

# Community Wealth Building

## as a Peacebuilding Method

with the example of Ukraine

---

April 2026 | Written by Martin Michaelis



Fig. 1 – Community-oriented reconstruction as a foundation for sustainable peace.

## INTRODUCTION

Globally, there is a growing call for economic models that combine resilience, social justice, and ecological sustainability, orienting economic development more toward people and planetary boundaries. Various movements such as Degrowth, Wellbeing Economy, or regenerative economics aim in the same direction. However, few models have achieved such an impressive and structured economic and social transformation as Community Wealth Building (CWB) has in various cities. And now, Scotland has even enacted a national CWB strategy that obliges every municipality in Scotland to have a local CWB action-plan.

As a political mediator, the question for me is: Is CWB as a model also relevant in conflict areas, such as Ukraine?

In countries living with the consequences of war, transition, and constant uncertainty, I repeatedly ask: **Who is actually rebuilding it—and for whom?** In many post-war contexts, a visible order emerges quickly, but something is still missing. Roads are repaired, administrations are reorganized, reforms are set up—and yet people often find themselves lost in this new order, and their (inner) war wounds remain largely unhealed.

“If we have to start from zero anyway, now is the moment to choose systems designed from the outset for participation, resilience, and fair distribution. Those who build anew today can decide: Do we build an economic architecture that fosters dependency – or one that fosters empowerment and freedom?”

Reconstruction in post-conflict regions has historically often been characterized by technocratic approaches that focus on central institutions and international donors, while weakening the local economic base. International experience—such as the long-term reconstruction in Bosnia and Herzegovina—teaches that a purely top-down oriented reconstruction risks stifling local responsibility.

In Bosnia and Herzegovina, the massive influx of international funds, channeled through highly centralized administrative structures, led to a certain “recipient mentality”. Local businesses were bypassed in large tenders in favor of international firms, and municipal administrations were degraded to mere managers of external budgets instead of growing as economic actors in their regions. Similar patterns appear in other post-conflict scenarios, where the focus on rapid macroeconomic stabilization undermined social cohesion on the ground.

This experience is a warning for Ukraine: If reconstruction is understood as merely channeling funds through central institutions and international development banks, the administrative capacity of municipalities built since 2014—the so-called Hromada structure—is at risk of being hollowed out. Successful reconstruction must not only replace physical capital (infrastructure) but also strengthen social and economic capital (local value creation). Instead of treating local actors as recipients, reconstruction must institutionalize them as partners.

## THE ZERO POINT OF A COUNTRY AS A HISTORICAL OPPORTUNITY

Reconstruction is often perceived as a pure burden—the necessity to restore the destroyed as quickly as possible. Yet in this necessity lies a paradoxical freedom. When a system is on the ground, when institutions must be rethought, and when old, often cronyism-ridden economic routines are interrupted, a historical zero point emerges. Why should we import exactly those economic models in this phase of rediscovery that have already reached their social and ecological limits elsewhere?

If we have to start from zero anyway, now is the moment to choose systems designed from the outset for participation, resilience, and fair distribution. Reconstruction that only orients itself to the past misses the chance for real systemic change. In this phase, CWB is not a “luxury” for stable societies but can be the most logical choice for a society in transition. It is far easier to invest in a local, community-oriented infrastructure from the beginning of reconstruction than to painstakingly restructure an already established economic system while simultaneously fighting entrenched interests.

## “SOCIETAL REPAIR” THROUGH LOCAL ENGAGEMENT

Peace is not a state that one simply signs. Peace must be created socially. This means: rebuilding trust, making belonging possible again, redistributing responsibility, and giving people back the feeling that their future is not just administered but co-shaped by them. The so-called “Positive Peace” describes peace as more than just “laying down arms.” Positive peace emerges through sustainable structures, trust, and societal resilience.

War experiences do not disappear through political declarations. They remain in bodies, relationships, institutions, and in how people react to authorities, neighbors, or the state. If a post-war system turns those affected back into mere recipients, it reinforces exactly that powerlessness from which conflicts, withdrawal, and political fragmentation can grow.

