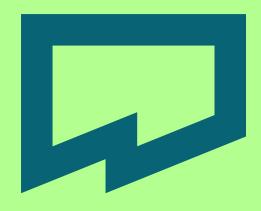


TRANSATLANTIC
DIALOGUE ON THE
INDUSTRIAL
HEARTLANDS

INDUSTRIAL HEARTLANDS: HOLDING THE KEY TO A MORE DEMOCRATIC FUTURE

Working Group on Perspectives for the Future, Respect and Participation

By Viktoria Bechstein, Colleen Dougherty, Ben Harrington, Chris McClain, Linus Platzer, Milad Tabesch



WHILE MANY OF
THESE TRANSATLANTIC
RELATIONSHIPS HAVE
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THE STRENGTHENING
OF OUR MULTILATERAL
COOPERATION.



INDUSTRIAL **HEARTLANDS**

Holding the Key to a More Democratic Future

The future of industrial heartlands on both sides of the Atlantic stands at a crossroads. In both Germany and the United States, 2016 was characterised by the ascendance of right-wing politics, a trend exacerbated by the ascendance of right-wing politics bolstered by a perception of abandonment among the constituents of heartland communities. 2020 election outcomes showed a slight shift in this mindset, yet the heartland regions still found themselves facing several challenges including a rise in nationalist and anti-globalist sentiments, pressure on wages and employment opportunities, growing political apathy, the COVID-19 pandemic, a pressing climate crisis, and worsening inequality and relative deprivation. The response of political extremes transpires from discontent due to both the real and perceived economic decline of once-proud industrial regions.1

With upcoming elections in both countries in 2024 and 2025, a serious set of international crises have emerged bearing tremendous implications. Strengthening and protecting the 80-year-old multilateral cooperation between Germany and the United States is more important than ever given the abundant uncertainties facing our nations. While many of these transatlantic relationships have historically been centred in capital cities or large metropolitan areas, the time has now come for the industrial heartlands to spearhead the strengthening of our multilateral cooperation. However, if the past decade is any indication, one fact remains clear: change is on the horizon for the industrial heartlands. These regions hold the key to effectively shaping structural transformations through cooperation and innovation.

We are a group of six young professionals residing in both Germany and the United States, exploring the evolving landscapes of our nations' industrial heartlands. Our backgrounds span across local, regional, and federal government agencies, nonprofit organisations, academia, think tanks, and policy organisations. Brought together by Das Progressive Zentrum in a working group titled "Perspectives for the Future, Respect, and Participation," our goal is to craft a vision for the industrial heartlands that is democratic, inclusive, and empowering for its inhabitants, contributing to a livable and achievable future for these regions. For this vision to empower the residents of the heartlands, it must be authentic, encouraging the embrace of inevitable changes rather than feelings of disregard and marginalisation. Central to this effort is our commitment to crafting narratives that resonate across all ages and racial communities, and bridge the gaps between rural and urban areas, cities and regions, politicians and residents.

In this working paper, through our own uniquely developed lenses, we reflect on the current challenges faced by post-industrial heartland communities and regions, spanning three specific areas:

- 1. Work and Workforce
- 2. Democratic and Local Participation
- 3. The Political Future and Elections

For each area, we address what we believe to be the issues as they currently stand, discuss their importance to the future of the industrial heartlands, and work to develop our line of inquiry as a cohort.

¹ https://globalaffairs.org/commentary-and-analysis/blogs/rust-belt-trust-belt-why-language-we-use-matters



WORK AND WORKFORCE

02.

Navigating the Future in the **Industrial Heartlands**

In the industrial heartlands of the United States and Germany, a new epoch looms, requiring a recalibration of the future of work and workforce development. Both nations, with their distinct industrial traditions, have moved into the uncharted territory of post-industrialisation in their historic industrial centres. The heartlands are now at the forefront of this transition, poised to redefine "work" for a future characterised by new trends including artificial intelligence (AI), upskilling, green technologies, and automation. While the heartland regions of the U.S. and Germany share many common transformational themes, their responses and their results have varied significantly. The successes and ongoing challenges of the industrial heartlands provide unique insights into the future of work on both sides of the Atlantic.

