action Groups and the decision not to opt into the EU's multi-fund approach to Community-led Local Development for the 2014-2020 cycle suggests Ireland is currently not prioritising community-led development approaches. Can this trend be reversed? The EU is at pains to stress the opportunity for the multi-fund approach to mainstream co-design

and bottom-up development across all EU funds accessed. Furthermore, the Programme for Government commits to “supporting a LEADER Programme and deliver a Rural Development Programme which is led by independent Local Action Groups and supported by Local Community Development Committees”. It also commits “to pursue extra EU funding opportunities through Community Led Local Development (CLLD)”. However, as of yet there is no indication that the government will apply for the multi-fund CLLD for the 2021-2027 cycle and no moves have been made to revert to independent Local Action Groups.



## National Economic and Social Council Publications

<b>No.</b>	<b>Title</b>	<b>Date</b>	<b>No.</b>	<b>Title</b>	<b>Date</b>
			15.	The Taxation of Farming Profits	1976
1.	Report on the Economy in 1973 and the Prospects for 1974	1974	16.	Some Aspects of Finance for Owner-Occupied Housing	1976
2.	Comments on Capital Taxation Proposals	1974	17.	Statistics for Social Policy	1976
3.	The Economy in 1974 and Outlook for 1975	1974	18.	Population Projections 1973-86: The Implications for Education	1976
4.	Regional Policy in Ireland: A Review	1975	19.	Rural Areas: Social Planning Problems	1976
5.	Population and Employment Projections: 1971-86	1975	20.	The Future of Public Expenditure	1976
6.	Comments on the OECD Report on Manpower Policy in Ireland	1975	21.	Report on Public Expenditure	1976
7.	Jobs and Living Standards: Projects and Implications	1975	22.	Institutional Arrangements for Regional Economic Development	1976
8.	An Approach to Social Policy	1975	23.	Report on Housing Subsidies	1976
9.	Report on Inflation	1975	24.	A Comparative Study of Output, Value-Added and Growth in Irish and Dutch Agriculture	1976
10.	Causes and Effects of Inflation in Ireland	1975	25.	Towards a Social Report	1977
11.	Income Distribution: A Preliminary Report	1975	26.	Prelude to Planning	1976
12.	Education Expenditure in Ireland	1976	27.	New Farms Operators, 1973 to 1975	1977
13.	Economy in 1975 and Prospects for 1976	1975	28.	Service-type Employment and Regional Development	1977
14.	Population Projects 1971-86: The Implications for Social Planning – Dwelling Needs	1976	29.	Some Major Issues in Health Policy	1977



30. Personal Incomes by County in 1973	<b>1977</b>	46. Irish Forestry Policy	<b>1979</b>
31. The Potential for Growth in Irish Tax Revenues	<b>1977</b>	47. Alternative Strategies for Family Support Income	<b>1980</b>
32. The Work of NESC: 1974-1976	<b>1977</b>	48. Transport Policy	<b>1980</b>
33. Comments on Economic and Social Development; 1976-1980	<b>1977</b>	49. Enterprises in the Public Sector	<b>1980</b>
34. Alternative Growth Rates in Irish Agriculture	<b>1977</b>	50. Major Issues in Planning Services for Mentally and Physically Handicapped Persons	<b>1980</b>
35. Population and Employment Projections 1986: A Reassessment	<b>1977</b>	51. Personal Incomes by Regions: 1977	<b>1980</b>
36. University and Selectivity: Strategies in Social Policy	<b>1978</b>	52. Tourism Policy	<b>1980</b>
37. Integrated Approaches to Personal Income Taxes and Transfers	<b>1978</b>	53. Economic and Social Policy 1980-83: Aims and Recommendations	<b>1980</b>
38. University and Selectivity: Social Services in Ireland	<b>1978</b>	54. The Future of the National Economic and Social Council	<b>1981</b>
39. The Work of NESC: 1977	<b>1978</b>	55. Urbanisation: Problems of Growth and Decay in Dublin	<b>1981</b>
40. Policies to Accelerate Agricultural Development	<b>1978</b>	56. Industrial Policy and Development: A Survey of Literature for the Early 1960s to the Present	<b>1981</b>
41. Rural Areas: Change and Development	<b>1978</b>	57. Industrial Employment and the Regions 1960-82	<b>1981</b>
42. Report on Policies for Agricultural and Rural Development	<b>1978</b>	58. The Socio-Economic Position of Ireland within the European Economic Community	<b>1981</b>
43. Productivity and Management	<b>1978</b>	59. The Importance of Infrastructure to Industrial Development in Ireland: Roads, Telecommunications and Water Supply	<b>1981</b>
44. Comments on Development: Full Employment	<b>1978</b>	60. Minerals Policy	<b>1981</b>
45. Urbanisation and Regional Development in Ireland	<b>1979</b>		

