Economic Inclusion and Social Mobility through Community-Owned Enterprises

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What is Community Wealth Building?

- If inequality is a structural issue, then focusing on building *individual* or *family* wealth will not be enough → focus on ‘community wealth’ instead.
- CWB is a place-based approach to economic development that transforms local economies based on communities having direct ownership and control of key assets (land, property, businesses).
- You can see it as 'communitisation'— the transfer of private or public control to a local or user community for self-management (in contrast to 'nationalisation' or 'privatisation')

Scottish Community Wealth Building Act 2026

Enacted on 25 March 2026 to reduce wealth inequality, and support sustainable and inclusive economic growth.

How?

- Public procurement from local and community enterprise
- Facilitating community ownership (e.g. of unused buildings)
- Supporting employee-owned businesses, cooperatives and social enterprises.

→ Local authority must prepare a community wealth building action plan.

Democratic Enterprises and Inequality

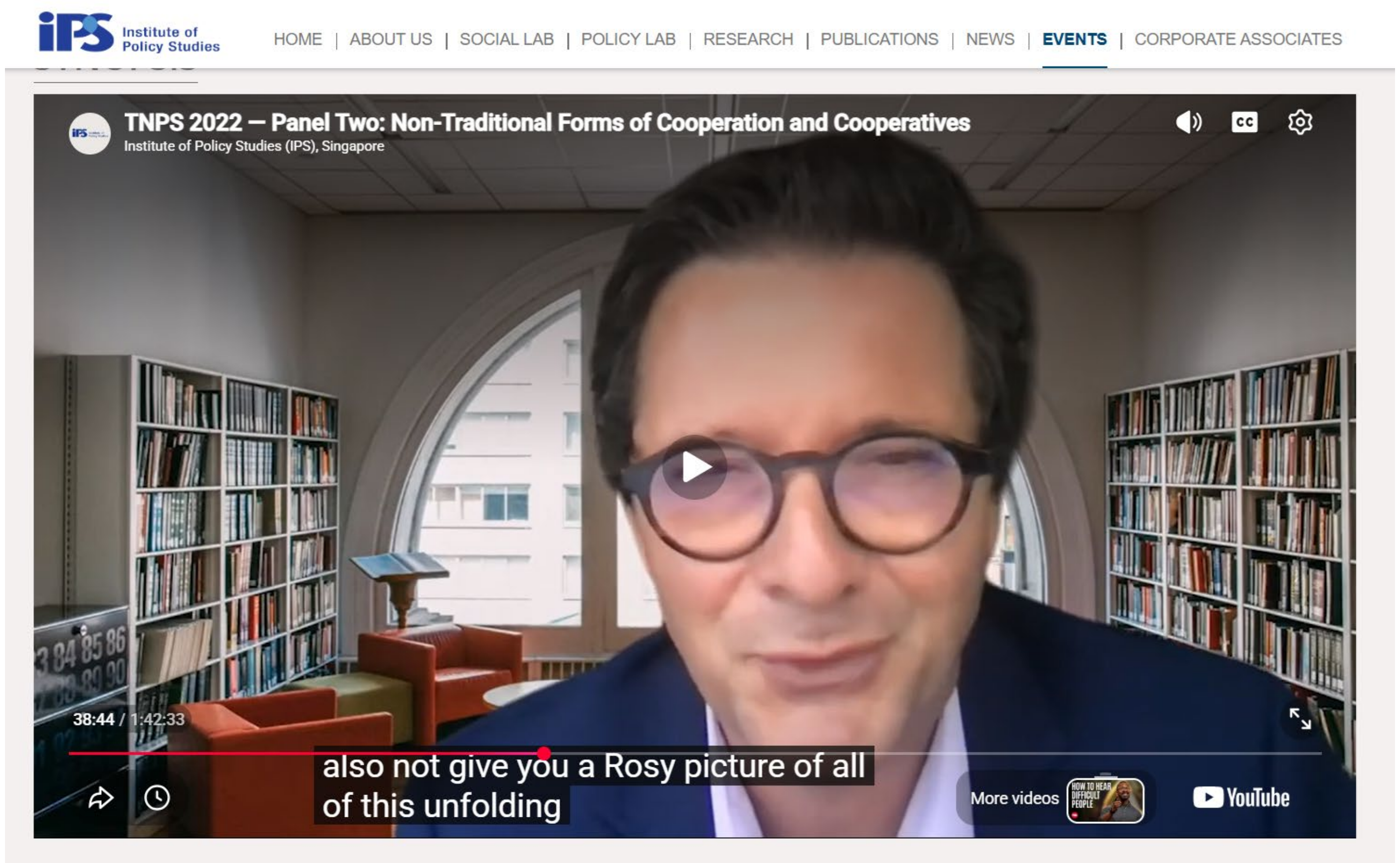
- Worker-owners in employee-owned companies had 33% higher median wages and 92% higher median net household wealth compared to peers in conventional firms. (Study by National Center for Employee Ownership in 2017)
- Ratio between the highest-paid and the lowest-paid employee is lower in the largest cooperatives (3-9 times more) compared to the typical CEO who earns 200 or 300 times more.
- During downturns, conventional firms typically lay off workers to preserve profit margins for shareholders but democratic enterprises are more likely to collectively decide to temporarily reduce hours or adjust wages.

