Industrial Heartland Transformation and Democracy: Insights and Implications from a Transatlantic Learning Exchange

"IT'S NOT ALL A SILICON VALLEY": Report of a US Midwest Learning Exchange and study tour for EU and UK Leaders

November 6 – 16, 2022

A collaborative exploration of the "how-to's" of effective place-focused strategies for renewal of heartland industrial regions, to address one of the root causes of the polarizing politics undermining Western democracies and the transatlantic alliance.



Organized as part of the

Transforming Industrial Heartland Initiative

John Austin, Coordinator

April 2023

Study Tour Members and Contributors to This Report

- **John Austin**, Director, Michigan Economic Center; Nonresident Senior Fellow, Brookings Institution and Chicago Council on Global Affairs; Coordinator, Transforming Industrial Heartlands Initiative
- Tiziano Dell'Olmo, Directorate from the Regional Government of Piedmont, Italy
- Chelsea Gaylord, candidate for master's degree in public policy at the University of Michigan
- Lukas Hagen, candidate for master's degree in public policy at the University of Michigan
- **Sandra Jolk**, Policy Analyst and Project Manager, Organisation for Economic Co-operation and Development (OECD) Center for Entrepreneurship, SMEs, Regions and Cities (CFE)
- Jürgen Hein, Managing Director, University Alliance Ruhr
- Florence Hennart, Attaché Economist, Department of Economic Policy, Region of Wallonia, Belgium
- **Robin Johnson**, Professor, Monmouth College, Illinois; Host, Midwest Public Radio's Heartland Politics
- Jörg Kemna, Head of Structural Politics & Subsidies, Growth Markets, Business Metropole Ruhr
- **Hélène Laueriere**, Policy Analyst, Policy Development and Economic Analysis Unit, Directorate-General for Regional and Urban Policy, European Commission
- **Robert Leonard**, Special News Editor, KNIA KRLS Radio, Iowa; occasional columnist for the *New York Times*, *Time Magazine*, *USA Today*, and *The Hill*
- Wolfgang Moessinger, German Consul General, Chicago
- John Morgan, Reporter, Times Higher Education, UK
- **Benoît Nadler**, Deputy Head of the Policy Development and Economic Analysis Unit, Directorate-General for Regional and Urban Policy, European Commission
- Tracie Potts, Executive Director, Eisenhower Institute at Gettysburg College; and students:
 - o Tom Cassara
 - Mason Clark
 - Kat Manchester
 - O Nick Silvis
- Florian Ranft, Head of Economic and Social Transformation, Das Progressive Zentrum
- **Michael Schwarze-Rodrian**, Former European Union (EU) Representative, Ruhr Regional Association
- Andy Westwood, Professor, Government Practice, Policy Manchester at the University of Manchester, UK
- Rachel Wolf, Founder and CEO, Public First, UK

Contents

Background	
A True Taste of the Industrial Heartland	1
Economy is Political Destiny	2
Study Tour Takeaways	
Transatlantic Variation	
Political Cultures	
Different Informational Contexts	
Anticipation and Planning	
Governance	
Innovation Ecosystems	
Financing	
Role of Philanthropy	
Demographics	
Racial Dynamics	
Climate and Energy	
Urban Form	
Culture and Mentality	
New Impressions	
Commonalities in a Framework for Economic Development	9
Shared Arc of Rise and Decline	9
Coordinated, Community-Specific Strategy	9
Integrated Policy Plan	9
Public-Private Partnership	10
Leverage Universities	10
Capacity Building	11
Democratic and Participatory	12
Lean Into the New Economy	12
Manage Out-Migration and Demographic Change	12
Much We Can Learn from Each Other	13
What Europe Can Teach the US	13
What the US Can Teach Europe	14
Lessons for Treating Politics	14
Language Matters	14
Shared Information Sources	15
Restore Pride	15
Root New in Identify of Old	15
Create New Jobs	16
Implications and Next Steps	
About the Transforming Industrial Heartlands Initiative	
Partners	19

Background

In the fall of 2022, practitioners and chroniclers of economic transformation and structural change from countries of the European Union (EU) and United Kingdom (UK) traversed the American Midwest listening, learning, and sharing ideas for how best to successfully navigate economic change in very similarly situated industrial heartland regions of the US, UK, and Europe.

The study tour and conferences that were a part of the trip took place in the context of a "transatlantic alliance" and an ongoing <u>Transforming Industrial Heartlands Initiative</u> (TIH) which aims at revitalizing heartland industrial regions through place-based policies, with a view to tackling the political polarization undermining western democracies.

Organized by John Austin, director of the Michigan Economic Center and coordinator of the TIH, it included representatives from EU regions having experienced industrial decline (Wallonie, Belgium; Piedmont, Italy; the Ruhr in Germany; and Manchester/Northern England, UK), most of whom had cooperated in the context of an OECD-EC pilot action on industrial transition. The Consul General of Germany for the Midwest also joined the tour, as did a journalist from the *Times Higher Education* magazine (London).

The group traversed the US political swing-state midwest region from Pennsylvania through Ohio, Michigan, Indiana, Illinois, to Wisconsin—a region that has outsized geopolitical import and impact. These are the states where white, working-class voters in declining industrial communities, feeling ignored and alienated from their nation's politics, responded to the nostalgia and resentment-driven message of Donald Trump in enough numbers that they <u>narrowly put him in the Presidency in 2016</u>. This result—in the same year that UK voters in once-reliable Labour strongholds among the industrial regions of England's north (known there as the "Red Wall") voiced their own frustrations and drove Britain out of the EU—ignited interest around the world in <u>attending to whatever conditions underpinned</u> these polarizing, populist movements.

The <u>tour took in iconic industrial heartland communities</u> around the Great Lakes: Pittsburgh (PA), Erie (PA), Cleveland (OH), Detroit (MI), Ann Arbor (MI), Chicago (IL), and Milwaukee (WI). It took place at an interesting political and economic moment: the US presidential mid-term elections had just taken place, and US federal legislation had recently passed which offered unusual, unprecedented national investment in the US industrial heartland regions.

Also, as part of the study tour, a one-day hybrid conference took place in Ann Arbor on "Engaging Heartland Residents: Rebuilding Pride, Ownership & A Brighter Future." The event was hosted by the University of Michigan's International Policy Center & Weiser Diplomacy Center at the Gerald R. Ford School of Public Policy. Study tour participants also were featured speakers at the event, broadcast to a transatlantic hybrid audience in Erie, Pennsylvania, as part of the Jefferson Education Societies' Global Summit series.

A True Taste of the Industrial Heartland

The <u>study tour</u> started in Pittsburgh and western Pennsylvania—a region that suffered the dramatic collapse of its signature steel industry starting 50 years ago, and that has experienced a similarly dramatic rebound recently in the city of Pittsburgh on the backs of world class universities. Still, disparities linger between a reborn urban core and dozens of hollowed out communities in the surround. Communities manifesting some of the strongest support for the continuing "Trumpist," Make America Great Again (MAGA) movement.