The transition away from traditional industrial jobs has unlocked opportunities for both the U.S. and Germany to create greener and more equitable forms of employment. Initiatives like the Just Transition programmes throughout the European Union and the Regional Technology Hub challenge in the United States have incentivised this shift at the intergovernmental, federal, regional, and state levels. These initiatives have paved the way for deliberate and transformative projects, backed by local and regional philanthropists as well as private, public and nonprofit entitiesall collaborating to ensure the prosperity of their respective regions.

"These projects in the heartlands that we plan to explore throughout this fellowship provide crucial support for the workforce, allowing us to evaluate their positive impact on the region."

This comprehensive approach, which combines federal and local support, aims to enhance the quality of life in these areas, aligning them with the standards experienced in other regions beyond the industrial heartlands. We view these projects as not only essential for introducing new job opportunities within the revitalised areas but also for thoughtfully integrating these historic places into the industrial fabric sustaining society.

The American industrial heartlands were once thriving hubs for various burgeoning industries. From automobiles to aviation, the Rust Belt served as a crucial production centre during World War II, playing a significant role in the country's victory. Despite the post-war decline of these industries and subsequent atrophyof these previously vibrant communities, the U.S. heartlands have actively pursued diverse strategies for investment and revitalisation. Their objective is to nurture an active and engaged workforce and curtail the mass migration of labour to other regions.

Places such as Dayton, Ohio; Pittsburgh, Pennsylvania; and Grand Rapids Michigan have cultivated innovative environments, strengthened by the local and regional community and a pervasive entrepreneurial spirit, to rehabilitate their communities. These former industrial hubs, similar to many of the communities that we, as fellows, hail from, are now navigating a transition towards new opportunities, including arts and culture, robotics, semiconductor manufacturing, and other green technologies spurred by the synergy between local universities, businesses, and talent pools.

Similarly, Germany's industrial heartlands, once the backbone of the nation in places like the Ruhr and Saarland Regions, have undergone significant transformation. Known historically for its major coal and steel industries, the region is now known for hosting several universities, economic development initiatives that repurpose former industrial sites including brownfields, and burgeoning technology hubs. Deliberate investments in post-secondary education. and targeted retraining programmes are spurring a strategic diversification of the industrial foundation with new green technologies, research, and digital innovations.

However, new challenges have emerged alongsidethe transformations in the once-thriving industrial heartlands, which were once synonymous with economic prowess and abundant, well-paying employment opportunities. We are now witnessing both Germany and the United States grapple with the paradox of globalisation, where the relentless advancement of technology and international competition are eroding the once-stable pillars of traditional industrial heartlands. The era of post-industrialisation not only risks exacerbating the economic and social divide and deepening the sense of abandonment on both sides of the Atlantic, but also presents additional complications. Upskilling workers, the threat of brain drain, the misalignment of educational institutions with technological shifts, a declining population, and skill barriers that impede the integration of immigrants all impair labour market supply.

The strategies used to manage the labour market and define the economic trajectory of the industrial heartlands vary in both implementation and efficacy.

While some characterise these policies as protectionist, they also contain the potential to foster growth, particularly within regions like the industrial heartlands. For example, Germany's introduction of the new Skilled Immigration Act, designed to tackle the long-term challenge of labour shortage, and Biden's recent playbook showcasing how to leverage support from the American Rescue Plan's State and Local Fiscal Recovery Fund programmes both highlight two distinct workforce strategies aimed at cultivating a skilled and diverse workforce. Other efforts have included better supporting registered apprenticeships and industry partners, investing in industrial policies, supporting trade unions and other organised labour, funding nationwide broadband, providing federal technical assistance to firms for hiring, improving resilience of supply chains, and fostering partnerships among leaders in the workforce ecosystem. These strategies could recalibrate the dynamics of global trade and spark a renaissance in local economies.

