A Different Kind of Ownership Society

Innovative strategies for cooperative local ownership make it possible for prosperity to be shared as well as sustainable.

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posted Aug 03, 2010

Photo by Brent Danley.

Drive across southern Minnesota near the city of Luverne, and you'll see clusters of wind turbines poking up through the cornfields. Climb into one of these sleek, gleaming, white towers, and you'll find sophisticated computer controls monitoring dozens of factors every moment (wind speed, pressure on the blades, and so on). Yet the way the turbines are funded and owned is just as innovative as the technology that runs them.

These wind developments were created by Minwind Energy, a limited liability company that is structured as a cooperative. Back when only corn was harvested in these fields, Minwind invited hundreds of local residents to make investments of $5,000 apiece, eventually raising $4 million to fund the turbines. In return, the residents became owners of the project—alongside the farmers on whose land the turbines stand.

With a policy that no individual can own more than 15 percent, the ownership design is aimed at spreading wealth widely and keeping it rooted locally. According to the Government Accountability Office, keeping a project like Minwind locally owned means that local communities get three times more economic benefit than if the project had absentee owners. Rather than flowing to Wall Street investors or major companies, the dollars generated by these wind farms will flow first through local communities, going to pay local workers, local investors, and local suppliers of all kinds. Wealth stays local.

If sustainable technologies are about the *what* of the living economy, local and shared ownership designs are about the *who*: who will own the productive capacity of the nation, who will control it, and who will benefit from the wealth created.

Minwind Energy is also an example of shared ownership, an emerging, broad category of ownership design in which ownership is shared among individuals (as in cooperatives or employee-owned firms) or between individuals and a community organization (as in a community land trust, where families own their homes while a nonprofit owns the land they stand on).

Shared ownership, like local ownership, is a valuable tool for enhancing community wealth over the long term. Both represent the innovations in social technologies that must evolve alongside innovations in physical technologies—like wind turbines, organic agriculture, or sustainably managed forests—if we're to create an economy in which prosperity is both sustainable and shared. If sustainable technologies are about the *what* of the living economy, local and shared ownership designs are about the *who*: who will own the productive capacity of the nation, who will control it, and who will benefit from the wealth created.

Shared ownership takes many forms. For example:

- In Arizona and New Mexico, a ranchers' organization called the Malpai Borderlands Group is preserving nearly one million acres as unfragmented open space for wildlife using **conservation easements**, another tool for sharing ownership. These legal covenants combine private ownership of the land with a binding commitment that further development will cease.
- In Maine, communities are using agreements called **working waterfront covenants** to preserve waterfronts for commercial fishing. The covenants are shared ownership agreements that attach to property deeds in perpetuity. These covenants allow the state of Maine to purchase and hold development rights so that local fishermen can continue fishing even as they receive payment for the sale of development rights.
- In Denmark, cooperatively owned **wind guilds**—similar to Minwind—have helped the Danish transition to wind power more quickly than any other nation, with the help of policy frameworks that encourage cooperative wind ownership. If we had such policies in the U.S., offshore wind projects, rather than being seen as outside developments to be resisted, could be seen as a chance to join neighbors in a shared investment opportunity. Local ownership could lead to pride rather than resistance.
- In a model now spreading throughout the U.S, residents of manufactured homes are joining together to create **resident-owned communities**. By cooperatively owning the land beneath these communities, residents transform the legal status of their homes from personal property into real estate. The result is increased property values, more stable families, and greater participation in the life of the community.

For rural areas, which so often see little lasting benefit from the exportation of their natural wealth, shared ownership is an important tool in creating rural-urban partnerships that help rural regions keep wealth local. Rural areas are home to more than one in five Americans, but are disproportionately impoverished and too often on the fringe of societal concern. Yet they're rich in natural capital and other forms of wealth that today are more vital than ever. As the new economy creates rising demand for sustainable practices in fisheries, organic agriculture, wind generation, and forest stewardship, new opportunities are opening for solidarity between cities and the rural areas that support them.

A New Deal for Local Economies More local, durable economies are already taking root.

To sustainably share both our resources and their benefits, we must recognize that true wealth is about more than financial capital—it's about reconnecting to land, forests, and water (which we can think of as *natural capital*) and to community (*social capital*, or the stock of trust, relationships, and networks). It's also about *individual capital*, the stock of skills and mental capabilities of people in a region; *built* *capital*, such as wind towers; *intellectual capital*, including inventions or published writings; and *political capital*, the ability to influence the distribution of resources.

Ownership is something most of us think little about, yet its allocation is basic to our daily lives. Ownership defines the shape of our days: where we work for 40 hours (or more) each week, whether we're empowered or belittled by our work, how much anxiety we suffer over our debts, whether we're able to own a home or be secure in retirement. Questions about who owns the wealth-producing infrastructure of an economy, who controls it, and whose interests it serves are among the largest issues any society can face, and critical to creating shared prosperity.

Local and shared ownership, key tools for keeping wealth local, help to form the girders of a framework that can unite a community wealth movement as a social counterpart to the sustainability revolution.

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Both are involved in Wealth Creation in Rural Communities, a Ford Foundation project to develop and spread new models of development and ownership that connect urban and rural regions. The project recently published "Keeping Wealth Local," a report exploring innovative models for how rural areas are sharing ownership and controlling their own wealth flows. Ford is also funding demonstration projects in impoverished rural areas that are testing these concepts on the ground.