The study tour progressed to Erie, an archetypical medium-sized midwest industrial community, astride one of the Great Lakes, Lake Erie. A home to serial innovation and the rise and fall of industries from oil

to bikes, boilers, toy-making, and locomotives, now seeking to reinvent itself in a high-tech, lifestyle and amenity-driven economy.

Next, to Cleveland and Detroit, which were the US innovation centers and Silicon Valleys of the 20th century, where whole industries such as autos and aviation were born. Today these cities are home to the most extreme cases of a common midwest pattern, the bifurcation of economic opportunity and living conditions by race. In these communities, world-leading centers of research, corporate, and university innovation such as Ford Motor Companies' Global Engineering & Design Center, the Cleveland Clinic, Henry Ford Health System, and Case Western University lie literally right next door to acres of abandoned formerly middle-class neighborhoods and dire poverty—communities with the sharpest racial segregation in the country, the Blackest communities in the nation, next to some of Whitest.

In Ann Arbor, the University of Michigan hosted a transatlantic conference on Engaging Heartland Residents. There the study tour group heard from leaders the stories of Grand Rapids and Flint, once similarly sized and prosperous furniture and auto communities: Flint today is hollowed out and financially abandoned, while Grand Rapids is an example of the potential and power of regional civic, business, and political leadership to develop and manage a long-term vision and plan for successful economic evolution and diversification. At the conference, study tour members also got a taste of Iowa and the rural midwest, as reporters and researchers from those regions shared rural and small town community residents' feelings of being ignored and patronized by elected officials and coastal elites.

The study tour went next to Chicago, the heartland's capital, its finance and trading center—a truly global city with a thriving urban core, but working to attend to hollowed out, race-cleaved neighborhoods nearby.

The tour ended in Milwaukee, on Lake Michigan; a prototypical midwest industrial community in all ways, once defined by manufacturing machine tools, motorcycles, water heaters, fabricated metals, and beer. Today it's the most racially segregated city in the country and is tackling its divides head-on, while working to repurpose its industrial bones as a global water, technology, and lifestyle community.

The story of the industrial midwest is one familiar to residents of industrial communities in the UK and Europe. After a long period of industrial boom and prosperity, enjoying global leadership in steel, oil, aviation, automotive, processed foods, and consumer durable goods industries, the region faced a severe economic and demographic decline in the 1960s and 1970s. While many once-mighty manufacturing communities that lost their economic anchors still struggle, others in the midwest have managed to bounce back and are home to worldwide leaders in terms of innovation in sectors such as automation, artificial intelligence, advanced manufacturing, automotive/mobility industry, biomanufacturing, health, and medical research. Where it has occurred, this economic revival has been accompanied by major urban revitalizations, still underway.

However, even many of those metropolitan regions on the rebound have not yet recovered the population level they had prior to this decline, and the patterns of population loss and gain in the midwest differ greatly by community. In some metropolitan areas such as Detroit, Cleveland, and Erie, the urban core city has only recently begun a modest revival and population recovery after years of decline, while the suburbs continue to grow and prosper. In others, such as Pittsburgh, the city and surrounding close-in suburbs have seen a remarkable recovery, but the many steel and manufacturing communities comprising its hinterland continue to reel from decades of business and population outflows. This uneven economic revival, high-tech led, varies from community to community, leading to a feeling of a divided industrial midwest, or "two midwests" —one that thrives in a globalized economy, at the forefront of knowledge, innovation, and technology, and another that is left further and further behind.

Economy is Political Destiny

The variance between economies on the rise and communities still in decline makes these regions the most politically-deciding geographies in the US. Blue collar, once firmly Democratic strongholds such as

Erie, Saginaw (MI), and Racine (WI) that still struggle economically today, narrowly swung these three battleground states for Trump in 2016—handing him the presidency.

Pittsburgh, now a thriving urban center with its significant minority population, is a consistent Democratic vote center, while the depopulated steel country communities in the surrounding areas go ever "Trumpier" with each recent election.

In Michigan, thirteen once-thriving, blue-collar, Democratic, union, industrial town strongholds in long-term decline were decisive for Trump in 2016 and continue to move toward the extreme political right in elections since, including the most recent 2022 US midterms. Meanwhile, once solidly Republican west Michigan—today economically resurgent—has now voted in support of a Democratic governor and rejected Trump's hand-picked election-denying statewide candidates for office.

Wisconsin politics remain narrowly divided, with on-the-rise Milwaukee and its large African American population, university town and state capitol Madison, and a handful of economically resurgent industrial communities going for the Democrats, while struggling factory towns and alienated rural residents are some of the fiercest anti-establishment and anti-Democratic voters in the nation.

Chicago and its better-off suburbs remain strongly Democratic, while in downstate Illinois, rural Iowa, and in the many hollowed-out manufacturing communities that dot the cornfields, the Democratic brand today is "toxic."

While much of the focus of the study tour was around understanding the dynamics of midwest communities' strategies for economic development and diversification, there was a more important goal: discerning how and why successful economic rejuvenation could ameliorate residents' anger and resentments, and take the steam of our anti-democratic populists movements—and how leaders at all levels could catalyze and support these strategies.

The <u>Transforming Industrial Heartlands Initiative</u> of which the study tour was but one component, has worked to both <u>document the connection</u> between the economic conditions of industrial heartland regions and support for polarizing, sometimes anti-democratic populist movements (the "Geography of Discontent" in <u>this EU analysis</u>), and identify and <u>share strategies</u> on how to attack the root cause of these discontents: the real and perceived economic decline of once-proud and mighty industrial regions.

In Europe there has been longstanding effort to support successful economic structural adjustment, particularly through the EU's cohesion policy and investments (a purposeful effort to bind people and countries together). But US midwestern communities such as Milwaukee, Grand Rapids, and Pittsburgh that have been managing successful economic transformation have been navigating economic change largely on their own—charting their own economic renewal visions and raising the resources to execute them through local civic, business, government, and philanthropic collaborations. The successes and failures of European regional economic structural change efforts and cohesion policy have been largely underreported, and with communities disconnected from each other.

