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## **Deliberate destabilisation of established industries**

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## Background

- Recent attention to phase-out or destabilisation in the sustainability transitions literature (e.g. Campbell & Coenen 2017, Leipprand & Flachslund 2018, Kivimaa & Kern 2016, Rogge & Johnstone 2017).
- Several studies have pointed to the importance of economic and/or cultural pressure and exogenous shocks (e.g. Turnheim & Geels 2012, Kungl and Geels 2018, Grossman 2015).

*Under which conditions is it possible to introduce restrictive policies that threaten established industries?*

## Two examples



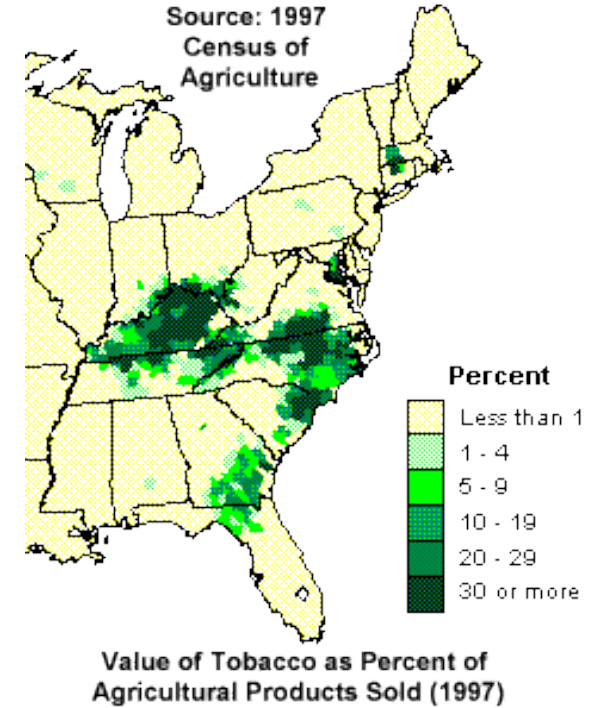
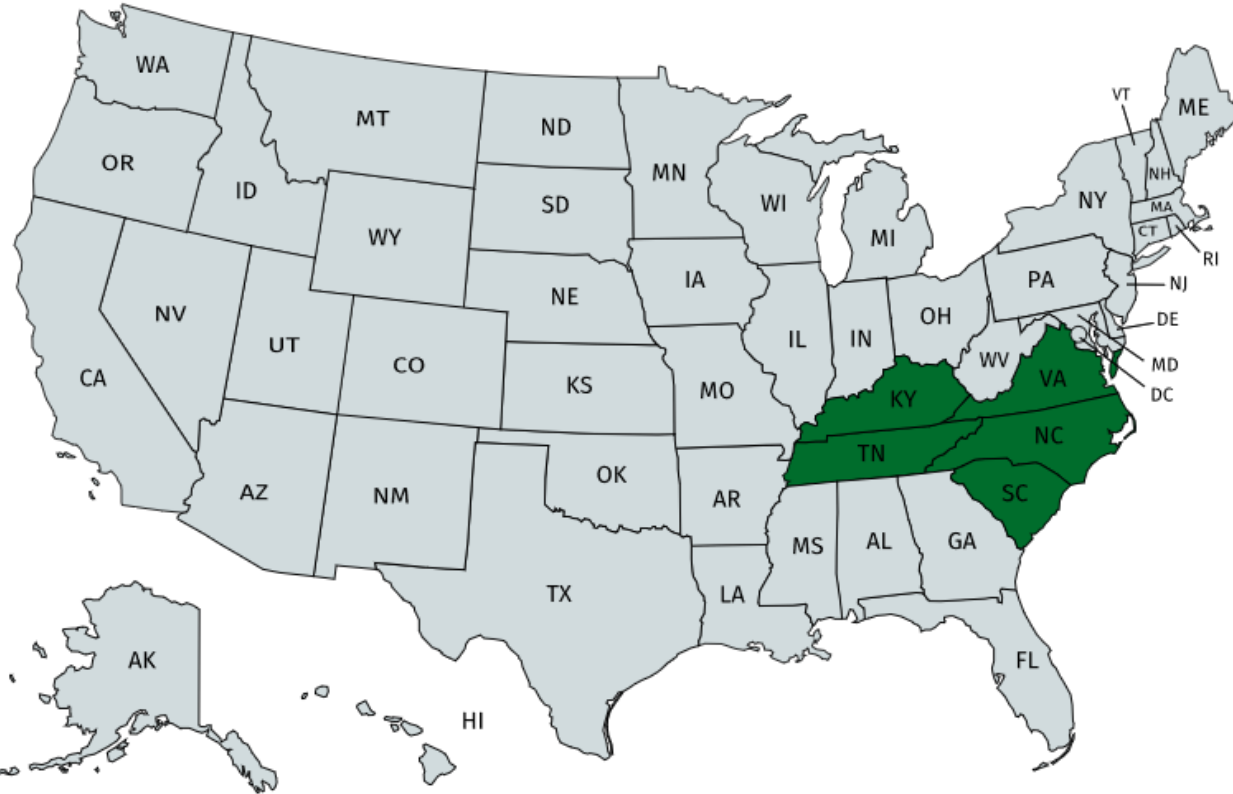
Tobacco-control policies in the US



