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Commons Network is a think tank and collaboratory for the new economy and society. We bring together people and ideas and provide tools and insights for social movements, governments and civil society. In our Transition Collaboratories we explore new models for economy and society in order to collectively transform the system and shape a caring and just future. In our Community Economy Transition Collaboratory we develop ideas with partners, build bridges between research, society and policy, and work together towards a sustainable economic transition.

MeentCoop is a coalition of civil society organisations jointly driving the community economy in Amsterdam. Together we have set the goal of having 35% of Amsterdam's economy in community hands by 2035. To achieve that goal, MeentCoop supports initiatives that are democratic, local and socially engaged. We do so as a platform and incubator for the community economy by sharing knowledge, funding and network as well as by actively shaping and pushing for more public-civic partnerships. For more information, check out meent.coop

The community economy

Picture this: New houses in the city are largely built with the help of local worker cooperatives. Thirty per cent of Amsterdam residents live in housing cooperatives where rent is affordable and stable. Energy cooperatives supply most of the city's energy. The bookshop on the corner is not ousted by online platforms, but is flourishing and run cooperatively by local residents. Cars or tools are shared through an app, which anyone can become an owner and user of. The neighbourhood cooperative runs the community centre where you can drink coffee for a euro and hospital meals are bought from the local catering cooperative. Value circulates locally and stays within the community.

To get here, it is vital that we start to think differently about the economy and our role in it. It requires the realisation that we have a grip on how we shape our economy, how we care for each other and how we govern our environment.

The word 'economy' derives from the Greek 'oikos', meaning 'habitat', and from 'nomy', which derives from 'nomos', meaning 'management' or 'stewardship'.

It was long believed that if companies were given enough space, their profits and wealth would automatically trickle down to everyone. However, the opposite appears to be true. Our current economy puts profits over people, which increases inequalities and reduces liveability. Big companies with money are given more and more space and with it, more and more power. They become dominant players and crowd out local shops and businesses. As a result, cosy neighbourhood



bookstores are being replaced by Amazon, and neighbourhood cafes have given way to chains like Starbucks. While local residents contribute to these businesses by working for or buying from them, they see little return from the success. The value they help create largely flows away from the community.

The question that arises is: how do we make the economy work for everyone, not just the few? An important part of the answer to that is building the community economy.

What is the community economy?

The community economy is an economy that serves the community. The success of the economy is no longer measured by gross national product but by our well-being and overall welfare. Economic and social value are not extracted but remain with the community.

In short: it's an economy with people, the community and the planet at its core.^{1,2}

In a community economy, pre-distribution is central. This means that collaboration, care and fair distribution are part of the economic system from the beginning and not regulated afterwards (through taxes and subsidies).

In other words, the government does not try to reduce inequality through redistribution, but gives space to the community economy which itself provides a fairer distribution with consideration for people and the community.

This is done by:

- Local anchoring and adding value to the local environment
- Shared ownership
- Self-directed, inclusive decision-making



1. Local anchoring and adding value to the local environment

Initiatives and cooperatives linked to the local community often make more socially and environmentally responsible choices that contribute to the neighbourhood. They have a long-term view and strive not only for profit, but for broad social value. Think of energy communities, neighbourhood, food, housing or healthcare cooperatives.

Organisations in the community economy are not extractive (value is not skimmed off by any shareholders elsewhere) but rather add value to the context they are part of. Any profits or surpluses are reinvested in local initiatives, so that the value created directly benefits the neighbourhood and its residents.

In addition, the community economy allows for value that cannot be expressed in monetary terms. Creating value means not only financial profit, but also added social value. Think of bartering services, care networks or community projects such as a neighbourhood garden.

By jointly managing what happens in the neighbourhood, residents can ensure that the value they create together actually stays within the community.



2. Shared ownership

Ownership of an organisation, project assignment or, for example, land are not in the hands of just a few shareholders, but is shared by the community or employees. For instance, community residents or employees that are part of a (neighbourhood) cooperative are often co-owners and share governance and control. Among other things, this ensures active involvement, commitment, a shared sense of responsibility, equality and strong collaboration amongst cooperative members.

3. Self-directed, inclusive decision-making

In the community economy, decision-making within an organisation is participatory and inclusive. This means that everyone affected by a decision has a voice in the process. There are different methods to do this, for example through a democratic, sociocratic or holacratic models. Which method is used depends on what is appropriate for the group of people, the neighbourhood and the purpose of the organisation.

This self-directed way of working and joint decision-making, fuels the cooperative and social nature of people, rather than the individual and competitive side that is often emphasised today.