In the US, national efforts to support this process are just now beginning in earnest, driven by the same concerns as in Europe over rising geographic inequities and the accompanying political alienation. Jump-started by the wake-up call that was the 2016 surprise victory of Trump—powered by industrial heartland residents' alienation—attention to close the yawning regional economic divides is now a national priority. Several federal laws passed under the Biden Administration represent an unprecedented federal investment in economically-transitioning places and heartland communities. These include the American Rescue Plan Act (ARP), Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and most recent Inflation Reduction Act (IRA). The infrastructure bill and CHIPS and Science Acts (2022) will invest nearly \$250 billion in the semiconductor sector and in advanced computing R&D, information technologies, and biotechnology. The investment also includes some components to support regional innovation and technology hubs, pilot a program to support economic development and job creation in the

most distressed communities, and promote STEM education activities for disadvantaged communities. The Biden Administration's Justice 40 Initiative also commits most of these programs to deliver 40 percent of the overall benefits of certain federal investments to communities that are marginalized, underserved by infrastructure and other basic services, and overburdened by pollution.

As was evident on the study tour, this new massive funding from the federal level aimed at the industrial heartland region has spurred collaboration among midwest community stakeholders to elaborate development strategies that compete with other cities and get federal money for their projects: in Erie, leaders were hard at work putting together the 'Infinite Erie' plan; the Greater Cleveland Partnership was furiously working to retool their economic development strategies to move from autonomous to electric vehicle, batteries, and component part production.

The most recent Inflation Adjustment Act, while sparking concerns about a new round of protectionist titfor-tat with European allies, promises a dramatic investment in heartland clean energy, electric vehicle, and related manufacturing. And if implemented in the context of enhanced "friendshoring" and "allyshoring," it can represent a <u>mutually beneficial joint effort</u> with allies to reinvigorate heartland regions, seize green economy leadership, and strengthen democracies at home and alliances abroad.

Study Tour Takeaways

Transatlantic Variation

Study tour participants from the UK and Europe found much that was different—both positive and negative—in the context and the on-the-ground realities that serve to help or hinder efforts at positive economic transformation and change.

POLITICAL CULTURES

A variety of factors, including recent political experiences and different norms of political discourse, have affected the political identity of residents and impacted the messages and management of economic change.

An increasingly polarized politics appeared now totally driven by identity and ideology in the US—where it is an "us versus them" polity. This stood in contrast to the home countries and cultures of some study tour members, hailing from regions where constituents could still be "won over" by the party they currently weren't supporting, either as a response to the personal behavior of political leaders or differences in policy. For example, it was observed by a UK official that while disaffected, feeling-ignored residents of ailing cities in the north of England certainly were responsible for supporting the polarizing populism behind Brexit and Boris Johnson, they still were attentive to both the character and integrity of political leaders and their policy stands and messages on particular issues. This is in stark contrast to the industrial midwest where the residents of declining midwest communities that are ardent Trump backers—fanned to fury by personal grievances—are unreachable with messages of character or policy content, including policies that arguably might benefit them or their community. Meanwhile, research shared during the tour, around *The Disregarded*, from the German Think Tank Das Progressive Zentrum showed that German residents of structurally weak regions, while sharing the same alienation and low opinions of establishment elected officials, were more worried about the future of their community or region than their own personal situation.

DIFFERENT INFORMATIONAL CONTEXTS

In many places in the Midwest, but also in parts of UK and Germany, economic decline, population loss, and "disconnection" contribute to the loss of many local institutions, including news outlets and other sources of shared information and communication—thingsthat help maintain a shared national identity and shared basis for both community and national political decision-making.

It was observed that there were still more commonly-shared information sources in the form of national and local news in many parts of Europe and UK, while residents in the US were tuned into very different, ideologically polarized information "channels." Monmouth College professor Robin Johnson remarked on the loss of newspapers, civic, and social organizations in much of America:

"Mainstream media in small towns has just been decimated. You don't have local newspapers anymore. You don't have unions. You don't have organizations that act as kind of filters and kind of explain to things to people locally."

The feeling of being a "left-behind" community and not part of a broader national conversation contributes to a sense of isolation and alienation among heartland residents, whatever country. As Germany's Florian Ranft put it: "There's also an immaterial dimension to it. They're not part of the conversation, the political discussions. They have the feeling that the political parties don't really care about them, and that policies and the big politics is kind of passing them and their own kind by."

ANTICIPATION AND PLANNING

In contrast to the experience shared by economic change practitioners from Germany—and to some degree elsewhere in the Europe—it was observed that the US and UK appear to have "left the industrial era without a strategy." Whereas in Germany's Ruhr region, facing the beginning of the decline of the steel and coal industries that defined the region, plans for new universities and transitions for dislocated workers took shape decades ago as the decline began. In the US and UK, plans are only now being forged to focus on adjustment to economic structural changes that began over 50 years ago.

GOVERNANCE

The study tour visitors to the midwest were struck by the variability in organization and leadership of community and regional economic development and change. Community economic development strategy-making and leadership coming from the business community in one region, government and political leaders in another, third-sector (non-governmental organizations, or NGOs) and civil society in a third.

"There is no specific actor in charge of economic development; those who are in charge, are those who take the lead," noted the European Commission's Directorate for Regional and Urban Policy, Hélène Laueriere, in her report back to the Commission. And certainly, there is no organized effort nor organizational structure to support economic transformation provided by the US states or federal government.

The midwest city-regions offered varied organizational models for economic planning and development, although most often it was characterized by a wide public and private partnership. Some regions benefitted from leadership from business leadership organizations such as CEO-led consortia and chambers of commerce (Cleveland, Pittsburgh); in others the business, civic, political, and philanthropic leaders were all well-aligned (Grand Rapids, Milwaukee). Randy Thelen, president and CEO of the organization leading the economic development strategy for the greater Grand Rapids region (showcased at the Ann Arbor conference) gave evidence of the power of leadership alignment for a successful economic development strategy in Grand Rapids involving a broad range of partners—in contrast to the collapse of the local economy and absence of strong multi-sector leadership in once-similarly situated Flint. In Erie, in the absence of both effective local governmental and organized business community leadership, a think-tank (the Jefferson Education Society) initiated and attempts to lead the community's strategic planning.

INNOVATION ECOSYSTEMS

It appears that despite different organizational patterns, the midwest communities do manage to build effective ecosystems by bringing universities, incubators, and business, risk-capital, philanthropy, and public agencies together, which are favorable for research, innovation, and new entrepreneurial activity. Universities and business enterprises in the midwest communities forge very strong links, and

entrepreneurial researchers at universities "win" rich private and federal R&D money and are financially rewarded themselves. One study tour member contrasted these entrepreneurial, bottom-up innovation ecosystems with a "too-bureaucratic" European approach in which the public administration attempts to lead. Another study tour participant characterized this as rewarding "excellence" versus "place"—whether it was financially rewarding entrepreneurial university faculty, and students; letting the marketplace and investors "pick" promising new technologies and fund future growth; or competitively letting public economic development and infrastructure dollars do the best plan, versus greatest need.