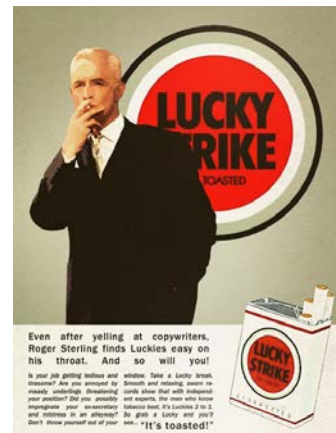
Coal mining in the Netherlands

*Based on secondary sources (e.g. Cairney et al. 2012, Fallin & Glantz 2015, Givel & Glantz 2001, Givel 2006, Baumgartner & Jones 2003, Moharir 1979, Zanden 1998, Correlje et al. 2003, Smil 2010)*

# Tobacco-control policies in the US



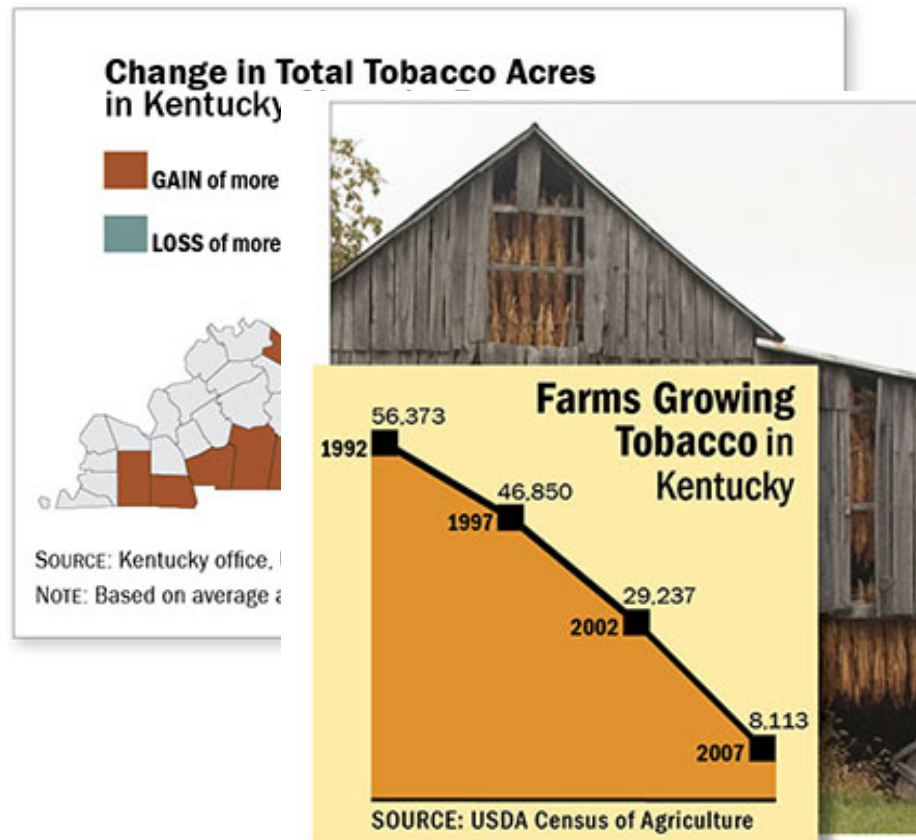
# Tobacco-control policies in the US



## Master Settlement Agreement (1998)



## The «Tobacco buyout» (2004)



# Which conditions provided the opportunities for this policy change?

**Institutional context:** Fragmented political system and strong judiciary

**Changing network structures:** (1) Relation between tobacco producers and growers became strained. (2) Split between cigarette companies and the hospitality organisations.

