Navigating the Rivers of Change
Utilizing Community and Economic Development

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Community Development

Community Development is about voice and empowerment and uses organizing strategies to achieve these outcomes. It tends to be issue-based.
Economic Development

Conventional economic development is about creating jobs by:

- Attracting businesses through tax breaks and incentives and sometimes
- Encouraging entrepreneurs and
- Strengthening existing businesses
Limitations

Neither one

- Takes a systems approach to development of communities and economies that explicitly connects economic, social and environmental conditions and opportunities

- Addresses the underlying dynamics of economic exploitation

- Captures the power of market connections and engages businesses as true development partners
A bridge between Community Development & Economic Development
What holds back Central App mills?

- The cost and complexity of certification

- Marketing is completely different for certified products

- The building projects are not in Central Appalachia

Opportunity! Connect buyers and suppliers!
CAN’s Local Food System Impacts Over 5 Years

- 96 to 286 producers involved in value chains
- $1.79 to $6.43 million in revenue from wholesale
- 2,178 to 4,953 acres of farmland (over half certified organic or chemical free)
- $1.48 to $2.77 million in total annual value chain investments (35% internal in 2012)
- In 2012, over 650 employment positions involved in production alone, including over 390 full-time, year-round jobs
Commonalities

• 1. Guiding Principles
• 2. Intention to Build 8 Forms of Wealth
• 3. Use Wealth Creating Value Chains
• 4. Have Designated Coordinator Organizations
1. Guiding Principles

1. **Demand Driven. Lead with demand** and incorporate the power of market relationships for social change.

2. **Inclusive.** Intentionally connect people and places that have been economically marginalized with mainstream economic opportunity.

3. **Multi-solving.** Design for the present and the future by building and maintaining multiple forms of wealth while doing no harm.
Guiding Principles (2)

4. **Place-based.** Tie regional wealth to place through place-based ownership and control

5. **Focus on systems change.** Achieve scale through **retooling systems of consumption, production, investment, regulation and incentives** using innovative and responsive approaches and technologies to achieve scale

6. **Iterative and adaptable.** Be **strategically flexible** in application, adapts to unique place-based opportunities, and requires measurement to support continuous learning and ongoing adaptation
What is Wealth?

Wealth is not just money.

Wealth is the stock of all assets that can contribute to the well-being of people, places or economies.
Eight Forms of Capital = Wealth

- Intellectual: Knowledge and innovation
- Individual: Skills and mental and physical health
- Social: Trust and relationships
- Natural: Natural resources
- Built: Infrastructure
- Political: Political influence
- Financial: Investment and savings
- Cultural: Traditions, customs and ways of doing
A wealth creating value chain is:

A set of relationships among people and businesses whose skills and contributions are essential to produce goods and services valued by buyers.

Based on self-interest and shared-interest

Its measure of success is not only financial profit but improved stocks of community wealth.
A wealth creating Value Chain...

- Brings buyers, processors, producers and other transactional partners together for mutual benefit to create value in response to market demand.

- Includes direct engagement by supporting players who may not be direct transactional partners – educators, researchers, technical assistance providers, financers, policy-makers, etc. - but who are critical to creating and maintaining wealth that sticks with poor people and their communities.
A Wealth Creating Value Chain...(2)

• Connects directly with demand partners that have their fingers on the pulse of changing consumer preferences.

• Connects directly with investors and creates dialogue among and between investors and connects regional wealth with regional opportunity.

• Identifies beneficiaries by asking who will benefit if this value chain succeeds at scale?
The Role of Value Chain Coordinators

The **Coordinator** facilitates communication and collaboration between the partners, brings in new partners, and maintains the larger wealth building objectives of the initiative.

Coordination can come from nonprofits, for profits or government or a collaboration. To be effective, the coordinating function is best shared among a team in which some focus on transactional and supporting functions and others on demand but they remain in very close touch. All need to hold the big picture.
Intersecting Deficits

- Housing Deficiencies
- Skills Gap
- Lack of Affordable Child Care
- Increase in Drug Addictions
- Limited Transportation Options
- Poverty
- Lack of Financial Aid for Skills Education
- Low Paying Jobs
- Limited Paying Jobs
Intersecting Assets

www.wealthworks.org
www.yellowwood.org