FINANCING

In the US midwest, until very recently, the federal government had been largely absent from any place-focused industrial heartland regeneration strategies. Federal support for economic development that does exist comes largely in the form of competitively-won R&D dollars and infrastructure projects funneled through state government and local finance partnerships—though there are minor federal programs for small business development and community redevelopment. There certainly is nothing like EU-wide cohesion funding, or national government focused regional funding as seen in Germany. Midwest states differentially organize and contribute any resources towards community/regional economic development—some have a form of regional geographic funding focus, but most do not. Midwest communities have filled this void by organizing their own community and regional public-private partnerships, leveraging investments for local businesses, philanthropy, universities, hospitals, and anchor institutions with sometimes a catalytic or pump-priming role from local or state governments.

ROLE OF PHILANTHROPY

Everywhere the American penchant first noted by DeToqueville for "associations" outside of government manifested itself in the leading role of philanthropy and centrality of both third-sector (NGOs) and private resources in managing economic development and innovation strategies. The great wealth generated in the US industrial heartlands by industry titans such as Rockefeller, Ford, Heinz, Mellon, Kellogg, and Carnegie built large philanthropies and community-based foundations, which have been central to the regeneration initiatives of recent decades.

In the absence of regular stable public financing schemes, as most state and federal financing is allocated on a competitive basis, most midwest economic regeneration managers and promoters need to secure philanthropic, individual, or corporate investments, be it for innovative products or start-ups, or for community development projects. Study tour participants saw many examples: in the financing model for projects developed by the Nottingham Spirk Innovation Hub in Cleveland, the innovation centers developed by the Pittsburgh universities in a former steel mill—Mill19—the Riverfront Restoration in Detroit, the XS Tennis Village in south-side Chicago, and the Henry Ford Museum in Detroit, to name a few.

DEMOGRAPHICS

The midwest writ large, once the beneficiary of massive migration during the rise of the industrial era, only just recently reversed a decades-long population decline as the region's industrial restructuring diminished job opportunities, and in many communities fueled an exodus of workers alongside a greatly reduced inflow of new populations. All the midwest city regions, remain below their peak population in the 1950s and 1960s—trends never fully reversed despite many successful economic and urban revitalization efforts, top-tier universities, and programs to attract a skilled and younger population. People either fled the region when the industries closed or downsized to look for jobs elsewhere, or urban residents in the midwest fled to the suburbs of any given metropolitan area—a common phenomenon known as "white flight." As some communities are now growing again, while others continue in decline, the demographic profile of midwestern communities today differs greatly community by community.

Immigrants <u>have been extraordinarily important to the economies of midwest communities</u>, both historically—during the first wave of European immigrants, who brought their expertise and industrial skills—and the since the 1960s when a more liberal US immigration policy brought a disproportionate

share of highly skilled and entrepreneurial immigrants to midwest states such as <u>Michigan</u> and Ohio, partially offsetting the net outflow of domestic population and homegrown "talent." From a purely demographic point of view, immigrants at all skill levels are responsible for most of the community renewal and population growth that has occurred statewide, and they are the only source of population growth for communities such as Detroit. Until President Trump and the pandemic curbed the inflows, from 2000 to 2015, non-native populations in midwestern communities grew 34% and accounted for 37% of all population growth in the midwest.

RACIAL DYNAMICS

These demographic shifts in the midwest coexist with racial issues and segregation—this, the study tour members found striking. The industrial cities of the US midwest are the most segregated by race and income in the country, with 18 of the top 25 segregated cities in the region—strictly enforced for years by housing and education codes and policies. Chicago, Milwaukee, Cleveland, and Detroit are among the worst of highly-segregated cities in the US. The life expectancy of the Black population in Chicago is 30 years lower than the one from the White downtown population.

Even in a smaller community such as Erie, the racial divide is stark. The study tour included showing the group a spot on the eastside of a narrow water inlet separating the poor, largely Black population of Erie from Peninsula State Park, a community jewel on Lake Erie's waterfront. Simply put, there is no access to the large state park from east Erie. The only access for east side residents—still—is to drive 15 miles around and enter through the well-off west Erie enclave populated by Whites, despite years of community discussion and debate about facilitating greater access for Black residents.

CLIMATE AND ENERGY

In the US, the attention to managing and navigating the "great transformation" to a clean energy future has considerably less prominence than it does within European communities. Study tour members observed that patterns and practices of sustainable use were much less common and ingrained in the US. One study tour member remarked that local waste-to-energy and recycling efforts, well established in the EU and leading to a multi-billion euro business, were just in their infancy in the US. Only very recently have US federal laws (e.g., the Inflation Reduction Act, which builds on the Infrastructure Law) set clear green objectives and promise several hundreds of billions of dollars for energy and climate investments. Some states, such as Iowa and Illinois, have stepped up and established aggressive clean energy and renewable energy production standards, but there is great variance in state policy and practice based on the politics of each state.

In the midwest, what attention there is has been driven mainly by business-led initiatives (seeing where the marketplace was headed) and local initiatives such as in Grand Rapids, which has become a leading city in carbon footprint reduction. After being the first American city recognized by the United Nations as a Regional Centre for Sustainable Development in 2009, the city has continued to cultivate its "green profile" through goal-setting for community carbon emissions, water use, energy consumption, waste recycling, energy efficient buildings, and in the development of new solar energy sources.

URBAN FORM

The urban form and pattern of development in midwestern communities was novel to visitors from the UK and Europe. Gleaming new research centers and housing developments stood alongside whole neighborhoods of formerly middle-class and working-class single-family homes, many shuttered in disrepair, or only as ghosts in the form of empty grass- and rubble-strewn lots. Comfortable middle-class residential neighborhoods suddenly gave way to derelict neighborhoods when a city/suburb or racial

 $^{^{1}}$ Ex.: the Illinois Climate and Equitable Jobs Act (2021): 50% renewable energy by 2040 and 100% carbon-free power sector by 2045

dividing line was crossed. Abandoned, hulking factories and warehouses lay like wrecks while, nearby, others had been renovated and repurposed for new housing, offices, or startup businesses.

As study tour member Jörg Kemna of Business Metropole Ruhr noted: "The situation often seems to be fragmented, not simple. We drove through very different urban districts and peri-urban and industrial landscapes."

CULTURE AND MENTALITY

Several interlocutors have emphasized the presence and contextual importance in the US of an entrepreneurship and innovation culture, which is lacking in some places in Europe. The study tour members were impressed by the entrepreneurial universities that rapidly develop new technologies and talent to support start-ups and more competitive local businesses. As in Erie, where European visitors marveled at undergraduate students from Penn State Behrend and Gannon University working for technology startups, building and prototyping new technologies, earning new patents, and getting paid. "We would not be allowed to do that in France!" one tour member remarked.