61. Irish Social Policy: Priorities for Future Development	<b>1981</b>	of the Implications of recent Demographic Changes for Education, Social Welfare and the Health Services	<b>1984</b>
62. Economic and Social Policy 1981: Aims and Recommendations	<b>1981</b>	76. The Role of Financing the Traded Sectors	<b>1984</b>
63. Population and Labour Force Projections by County and Region, 1979-1991	<b>1981</b>	77. The Criminal Justice System: Policy and Performance	<b>1985</b>
64. A Review of Industrial Policy	<b>1982</b>	78. Information for Policy	<b>1985</b>
65. Farm Incomes	<b>1982</b>	79. Economic and Social Policy Assessment	<b>1985</b>
66. Policies for Industrial Development: Conclusions and Recommendation	<b>1982</b>	80. The Financing of Local Authorities	<b>1985</b>
67. An Analysis of Job and Losses in Irish Manufacturing Industry	<b>1982</b>	81. Designation of Areas for Industrial Assessment	<b>1985</b>
68. Social Planning in Ireland: Its Purposes and Organisational Requirements	<b>1983</b>	82. Manpower Policy in Ireland	<b>1986</b>
69. Housing Requirements and Population Change: 1981-1991	<b>1983</b>	83. A Strategy for Development 1986-1990	<b>1986</b>
70. Economic and Social Policy 1982: Aims and Recommendations	<b>1983</b>	84. Community Care Service: An Overview	<b>1987</b>
71. Education: The Implications of Demographic Change	<b>1984</b>	85. Redistribution Through State Social Expenditure in the Republic of Ireland: 1973-1980	<b>1988</b>
72. Social Welfare: The Implications of Demographic Change	<b>1984</b>	86. The Nature and Functioning of Labour Markets	<b>1988</b>
73. Health Services: The Implications of Demographic Change	<b>1984</b>	87. A Review of Housing Policy	<b>1989</b>
74. Irish Energy Policy	<b>1984</b>	88. Ireland in the European Community: Performance, Prospects and Strategy	<b>1989</b>
75. Economic and Social Policy 1983: Aims and Recommendations A Review		89. A Strategy for the Nineties: Economic Stability and Structural Change	<b>1990</b>
		90. The Economic and Social Implications of Emigration	<b>1991</b>

91. Women's Participation in the Irish Labour Market	<b>1992</b>	105. Opportunities, Challenges and Capacities for Choice	<b>1999</b>
92. The Impact of reform of the Common Agricultural Policy	<b>1992</b>	106. Review of the Poverty Proofing Process	<b>2001</b>
93. The Irish Economy in a Comparative Institutional Perspective	<b>1993</b>	107. Benchmarking the Programme for Prosperity and Fairness	<b>2002</b>
94. The Association between Economic Growth and Employment	<b>1993</b>	108. National Progress Indicators	<b>2002</b>
95. Education and Training Policies for Economic and Social Development	<b>1993</b>	109. Achieving Quality Outcomes: The Management of Public Expenditure	<b>2002</b>
96. A Strategy for Competitiveness, Growth and Employment	<b>1993</b>	110. An Investment in Quality: Services, Inclusion and Enterprise, Overview, Conclusions and Recommendations	<b>2002</b>
97. New Approaches to Rural Development	<b>1995</b>	111. An Investment of Quality: Services, Inclusion and Enterprise	<b>2003</b>
98. Strategy into the 21 <sup>st</sup> Century: Conclusions and Recommendations	<b>1996</b>	112. Housing in Ireland: Performance and Policy	<b>2004</b>
99. Strategy into the 21 <sup>st</sup> Century	<b>1996</b>	113. The Developmental Welfare State	<b>2005</b>
100. Networking for Competitive Advantage	<b>1996</b>	114. NESC Strategy 2006: People, Productivity and Purpose	<b>2005</b>
101. European Union: Integration and Enlargement	<b>1997</b>	115. Migration Policy	<b>2006</b>
102. Population Distribution and Economic Development: Trends and Policy Implications	<b>1997</b>	116. Managing Migration in Ireland: A Social and Economic Analysis	<b>2006</b>
103. Private Sector Investment in Ireland	<b>1998</b>	117. The Irish Economy in the Early 21 <sup>st</sup> Century	<b>2008</b>
104. Opportunities, Challenges and Capacities for Choice, Overview, Conclusions and Recommendations	<b>1999</b>	118. Ireland's Five-Part Crisis: An Integrated National Response	<b>2009</b>
		119. Well-being Matters: A Social Report for Ireland	<b>2009</b>

