

CONSULTATIVE COMMISSION ON INDUSTRIAL CHANGE
Hearing 184, 15th of July 2021:
Anticipation of industrial change



*Past transitions to explain the present and shape the future:
the case of the Ruhr Region*

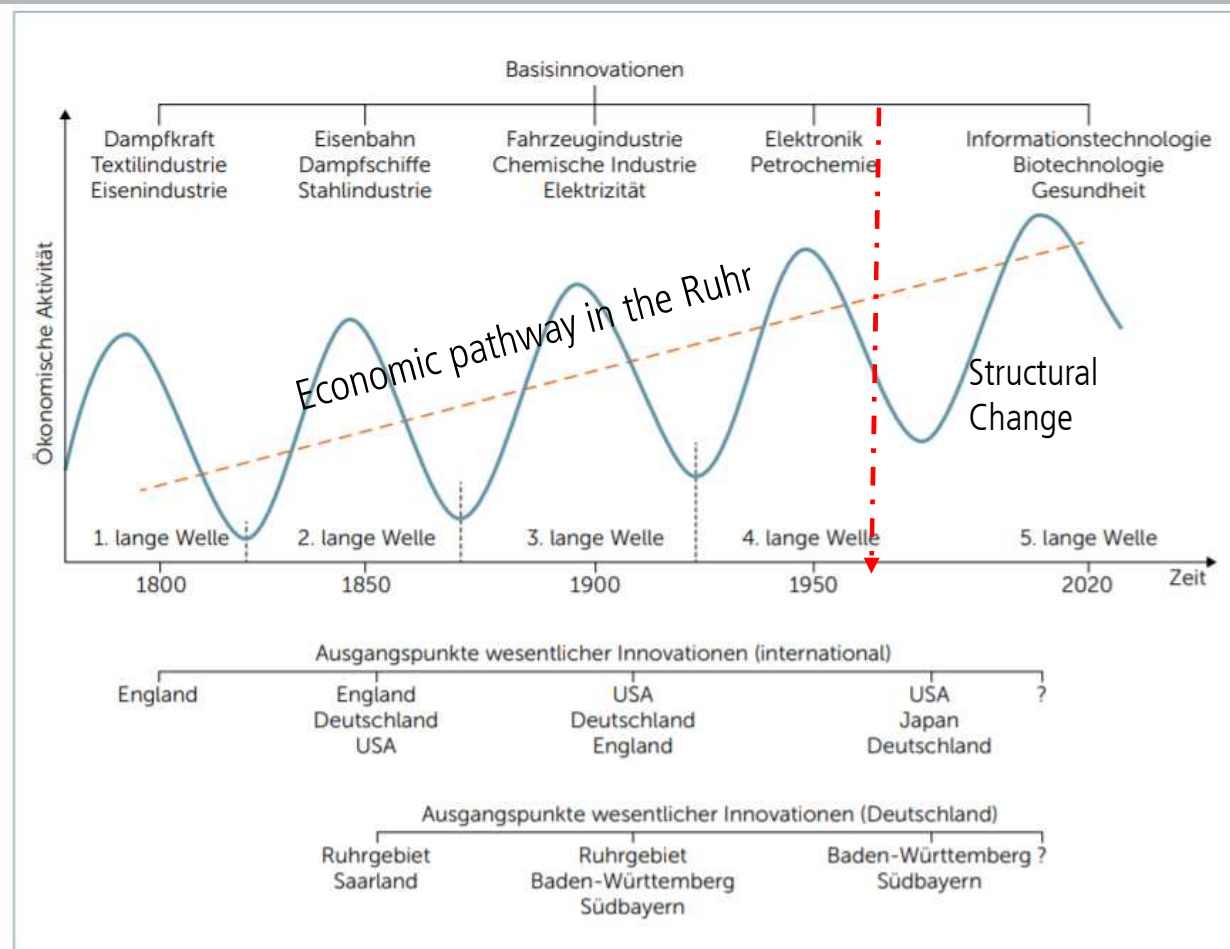
Dr. Jörg Weingarten

The Ruhr



- Until the 1960s the coal, iron and steel industries were the strongest and almost only economic sectors in the Ruhr district
- Decreasing import prices for coal and oil lead to rapid changes in that area, de-industrialization process started
- In the middle of the 1980s more than half of the labor force already worked in the field of services
- Today 83 % of the employed population works in the tertiary sector and just 16 % in the manufacturing industry
- Large companies (Thyssen-Krupp) have heavily rationalized or closed down (Nokia, Opel) while small and medium-sized enterprises are expanding, knowledge based services and science based economy are increasing: Structural change is ongoing
- Problem on long term un-employment rate and declining quarters in some cities.

Industrial Change is an ongoing process



Challenges on regional level:

To adapt the new drivers, to set up new economic activities, anticipate skills needed and to govern the transition (now towards carbon neutrality)

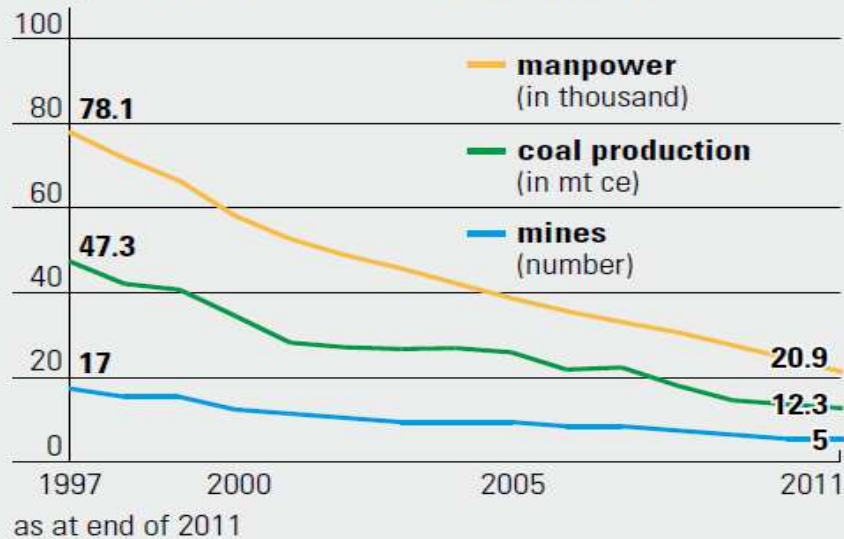
Each Region has to find own answers to deal with change, based on their potentials and institutional settings

FARHAUER & KRÖLL 2013: 281

Example to deal with change

Example from the past: Downsizing of the workforce and transferring into new jobs

Adaptation in the German coal industry



Ca. 50,000 people have left the RAG between 1997 and 2007

- 21,000 age related departures 1,300 spin-offs 7,000 self-motivated leakage
- **23,000 have been transferred to new employment outside coal industry: with skill matching and trainings, based on industrial cooperation in the Ruhr**

The „setting“ in the region

- Stable social partnership structure
- Strong co-determination out of the history of the coal and steel industry
- High level of cooperation culture with all stakeholders, high level of experiential knowledge to deal with change

Instruments and bodies

- Elected Parliament, Regional Planning Authority, und Regional Economic Development Agency including an advisory board: with DGB, Chamber of Commerce and Employer Association
- Council on Structural Strengthening: decision taking on the use of public funding for the conversion of power plant sites and projects in the areas of employment and qualification, mobility, urban and land development, innovation, energy and climate

Lessons Learnt

To be successful on the anticipation of change it requires

- Dialogue and partnership across stakeholders (politics, employer associations, trade unions, administration, science)
- Experience and a commitment to deal with industrial and territorial transition processes.
- Shared diagnosis, being able to organize at an early stage transition processes and to establish socially acceptable measures to avoid / reduce negative consequences of change and restructuring process.

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