1 The community economy does not so much refer to specific economic entities. Rather, it refers to a plural practice of collectivity in which people make decisions together. It is a practice where solidarity, community, and justice play a central role, and where profit and growth are not the main focus.

Peeters, J. (2019). Economy in the plural. Part II – Community Economy. *Oikos: Journal for Socio-Ecological Change*, (91), 4–19.
Gibson-Graham, J. K., & Roelvink, G. (2016). Social innovation for community economies. In *Social Innovation and Territorial Development* (pp. 25–38). Routledge.

2 The community economy closely aligns with the concept of the social economy as defined by the European Commission. The social economy includes entities that share the following core principles and characteristics: the primacy of people and a social and/or ecological objective over profit, the reinvestment of most profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest"), and a democratic and/or participatory form of governance. The community economy adds the additional pillar of local rootedness to this framework.

Social Economy Action Plan (2024, September 19). Employment, Social Affairs and Inclusion. <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

How does the community economy work in practice?

The community economy is democratic and belongs to all of us. Some examples of the community economy are:

- Energy communities or energy cooperatives; food cooperatives; housing cooperatives, healthcare cooperatives; platform cooperatives, etc.
- Democratically managed enterprises such as worker cooperatives
- Neighbourhood currencies (which ensure that money is spent locally)
- Sharing platforms (such as car or tool sharing)
- Community land trusts or Community Supported Agricultures (CSA's)
- Neighbourhood gardens; joint solidarity funds (for freelancers)
- Collective management of data and software (so that data is not used to make money but is owned by citizens) – for example a digital platform cooperative

Thus, in the community economy, both control and ownership are shifting from large corporations to communities. Residents are actively involved in the organisation of their neighbourhood. They can, for example, set up a housing cooperative together to guarantee affordable rent or set up a collective enterprise that performs a public task (such as public green space management).

Governments are increasingly cooperating with communities (through public-civic partnerships). The municipality no longer awards green space maintenance through a tender to a big company from outside the city that does it with flex workers from a temporary employment agency, that doesn't take into account the worker nor the local context. Instead, the municipality works with a local cooperative, which maintains biodiversity as much as possible, letting flowers grow. Public money is spent locally and does not drift away from the neighbourhood.

Afrikaanderwijk Cooperative in Rotterdam-South provides services such as catering, cleaning, transport and textile production. Het Gemaal, their home base in the neighbourhood, is managed by the cooperative and all work is carried out by neighbourhood residents. It has grown into a network of cooperatives that strengthen each other and make the neighbourhood more financially flourishing, prosperous and self-reliant.

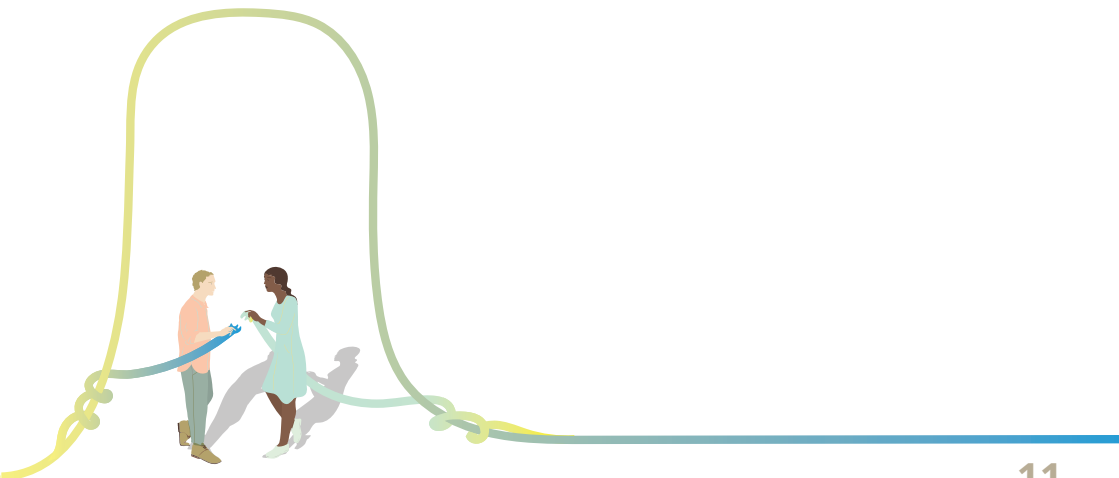
At housing cooperative De Nieuwe Meent (dNM), a group of Amsterdam residents have joined forces to create the most inclusive and sustainable housing community possible. With the clear slogan 'Houses are for living, not for profit', they are getting closer and closer to their goal after a long process of fundraising, ground lease arrangement, and negotiations with the municipality. dNM is shifting the perspective from a house as an investment to a place to live and as a safe place where caring is a matter of course. Cooperative members also want to actively add value to the neighbourhood.