This entrepreneurial bent extended to the internal culture of universities and learning institutions, as well as the local or regional economic development and public-private support organizations. Staff and leadership of these groups appeared to be always hustling, always fund-raising, always selling and recruiting new stakeholders and investors in their work. Another study tour member remarked: "Everyone we met with was so high-energy, they were all excellent presenters and speakers. You would not see the same thing in Europe."

The economic development support organizations and university/college learning institutions offered many examples of this entrepreneurial culture. The group toured numerous environments where learning and research was happening in applied contexts, including in Cleveland, where a manufacturing applied-learning lab introduces K-12 students to careers in high-tech manufacturing. Posters in Gannon University I-HACK prototyping rooms were decorated with slogans such as: "Failure is success in progress" (A. Einstein); "Opportunity is missed by most people, because it is dressed in overalls and looks like work" (T. Edison); and "If you want to go fast, go alone. If you want to go far, go together" (African proverb).

In Cleveland the tour members viewed new technological innovations coming out of universities and medical research complexes, such as the Cleveland Clinic, and being turned into new commercial products and new companies at a dizzying pace; public-private partnerships helping Cleveland's large-scale auto-related industry pivot quickly to the opportunities offered by new electric vehicle production.

The attitude toward risk—including from investors—suggested that in the US, stakeholders appeared more willing to finance new projects, including from those whose previous projects may not have been successful.

NEW IMPRESSIONS

Other differences from their own communities and their own ways of doing the business of economic regeneration experienced by the study tour participants were more impressionistic:

"I don't understand the White residents' backlash against the 'woke' attention to the needs of Black and marginalized communities."

[&]quot;I was Surprised at how 'industrial' it still was—not all Silicon Valley."

[&]quot;I was awed by the architecture and grandeur of Chicago's loop, and Cleveland's art houses."

[&]quot;I was not aware of this phenomenon of urban food "desserts"—no stores affording access to fresh and healthy food for poorer residents."

Commonalities in a Framework for Economic Development

SHARED ARC OF RISE AND DECLINE

Study tour members saw and heard first-hand the experience of communities that exhibited an eerie parallelism to the arcs of decline, as well as the attempts at rebirth, of their own industrial regions.

The experience of Pittsburgh and its surrounding communities, losing tens of thousands of good-paying steel jobs with massive factories closing year upon year, harkens the retreat of coal and steel in Germany's Ruhr. Flint, the birthplace of General Motors, experiencing the loss of 70,000 jobs and a population decline from 200,000 to 60,000 over several decades, was similar to the dramatically retrenched auto employment by Fiat in Torino, Italy's car capital. The vanishing of the once-mighty machine tool and machining industry of Milwaukee followed a similar arc as many towns in England's north.

But just as familiar are the contours of the arc of renewal. The efforts in these communities and the strategies and tactics pursued were akin to those being pursued by the visitors from the UK and Europe, revealing strong commonalities guiding industrial heartland economic renewal.

COORDINATED, COMMUNITY-SPECIFIC STRATEGY

Several features of successful community regeneration efforts were observed by study tour members, reflecting on their own experience and efforts back home. Communities that had found success at regeneration developed a unique-to-their-place-based approach, strategic vision, and plan for rebuilding specific industrial and manufacturing capacity, driving new technology development and regional growth. Study tour member Michael Schwarze-Rodrian, with years of experience in the Ruhr's transition and redevelopment efforts noted the customized nature of the work: "It needs to be a specific transformation that fits to the single region/city/neighbourhood. Effective public-private leadership, good governance and organizational frameworks, active stakeholder collaboration, and strategic actions that build on communities' identities and strengths support the creation of such an approach."

Where successful, regeneration efforts manage to coordinate all issues and at all levels in policymaking—tailored to fit the particular organizational and policy-shaping context of the region. As OECD's Sandra Jolk observed: "Often, not more but better co-ordinated policy levers are needs for industrial transition. Sometimes the problem is the number of policy instruments to support innovation but more often it is a lack of effective co-ordination mechanisms between different parts, and different levels of planning and governance. When communities do identify the mechanisms that might enable instruments to interact and the set conditions that can support such interaction, they can find success."

In Europe, one important mechanism for better policy instrument coordination is smart specialization strategies, because they require an action plan outlining how existing policy instruments and various actors can support smart specialization. Study tour members observed similar coordinated plans and actions—in the purposeful, broadly-shared and created plans to diversify the regional economy and build new competencies in emerging sectors of Grand Rapids, Cleveland, Milwaukee, and Pittsburgh. A common framework for planning and action—shared at all levels of government—is important to guide successful economic change efforts.

INTEGRATED POLICY PLAN

Multi-dimensional, integrated, place-focused plans and policies for industrial transition are an important pillar of regional development in Europe and North America. In the US context, these plans have either emerged from the local level, through the organization, leadership, and vision of local public and private sector leaders (or not at all when leadership is lacking). Within the EU, cohesion policy has helped regions implement regional development and innovation strategies in a more systematic way.

Irrespective, whether in the Grand Rapids region of west Michigan, or the Ruhr region of Germany, an organized, systematic, and iterative visioning and planning process is important. And the major substantive arenas of policy focus appear similar on both sides of the Atlantic.

As study tour member Andy Westwood from the University of Manchester observed: "There appear to be a common series of clusters of policy that inform local/regional policy development in 'heartland' areas. Including: R&D/innovation (and 'Smart Specialization' in EU program language), education and skills, infrastructure and connectivity, local institution and capacity-building (including partnerships and private, public, social sectors), and economic development fostered through private-sector networks with a clear growth plan as well as the building of social capital and networks. There's also a big element of identity and civic attachment/pride that is really important but quite hard to get right."

He sees a similar framework in the UK, where the current Government's levelling up agenda for left-behind regions uses a "six capitals" framework that follows similar contours: Financial capital; Physical capital; Human capital; Intangible capital; Social capital; and Institutional capital.

Study tour member Michael Schwarze-Rodrian, reflecting on the Ruhr's transition and redevelopment efforts, echoed the comprehensive nature of the work: "(*The transformation plan needs*) include the economic, the social, the cultural, the environmental conditions, the landscape, and the unique potentials for new developments. It is always more than the economic transformation. The structural change must include ecological, cultural, and aesthetic."

The OECD's Sandra Jolk observed, based on OECD work with regions in industrial transition: "There is a need for a holistic perspective for policy support. There are investments that are needed in people, in education and skills-building. It is equally important to support entrepreneurship, business, innovation in new and emerging sectors, and that's not easy to do, but possible."

PUBLIC-PRIVATE PARTNERSHIP

Particularly evident during the study trip was the impressive work of partners coming together in organized and formal community and regional public-private partnerships, whether as manifested and organized by the Allegheny Conference in Pittsburgh; the Greater Cleveland Partnership; or the Greater Milwaukee Committee. Study tour participants noted that they were successful in developing similar durable structures in their own home regions, as in the Ruhr region of Germany or a Greater Manchester in which a broader governance structure enabled broader partnership building. Where they had built such partnerships, it had furthered and accelerated successful economic transition. The OECD's Sandra Jolk drew these lessons for practitioners: "Actively nurture local public and private leadership. Strong and well-coordinated public and private leadership helps attract investments that build on local skill sets and an existing industrial base. Local development organizations should actively build their change-leadership skills and stimulate employees towards taking on leadership roles."