Democratic Enterprises and Social Mobility

- **Ownership Pathway for Underserved Populations**: Structured pathways for low-wage workers to gain executive management experience and become worker-owners.
- **Job Rotation and Multi-Skilling**: Experiencing multiple roles within the company helps workers acquire cross-functional technical capabilities and end-to-end operations.
- **Governance and Leadership Training**: Worker-owners sit on boards, evaluate financial statements, and vote on strategic business decisions.

Workplace Democracy more pertinent than Political Democracy?

Trebor Scholz - while political democracy is celebrated in modern liberal societies, economic and workplace democracy have been neglected. For a democracy to be meaningful, democracy's rules of engagement must apply not just at the ballot box every few years, but every day on the job.



Legal Form does not guarantee anything

- **Social purpose or profit for members?**: Member-owned businesses can still prioritize profit over people or planet.

- **Democratically managed or power centralised in small group?**: Cooperatives are one member one vote, but effectively the Committee of Management is a small group making decisions on behalf of others.

Types of businesses with transformative potential

Cooperatives are certainly well-placed to engage in community building and participate in transformative change, but certain ingredients need to be in place. Some we have identified:

- Worker-owned cooperatives (alt to investor-led firms)
- Platform cooperatives (alt to platform capitalism)
- Community-owned Enterprises (placed-based, unlike typical social enterprises)
- Social Care Co-ops (alt or complementary to SSAs)

Worker-owned cooperatives

- Many examples in low-wage sector: cleaning, home-care, laundry, F&B.

- One we visited that left a lasting impression: **Baltimore's Appalachian Field Services**. Worker-owners were people-in-recovery who learned carpentry and did construction work. Literally building the homes some of them will then go on to live in. They were refurbishing homes and regenerating impoverished neighbourhoods one property at a time.

Appalachian Field Services

Worker-owned cooperatives

- **Investor-Led**: Voting power is directly proportional to capital ownership. Board seats and executive oversight are controlled by external equity investors or shareholders holding the largest financial stakes. The overarching legal and operational mandate is the maximization of shareholder value and returns on equity capital.
- **Labor-Led**: Economic democracy ("one member, one vote") regardless of how much capital an individual has contributed. Worker-owners elect the board of directors, approve major strategic policies, and hold ultimate authority over management. The primary objective is serving member needs, providing sustainable, dignified employment, and generating broad-based local wealth.

Member-Owned Bank

- “Non-speculative finance”
- No big owners that demand profit.
- Members have the same share of bank.
- Not to make money but make loans.
- “People who have a lot of money transfer money the wrong way, those who have a lot of money can get more money just because they have money, others have to take out a loan to buy a house.”

Platform cooperatives

- **Fairbnb.coop (Europe):** A vacation and short-term home rental platform where 50% of the platform's booking fee is automatically redirected into local community projects chosen by residents to mitigate urban gentrification.
- **The Drivers Cooperative (New York, USA):** A driver-owned ride-hailing service where drivers retain 85% to 90% of each fare (compared to 60%–70% on corporate platforms) and hold direct voting rights on enterprise governance.