If peace is to be more than the end of violence, it needs an economic architecture, a system that promotes wellbeing, empowers people rather than just providing for them, and thus favors healing.

## WHAT IS COMMUNITY WEALTH BUILDING AND HOW DOES IT WORK?

This is exactly where Community Wealth Building (CWB) comes in. To understand CWB, imagine it as a radical reversal of conventional economic logic. Instead of letting wealth flow out of a region (e.g., through municipal contracts to external companies), CWB aims to anchor it where it is created. It strategically uses a community’s existing resources—its so-called anchor institutions like hospitals, universities, municipal administrations, or key companies—to strengthen local life and economy. This happens, for example, through:

- Progressive procurement, where public contracts are preferentially awarded to local businesses or cooperatives.

- Promoting local ownership – through cooperatives, community enterprises and employee-owned businesses that keep wealth rooted in the region.
- Keeping capital circulating within the region to prevent extraction.
- Fair employment and just labour markets – anchor institutions commit to living wages, decent conditions and accessible jobs, setting a standard that shapes the local labour market.
- Socially productive use of land and assets – publicly owned land, buildings and resources are managed in the community’s interest rather than sold to the highest bidder.

## The Preston Model, Great Britain

The perhaps most impressive example of this impact is the city of Preston in Great Britain. In a city that was largely written off economically after deindustrialization, local actors identified a fundamental leak in their economy: Public funds from anchor institutions—from the city council to the local college—flowed almost entirely as contracts to external large corporations, bleeding the local market dry. To stop this outflow, they began consistently bundling their spending locally. The result was a tangible economic revival: New local firms emerged, jobs became more secure, and people began to see Preston again as a city where they could co-shape their economic future.



Fig. 2 – The “Preston Model” is the leading international reference case for CWB in practice.

## Scotland as a Guide: National Strategy through Law

With the Community Wealth Building Act passed in March 2026, Scotland has embedded this approach into its economic structure as the world's first nation. This moves Scotland beyond mere recommendations and obliges public institutions—from local authorities to health and education providers—to actively implement it. The legal obligation forces municipalities and partners to collaborate in “CWB partnerships” and to prepare binding action plans.

For post-conflict regions, this is a crucial signal: CWB is not a “nice extra” but can serve as a necessary institutional framework to systematically secure economic justice and social stability.

## THREE CWB EXAMPLES FOR UKRAINE

### Example 1: Regional Food Supply Chains

“If a city administration in a post-conflict region obliges its schools and nursing homes to source a large part of their food from regional cooperatives, a stable sales market for local farmers emerges. This not only creates income but directly connects urban anchor institutions with rural production. Farmers, who were isolated after the conflict, suddenly see that their harvest has a direct social function. This networking breaks up informal, often corrupt trade routes and replaces them with a transparent, social supply chain where each side benefits directly.”

### Example 2: Local Loan Funds

“If a municipality establishes a small loan fund fed by local institutions and specifically supporting local small entrepreneurs, the power dynamics change. Instead of depending on the often hesitant or bureaucratic credit allocation of large international financial houses, a local commission decides on allocation. It is an act of economic self-governance that rewards trust instead of replacing it with purely external control mechanisms.”

### Example 3: Public Spaces as Places of Participation

“If a city administration in a war-damaged zone does not sell vacant public spaces or buildings to the highest bidder but makes them available at favorable conditions for social startups or local workshops, a revaluation of space occurs. People who previously felt trapped in their apartments and as war losers find here a physical place to reintroduce their craft knowledge. The city thus becomes a shaper of participation instead of a mere administrator of ruins.”

## THE IMPACT OF CWB: RESPONSIBILITY AND RECONCILIATION

CWB is not only an economic policy approach but a model that brings responsibility back into society. People thereby experience not just that something is “done for them” but that they themselves are part of shaping their future. When people are involved again, when their knowledge counts, when their work becomes visible, and when they gain access to local economic structures, not only income emerges but dignity and hope for a better and above all self-determined future.