Despite these federal policies, we believe that an effective economic revitalisation strategy cannot be imposed from above; it requires a grassroots approach that leverages local knowledge and collective experience. Consequently, numerous programmes supporting these initiatives have emerged

at the federal level across many industrial heartland regions. These initiatives encompass a range of activities, such as community job fairs, efforts to support small businesses, CV workshops, complimentary training at local universities, and private enterprises providing enhanced benefits, including childcare, upskilling opportunities, and improved work-life balance. Through our observations, we have recognised that it is the local communities that possess an intimate understanding of the concerns, possibilities, and needs of their regions. Consequently, we intend to investigate these methods during our fellowship excursions, engaging with the leaders who are actively enhancing their local and regional workforces.

"Domestic policies, such as those introduced by the Biden administration in the United States and others introduced in Germany, are having a positive impact on employment rates."

In the multifaceted narrative of the industrial heartlands, the rise of artificial intelligence (AI) and automation has also become an unprecedented transformative force, reshaping the economic landscape. As these technologies advance, they are revitalising traditional manufacturing hubs located in the heartlands and beyond, driving demand for skilled workers while simultaneously displacing workers in sectors such as trucking, coal, steel, and transportation. The introduction of Al and automation has triggered concerns among workers, who face the challenge of upskilling to adapt to the changing job market or seeking alternative employment. This shift highlights the urgency for educational reforms, leading to the establishment of initiatives like AI academies and digital boot camps that aim to prepare workers for Al- and automation-driven employment opportunities. The contours of future jobs are still undefined, butnumerous challenges are already visible.

Given the depth of the issues surrounding workforce and labour markets within the industrial heartlands of both the United States and Germany, it is clear that our current examination only scratches the surface of the challenges and opportunities these regions face. As we analyse these issues during the fellowship, we seek to understand the nuanced dynamics shaping the current workforces and to contribute to the ongoing dialogue on workforce development, thereby supporting the residents of the heartlands in advocating for sustainable policies that empower the local workforce, foster inclusive growth, and facilitate regional labour opportunities.

THE PROMISE

03.

The Promise of and Barriers to **Democratic Participation**

Residents of the industrial heartlands of Germany and the United States are experiencing a growing divide in their expectations of democracy and government. An increasing share of the population lacks a political sense of belonging and is receptive to populist answers to today's economic, political, and social challenges.

A root cause of this shift is the belief that our democratic cultures and traditions have become tainted and hollowed out. Widespread segments of each nation's population are increasingly disillusioned with the status quo of representative democracy and its ability to adequately address the urgent, global, and existential issues of the hour. Democracy has never delivered a perfect answer to all challenges, but the intricacies of modern, globally conscious, and interdependent policies have many pining for a time when solutions seemed simpler. This rise in the complexity and nuance of public policy has been coupled with a lack of public investment in the physical, cultural, and civic infrastructure of the industrial heartlands. The effects of these modern hardships leave many feeling that serious changes were thrust upon their hometowns by nefarious outsiders. In the absence of an optimistic and shared identity, the already fragile social cohesion in our industrial heartlands risks disintegration.

To construct this identity, local leaders require genuine public participation and support to confront the array of challenges and opportunities encountered by these post-industrial regions. Public participation stands as an essential element in all democracies across various government levels, including election turnout, political demonstrations, local council meetings, and citizens' initiatives. All participatory efforts rely on people who believe they can make a difference through their civic engagement. Robust participation was part of the bedrock that built the industrial heartlands in the first place. The political power of labour unions, such as the United Auto Workers (UAW) in the United States, was instrumental in the recognition of the industrial heartland citizens, their potential, and their plights at the national level.

Public participation also serves as a valuable opportunity for local and metropolitan governments to showcase their transparency and civil zeal, free from the oversimplified and distorted narratives often portrayed in the media. Observing the government's functioning and having personal concerns addressed by officials could significantly influence the overall narrative and level of trust in the government. In our fellowship, we aim to investigate how and to what extent right-wing populists are engaging in local elections and government meetings. Additionally, we plan to study the extent of public participation in decision-making processes in areas where right-wing populists have gained local control.