- |   |             |  |             |
|---|-------------|--|-------------|
| 120. Next Steps in Addressing Ireland's Five-Part Crisis: Combining Retrenchment with Reform                | <b>2009</b> | 132. Quality and Standards in Human Services in Ireland: Disability Services                   | <b>2012</b> |
| 121. The Euro: An Irish Perspective   | <b>2010</b> | 133. Quality and Standards in Human Services in Ireland: A Synthesis Report                    | <b>2012</b> |
| 122. Re-finding Success in Europe: the Challenge for Irish Institutions and Policy                          | <b>2010</b> | 134. The Social Dimensions of the Crisis: The Evidence and its Implications                    | <b>2012</b> |
| 123. Supports and Services for Unemployed Jobseekers: Challenges and Opportunities in a Time of Recession   | <b>2011</b> | 135. Five Part Crisis, Five Years On: Deepening Reform and Institutional Innovation            | <b>2013</b> |
| 124. Quality and Standards in Human Services in Ireland: Overview of Concepts and Practice                  | <b>2011</b> | 136. Ireland's Environmental Data: Inventory, Assessment and Next Steps                        | <b>2014</b> |
| 125. Promoting Economic Recovery and Employment in Ireland  | <b>2012</b> | 137. Jobless Households: An Exploration of the Issues  | <b>2014</b> |
| 126. Draft Framework for Sustainable Development for Ireland: NESC Response                                 | <b>2012</b> | 138. Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental | <b>2014</b> |
| 127. Quality and Standards in Human Services in Ireland: Policing and the Search for Continuous Improvement | <b>2012</b> | 139. Wind Energy in Ireland: Building Community Engagement and Social Support                  | <b>2014</b> |
| 128. Quality and Standards in Human Services in Ireland: Residential Care for Older People                  | <b>2012</b> | 140. Homeownership and Rental: What Road is Ireland On?  | <b>2014</b> |
| 129. Quality and Standards in Human Services in Ireland: The School System                                  | <b>2012</b> | 141. Ireland's Rental Sector: Pathways to Secure Occupancy and Affordable Supply               | <b>2015</b> |
| 130. Quality and Standards in Human Services in Ireland: Home Care for Older People                         | <b>2012</b> | 142. Housing Supply and Land: Driving Public Action for the Common Good                        | <b>2015</b> |
| 131. Quality and Standards in Human Services in Ireland: End-of-Life Care in Hospitals                      | <b>2012</b> | 143. The Dynamics of Environmental Sustainability and Local Development: Aquaculture           | <b>2016</b> |

