

## **Working Definitions of Key Economic Terms in Community Cultural and Economic Development**

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*Since 2013, the grassroots media center Appalshop has partnered with the Economic Empowerment and Global Learning Program (EEGLP) at Lafayette College, with major support from Imagining America: Artists and Scholars in Public Life. Faculty and students working with EEGLP have worked for fifteen years with high-poverty communities in different parts of the world to create sustainable, just economies. Artists, organizers, and media makers at Appalshop have worked for forty-seven years to create opportunities for cultural development in the central Appalachian coalfields. Together, Appalshop and EEGLP have spent the past three years developing a method of community cultural and economic development. Below is a list of key economic terms emerging from this collaboration, along with working definitions.*

**Agency** is an individual's and a community's capacity to imagine and create a reality different from the one that currently exists. Amartya Sen calls it the freedom "to do and achieve in pursuit of whatever goals or values [an individual or community] regards as important." Agency is inextricably linked to **voice**—an individual's and a community's capacity to speak for oneself, to express and communicate its goals and values—and **ownership**—an individual's and a community's capacity to control the value and wealth one creates.

**Anchor institutions** are institutions, deeply rooted in a community, which can mobilize and make actionable the collective will of disparate stakeholders within that community. Anchor institutions are the central organizing hubs of community cultural and economic development efforts.

**Assets** are everything a community or organization has, both physical and cultural, which has the potential to create value and community wealth. Types of assets include:

- **Known/tangible assets**, which are already actively creating value and community wealth,
- **Latent assets**, which are not yet creating value and community wealth, and must be activated, and
- **Foundational assets**, which undergird other assets, and are often deeply held cultural values.

**Asset mapping** is the process of recognizing and ordering a community's assets, in order to better understand, cluster, and activate synthetic and synergistic opportunities and create new value and community wealth. (The opposite of asset mapping is **liability mapping**, which seeks to discover a community's important liabilities.) In its cultural dimensions, asset mapping reflects Alan Lomax's assertion that every community's culture has "inherent genius." The process of asset mapping seeks to discover:

- What's working in the community? What **known/tangible assets** does the community have that makes it thrive, that makes people want to live and be and stay there? Where is its value and wealth?
- What's not working yet, but could be? What **foundational** and **latent assets** does the community have that, if it can be bundled and clustered to create new kinds of synergies, will create new and increased value?

**Assetizing**, or **commoditizing**, is the process of turning a latent asset into a known/tangible asset, which is actively producing value and community wealth.

**Bounded imagination**, or **resigned preferences**, is the condition in which an individual, a community, or an organization lacks or fails to exercise sufficient agency to pursue the full range of possibilities for the creation of value and wealth. Development begun from a condition of bounded imagination/resigned preferences tends to be **imposed** and **extractive**, elevating market value above other kinds of values and maintaining a culture of voicelessness. A critical first step in community cultural and economic development is to unbound the imagination and un-resign the preferences of a community, through artistic and/or other creative processes.

**Bridge funding**—see **funding**.

**Capitalism** is an economic system in which certain people and groups (capitalists) invest value into the means of production (capital) with the aim of getting more value out than they put in, and others (workers) produce value for the capitalists in return for wages. Community cultural and economic development makes distinctions among various kinds of capitalism, including:

- **Corporate capitalism**, based in the concentration of economic and political power in the hands of large corporations, which create wealth by extracting value from workers and natural resources;
- **Entrepreneurial capitalism**, a form of capitalism at the center of community cultural and economic development, based in the proliferation of small- and mid-size grassroots corporations (for- and nonprofit) that generate **community wealth** as well as wealth for the owners; and
- **Social enterprise**, or **conscious capitalism**, the premise on which entrepreneurial capitalism is built: that corporations, by being more intentionally civic-minded, can improve their long-term profitability.

**Commoditizing**—see **assetizing**.

**Community** describes a group of people that understand themselves as a collective and acts as a whole. Through this collective whole, the individuals involved empower each other's aspirations and communicate and collaborate to further those aspirations together.

**Community organizing** describes the process of bringing people together to act on their common interests, to build a base of people and money organized around common concerns and aspirations, and to enable community members to act in concert.

**Community wealth** is the value (monetary and otherwise) that is collectively created through community cultural and economic development work, and owned by the community that creates it. An ethos of community wealth is what separates democratic, inclusive, sustainable development from extractive development.

**Conflict theory of change** refers to an understanding of development in which the status quo is itself the major problem, and change comes from building power to challenge that status quo. This, as opposed to **functionalist theory**, in which the status quo is accepted as a given (at least for the moment), and change comes from finding ways to work within that status quo. Community cultural and economic development efforts often exist in tension between conflict- and functionalist-based efforts toward change.