From this dignity grows something very practical: responsibility. Those who co-decide are more likely to take responsibility. When people jointly build jobs, strengthen local businesses, or share ownership, reconciliation can happen not only as dialogue but as lived cooperation. A new normal emerges—a state of development and not mere post-war period.

## ECOLOGICAL REGENERATION THROUGH COMMUNITY WEALTH BUILDING

Community Wealth Building offers a unique opportunity to integrate ecological solutions directly into post-conflict reconstruction. By prioritizing local procurement and resource management, CWB naturally favors regionally adapted, low-carbon supply chains over long-distance imports. Local anchor institutions can prioritize renewable energy cooperatives, circular economy initiatives, and sustainable land use, creating jobs while reducing environmental impact.

In Ukraine’s agricultural heartland, CWB could transform devastated farmland into community-supported regenerative agriculture hubs, where schools and hospitals source organic produce from nearby cooperatives practicing soil regeneration and biodiversity preservation. Such integration positions CWB as a holistic peacebuilding framework—one that repairs not only social fabric but also humanity’s relationship with the natural environment.

## ECONOMIC EFFICIENCY AND REDUCTION OF DEPENDENCY

Community Wealth Building not only promotes local economies and social justice but also stands for economic efficiency in reconstruction. CWB increases efficiency through the following mechanisms:

- 1. Multiplier effect through local circulation:** By consistently aligning public contracts, investments, and employment with local businesses, money stays in the country and circulates multiple times. One euro reinvested locally unfolds a significantly higher economic impact than in an extractive model.
- 2. Reduction of dependency on foreign aid:** As local value creation rises and capital stays in the country, the need for constant new foreign aid funds decreases in the long term.
- 3. Reduction of maintenance and follow-up costs:** Local firms anchored on site can maintain infrastructure better and faster than external providers.
- 4. Prevention of corruption losses:** Through focus on transparent local procurement and democratic control, the risk of corruption and inflated prices is significantly reduced.

- 5. Avoidance of expensive social follow-up costs:** CWB reduces costs arising from emigration, social tensions, or necessary state transfer payments.

## IMPLEMENTATION PERSPECTIVE FOR UKRAINE

Ukraine is in a critical phase of reorganization, massively complicated by the ongoing war. It is important to distinguish: While in relatively stable regions—far from direct front lines—structures for local economies and CWB can be built and strengthened, this is currently not possible in front-line areas like parts of Zaporizhzhia Oblast.

Since 2014, the decentralization reform has given municipalities significantly more decision-making and budget authority, but more autonomy alone does not create local economic strength or social resilience. This is exactly where CWB comes in: It translates political decentralization into economic power on site.

Status	Region	CWB Action
● IMMEDIATELY ACTIONABLE	<b>Stable regions</b> e.g. Lviv, Vinnytsia, Ternopil	CWB pilot programmes can be launched now. Local procurement rules, CWB partnership councils and monitoring tools can be established without delay.
■ BUILD UP GRADUALLY	<b>Consolidated regions</b> e.g. Irpin / Kyiv Oblast	CWB structures can be introduced step by step as security stabilises. Begin with procurement reforms and civil-society mapping.
■ AFTER STABILISATION	<b>Front-line / military regions</b> e.g. Zaporizhzhia Oblast	Physical survival and basic state services take priority. CWB planning can begin in parallel as a post-stabilisation framework.

## WAYS TO IMPLEMENTATION: NEXT STEPS IN UKRAINE

To move Community Wealth Building (CWB) beyond the status of a theoretical corrective, concrete operational steps must be defined for Ukrainian reconstruction:

**Step 1. Piloting in stable regions (Living Labs):** Specific “CWB pilot municipalities” should be defined in peaceful regions (e.g., Wyshniwez/Ternopil, Irpin/Kyiv Oblast, Lviv, Vinnytsia). Here, models for local procurement and joint management of public assets can be tested.

