
NEWS FROM THE WORKING GROUPS

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THE ROLE OF 'INDUSTRIAL KNOWLEDGES' IN ECONOMIC DEVELOPMENT OF POST-INDUSTRIAL REGIONS

14-15 February 2005 – University of Newcastle upon Tyne

The main aim of this two-day event was twofold. On the one hand, it aimed to create a forum of presentations about some traditional industrial areas and their contemporary functions, to provide a background for defining and understanding different contexts of the notion 'industrial knowledges'. On the other hand, the meeting aimed to provide a venue for the open discussion on the role of this conception in economic development of changing post-industrial areas. Participants were drawn widely from the academic circle, mainly from the UK in the workshop, supported by the researchers from some European countries where the problem of the post-industrial areas development is extremely crucial, including the Ruhrgebiet, Schleswig-Holstein and Mecklenburg in German, Barcelona in Spain, the Donbas in Ukraine and Gdańsk in Poland.

Professor Andy Gillespie, Head of the Institute for Policy and Practice, welcomed all participants of the workshop and encouraged participants to use the opportunity of the seminar to engage in a wide ranging discussion. Following that, Dr Alison Stenning made the introduction. First, she focused on explaining an idea of the meeting, underlining a meaning of discussions of 'knowledges' debate and common interests in recounting different versions of the old industrial regions and their accumulations of knowledge.

Alison called participants' attention to a need of adaption or adoption in old industrial areas alongside changing the negative perception of those regions, which can be described using concepts such as the 'regions being lacking', and in terms of discourses of 'loss and decline'. The important point of the presentation was to make the point that the notion of old industrial knowledges (OIK) had come to her attention through her work in specific regions, notably the post-socialist countries of Poland and Russia. Alison had noticed a rapid devaluing of traditional industries and regions – contrasting markedly with the centrality of industry under socialism. Additionally the policy focus had shifted to promoting versions of the 'new economy', but those ideas were being constructed largely in other places. The aggregate effect had been the widespread social and economic

destruction of sites and communities. At the end of the presentation, Alison concluded that 'emphasis on 'plural futures', founded on alternative stories of economic change which validate the multitude of community practices and institutions in place, [can] ease the process of economic and political restructuring'.

Dr Gert-Jan Hospers from the University of Twente was the next speaker and presented a paper about the structural changes in the Ruhr Area, from the history and rapid industrial development, through to the severe industrial crisis caused by competition and overcapacity which provoked many economic, ecological and spatial problems. He noted that the region had been going through processes of regional structural change since the 1960s. In the 1980s, the process of neo-industrialization has started, as a combination of 'old&new' with revitalisation, diversification and the creation of regional brands. Neo-industrialisation in the 'new economy' should be expressed by an integrated approach to economy, ecology and space and bringing in new activities,



Gert-Jan Hospers seeking a new perspective on the revitalisation of old industrial regions

This photo appears courtesy of Marcel van Lochem

which can revivify the old regions. Gert-Jan underlined the importance of rebirth of traditional industrial areas, whilst at the same time bringing our attention to the much-vaunted new activities in old industrial regions. His point was that these new activities did not yield the expected results, becoming rather 'festivalisation' than revitalization (in tourism, culture, etc.) and in particular not offering many jobs.

The first session was closed by an appearance of Dr Mariusz Czepczynski from the University of Gdansk. His presentation, titled 'De- vs. re-industrialization of the post-socialist city' was based on Gdansk – one of the biggest urban agglomerations in Poland, located on the Baltic Sea. He reminded listeners of the very specific history of the city, especially of the socialist period, underlining the role of Gdansk as 'a cradle' of the Solidarity Union movement in the 1980s. He used this history to provide a context for and a background to explaining contemporary socio-economic changes.

He indicated industries which became the losers in 90s, viz. the Gdansk shipyard, as well as old-fashioned electro-technical, brewery and printing firms. Those which survived tended to be in the oil refinery, smaller shipbuilding, construction and chemical industry sectors. However, there had also been new sectors which had emerged in the course of this structural change, including textiles, the IT sector, pharmaceuticals and cosmetics. The city, having always had a very strong maritime tradition, has to this day an active lobby for the creation of pro-industrial Operational Programs.

Mariusz concluded that there is an ambivalence between de-industrialization, re-industrialization and preserving old industry in Gdansk. The development of the city has been dependent upon the strength of globalisation trends, alongside European and national policies. The crucial point is how to use most effectively finance made available through the EU structural funds, in particular focusing on addressing shortcomings in the technical infrastructure which should be a strong stimulus of city development.

The last speaker of the first workshop day was Anna Clua, representing the University of Durham. She presented a comparative study of Manchester and Barcelona in the context of the transformation from typical industrial cities into the new 'cities of knowledge'. Comparing the most recent years of development of both cities, Anna noted that some activities which have changed the local economic structure are common to both cities, including the rapid development of services, tourism, real estate and creative industries (cultural industries, ICT industry, R&D).

