GUEST COLUMN

Community wealth can be delivered

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'Community wealth building' is increasingly viewed as a policy idea whose time has come as a way of achieving a fairer, greener Scotland.

In the Scottish Government, Tom Arthur MSP has community wealth alongside public finance and planning in his ministerial job title. Community wealth building projects are under way in Ayrshire, Clackmannanshire, the Western Isles, the south of Scotland, Glasgow City Region and in relation to the Tay Cities Deal.

There's also a government commitment to introduce a Community Wealth Building Bill in the current session of parliament.

The idea of community wealth building was first developed by the Democracy Collaborative in the United States and subsequently championed in the UK by the Centre for Local Economic Strategies. The latter describes it as "a new people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people".

In turn, that 'people-centred approach' to local economic development is underpinned by five core principles.

They include: shared ownership of the local economy, by supporting and growing business models (including locally owned and social enterprises) that generate wealth for local communities; progressive procurement that develops local supply chains supporting local employment; fair employment and just labour markets, using 'anchor institutions' to improve local peoples' prospects; making financial power work for local places by increasing flows of investment within local economies; and ensuring socially just use of land and property, by developing the functions and ownership of local assets held by anchor organisations to enable local communities to benefit from financial and social gain.

Against that background, it's easy to see the progressive appeal of community wealth building as an antidote to the highly extractive nature of conventional economic development models and the resulting inequalities in wealth distribution.

By that measure, the Organisation for Economic Co-operation and Development estimates the UK to be the fifth most inequitable country in the world, with 44 per cent of the wealth owned by just 10 per cent of the population.

In Scotland, much of that wealth inequality is embedded in and symbolised by the nation's unusually concentrated pattern of rural land ownership, 67 per cent of which is said to be owned by 0.025 per cent of the population.

It doesn't take a quantum leap of policy imagination to spot the close links between Scotland's community wealth building and land reform agendas.

As the Centre for Local Economic Strategies notes, "land ownership matters because it is an expression of economic and political power".

In some instances, concentrated large-scale land ownership has the potential to tip over into an expression of negative monopoly economic power, corroding the social fabric and resilience of local communities.

Consider the Scottish Land Commission's 2019 report on issues associated with large-scale and concentrated land ownership in Scotland, which notes "fear of going against the landowner" expressed by some research respondents.

The report states that "this fear was rooted firmly in the concentration of power in some communities and the perceived ability of landowners to inflict consequences such as eviction or blacklisting for employment/contracts on residents, should they so wish".

It's a glimpse through the looking glass into some people's lived experience of concentrated land ownership that's about as far removed from the idea of community wealth building as it's possible to get.

That is not to suggest that all large-scale private landowners behave in such an economically and socially damaging manner.

There will be some who argue that they make important contributions to the local economy through the provision of employment and affordable local housing, for example.

That may well be the case.

However, it misses the crucial point that concentration of rural land ownership in the hands of only a few people is a structural problem when it results in the extraction of wealth from local communities that is both to their detriment and that of the wider public interest.

That's why diversifying Scotland's concentrated pattern of rural land ownership has been a well-established public policy objective for several decades.

In the midst of the climate emergency, the extractive nature of that pattern of ownership, together with its capacity to undermine the scope to build community wealth, is perhaps best illustrated by Scotland's largely unregulated land market.

A market in which aspiring and existing 'green lairds' are given free rein to capitalise on the financial returns associated with the transition to a net zero carbon economy without necessarily troubling themselves to consider local community benefits.

Amongst its many novel features, community wealth building emphasises the key strategic role of mainly public sector institutions such as local authorities and the NHS as 'anchor organisations' through which to put the idea's core principles into practice.

Increasing the scope for community trusts to act as local anchor organisations through ownership of land and other assets urgently needs to form a central part of community wealth building too.

That requires some lateral policy thinking to join the dots between the evolving community wealth building and land reform agendas, as they relate to the Scottish Government's legislative and other policy commitments due to be rolled out during the current session of parliament.

Aside from the promised Community Wealth Building Bill, these commitments include a new Human Rights Bill incorporating five UN Treaties, including economic, social and cultural rights for everyone and the right to a healthy environment, into Scots law.

The bill therefore has potentially important implications for how individual property rights are interpreted within a land reform context.

A new Land Reform Bill, containing a Public Interest Test to be applied to large-scale land transfers, is scheduled to be introduced by the end of 2023. There is also a commitment to review the Community Empowerment (Scotland) Act 2015.

That act matters because it introduced the Community Right to Buy Abandoned, Neglected or Detrimental Land and asset transfer provisions to enable community bodies to request to take control of land and built assets from Scottish public authorities.

The Land Rights and Responsibilities Statement, introduced within the Land Reform (Scotland) Act 2016, is also being reviewed by the Scottish Government.

Depending on the findings from that review, there may be scope to modify its underpinning principles to help ensure both a just transition to net zero carbon emissions and community wealth building in practice.

The government has also committed to increasing the annual budget of the Scottish Land Fund, which provides financial support towards the purchase costs of community buyouts of land and built assets, from £10 million to £20 million by the end of the current parliamentary session.

The sequencing of these various commitments is important for them to have maximum policy impact within a crowded legislative timetable.

Ideally, the Human Rights Bill should precede the Land Reform Bill because of its implications for what the Public Interest Test contained in the latter Bill might entail.

It would also be sensible to conclude the review of the Community Empowerment (Scotland) Act 2015 before the Land Reform Bill is introduced, to enable any necessary amendments to existing community right to buy and community asset transfer provisions to be included in the new Land Reform Act.

These myriad commitments undoubtedly contain substantial technical and political challenges for government and parliament to navigate if they are to play a full part in building community wealth.

Several commitments, most obviously a public interest test on large-scale land transfers, will be vehemently opposed by vested landed interests who need no reminding that land ownership is both economic and political power.

Aside from the above, a unique opportunity to tangibly demonstrate its commitment to both community wealth building and land reform will shortly be within the Scottish Government's grasp.

As reported on the front page of this newspaper in August, Community Land Scotland has written to the First Minister, Nicola Sturgeon, urging that at least £100 million of the projected £860 million of revenue soon to be generated through the first round of Crown Estate Scotland's 'Scotwind' seabed leasing programme for new offshore renewable wind energy sites be used to establish a Community Wealth Fund.

Carefully crafted, and in tandem with the existing policy commitments described above, the proposed fund would be a step-change in helping communities throughout Scotland to turn the core principles of community wealth building into positive and sustainable impacts on their everyday lives.

Isn't that what politics is supposed to be for?

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