**Conscious capitalism**—see **capitalism**.

**Consilience** is when the paths of multiple entities coincide for an ongoing, continuous length of time—as opposed to an **intersection**, where they cross only at a single point and never again. (For consilience to occur, the paths cannot proceed in straight lines; at least one needs to bend.) Value creation in community cultural and economic development depends on finding consilience among people, groups, and institutions within a community, not mere points of intersection.

**Constitutive weightlessness** is EEGLP’s term to describe the ideal practice of the third party (non-local partner) in a collaboration: working in close, mutual collaboration with local partners, yet without allowing its own values and biases to influence the development process. It is a contested term within the Appalshop-EEGLP collaboration. Appalshop generally considers “weightlessness” not only impossible but also undesirable; collaboration, from this perspective, occurs at the **consilience** of the various parties’ self-interests. At the same time, Appalshop will speak of being a “catalyst” in development process—facilitating the reaction without itself being a reactant—which resonates with EEGLP’s understanding of “weightlessness.”

**Creative discovery paradigm** is the approach to development that carries the implicit assumption that there are always new resources for a community to develop, through processes such as asset mapping, commoditizing latent assets, and finding new syntheses and synergies. It is gaining traction in business schools across the country, as they hire artists and designers to aid in the discovery process. The discovery paradigm stands opposed to the **finite resource paradigm**, which assumes that there is a finite amount of resources to be developed, and once they are developed there’s nothing left.

**Culture** is the intellectual, spiritual, emotional, and material traditions and features of a people. In essence, it’s who we are. Culture can be location-specific or non-location-specific (philosophical). A central tenet of community cultural and economic development is that *culture drives development*—for better or worse. (There are many cultures of dependency, submission, and victimhood.) For community cultural and economic development to be successful, it is necessary to build a culture that’s freedom-enhancing, wealth-creating, and allowing for agency and value-creation by the people in a place.

**Democratization** is the process of creating a culture where all stakeholders feel dignified and fully engaged in shaping the society, where all stakeholders see the representation of their cultural lives, the representation of their social lives, the representation of their dignified lives being represented in how economic life is organized. Democratization is essential for economic development to be stable, sustainable, and inclusive.

**Development** (economic, community, cultural, and otherwise) describes a process of analyzing the resources and needs of a particular community or organization, then planning and implementing a program of interlocking initiatives to build from these resources to meet those needs. Practitioners of community cultural and economic development work toward

- **democratic or grassroots development**, where members of a community define their own aims, determine their own paths to reach them, and own the resulting development as community wealth, and
- **iterative development**, where planning happens through continual dialogue among a wide and representative range of community members and institutions, and plans change appropriately as circumstances change and learning occurs;

instead of the paradigms of

- **imposed development**, in which outside entities direct the development, approaching communities as problems to be solved by bringing circumstances in line with predetermined norms, and
- **extractive development**, in which these outside communities extract value from a community's assets (including land and people) and remove that value from the community.

**Discovery**—see **creative discovery paradigm**.

**Entrepreneurship**, in the context of community cultural and economic development, is the process of converting activated and latent cultural assets into economic products with economic, social, and civic values that can be competitive and wealth creating in market exchange. Successful entrepreneurship, which requires **creative discovery** and risk-taking, produces profits and financial gain *and* strengthens the social and cultural bonds that undergird a democratic culture.

**Entrepreneurial capitalism**—see **capitalism**.

**Extractive development**—see **development**.

**Failure to unify**, describes the situation in which myriad initiatives are started, with overlapping interests and goals and resources, but remain in separate siloes and sectors. They do not recognize each other or work **iteratively** to develop together—and, for this reason, they do not develop into powerful organizations.

**Finite resource paradigm**—see **discovery paradigm**.

**First voice** refers to people speaking for themselves, including through media: people telling their own stories in their own words and ways, rather than being spoken for by experts, commentators, or narrators. It is a bottom-up, participatory paradigm of art and culture.

**Formal arts**—see **informal arts**.

**Formal economy**—see **informal economy**.

**Foundational assets**—see **assets**.

**Funding** describes contributions of capital to a development effort outside the context of market exchange, often by a philanthropic organization, in order to catalyze the commoditization of latent assets. Funding can occur at three different stages of a community cultural and economic development effort:

- **Incubation funding**, to assist the start of the effort;
- **Bridge funding**, to assist in growing or scaling up the effort; and
- **Sustaining funding**, to assist in maintaining the effort over a longer term.