However, Barcelona has a much stronger set of digital services and financial sectors, explained in part by the much greater autonomy enjoyed by Barcelona as the capital of the Catalan Autonomous Community. Undeniably, the organization of the Olympics in 1992 played a part in mobilising the spectacular development

of Barcelona as the capital of Catalonia. By contrast, she showed how Manchester is now seen to win public investment by emphasizing its growth potential rather than its poverty. In summing-up, she argued that one result of the industrial restructuring was a multi-scalar territorial specialization of economic activities. Nowadays the cities are changing through regeneration and new urban strategy planning. This requires a redefinition of the social participants in these processes and taking special note of local governance structures to properly understand the significance of these urban changes.

On the second day, there were five presentations at the seminar. Professor David Tyler from Manchester Metropolitan University spoke about industrial change in the clothing/textiles cluster of North West England. As background, David showed data characterizing the decline of textiles and apparel sector in the region and then described his research into clothing and textiles firms there. Work was undertaken with National Training Organisation funding to look at 'successful' companies. Using sources of data and methods including SIC codes, inaccurate records and traditional typologies, the researcher developed a new firm typology for the sector. David noticed that niche manufactures (technical products, fashion design) remain peripheral to the sector, while the 100% overseas suppliers (fashion design, contract supply) play a much more important role. New product development involving inputs from designers and technologists is a main driver. The policy implications arising from the research address training issues and specific measures for moving beyond and consolidating the positive benefits.

The next presentation titled 'De-industrialization, path dependency and lock-ins in Germany's old industrial areas' was presented by Professor Robert Hassink, representing the University of Duisburg-Essen, who focused on two traditional industries in decline in



New and adaptive firms in old areas often use much less land than the businesses they replace

Photo by Jose Ignacio Simon

Germany: shipbuilding in Mecklenberg-Vorpommern and textiles in Westmünsterland. He presented a theoretical framework of path dependency and lock-ins. He noted that the decline of shipbuilding in Germany was a trend that had also been observed across the whole EU (which decreased from 70% to 10% of the world market during the last 30 years), caused by, among other things, the competitiveness of the rapidly growing Korean shipbuilding industry (from 10% to 30% in 2000). Likewise, textiles in Westmünsterland had declined from 75% of local employment to around one-sixth, with a parallel increase in unemployment in those areas. Robert then talked through the political and company reactions to this decline; with shipbuilding, local actors had mobilised to lobby Europe for subsidies, whilst in textiles, local actors used the decline as an opportunity to promote neo-industrialisation. Robert noted that there are relatively strong lock-ins in Mecklenburg while they were relatively weak in Westmünsterland. He then used this to argue that the lock-ins concept is useful to analyse the restructuring processes of old industrial areas.

Dr Steve Musson from Birkbeck, University of London, was speaking about the state of manufacturing in North-West England (Oldham) region. He noted a dramatic decline of its significance throughout the 20th century, but in the context that the North West had remained the leader of manufacturing due to even more deleterious decreases elsewhere. Steve pointed out to the growth of new manufacturing industries, like medical textiles and precision electronic engineering. He proposed new ways of competing and working which should support a development of these activities, also drawing attention to emerging problems and local implications of industrial change.

In the last session of the two-day meeting, there were two presentations and general discussion. Dr Adam Swain from the University of Nottingham prepared a presentation about the geographical transfer of knowledge and the restructuring of the coal industry in the Ukrainian

Donbas. He presented the main forms and sources of support which lay behind structural changes within the coalmining sector globally. He underlined the rapidly growing inflow of private capital, which was four times bigger in 1998 than in 1995 and today is the main source of financing. On the other hand, official aid and lending and UK aid is clearly declining, from 93% to 29% and from 11% to 5% respectively. He described some projects and actors, especially from UK (IMC Consulting), concerning and solving the problems of the coalmining industry in Ukraine.

The last presentation was entitled 'High technology firms in low technology fields: university spin-offs and long-term innovation sequences in the North East England' by Paul Benneworth from the University of Newcastle. Firstly he presented a theory about old industrial knowledges in different scales and formulated a research question of the importance of knowledge in the economic development of regions. Next he focused attention on the case of Newcastle, presenting a brief history of its development and contemporary activities, which had been important to the development of the city. He underlined a role of University (NCU) as a centre of creating innovations and new activities in a local economy. University research should be a key element of this environment. Concluding, Paul Benneworth said that USOs can draw on OIKs for industrial improvement which ought to be respected by external actors.