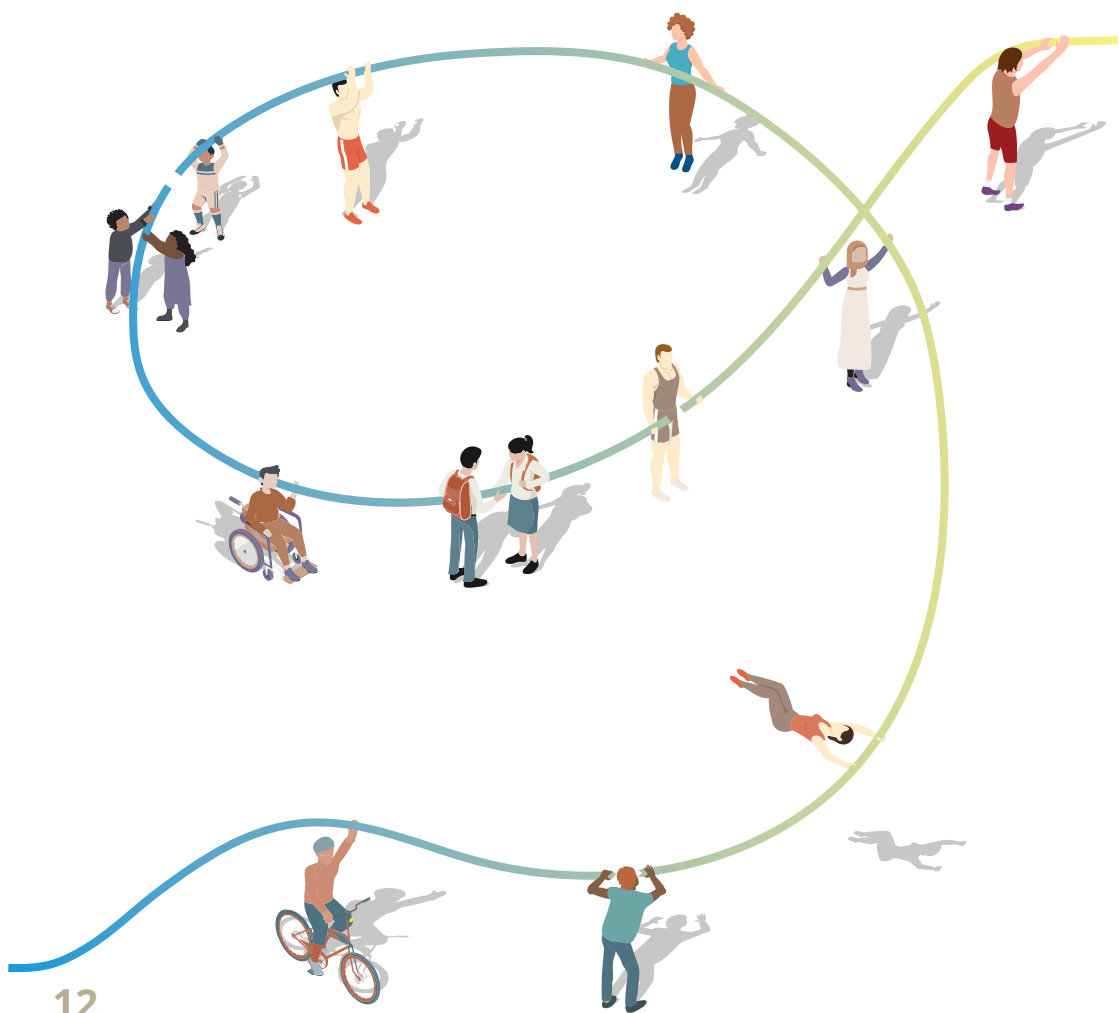
How do we build the community economy?

Strengthening the community economy requires us to think differently about the economy and our role in it. This applies both to local residents, taking matters into their own hands, and to governments creating space in policies and practice. By doing so, we can shape the economy differently together and collectively build a more social, just and sustainable economy.

In the following explainers, we will elaborate on how this is already being done and what further steps we can take.

What is the role of government, for example, and how can better public-civic partnerships ensure a more locally rooted economy? How can democratically organised cooperatives or enterprises ensure more control and shared ownership in the neighbourhood? What exactly is a neighbourhood or worker cooperative? And what role do digital platforms and infrastructures play in the community economy?







What if the economy focused on the well-being of our communities instead of endless growth? In this explainer series, we describe how the community economy functions.