LEVERAGE UNIVERSITIES

As industries rapidly evolve in a more knowledge-driven and technologically demanding environment, industrial heartland communities can leverage and build out their existing assets among foundations, businesses, and particularly research and learning institutions such as universities. Jörg Kemna, with Business Metropole Ruhr, at the University of Michigan conference highlighted how the Ruhr region began investing in universities and research when deindustrialization started in the 1950s, as fulcrums for innovation, new economic opportunities, retraining, and talent creation.

Education institutions, particularly universities, are perhaps the most powerful engines of new economic activity in today's high-tech, knowledge, and talent-driven economy. They can be powerful agents for generating and diffusing innovation, playing a crucial leading role to (re)build opportunities in emerging areas such as advanced manufacturing, information technology, energy, health, and bio-sciences sector. The power of universities was particularly evident on the study tour—midwest universities rank among

the best universities worldwide, five of them² ranking among the top 30 according to the *Times Higher* Education 2023 ranking.³ They have developed close partnerships with businesses, offer excellent conditions for study and research, and have extremely well-equipped labs and testing machines—thanks to these corporate partnerships and high fees—and attract talented students from all over the world.⁴

Close working relationships with local universities can help overcome what in Europe is termed the "innovation paradox." The paradox refers to a situation in which relatively high investments in innovation do not result in new business and job growth. Overcoming such a paradox requires nurturing a culture of co-creation for innovative products and services—which was on vivid display on the study tour at Penn-State Berend, where faculty and students are working directly with businesses developing new products and processes; and in Cleveland where venture investors pull resources and management teams together to quickly commercialize new technologies emerging from Case Western Reserve University and the Cleveland Clinic.

Study tour members noted in the US the ability of both academics, business leaders, and developers to work together with seemingly little red tape, noting university-business cooperation in Europe is often more bureaucratic and difficult to establish than in the US. Study tour member Andy Westwood, professor of Government Practice at the University of Manchester, noted: "It's been fascinating on this study tour to learn so much about the role of universities, to go to Pittsburgh and see what University of Pittsburgh and Carnegie Mellon are doing to drive new innovation and business growth, and to solve what we in Europe call the innovation paradox—we've got big universities too, like University of Manchester where I am from. And it is a lot easier for a community to do stuff when you've got them [universities] than when you haven't got them. But how do you really deploy them? What with the wealth, the expertise, the strength, the knowledge, and their location in the communities. We have lot to learn from each other."

CAPACITY BUILDING

Supporting the capacity of regional and local organizations and institutions to organize, plan, and execute a strategic vision appears to be a regeneration imperative. The study tour saw examples of where this was done well: Pittsburgh leaders organizing a business-led economic development organization—the Allegheny Conference, 70 years ago—to plan and manage regional economic transition and renewal. Grand Rapids/west Michigan, where for 35 years the Right Place has managed and executed an evolving regional gameplan for economic diversification and community renewal. They also saw examples of the lack of capacity: smaller former steel communities in the hinterlands of Pittsburgh; reeling from loss of population and tax base, lacking local public staff and managerial capacity to even organize applications for new trenches of federal economic development and infrastructure dollars.

The OECD's Sandra Jolk noted the importance of capacity building, including for experimentation, in their own work with industrial regions in Europe. The OECD offers some tailor-made assistance to help regions come up with potential high impact actions, policy instruments that were new and experimental in the region, in order to break outside from what is usually done within existing regulations and funding models—to see whether a different approach may not work better and could be scaled up in the future. For example, a community in France tried a small pilot program at zoning industrial policy innovation and now broadened it out; in another community a new program that offers a voucher to pay for help in digitizing the work of a company or organization was piloted and assessed. "Trial and error in

² University of Chicago (IL), of Pennsylvania, of Michigan-Ann Arbor, Northwestern (IL), Carnegie Mellon (PA)

³ World University Rankings 2023 | Times Higher Education (THE)

⁴ The down side of these high fees is that, despite some scholarships, it leaves aside the most disadvantaged people, who either cannot afford the tuition fees or do not manage to finish their studies and graduate, many of them being indebted possibly for their whole life.

experimenting around what kind of policy levers are most effective helps nurture a culture of experimentation and innovation," reported Sandra Jolk.

DEMOCRATIC AND PARTICIPATORY

Successful community redevelopment efforts build resident ownership. Ownership matters for giving people pride in local communities and needs to be supported through bottom-up leadership initiatives and an enhanced focus on community development and inclusive participation in the innovation economy. The study tour saw many examples of where this was done well and where it was not. A transformation of Detroit's Eastern Market district to an area that attracts and is supported by local, largely Black residents and small businesses, as well as attracting better-off, White suburbanites—making it a fulcrum for community redevelopment. Downtown housing in older industrial districts in Erie and Milwaukee was being developed to be accessible and affordable to local residents, not just as agents of gentrification. Proactive outreach from the Allegheny Conference and other NGOs to Pennsylvania's shattered steel community residents and leaders, supporting them in organizing and empowering community residents and forging plans for rebuilding.

European partners pointed to the similar importance and different models for community empowerment and inclusive growth. In Preston, England starting in 2011, local leaders—frustrated by what they viewed as London-centric development policies—began their own experiment, now known as the "Preston model." The city democratized its public institutions and invited people to participate in decision-making at all levels of the city's economy. Based on the idea of community wealth building, the Preston model looks to create a "bottom-up," more democratic and inclusive economy, one kept in the hands of the city's inhabitants. Through creation of worker co-ops, public enterprise, community land trusts, and public planning initiatives, to date it appears to have had some success in reviving the city's economy—what one group heralded as "the most improved city in the UK".

Or in Dortmund, Germany with help from the Wuppertal Institute, the city launched a sustainable urban reconstruction project focused on how people can be empowered to shape their living environment considering their own needs and values. The DoNaPart Project was focused on improving the quality of life and the environment for residents in the Westerfilde and Bodelschwingh districts over the long term. An inclusive design and implementation of a sustainable transformation process in the fields of energy, mobility, and consumption was executed.