The workshop drew to a close following a more general discussion with participation of speakers, researchers from different academic centres and officers of the City Council in Newcastle. At the end of the day, Dr Stenning summarised the event. There are plans to convene a follow up the meeting in the Autumn in one of the post-socialist countries: Slovakia or Poland.

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END OF WORKING GROUP REPORT: EMPLOYABILITY AND LABOUR MARKET POLICIES

Employability is suddenly a hot topic in the UK context. As parts of the UK reach full employment, whilst other regions and localities languish with seemingly incurable pockets of structural and hidden unemployment, policy makers are beginning to accept that the supply-side does not rule supreme. Elsewhere in this issue of *Regions*, we carry a report from the Institute for Public Policy Research reporting on precisely this topic. However, if policy-makers are just beginning to realise the importance of this area, the RSA has been addressing it for the last three years.

The Regional Studies Association, together with the

Regional Science Association International (British and Irish Section), jointly awarded £1200 to a group led by Anne Green, Mike Danson and Ron McQuaid to run two seminars on the topic of the supply-side and demand-side aspects of 'employability' at the regional and local labour market levels.

Eight papers were presented at the first seminar on 'Understanding The Concept Of Employability' at Napier University. The popularity of this seminar led to an expansion of scope for the second, where ten papers were presented on the theme of 'Employability: Lessons For Labour Market Policy'. This was held at the University

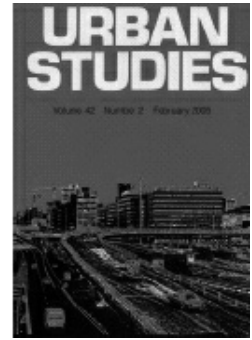
of Warwick. Some 50 people participated in the seminars.

In February 2005 a special edition of *Urban Studies* (Volume 42, Number 2) entitled 'Employability and Labour Market Policy' was published, taking up the entire issue. It was edited by the three organisers and contained some ten papers, eight of which were first presented at the seminars. The support of the two funding organisations was gratefully acknowledged by the editors and authors. The funds were used to underwrite the seminars and provide travel costs for research students.

See: McQuaid, R.W., Green, A. and M. Danson (2005) "Introducing Employability", *Urban Studies*, Vol.42, No.2, pp.191-195. This edition contained the following papers:

- The Concept of Employability – Ronald W. McQuaid and Colin Lindsay
- Employability, Skills Mismatch and Spatial Mismatch in Metropolitan Labour Markets – Donald Houston
- Employing the Unemployed: Some Case Study Evidence on the Role and Practice of Employers – David Devins and Terence Hogarth

- Social Labour, Employability and Social Exclusion: Preemployment Training for Call Centre Work – Vicki Belt and Ranald Richardson
- Employability and Enterprise: Evidence from the North East – Christina Hartshorn and Leigh Sear
- Old Industrial Regions and Employability – Mike Danson
- Young People, Job Search and Local Labour Markets: The Example of Belfast – Anne Green, Ian Shuttleworth and Stuart Lavery
- Employability, Services for Unemployed Job Seekers and the Digital Divide – Colin Lindsay
- Extending Employability or Solving Employers' Recruitment Problems? Demand-led Approaches as an Instrument of Labour Market Policy – Tony Gore.



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EVENT ANNOUNCEMENT

THE FIRST ANNUAL READING ROUNDTABLE

Shaping the future of the South East: an examination of the draft regional spatial strategy RSS6

On 21 June, the Centre of Planning Studies at The University of Reading will be hosting the first annual Reading Roundtable. This event marks the inauguration of what we hope will become an annual fixture for planners and others with an interest in the future of the South East. Our intention is to provide a forum for the debate of current planning related issues that feed into the policy process and affect outcomes.

The theme this year is the emerging planning strategy for the South East (the South East Plan) and, in particular, housing projections and allocations. The recent controversy over housing allocations in the East of England highlights the problems of growth management. Such strategies have to deal with a range of issues including housing, transport, industrial, water, sewage and commercial growth as well as 'softer' infrastructure such as schools, hospitals, primary care facilities, social services, water and, community facilities.

These all provide dilemmas for the Plan that will not be easily reconciled. The Roundtable will provide an opportunity to debate the plan itself during its second consultation period, explore issues and inform on-going debates.

Structure of the day

Speakers from different backgrounds, both public and private, and different perspectives e.g. economic, environmental, social – will examine the issues from their particular point of view. An overview of the plan process and the issues will be given by Stuart Hylton, Head of the Joint Strategic Planning Unit for Berkshire.

Following the speakers in the morning session, workshops will be held in the afternoon to allow for full discussion by all of those attending. The day will conclude with a panel session composed of the speakers and chaired by David Lock, visiting professor at Reading.

Cost

The roundtable fee is £75 (£25 unwaged), this fee includes coffee and lunch.

Please contact

Irene Davy (i.davy@reading.ac.uk)
for booking and further details.