

# Foreword

This report offers guidance on how to manage industrial transition and is directed towards all policymakers seeking to improve the “what” and “how” of policies that promote industrial change. Building on frontier OECD work and regional experiences, it identifies how regions in industrial transition can become more competitive and more resilient in the context of major shifts brought about by globalisation, decarbonisation and ongoing technological change.

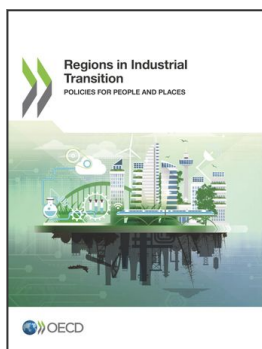
Industrial transition is a transformative, yet complex process. The success of industrial transition depends inherently on the ability of regions to harness the opportunities arising from industrial modernisation while at the same time limiting the costs for affected communities and workers. Regions in industrial transition typically face challenges in modernising their industrial base, upgrading the skills of the workforce, compensating for job losses in key sectors and raising low productivity that limits income growth. Overall, regions will benefit from technological progress and related developments, yet some places and certain population groups risk being left behind.

Addressing the challenges associated with long-term transformations requires active transition management on the part of policymakers and key stakeholders in regions in industrial transition. A strong place-based dimension and a tailored approach to local conditions will be essential to raise productivity and well-being in regions. Promoting development models for successful industrial transition will require building on each region’s past legacy and using policy experimentation to identify the tools that best fit the local context and assets.

The report takes stock of discussions emanating from a series of peer-learning workshops jointly organised in 2018 by the European Commission (EC) and the OECD as part of the EC Pilot Action on Regions in Industrial Transition\*. The results of the pilot action will feed into the implementation of smart specialisation in the next generation of European Union Cohesion Policy programmes in the period 2012-2027. The report outlines the specific challenges confronting regions in industrial transition and offers guidance on how innovation-led regional development policies can facilitate a forward-looking approach to industrial transformation through policy design, implementation and monitoring. The report discusses targeted and place-based policy strategies and approaches to preparing for the jobs of the future, broadening innovation diffusion, stimulating innovative entrepreneurship, supporting the transition to a climate-neutral economy, and ensuring an inclusive and just transition in regions in industrial transition. The report also identifies a range of crosscutting lessons and key considerations that make industrial transition successful. The report underscores that there may often be a need for better rather than more policies.

This publication contributes to the broader work programme of the OECD Regional Development Policy Committee (RDPC). The initial findings of the peer-learning exercise were discussed at the 40th session of the RDPC on 8 November 2018. The report was approved by the Regional Development Policy Committee through written procedure on 11 October 2019 (CFE/RDPC(2019)11).

\*“Regions in Industrial Transition: No Region Left Behind”, European Commission (2019)  
[https://ec.europa.eu/regional\\_policy/sources/docgener/brochure/Industrial\\_transition\\_no\\_region\\_left\\_behind\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/brochure/Industrial_transition_no_region_left_behind_en.pdf)



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