**Step 2. Linkage with reconstruction funds:** Financing mechanisms should be tied to conditions prioritizing local value creation. National coordination bodies must be obliged to allocate a minimum share of contracts to local SMEs or social economy actors.

**Step 3. Governance structures at municipal level:** Establishment of “CWB partnership councils” in which local administration, civil society, and regional businesses jointly develop action plans as a direct interface to international donor organizations.

**Step 4. Data monitoring of local impact:** Introduction of standardized monitoring tools that transparently show the retention of capital in the region (local multiplier effects).

## CONCLUSION

---

To make a positive peace in post-conflict regions possible, we have to ask: “How do we ensure that people not only survive but can act together again and develop a responsible identity?” Community Wealth Building offers a path here, enabling (post-)conflict societies a system in which dignity, participation, and economic hope are not privileges of a few but become a common foundation.

A practical step is testing in stable regions of Ukraine: Selected municipalities could serve as pilot sites to experimentally implement local procurement, cooperative management of public resources, and new forms of municipal partnerships.

And potentially, a “blueprint” even emerges for other regions that can learn from the (former) post-conflict region what a resilient, just, and ecologically sustainable local economic model looks like in practice.

## SELECTED REFERENCES

- Galtung, J. (1969). Violence, Peace, and Peace Research. *Journal of Peace Research*, 6(3), 167–191.
- Galtung, J. (1996). *Peace by Peaceful Means*. London: SAGE Publications.
- Lederach, J. P. (1997). *Building Peace: Sustainable Reconciliation in Divided Societies*. Washington, DC: USIP Press.
- Lederach, J. P. (2005). *The Moral Imagination: The Art and Soul of Building Peace*. Oxford: Oxford University Press.
- Sen, A. (1999). *Development as Freedom*. Oxford: Oxford University Press.
- Nussbaum, M. C. (2011). *Creating Capabilities: The Human Development Approach*. Cambridge, MA: Harvard University Press.
- Mazzucato, M. (2018). *The Value of Everything*. London: Allen Lane.
- Raworth, K. (2017). *Doughnut Economics*. White River Junction, VT: Chelsea Green Publishing.
- CLES – Centre for Local Economic Strategies (2021). *Community Wealth Building: The Preston Model*. Manchester: CLES.
- Scottish Government (2026). *Community Wealth Building Act 2026*. Edinburgh: Scottish Government.
- Scottish Parliament (2026). *Community Wealth Building Act 2026: Explanatory Notes*. Edinburgh.
- OECD (2025). *Rebuilding the Local: The Critical Role of Sub-national Governments in Ukraine’s Recovery*. Paris: OECD.
- Institute for Economics and Peace (2025). *Positive Peace Report 2025*. Sydney: IEP.
- Transparency International (2022). *Corruption Risks in Post-Conflict Reconstruction*. Berlin.
- UNDP (2024). *Localisation in Humanitarian Aid: Lessons for Reconstruction*. New York: UNDP.
- Heinrich-Böll-Stiftung (2022). *Die unendliche Geschichte vom Aufbau Bosnien-Herzegowinas*. Berlin.
- World Bank (2023). *Infrastructure Maintenance Costs: Local vs. External Contracting*. Washington, DC.
- van der Kolk, B. (2014). *The Body Keeps the Score*. New York: Viking.
- Cumbers, A. (2020). *Community Wealth Building and the Politics of Scale*. Bristol: Policy Press.

**martin  
michaelis**  
Transforming Social Systems

### ABOUT THE AUTHOR

#### Martin Michaelis

Political Mediator, Lawyer and Co-Founder of fiveP eG. He works at the intersection of mediation, peacebuilding, democratic transformation and future-fit local economies.

[www.martin-michaelis.com](http://www.martin-michaelis.com)  
[michaelis@mediativeleadership.com](mailto:michaelis@mediativeleadership.com)