What if there were platforms for gig work like cleaning, caregiving, creative work where freelancers have the option to co-own the platform?

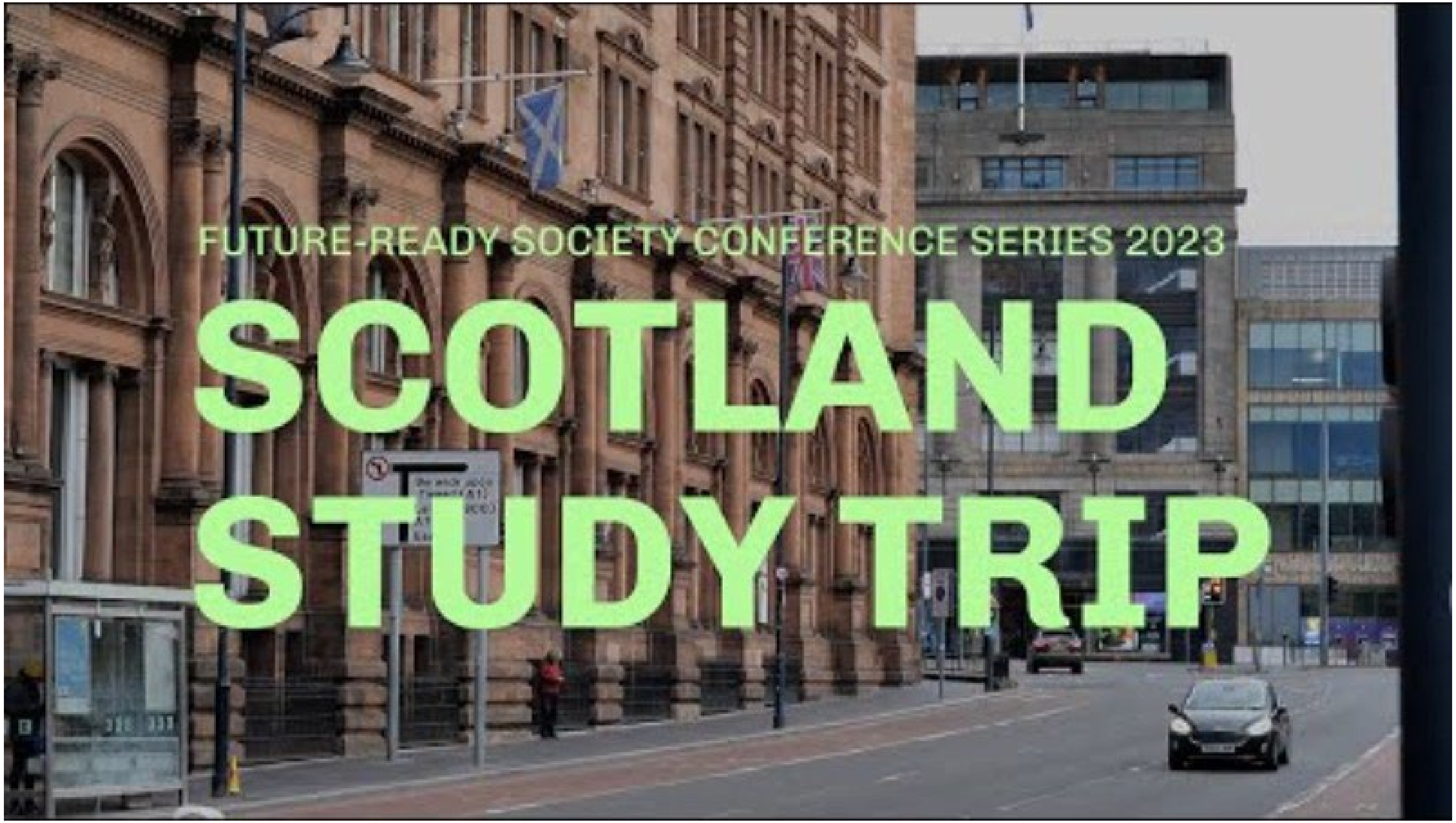

Drivers
co-op
Colorado
CBS NEWS
COLORADO

Community-Owned Enterprises

Community-Owned Enterprise in Action: Southwest Arts and Music Project (SWAMP)
"A place where people want to be, not where they have to be"

