

Combining Old Strengths with New Soft Amenities

CHICAGO, USA

Chicago is the third largest city in the USA, with 2.7 million inhabitants in the city and 9.5 million in its metropolitan area, Chicagoland. Following a period of heavy de-industrialisation, Chicago is now a major business and cultural hub, largely propelled by professional, scientific and technical services. Like many other resurgent cities in the Great Lakes region, jobs have been increasing in the city centre but declining in outer areas, a consequence of efforts the city has undertaken to make itself attractive to younger, educated workers. One of the nation's best examples of path dependent economic development, Chicago's economic resurgence is grounded on traditional economic strengths and driven forward by active, amenity-enhancing policies, helping to reverse a significant loss in population and unemployment caused by de-industrialisation.

Project overview

Chicago was hit hard by the oil price hikes of the 1970s, with the city's major heavy manufacturing and steel industries almost disappearing as a consequence. Over recent decades, Chicago's response has been to build its economy on the city's key strengths in transportation, finance and manufacturing. A number of efforts have been taken to keep smaller firms and more technologically sophisticated production in the city, ('jobs not real estate') namely a retention policy focused on area-based initiatives, not the subsidising of individual firms focused on maintaining old buildings one-by-one. Moreover, these policies have been complemented with aggressive efforts to make the city attractive, particularly to young, skilled workers, through a major greening initiative, the enhancement of cultural institutions and the facilitation of housing construction, keeping rent and purchase costs low.

Results and impact

Chicago has achieved success in reinvigorating its economy by building on the city's traditional economic strengths, for example its transportation sector now focuses on air and cargo and basic steel has

been replaced by patented speciality steel that is competitive world-wide. This has stimulated significant inflows of skilled labour and investment whilst drawing on existing resources, namely knowledge and infrastructure, linking back to the city's traditional economic sectors. Consequently, post industrialisation Chicago has not focused on building a new economy from scratch, but instead on related diversification; adapting skilled labour in the city to align with the direction of its contemporary economy. Moreover, Chicago has simultaneously improved the quality of its living environment and amenities, namely through strong investments in culture cultural institutions, such as the Renzo Wing of the Art Institute and the Frank Gehry band stand in Millenium Park. This has resulted in the further attraction and retention of knowledge-intensive jobs and talent, making the city more amenable to young, skilled workers who continue to drive forward Chicago's post industrialisation resurgence. However, despite these improvements, the city continues to face challenges associated with race relations and access to housing and education.

Enablers

From the 1980s onwards, Mayoral leadership has been key in successfully re-focusing the city's efforts to become a globally connected and competitive city. Focusing on a city's urban amenities – the soft determinants of urban competitiveness – have played a prominent role in enhancing the city's sustainable development. To do so, leadership had to face opposition and adhere to a concrete vision in the face of adversity in a post industrialisation context. Chicago also benefited from a number of crucial enablers that helped to realise the city's vision, namely established business leadership, skilled labour, excellent universities and strong civic partnerships.

