Doing Economic Development Differently

The Design Principles
Many organizations have been doing economic development *differently*....

Expands upon *asset-based community development*

Rooting Opportunity Conference seeks to highlight *successes* and inspire

Stories demonstrate *similar principles* from different sources, using different names

Indicator that *our time is now* to change how country thinks about economic development
Goals of a Wealth Building Framework

#1 – Create wealth, broadly defined, and aspire to do no harm.

#2 – Root wealth in local people, places and firms through local ownership, control and influence.

#3 – Build lasting livelihoods by intentionally including people and firms on the economic margins.
How is wealth typically defined?

Wealth is not just money.

Wealth is the reservoir of all assets that can contribute to the well-being of people, places or economies.
Wealth Components: Eight Capitals

- **Intellectual**
  - Knowledge and innovation

- **Individual**
  - Skills, education, health

- **Social**
  - Trust and relationships

- **Natural**
  - Natural resources

- **Built**
  - Infrastructure

- **Political**
  - Influence on decision makers and shapers

- **Financial**
  - Savings and investment

- **Cultural**
  - Traditions, customs and ways of doing

All are required to grow and sustain a healthy economy!
#2: Ownership Makes Wealth Stick

**Capitals that are “owned” locally build wealth**

- Benefits – e.g., income, know-how, better technology – flowing from local ownership of capitals can be re-invested and re-circulated locally, enriching many.
- Local ownership increases the chances of preserving local jobs.
- Local ownership is the **anchor** that helps wealth stick.
- Local ownership allows **change** to stick.
#3: Build Lasting Livelihoods

“Lasting livelihoods” means...

- Ability to overcome vulnerability, maintain dignity and control, take risks to seize opportunities.

- People at the margins are earning (and saving!) more.

- They have improved skills to qualify for higher-paying jobs and to build their careers.

- They are putting something aside for the future, e.g., building assets, so they are more resilient.
Wealth Building Blocks

• Work is about **Systemic Change** – this is not project work!

• Focus on tackling **root causes** to really transform your regional economy

• Building **deep collaborations**
  – Planning
  – Implementation
  – Problem solving
  – Across private / public sectors.

• Identify **self-interest** of each collaborator

• Think **regionally** – wealth building opportunities may be **anchored in place** but bring new resources into community
Strategies to Sustain Wealth Building

• Start with **market demand**!
• Choose market opportunities with the greatest “wealth-building” **potential**
• Connecting community assets to real **market demand**
  – Start by serving local demand – it may be more flexible
  – Find regional customers / demand partners to bring initiative to scale
• Map process and partners from input to end customer (**value chain** is a great tool)
• Identify the **gaps** – create opportunities for new entrepreneurs
Wealth Building Value Chains

Value Chain Coordinator

Enabling Environment

Inputs/Production

Training / Processing

Distribution

Final Consumers

Market Information

Social Economic

Support Products/Services

Business Financing

Technology

Support Environment
The Intermediary / Coordinator

Value chains do not self-organize.

- Hold and steward the **vision and values** of the value chain
- Build **relationships** among and between partners in the value chain
- Guide activities and partnerships to build **multiple** forms of capital
- Ensure **low-income** people and places participate and benefit
- **Measurement** – developing clear measures early on. Focuses collaborating partners and strengthens impacts
Conclusion:

Economic development dollars need to flow equally to traditional economic development as to wealth building strategies as the ones highlighted here.....