LEAN INTO THE NEW ECONOMY

The industrial economy was contingent on locational assets, raw materials, water, and power sources. Today's economy is increasingly driven by the work and lifestyle preferences of mobile "talent." This reality places an economic premium on attributes such as quality of life and place, amenities, and good public services, as well as support for education, arts, and cultural organizations. This new economic paradigm was on display in Milwaukee with its cleaned-up, spruced-up downtown and waterfront, laced with public access, arts and culture institutions and amenities; or in the story of Grand Rapids, which redeveloped its downtown as a hub for learnings, arts, culture, walkable access to entertainment, restaurants, apartments and condominiums, and a newly redeveloped waterfront. The waterfront redevelopments in Erie and Detroit were likened by study tour members to the similar placemaking remakes of harbors in Liverpool and Hamburg.

Another important place-based advantage observed in the Great Lakes region is access to unlimited fresh water, lots of woods, and a temperate climate devoid of the extreme effects of climate change—making it an attractive and sustainable platform for long-term economic and demographic growth.

Manage Out-Migration and Demographic Change

Many American and European industrial transition regions must deal with demographic and economic trajectories leading to population decline, with dramatic consequences for people, jobs, and communities. Study tour participants saw first-hand the devastation wrought in western Pennsylvania steel town

communities that, over recent decades, had lost almost half their population; and heard the story of Flint, once home to 200,000 residents and today down to 60,000, leaving a shattered tax base still having to support infrastructures such as water systems built to serve the historic population.

These communities get into a vicious spiral downward: lower birth rates or high rates of relocation lead to fewer young people entering the workforce. And when the young move away, the average age of residents (many now dependent on social safety-net incomes) rises, and the less attractive the area becomes for new businesses. There are regions such as Germany's Ruhr that have managed better than others a long-term demographic shift, through both retraining, community regeneration, and relocation policies. Such approaches are important to apply to industrial heartland regions' experiencing structural economic change.

Michael Schwarze-Rodrian put it this way: "Structural change is a very complex and long-term challenge—and it can be managed."

Much We Can Learn from Each Other

Practitioners of industrial transition should make the most of the variance in US and European contexts and approaches—learning from each other how to do similar things well, as well as how to animate policies and practices borrowed from abroad. For example, there is a strong entrepreneurial spirit in the US, with facility in bringing stakeholders together to develop material projects and respond quickly to change—an approach and processes that can be better understood and deployed in Europe. Meanwhile, the EU cluster-based and region-based organizational and policy frameworks can provide models for more "stable" and organized regional development for industrial transition regions. More in-depth comparative analysis of transatlantic approaches and continued cross-pollination of insights and experience can help leaders and economic change practitioners in all regions undergoing an industrial transition better understand "what works" and what lessons can be learned for future strategies.

Just this transatlantic study tour and mutual learning exchange activities flagged for participants a number of topics and ways practitioners on both sides of the Atlantic can learn from each other.

WHAT EUROPE CAN TEACH THE US

The experience of the EU can show US (and often UK) economic development practitioners how to more effectively do both the straightforward work of sparking new economic activity, and the more subtle but important companion work of improving social cohesion and facilitating democratic participation.

The first and obvious lesson from the European experience is that there are tangible benefits to making a durable policy and investment commitment to place-based economic development, with the application of resources concomitant to the tasks. As most recent European Commission's Report on Economic, Social and Territorial Cohesion details: "Over the past two decades, cohesion policy has reduced economic, social, and territorial disparities."

Europe regions, with their more robust and durable history of politically and socially organizing efforts to manage regional economic change, can offer models and organizational structures—including around the design and implementation of "smart specialization" strategies, and in getting all levels of political jurisdictions aligned around a regional plan.

As the Ruhr's Michael Schwarze-Rodrian observed: "We have learned in the last 50 years how relevant it is to mobilize the endogen potentials of a region, a city, and their people. We have also recognized that learning strategies and good solutions have to be tailor-made. The high design-quality of our projects communicates the goals of the transformation. The project qualities are ambassadors of the intended coming developments."

European communities and regional structural change efforts have a longer history than in the US, including rich experimentation around effective community "green" transformation policy and practice, as both an economic and social development strategy. Not only is there a rich experience base around

how to effectively advance policies and practices that support the green transformation, but also in avoiding the politicization of climate change-combatting efforts that has so bedeviled the US.

WHAT THE US CAN TEACH EUROPE

The study tour and discussions that were part of it provided plenty of material and examples around what the midwest US' successful industrial heartland transformation efforts <u>can teach Europeans</u>—efforts much less fully-documented than in Europe where the EU and OECD have been much more deliberate in sharing best practices and case studies.

The study tour members saw a variety of examples of how the US communities and regions execute coalition-building and forge effective multi-sector public-private partnerships—including how private sector and philanthropic financing can be brought to bear and play both catalytic and supportive roles in a variety of new business and community development initiatives.

The midwest economic development organizations and institutions demonstrated how to animate an innovative, and entrepreneurial, risk-taking culture even among public sector and educational institutions. And they showed how to translate quickly new technological innovations coming out of universities, medical research complexes, and companies into new commercial products and new companies—including how to organize and apply pools of early-stage and venture capital to support the process. This fast-moving, results-driven innovation ecosystem included universities and learning institutions that were being leveraged as powerful entrepreneurial agents for economic evolution and change. These institutions also show how learning at all levels could be organized in applied contexts that nurtured individual and community economic opportunity and growth and supported the growth of new jobs.

The US communities demonstrated a variety of ways civic and community institutions, and business leadership organizations can be an effective community convenor and agenda-setter—roles most often in Europe taken by government entities.

While the study tour exposed the challenge faced in the US by a polity being pulled apart by its reliance on wholly different information streams, the travelers were also impressed with the variety of new strategies being developed and deployed in response, in support of better information literacy—a vital foundation for community resident empowerment.

Similarly, while the Europeans were newly exposed to the unique racial dynamics and divides of the midwest, they were impressed by the current work being done to move and manage economic development specifically to measure and ameliorate social and racial inequities.

Finally, as one participant put it, there was a penchant in the US for "thinking big"—for assuming that big, seemingly monumental tasks could be tackled and accomplished.

Lessons for Treating Politics

Just as important as these transatlantic learnings around how to do the "hard" economic development were the shared insights into how to deal with the politics of community—the alienation, resentments, and polarizing tendencies that undercut social cohesion and shared purpose and, as we have seen, undercut our democracies when taken to the extreme.

The first lesson is that leaders and community development practitioners must pay deliberate attention to the communities' politics. Alongside an economic development strategy there must be a strategy for positive community engagement and empowerment.

LANGUAGE MATTERS

Well-intentioned officials—and particularly outsiders—can easily make things worse through condescension and patronizing attitudes, treating people as either victims or in need of "reformation."