Although political participation can be a powerful tool for citizens and governments alike, there are numerous barriers to it in the industrial heartlands. For starters, those engaged in participation efforts are disproportionately whiter. Whether it be the systemic exclusion of and discrimination against people of colour in the United States or the significant number of foreign-born permanent residents in Germany and the U.S. who are legally barred from participating, those who are non-white are often pushed out of the decision-making for the future of the industrial heartlands. Importantly, the proportion of the population that is non-white in both the U.S. and Germany is expected to grow substantially. They will inherit the industrial heartlands and will bear many of the consequences of decisions made today. They must not only be allowed to participate in decision-making for the sake of equality, but such participation must also be genuine and authentic for it to meaningfully improve the industrial heartlands.

It will be exceptionally onerous for smaller governmental units to get authentic participation from a diverse population without external support. Localities in both nations often face substantial barriers to their capacity and funding, making additional participation initiatives seem too time-consuming or costly. We are interested in exploring solutions that profit from the United States and Germany's shared federalist systems of government. We believe effective policy in this domain should not only seek greater inclusivity of marginalised populations in participatory processes but also provide ample funding to repair the structural inequities that persist in education, healthcare, and economic opportunities.

Beyond the engagement of constituent stakeholders, we must continue to innovate participation strategies that are effective throughout the German and American industrial heartlands to deal with the unprecedented situation of post-industrialisation. For instance, the business model of energy cooperatives allows citizens to buy shares, benefit from local profits, and actively participate in decision-making processes. This model could significantly enhance traditional industrial sectors, where unions and cooperatives could stand to gain from increased experimentation and greater democratic involvement in decision-making and their consequences.

Another model for stakeholder engagement is the "Coal Commission" (Commission on Growth, Structural Change and Employment, German: Kommission für Wachstum, Strukturwandel und Beschäftigung (KWSB)) formed in 2019 by Germany, which proposed the phased closure of lignite coal mining and coal-fired power generation by 2038. The primary focus was on transitioning to a post-fossil fuel economy. The commission emphasised a participatory approach, urging a civil society dialogue to shape the future of coalfields and aiming to promote democratic engagement through information and conversation. However, this strategy lacks integration with representative decision-making processes, causing frustration and conflicts within the population. The predominant emphasis on preserving jobs limits the ability to address other pressing issues, such as an ageing demographic and the development of climate-resilient regions. Throughout the fellowship, we are eager to find other large participatory efforts and report the successes that we find.

Fundamentally, people want their unique perspectives to be recognised and want the chance to be stewards of transformation. Empowering residents and communities to play an active part in the future of their regions is an aspect of democratic participation that the governments of our nations, from national to local, have given too little attention to—with deleterious political and economic consequences for industrial heartlands. Progressive policy needs to address these shortcomings and empower people to become a part of a positive vision to create real change, not turn to populist, authoritarian rhetoric that peddles unserious solutions. The regions we care about have once prospered because of their diversity, productive capacity, and space for innovation - it's time we turn the democratic engine on again and hand the keys to its inhabitants.

> Fundamentally, people want their unique perspectives to be recognised and want the chance to be stewards of transformation.



04.

THE POLITICAL FUTURE AND ELECTIONS

The upcoming elections in 2024 and 2025 will have a decisive impact on the future of American and German societies and their policies for post-industrial regions. With narrow ruling majorities and fragile coalitions in both nations' governments, the sentiment and attitude of the industrial heartlands will be closely watched as they stand to influence both political decision-making and election outcomes.

Both Germans and Americans are concerned about their nation's economic and industrial policies. The issues of industrial development, energy policies, state subsidies, and the overarching concept of a "just" transition in the wake of the COVID-19 pandemic have already appeared in campaign messaging.