Funders are often most interested in incubation funding; this is also the type of funding most likely to challenge a community's agency, voice, and ownership and lead to imposed development—to the extent that leaders shape the effort according to the funder's priorities instead of the community's. Bridge funding and sustaining funding pose less of a risk in this way, since the effort has already been established; however, funders tend to be less interested in providing these types of funding.

**Functionalist theory of change**—see **conflict theory of change**.

**Hedonic value**—see **value**.

**Imposed development**—see **development**.

**Informal arts** refers to unincorporated arts projects and practitioners, not part of for- or nonprofit corporations. Like the informal economy, the informal arts contain a huge amount of creativity but are often about surviving; like the formal economy, the formal arts can be about establishing a value chain and thriving. Artists working in the informal arts often lack the resources (money, time) to focus on their art because they need to make a living somewhere else.

**Informal economy** is a situation where value is being created but not counted as part of a formalized (regulated) economy. The informal economy is often a place where exploited and excluded people find dignity, independence, and joy—for example, minority populations selling their goods outside a planter-controlled formal economy. The problem is, due to the lack of funding and resources available in the formal economy—including intellectual property and other property rights—people in the informal economy often find their ideas stifled and their activity driven by necessitousness or necessitous activity instead of being part of a value chain to

create wealth. A challenge of community cultural and economic development is to create pathways for exploited and excluded people to participate in the formal economy, and thus commoditize their latent assets, without contributing to their exploitation.

**Incubation funding**—see **funding**.

**Instrumental value**—see **value**.

**Intersection**—see **consilience**.

**Iterative**—see **iterative development**.

**Known assets**—see **assets**.

**Latent assets**—see **assets**.

**Liability mapping**—see **asset mapping**.

**Narrative**—see **story**.

**Necessitousness** is the condition in which people are acting in order to fulfill immediate needs (survive), rather than to create wealth (thrive). Necessitousness is characteristic of economic situations where scarce funding and resources are available, and it often leads to stifled ideas and bounded imaginations.

**Opposition-ness** is the disposition to be skeptical of the fairness/justice/goodness of the status quo, and toward changing that status quo rather than preserving it. Opposition-ness is a critical quality of an effective anchor institution in community cultural and economic development work: it ensures that the institution represents the collective voice of the people trying to make change; it allows the capacity for building agency/voice/ownership among black, brown, poor, and other people who need more of it; and it allows all members of a community to own the development work, to participate as agents rather than as clients.

**Ownership**—see **agency**.

**Resigned preferences**—see **bounded imagination**.

**Re-storying**—see **story**.

**Social enterprise**—see **capitalism**.

**Story**, or **narrative**, is the means by which we learn, by which we make meaningful experience from the events of our lives together. The stories we tell ourselves and others, and those we can understand and imagine, determine our individual and collective identity. They define what is possible in our individual and collective lives. A critical element of community cultural and

economic development is changing the way a community tells its own story (**re-storying**) from one of victimhood and hopelessness to one of agency and possibility.

**Sustaining funding**—see **funding**.

**Synergistic opportunities** are opportunities created by combining an organization’s existing assets.

**Synthetic opportunities** are opportunities created by combining an organization’s existing assets with assets outside of the organization.

**Tangible assets**—see **assets**.

**Third parties** are non-local partners, often in higher education (such as EEGLP) or cultural institutions (such as Appalshop’s Roadside Theater, when working outside their home community), who act as a catalyst for development efforts. Third parties intentionally avoid a controlling or co-dependent relationship with local partners; EEGLP uses the term **constitutive weightlessness** to describe this practice, while Appalshop, skeptical of the possibility or desirability of weightlessness, prefers “catalyst.”

**Value** is the worth of a commodity, measured in the extent to which others will make a sacrifice, forgo other things, in order to consume or experience it. The ways in which value are determined are often culturally specific, for good and ill; dominant understandings of value in a culture can prevent some groups from understanding the value they already have. A central objective of community cultural and economic development is to identify aspects of every culture that create value, or **value propositions**, which can be used to build community wealth based on that community’s aspirations. Different types of value—beyond use value, exchange value, and labor-based value—include:

- **Hedonic value** is value measured in the direct pleasure given to the user, e.g. in listening to a Jamaican reggae band or a Kentucky bluegrass band.
- **Instrumental value** is value measured in the worth of products that can be created from it, e.g. sales of recordings by those bands.

**Value propositions**—see **value**.

**Values** are the bedrock principles that define a community’s culture. For community cultural and economic development to be successful, a culture’s values must include a basic commitment to building community wealth through democratic means, and must be understood and expressed clearly and transparently, e.g. through storytelling-based cultural work.

**Voice**—see **agency**.