- |  |      |  |      |
|--|------|--|------|
| 144. Moving Towards the Circular Economy in Ireland  | 2017 | 4. Profit Sharing Employee Share, Ownership and Gainsharing; What can they Achieve?                | 2000 |
| 145. Urban Development Land, Housing and Infrastructure: Fixing Ireland's Broken System                    | 2018 | 5. Sustaining Competitive Advantage: Proceedings of NESC Seminar                                   | 1998 |
| 146. Moving from Welfare to Work: Low Work Intensity Households and the Quality of Supportive Services     | 2018 | 6. Ireland's Child Income Supports: The Case for a New Form of Targeting                           | 2008 |
| 147. Climate-Change Policy: Getting the Process Right  | 2019 | 7. State of Play Review of Environmental Policy Integration Literature                             | 2015 |
| 148. Transport-Orientated Development: Assessing the Opportunity for Ireland                               | 2019 | 8. Socially Integrated Housing and Sustainable Urban Communities: Case Studies from Dublin         | 2015 |
| 149. Addressing Employment Vulnerability as Part of a Just Transition in Ireland                           | 2020 | 9. The Burren Life Programme: An Overview  | 2016 |
| 150. Housing Policy: Actions to Deliver Change   | 2020 | 10. Nature's Values: From Intrinsic to Instrumental  | 2017 |
| 151. The Future of the Irish Social Welfare System: Participation and Protection                           | 2020 | 11. Valuing Nature: Perspectives and Issues  | 2017 |
| <b>NESC Research Series</b>  |      | 12. Low Work Intensity Households and the Quality of Supportive Services: Detailed Research Report | 2018 |
| 1. Cluster in Ireland: The Irish Dairy Processing Industry: An Application of Porter's Cluster Analysis    | 1997 | 13. Advancing the Low-Carbon Transition in Irish Transport   | 2019 |
| 2. Cluster in Ireland: The Irish Popular Music Industry; An Application of Porter's Cluster Analysis       | 1997 | 14. Transport-Orientated Development: Assessing Opportunity for Ireland: Background Case Studies   | 2019 |
| 3. Cluster in Ireland: The Irish Indigenous Software Industry; An Application of Porter's Cluster Analysis | 1997 | 15. Four Case Studies on Just Transition: Lessons for Ireland's Transition Teams                   | 2020 |
|  |      | 16. Modelling the Zero-Carbon Transition: International  |      |

Approaches and Lessons for Ireland	<b>2020</b>	9. Consumer Prices	<b>2012</b>
17. Energy Transition Pathways and the COVID-19 Pandemic: An analysis of the ‘green recovery’ responses in Denmark and Ireland	<b>2020</b>	10. Review of Irish Social and Affordable Housing	<b>2014</b>
18. Secretariat Covid-19 Working Paper Series: The Impacts of Covid-19 on Ethnic Minority and Migrant Groups in Ireland	<b>2021</b>	11. Financing of Social Housing in Selected European Countries	<b>2014</b>
19. Economic Resilience in Sustainable Communities: Innovative Approaches in Public Spending to Maximise Local Benefits	<b>2021</b>	12. Reflections on Infrastructure Policy and Institutional Developments in the UK	<b>2017</b>
<b>NESC Secretariat Papers</b>		13. Land Value Capture and Urban Public Transport	<b>2018</b>
1. Ireland’s Economic Recovery: An Analysis and Exploration	<b>2011</b>	14. International Approaches to Land Use, Housing and Urban Development	<b>2018</b>
2. Understanding PISA and What it Tells us About Educational Standards in Ireland	<b>2012</b>	15. Cost-Benefit Analysis, Environment and Climate Change	<b>2018</b>
3. Towards a New Climate Change Policy	<b>2012</b>	16. Multistakeholder Agreements in Climate Governance and Energy Transition: The Dutch Energy Agreement	<b>2018</b>
4. Ireland and the Climate Change Challenge: Connecting ‘How Much’ with ‘How To’. Final Report of the NESC Secretariat	<b>2012</b>	17. The Framing of Climate Action in Ireland: Strategic Considerations	<b>2019</b>
5. Review of Developments in Banking and Finance	<b>2013</b>	18. Urban Structure, Spatial Planning and Climate Emissions	<b>2019</b>
6. Employment and Enterprise Policy	<b>2013</b>	19. The Transition to a Low- Carbon and More Digital Future: Supporting the Needs of Vulnerable Workers and Enterprises	<b>2020</b>
7. Greening the Economy: Challenges and Possibilities for Integrating Sustainability into Core Government Policy	<b>2013</b>	20. Approaches to Transition	<b>2020</b>
8. Activation Policy	<b>2012</b>	21. Shared Island Consultation: Climate and Biodiversity Challenges and Opportunities	<b>2021</b>

22. Community Call:  
Learning for the Future **2021**