On both sides of the Atlantic, the presence of right-wing extremism will play an undeniable role in these elections. The U.S. presidential election will almost certainly be a rematch between the right-wing populist Donald Trump and the current president, Joe Biden. In Germany, the rise in popularity of the similarly right-wing populist party, Alternative für Deutschland (AfD), is undeniable. Mainstream German parties, after previously having a policy of non-cooperation with the AfD, are reluctantly reconsidering their stance as majorities to pass critical legislation become harder to come by.

Although the causes of this shift towards the far-right are complex, it seems clear that the message is reverberating in the industrial heartlands. Elections and the polls leading up to them offer new data points and insights into the sentiments of an area. Throughout this fellowship, we will monitor polling data as well as shifts in policies and political debates in the U.S. and Germany. A closer look at commonalities in electoral behaviour, party affiliation, unionisation, and other forms of protest in the industrial heartlands could help us understand which specificities and strategies may be relevant to policymakers in targeting these electorates.

Early explanations for rising populism in the U.S. and Germany assumed that the sentiment was limited to 'left-behind' places. However, the latest results in German state elections have shown that right-wing populism has also gained support in affluent regions such as Hessia and Bavaria. In the United States, preliminary polling data shows Donald Trump gaining votes from across the political spectrum. Could this suggest that the populist right has found a unifying political path which progressives have not been able to provide? We are eager to explore the democratic narratives and sentiments that have a similarly infectious nature.

Moreover, it's essential to examine the impact of policies coupled with major subsidies on these evolving political dynamics. For instance, measures like the Inflation Reduction Act and large financial subsidies aimed at attracting industrial manufacturers of global relevance, such as semiconductors (e.g., Intel in Ohio and Magdeburg) or batteries, have played a role in U.S. and German responses. Therefore, we must delve deeper into the extent to which these policies address citizens' concerns in the region and foster trust in political decision-making more broadly.

The future political landscape of the industrial heartlands increasingly reflects the impact of external influences. Ongoing conflicts in Ukraine and the Middle East possess complex implications for the political and economic frameworks of both the U.S. and Germany. Global events, growing distrust in media and institutions, and the interference of anti-democratic forces pose extra challenges for progressives in gaining support for vital industrial, socioeconomic, and environmental changes.



05.

LEGACY AND PROSPECT OF DEMOCRACY

The Legacy and Prospect of Democracy in the Industrial Heartlands

As we step into the realities of the 21st century, we recognise this critical juncture as both an opportunity and a challenge for our regions in the context of work, democracy, and participation. Navigating through the complexities and paradoxes inherent in our fellowship, we are eager to wrestle with these questions, guided by the expertise of those we will visit, the places we will see, and the answers we are given. Our efforts will continue to be guided by an openness to diverse perspectives, prompting us to question our initial assumptions and beliefs during our upcoming inter-

actions. We remain committed to unlocking the untapped potential within our communities and reimagining the roles of industrial heartlands, envisioning them not just as relics of a bygone era but as thriving centres of innovation. Moreover, we acknowledge the crucial role of regional structural policies in empowering "left behind" places to propel the development of inclusive social, economic, and sustainable initiatives and policies, securing labour market opportunities, fostering responsive governance, and enhancing the overall health of our heartlands.



WORKING GROUP

Perspectives for the Future, **Respect and Participation**



Colleen Dougherty (she/her) serves as a Research Officer at the Nowak Metro Finance Lab based at Drexel University. Her primary project is Leveraging SSBCI 2.0: Remaking

America's Small Business Capital Landscape. Prior to her current role, she held positions at the Center for Regional Economic Competitiveness and the Brookings Institution. Colleen recently graduated from Georgetown University's Walsh School of Foreign Service, where she obtained her M.A. in German and European Studies. During her time as a graduate student, she worked as a graduate research assistant, focusing on post-industrial regions across the transatlantic. Additionally, she holds a B.A. in Philosophy, Law, and Politics and originally hails from Erie, PA.



