
Pathways to Social Empowerment in Chicago's Community Wealth Building Initiative

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Abstract

In 2020, the City of Chicago launched a \$15 million community wealth building (CWB) initiative to revitalize impoverished neighborhoods located primarily on the city's south and west sides. The initiative distinguishes itself from previous local development strategies by promoting four models of collective ownership and democratic governance: worker cooperatives, limited equity housing cooperatives, community land trusts, and community investment vehicles. After Cleveland, Preston, and other U.S. and U.K. cities, Chicago is the largest city to implement a CWB strategy that uses collective ownership structures to empower residents of local communities.

This paper analyzes the extent to which Chicago's CWB initiative stimulates movement along complementary pathways to social empowerment. The framework of the analysis is Erik Olin Wright's theory of linkages between social power, economic power, and state power in the allocation of resources and the control of production and distribution. Numerous experiments in economic democracy have been analyzed within this framework, with insightful results concerning their enabling conditions, viability, and limits. CWB, however, as a relatively recent and novel approach to local economic democracy, has so far received limited scholarly attention. Most CWB literature has been produced by The Democracy Collaborative (TDC) and the Centre for Local Economic Strategies (CLES), two think & do tanks which have defined and advocated CWB since the mid-2000s. This literature is useful to understand the general philosophy, design, and expected outcomes of CWB projects. Nevertheless, independent empirical case studies and theoretical analyses are needed to more completely understand how and why CWB strategies may or may not succeed in generating more inclusive, collaborative, sustainable, and democratic economies.

Based on evidence from documentary analysis and semi-guided interviews, this paper argues that Chicago's CWB program fosters movement primarily along two pathways to social empowerment: (1) direct social power over the allocation and control of Chicago's housing, real estate, production, and financial resources; (2) social power over the City of Chicago's municipal power to allocate economic resources. The first pathway deepens Chicago's social economy, while the second deepens its municipal participatory democracy. However, as the program does not follow pathways that would increase social power over capitalistic economic power, it is likely to be limited in its ability to achieve systemic social transformation.

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United States between the 1930s and the 2000s, notably in the housing and financial sectors. His current research examines how municipal community wealth building strategies act as laboratories of economic democracy in opposition to neoliberal capitalism.