Glasgow's SWAMP engages in youth work through creative media. They operate a music recording room and an arts room in a refurbished government building. Their community centre also runs a food bank, thrift shop and woodwork shed. People can rent spaces for dance, exercise or meditation, and a cafe plays live music every Friday. They ensure that their tenant mix includes non-commercial or charity tenants so that families are not turned away because they cannot afford to attend a dance class or other activities.

‘Communitisation’ – Community Asset Transfers



Social Care Coop

Equal Care UK

A **multistakeholder** caregiving **platform** cooperative that uses **democratic decision-making** (through consent, not voting), and funded by **community-sourced financing** so recipients can co-produce and access affordable, personalised and dignified care through local **self-managing care teams**.

Is this a viable alternative or complement to the Social Service Agency?

Multi stakeholder caregiving coop

- **Care recipients**: seniors, people with disabilities receiving care and support.
- **Advocate members**: family, friends, or designated representatives of the care recipients. (This acknowledges the vital, often unpaid role that family networks play in the social care ecosystem).
- **Care providers**: Home nurses, home help etc.
  - Independent (self-employed) care workers,
  - Directly employed staff,
  - Community volunteers who gift their time. They hold the same voting rights regardless of their employment status.
- **Investor members**: those who financially back the cooperative. But limited to 10% of overall vote share.

Traits of Transformative Community-Owned Businesses

- **Multi-Stakeholder Governance**: Traditional co-ops often restrict membership to a single class (e.g., only workers or only consumers). Transformative models (like French SCICs or Italian Social Cooperatives) incorporate multiple membership classes—workers, local residents, municipal representatives, and ecological stewards—preventing the co-op from prioritizing one narrow group's financial interest over the wider community.
- **Asset Lock and Non-Distribution Constraints**: To prevent workers or investors from treating the co-op as a vehicle for private equity extraction, legal frameworks enforce an asset lock. Dividends paid out to individual members are strictly capped or banned. If the cooperative dissolves, its remaining capital cannot be distributed to members; it must be transferred by law to another cooperative or community fund.
- **Commons vs Collective Ownership**: Instead of focused only on member's interests, on public good.

A Metaphor

Premier League

CHAMPIONSHIP

EFL

We need to create an economic ‘league’ designed for inclusion

- Employment support measures - like giving training to individual players who have moderate skills and hoping a Premier League Club will take them – maybe most of them won’t get to play at all.
- Instead, we could consider creating a league where skilled-enough players could join less competitive teams and play with others on par with themselves; and they can secure their own fan bases willing to support.
- In the same way, we can build a substrate **social economy** designed for inclusion, reciprocity, mutuality and cooperation.

Implications

- We need to design economic activity that is subservient to local needs, to see if it will grow to an *appropriate* size, i.e. enough to serve community needs, but not to the extent that it exploits people or planet.

- Instead of corporates making money, state redistributes and third sector spend it, community itself can be site of serious economic activity; and businesses can produce well-being from the get-go.

More concretely, what can we do?