Ben Harrington is currently the Community Development Director for the City of Saline, MI where he guides the city's housing, planning, zoning, and economic development

policies/initiatives. He holds a Master's Degree in Urban and Regional Planning from the University of Minnesota and has received his American Institute of Certified Planners (AICP) credential. Ben also has a background in research, working on multiple projects throughout his academic career, and he previously worked as a researcher for the Minneapolis Federal Reserve Bank's Center For Indian Country Development. He has lived almost the entirety of his life in the Midwest of the United States and has a particular passion for building capacity in local governments, shaping local economies, and improving the quality of life of the people he serves.





Christopher B. McClain is a native of Detroit, Michigan. His portfolio of policy expertise includes international trade, economic development, and maritime policy. His past work

experience includes working for federal, state, and local government institutions such as the Export-Import Bank of the United States, Michigan's legislature and Executive Office of the Governor, and the Detroit/Wayne County Port Authority. Currently, he serves as an economic developer for the State government. McClain has served on several non-profit and government appointed boards such as the U.S. Global Leadership Coalition's Michigan Advisory Committee and the U.S. Department of Commerce's East Michigan District Export Council. He is also founder and President of The Mc-Clain Corporation, a public affairs consulting firm. He was educated and received his Bachelor of Arts in Political Science/Pre-Law from Michigan State University and his Master of Public Affairs degree from the University of Michigan's Gerald R. Ford School for Public Policy. McClain is committed to advancing improvements that center empowerment, dignity, and opportunity for marginalized communities. He also enjoys recreational interests such as camping, sailing, and salsa dancing.



Linus Platzer is a Policy Officer on Coal Exit and Just Transition for Klima-Allianz Deutschland, the largest German civil society alliance for climate justice with about 150

member organizations. With a Master from Indiana University's School of Public and Environmental Affairs, he previously worked at GIZ, the German agency for international development, the World Resources Institute as well as in various research positions. In the state of Northrhine-Westphalia, he coordinates and supports civil society in advocating for a socio-ecological transition past coal and towards regional development in line with the Paris Agreement. Linus brings a passion for organizing collective action, finding common ground among diverse people and ambitiously working with institutions to achieve long-lasting impact. Critically comparing and developing ideas and policy approaches on how to advance the transformation in challenged democracies is what he hopes to contribute as an Industrial Heartlands Project Fellow over the next two years.



Milad Tabesch holds a Bachelor's degree in European Studies and Law from Osnabrück and a double Master's degree in Public Policy and Public Administration from the Hertie

School & Columbia University. After his studies he founded the initiative Ruhrpott für Europa focusing on mobilizing young people in the transformation region of his home for the European elections. He is also an NRW EU Youth Ambassador and talent at JoinPolitics. Tabesch gained professional experience at the EU Commission, the German Bundestag and the Alfred Herrhausen Gesellschaft. He is particularly interested in the question of how narratives of change can be developed that strengthen trust in democratic processes.



Viktoria Bechstein currently works as a political advisor to the State Minister for Eastern Germany at the German Federal Chancellery. In this position she has been able to work on

and travel to various areas of Germany's (former and upcoming) industrial heartlands. Hence her keen interest in this fellowship and in learning more about the political cost of transformation in the US and Europe in order to jointly draw lessons on how to politically enable more inclusive and just transformation. Previously, she worked as a political affairs officer at the United Nations Headquarter in New York. Her work within the Office of the UN Assistant Secretary General for Africa focused mostly on political affairs in West and North Africa and Peace Operations in Mali, Central African Republic and the Democratic Republic of Congo. Prior to joining the UN, she worked at the German Federal Foreign Office, developing strategies for interventions in conflict regions and conceptual frameworks for advanced multilateral efforts of stabilisation and conflict prevention. Viktoria holds a Master's degree in Interdisciplinary European Studies from College of Europe in Warsaw/Poland and a bachelor's degree in Political Science from Goethe University in Frankfurt/Germany. She is fluent in English and French.



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