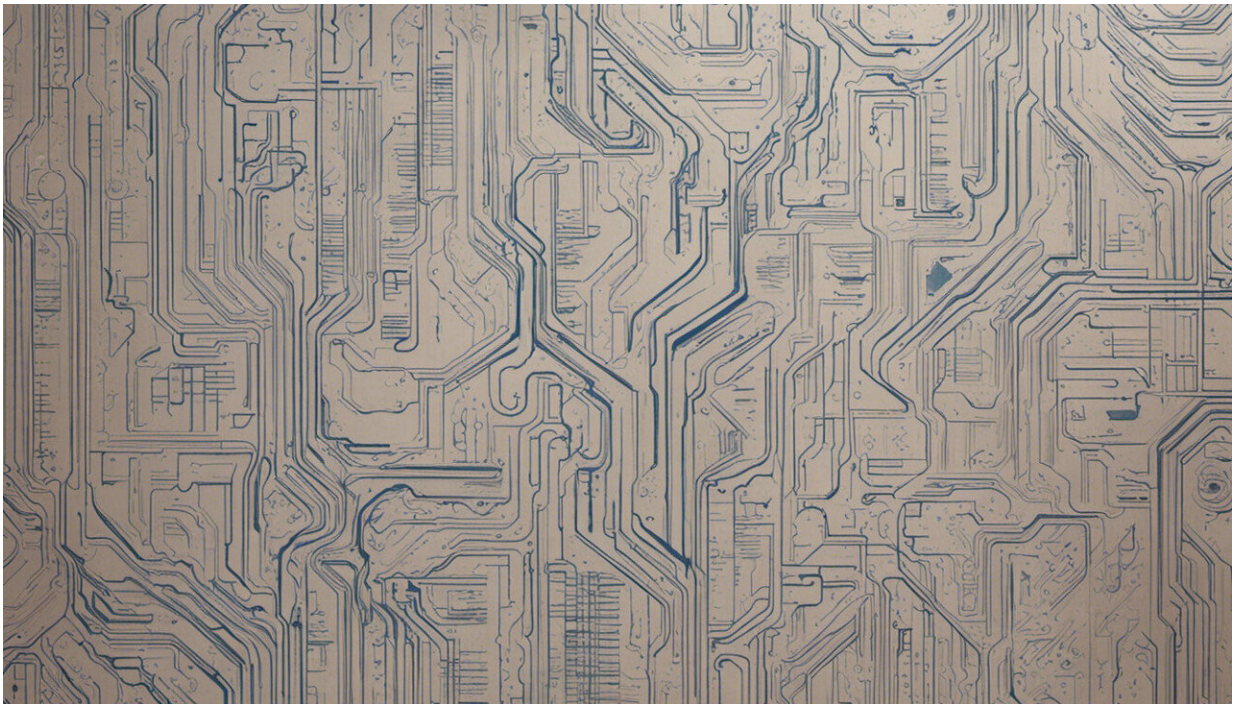


Community-based economic development is the key to a strong pandemic recovery

November 7 2022, by Audrey Jamal



Credit: AI-generated image ([disclaimer](#))

As we emerge from the pandemic, economic recovery is on everyone's minds. Cities around the world are grappling with the intersecting challenges of inflation, climate change and deep systemic inequities.

Throughout the pandemic, there were calls for change. People across all

sectors argued that we could not simply "go back" to how things were—we needed to take the lessons learned and begin to reshape our [communities](#).

While the staggering negative impacts of the pandemic should never be overlooked, there were moments of grace that emerged. We all became more aware and appreciative of public spaces. [Parks were full](#), libraries were never busier and streets were taken over by people and patios. There were [movements to shop and eat locally](#).

We all became increasingly aware of our need to be connected with one another and found creative ways to sustain our relationships. The pandemic reminded us that community is important, that people are important and that places are important. But community isn't just important for us socially. It's also important for our economy.

A community-centred approach

As we begin our slow [economic recovery](#), we need to bring the spirit of creative problem solving, local engagement and community [building](#) into our economic planning. [Traditional approaches to economic development](#) have focused on creating policies and programs to foster [economic growth](#) and job creation. This "smokestack chasing" approach prioritized relationships between businesses and governments, leaving communities vulnerable.

While municipal incentives to attract corporations into cities [still exist in economic development practice](#), emerging 21st century models of [economic development](#) have begun to consider the importance of improving the overall quality of life within communities.

The emergence of [community or local economic development](#) has added new voices into economic planning and policy making. With [community](#)

[leaders](#), nonprofit groups and local residents at the table, ideas begin to emerge from the bottom up and work to create more inclusive, equitable and sustainable solutions to social, environmental and economic issues.

A new approach to economic development

In the early 2000s, [community wealth building](#) emerged as a new approach to local economic development. With the goal of taking one-off approaches to local economic development and "supercharging" them, a community wealth building approach is concerned with keeping wealth in communities.

Community wealth building is a direct response to extractive policies that see wealth leaving communities and instead aims to build an economy on the principles of local ownership and control of assets.

The Democracy Collaborative, an American public policy think tank, offers a [five-pillar approach to building local economies](#). These pillars include progressive procurement, locally rooted finance, inclusive and democratic enterprise, fair work and the just use of land.

From [Scotland](#) to [Chicago](#) to [Toronto](#), places around the world are experimenting with this new model of economic development to "take back" their economies.

A community wealth building approach resonates with the perspectives advanced by economist Raghuram Rajan in his book, "[The Third Pillar](#)." He argues that is only by creating balance across the three pillars of society—businesses, governments and our communities—that we can build a more just and equitable society.

Building more resilient economies

Even before the pandemic, [small and mid-sized cities were struggling to build resilient economies](#) in Ontario. With a smaller tax base, fewer knowledge workers and competition from larger urban centres, smaller cities face a number of challenges when it comes to creating sustainable economies.

There are a number of emerging projects that my research team at the University of Guelph is beginning to explore. Our goal is to understand how community wealth building projects can be created and scaled in mid-sized cities.

In partnership with the [Centre for Social Innovation](#), we have launched a multi-city case study (Guelph, Kingston, London and Windsor) to explore how Ontario's mid-sized cities are transforming their economies through community-led initiatives.

For example, a [Community Benefits Coalition](#) began in Windsor-Essex, Ontario, in 2016 with the creation of a [community benefits agreement with the Windsor-Detroit Bridge Authority](#) in response to the new bridge project. The community believed its members should directly benefit from the building of the Gordie Howe International Bridge—a multi-billion dollar project.

The community benefits agreement has been a game-changer for Windsor-Essex. In addition to new jobs and training, a \$10 million fund was created to develop projects in Windsor-Essex that were designed by the community to mitigate the impacts of construction.

Through their experience over the last six years, the coalition has published a [community wealth report designed to help small and mid-sized cities](#) develop their own community benefits agreements around new infrastructure projects.

A new way forward

As communities across the world look to revitalize their economies, a community wealth building approach to local economic development can help point a new way forward as we begin to recover from the COVID-19 pandemic.

By scaling up and coordinating local economic [development](#) projects and expanding collaborations across the three pillars—businesses, governments and communities—we can rebuild an [economy](#) that prioritizes sustainability, resilience and equity.

A community wealth building approach includes more co-operatives and locally owned businesses, using the buying power of key institutions like hospitals, universities and municipalities to invest in communities, and preserving land for [affordable housing](#).

We need to build communities that put people first, and community [wealth](#) building offers a way for us to accomplish this.

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