The University Alliance Ruhr's Jürgen Hein explained: "The term 'rust belt' is just one example that illustrates the damage language can inflict. It claims that a region is in decay, that it had a past but no

future. The term 'post-industrial' also sends a message that it is over. The glory of the past will never come back. There are also terms that seem to condemn regions and their citizens to passivity, like 'left behind' or 'underserved.' If, as today is the case in the UK, a complete policy strategy is termed 'levelling up' regions, it sends a clear message of who is active and who is passive. And while the term 'structural change'—used commonly in Europe and Germany—is better, the regions targeted for structural change are also classified as 'structurally weak'—which stresses the need to be 'helped.'"

And as Eisenhower Institute Student Tom Cassara put it: "Regions in industrial transition should not be maligned. These regions have great potential for innovation that is often overlooked. They could benefit from strong narratives focused on opportunities they have or can seize rather than those emphasizing their decline. Above all residents of industrial regions need to be 'heard and seen,' then supported to design and create their own future." As Fiona Hill told the transatlantic audience at the University of Michigan convening: "It's about people wanting to be seen, and in having connections and contact."

SHARED INFORMATION SOURCES

A common information set is a precursor to community coalition-building and common purpose in moving forward, ensuring people have the information they need to make their own decisions. Discussions during the study tour emphasized the importance of reliable information sources and localized institutions. Local news provides the community with the means to support one another and to stay abreast of local politics. Regional and national news often do not cover the granular local issues that can help communities seize their fortunes. In the US, the disappearance of local newspapers in heartland regions have left these communities without a collective voice. Iowa journalist Robert Leonard and Monmouth College professor Robin Johnson pointed out that strong civic institutions, such as local news and unions, can serve as filters for misinformation by providing local communities with a shared source of information.

Robert Leonard: "The more that we work to build good local journalism the better off we will be and the better off democracy will be."

RESTORE PRIDE

Wounded pride is one of the principal drivers of anger and resentment felt by many residents of ignored and declining communities. Rebuilding pride is one the most powerful enablers of industrial heartland regeneration.

As one example, Michael Schwarze-Rodrian shared during the study tour how to rebuild that pride by tapping strengths that heartland regions still have. The Ruhr was the longtime industrial heart of Germany, where the economy was defined by steel production and coal mining. These industries began declining in the 1950s, with the last coal mine closing in 2017. However, connections to the mining and steel industry continue to define the region's identity.

The Ruhr region built on these legacies of the past, celebrating their history as a UNESCO world heritage site and then being awarded the title of Cultural Capital of Europe in 2010 (RUHR.2010). These actions helped transition its history and its residents from a deficit to an asset mindset.

ROOT NEW IN IDENTIFY OF OLD

A shared lesson reinforced by the study tour was that proud, once-mighty industrial communities can refresh—and in some ways re-invent—themselves, but the new identity and reality must be firmly rooted in the old. Pittsburgh, once the world's densest manufacturing landscape, harnessed its university-based R&D and talent to remake itself as the center of innovation by leveraging the artificial intelligence (AI) and robotics that support today's manufacturing. Milwaukee, with its legacy of massive water-using industries in manufacturing and beer, rebranded itself as a global water technology hub. Cleveland and Detroit—leading steel and auto and auto parts manufacturers—organized to seize leadership in the engineering and design of today's electric cars and new mobility industry. The experiences of these

communities mirror those of success stories in Europe and UK—such as Sheffield, England moving from stainless steel making to new precision machining for auto and aerospace industries.

Purposeful rooting of economic transformation in the pride and heritage of the region's residents helps them to buy in and support the transition. As one participant framed it: "Create the spirits that turn a region around. Structural economic change needs to be framed around building opportunities, not around asking for help."

CREATE NEW JOBS

Clearly echoing themes heard from local leaders at <u>every transatlantic convening to date</u>, discussion centered on how there is absolutely no substitute in the work of restoring pride and revitalizing communities than affording the dignity of a good job and being able to provide for one's family.

As Fiona Hill put it eloquently when addressing the Ann Arbor conference: "When we're listening to communities about that sense of well-being they desire, that sense of having a place in their community, it's what a job, and job security, will give them. They are looking for a future in their place."

A good job, a sense of optimism about the future has a stabilizing effect on attitudes and is the most powerful antidote to resentment-driven populist messages.

Implications and Next Steps

On both sides of the Atlantic there are important success stories about industrial transition that should be spread more widely. There are also important lessons in effective community empowerment and engagement that need be internalized and then animated by economic transition "helpers" at all levels.

Resurgent industrial communities such as Pittsburgh and Grand Rapids in the United States, the Ruhr region in Germany, and the region of Piedmont in Italy are examples of former industrial regions that have succeeded in leveraging their local economic assets to drive economic renewal. These case studies underline the importance of focusing economic development on local comparative advantages and using the existing industry base to develop new markets. Wider dissemination of these good practices would help still-struggling industrial transition regions identify potential or additional avenues for transformation.

Elected and appointed officials, such as Mayor Andy Burnham in Manchester, State Secretary Thomas Kralinsky in Germany, and Congressman Ro Khanna in the US, have a lot to teach about listening, sharing, and understanding constituents' lived experiences as the first steps to doing more. Journalists such as Iowa's Robert Leonard; researchers and policy analysts such as the UK's Rachel Wolf, and Germany's Florian Ranft have a lot to share about understanding the attitudes and how to effectively engage with and support heartland residents. This study tour and its report are opening just one transatlantic window to share ideas and insights around how to support each other in this work.

Moving ahead, the partners in the TIH will be working together to:

- Create new knowledge, insights, frameworks, and policy/practice recommendations around the
 messages, policies, and actions that catalyze and support economic transformation in heartland
 industrial regions.
- Continue to build out and service a transatlantic network that shares insights, ideas, models, and lessons on doing this work well among national and local leaders, researchers, policy analysts, and practitioners of economic development and structural change.
- Focus the attention of elected leaders in North America and Europe and spur actions to engage
 effectively with these regions' residents, catalyzing effective place-focused and locally-led
 economic and community development.
- Address the root causes of the polarizing politics and economic inequities undermining western democracies, and strengthen transatlantic collaboration.

In the near term to accomplish this end, partners working closely with the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) and European Commission Directorate of Regional and Urban Policy are planning:

- Additional transatlantic convenings, symposia and workshops, briefings, and presentations hosted by partners in western countries, both to understand the growing geography of discontent, and how to treat it.
- More learning exchanges and transatlantic study tours for leaders and practitioners.
- Development and sharing case studies of effective community empowerment and economic transformation from the US, Canada, UK, Europe and beyond.
- Publication of reports, articles, and insights into the political communication and practical policy approaches to engage heartland residents and close economic divides.

About the Transforming Industrial Heartlands Initiative

To learn more about the initiative and to participate in the network and its convenings, newsletters, and updates on coming events, visit the initiative <u>website</u> hosted at the Chicago Council on Global Affairs, or contact John Austin directly at <u>jeaustin@umich.edu</u>. You may also reach out to any of the project partners directly using the <u>contact information here</u>.

Partners