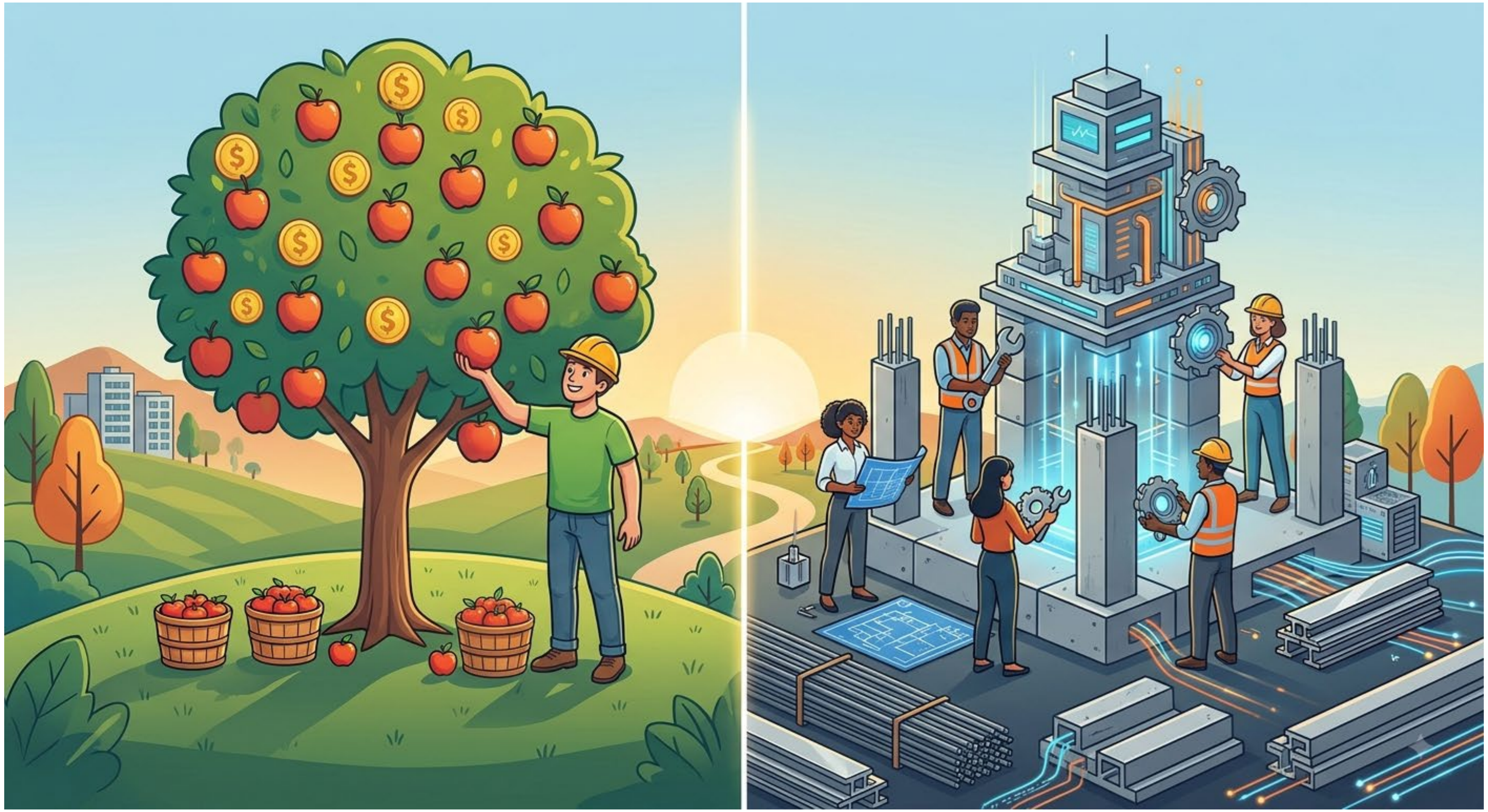
- An inclusive business incubator / venture builder that focuses on creating collectively-owned enterprises that builds community wealth (instead of personal, family or corporate wealth).
- Focus on hyperlocal community-owned enterprises in the heartlands: owned by residents in a locality, hires fellow locals and serves locals.
- Will also support collectively-owned, multi-stakeholder businesses with transformative potential e.g. a platform cooperative, social care cooperative etc.

It is the hardest thing

1. Starting a business is already hard for the well-resourced and talented; much less for community groups that might **include disadvantaged** people.
2. We want to focus on **Social Purpose Businesses** that are good for people and planet; not just any business that can make money.
3. We want people to **do it together with others**, make collective decisions with many others; even though some people may not get along, or want to be part of a group.

But that is our intentional strategy

Low-hanging Fruit vs All-at-Once or Not at All



Collective Intelligence in the Age of AI

In the age of AI, the new superpower may well be the ability to facilitate democratic participation and collective decision-making, leveraging on the diverse strengths but also sensibly balancing the different interests of all groups in society.

Please join us!