**Changing tobacco discourse:** Argument about jobs lost legitimacy when relation between growers and industry fell apart. Opened up for ideas concerning scientific evidence linking smoking to ill-health to become more accepted within the policy system.



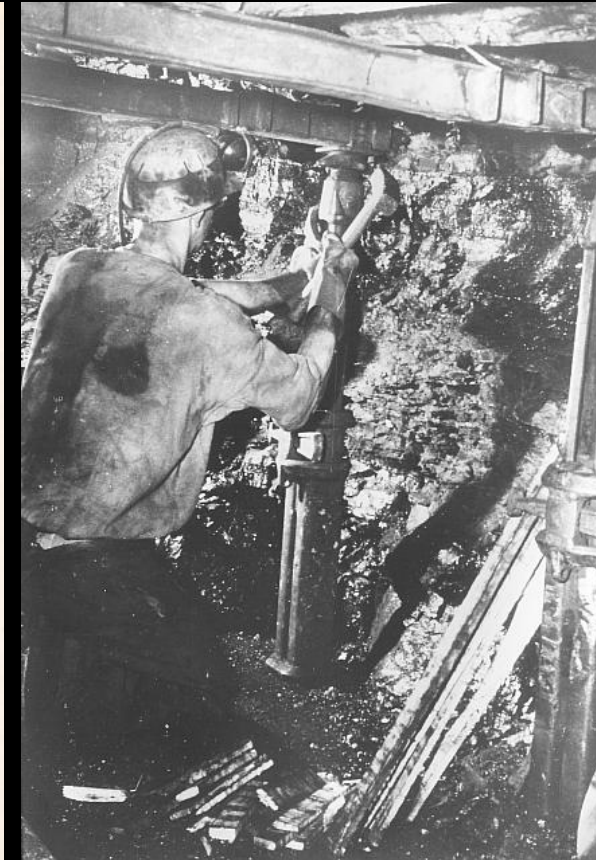
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# Closing coal mines in the Netherlands



Pressure from imported oil + reduced demand

# Closing coal mines in the Netherlands

- 1962-1965: Government did not do much
- 1963: Expert committee concluded problems were short-term
- 1964: Minister of Economic Affairs gave financial relief in 1964
- 1965: Elections and new Minister of Economic Affairs from Socialist Left. Decision to close down the first mines was made.



# What enabled decision to close mines?

**Exogenous events (landscape):** Increased competition, reduced demand, Gröningen gas field.



Source: [energy-pedia.com](http://energy-pedia.com)

# What enabled decision to close mines?

**Institutional factors:** (1) Ministry of Economic Affairs in a position to coordinate across multiple sectors and interests. (2) No domestic steel industry dependent on coal. (3) State had capacity to act upon broader state interests.

**Policy networks:** (1) Mining Industry Council resolved potential conflicts between employers and unions, which ensured trade union support. (2) Changes in government.

**Countermeasures:** subsidies for new industry activities; incentives for retraining and employing ex-miners; establishment of offices of public services in the region; and investments in infrastructure.



The last mine in Oranje-Nassau I i Heerlen, closed 31. Dec 1974

Source: nos.nl

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# Examples of countermeasures or compensation policies

Type	Examples
Direct financial compensation	President's Commission on Improving Economic Opportunity in Communities Dependent on Tobacco Production While Protecting Public Health (2000).  Fair and Equitable Tobacco Reform Act (the Tobacco Buyout)
Retraining	Financial help to firms employing ex-miners, retraining of ex-miners reimbursed (50/50).
Development of new business and industry	Subsidies for new industries, subsidised industrial sites, public investments in infrastructure, Staatsmijnen given share of exploits of natural gas reserves (South Limburg).

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Reindustrialisation based on existing resources and infrastructure?	



## Possible next step?

- Study of multiple historical cases of policy driven industry restructuring?
- Focus on:
  - Different types of countermeasures
  - The role of trade unions (Johnstone & Hielscher 2017)

**Thank you!**

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## Coal

### 'Political watershed' as 19 countries pledge to phase out coal

New alliance launched at Bonn climate talks hopes to signal the end of the dirtiest fossil fuel that kills 800,000 people a year with air pollution



▲ A child holds a sign reading 'stop coal' during a demonstration at the UN climate talks in Bonn, Germany. Photograph: Philipp Guelland/EPA

*Powering Past Coal Alliance*  
Bonn, 16. November 2017

New York Times, 16. November 2017 – in reference to «Powering Past Coal Alliance» announced during UN climate talks in Bonn

