

Hochschule Niederrhein
University of Applied Sciences



NIERS

Institut für Regional-
und Strukturforschung
Institute for Regional-
and Structural Research

KEY FACTORS SHAPING URBAN STRUCTURAL ADJUSTMENT PROCESSES

A CASE STUDY OF THE FORMER TEXTILE CITY OF MÖNCHENGLADBACH IN GERMANY

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Outline

1. Introduction and Research Questions
2. Research Design and Methodology
3. (Preliminary) Findings
4. Summary
5. Further Research Ideas

1. Introduction and Research Questions (1/2)

- Publications of the European Commission (2011, p. 10ff) describe a vision, in which cities in general are expected to become Europe's future growth engines
- 139 German municipalities are classified as “economic centres with low dynamic of economic growth” (Wegweiser Kommune, 2016)

Research focusses on this type of cities, i.e.

- Cities that have been quite successful in the past, but are now slowly growing or shrinking, often facing as multitude of social and economic problems
- Common characteristic features, such as many single person households, less families, low incomes, limited purchasing power, many people receiving social transfers, poor children, high public debt
- Cities which are “medium-sized” (100.000 to 500.000 inhabitants)
 - Together they play a significant role regarding population, GDP, employment etc.
 - They have been neglected by research – focus on mega cities and rural areas

1. Introduction and Research Questions (2/2)

Several research questions are related with this type of cities:

- Which factors determine their economic rise and decline?
- Which factors determine their success or failure in adapting to the necessities of structural change?
- What can be done to strengthen their ability to fulfil their role as European growth engines in the future?

There are two possibilities to find answers to these questions:

- Analysis of existing theoretical and empirical literature – a more general approach (theoretical approach)
- Single or comparing case studies using the same or a similar research concept

2. Research Design and Methodology

	1. Historical Background Analysis	2. Quantitative Analysis	3. Qualitative Analysis
Aim	<ul style="list-style-type: none"> ▪ To trace the economic history of the city ▪ To find out factors determining the formation, rise and prosperity of the urban agglomeration ▪ To reveal possible path-dependencies 	<ul style="list-style-type: none"> ▪ To describe urban developments since the phase of decline began ▪ To show consequences of decline ▪ To trace structural changes which took place (or not) ▪ To work out whether the city was successful 	<ul style="list-style-type: none"> ▪ To analyse strategies and measures taken to react to adaptation necessities ▪ To obtain a comprehensive picture including relevant actors and assessment of their scope of action ▪ Ascertainment of non written input that cannot be obtained via document analysis
Approach	<ul style="list-style-type: none"> ▪ Via document analysis (reference to approaches of historical research) 	<ul style="list-style-type: none"> ▪ Using long-term data for relevant indicators, such as GDP, population and (un)employment ▪ Comparison with similar regional entities or on federal state and national level 	<ul style="list-style-type: none"> ▪ Via problem focused guided interviews with experts, persons concerned and contemporary witnesses of all relevant fields (representatives of the city government, business community and science) ▪ Supplementary document analysis

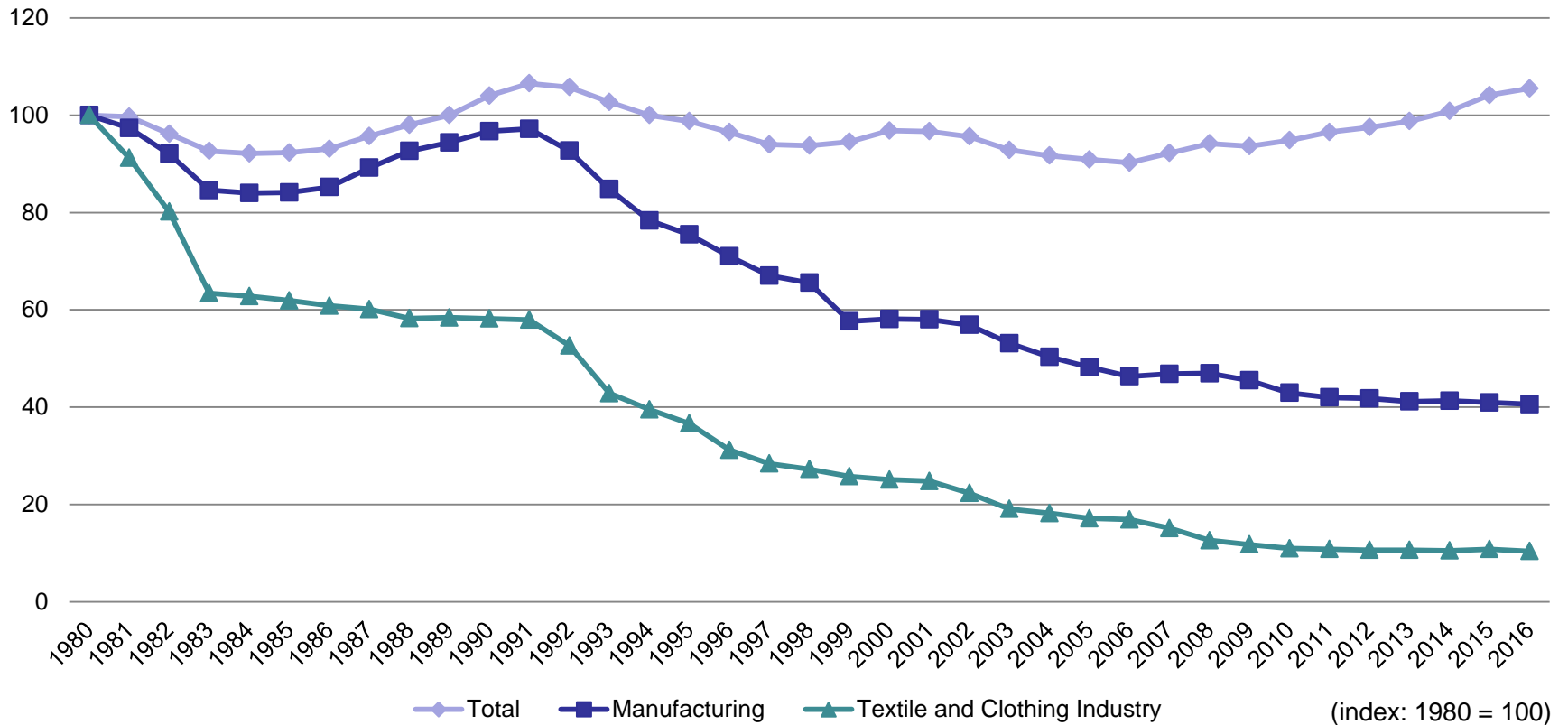
3. Preliminary Findings – Case Study of Mönchengladbach (1/8)

Background

- Located in the West of Germany (Federal State of Northrhine-Westphalia)
- Located 25 km away from the Dutch border and the states capital Düsseldorf
- Approx. 261.000 inhabitants (2016)
- Textile tradition dating back to the 16th century
- Economic development strongly influenced by political events
- From 1900 to 1910 Mönchengladbach was described as the “Rhenish Manchester” marking the top of its economic prosperity.
- Globalization triggered decline of textile and clothing industry in Germany and further Western European countries (1950s/1960s)
- Number of employees in the textile and clothing industry dropped from 30.072 (1964) to 1.304 (2016)

3. Preliminary Findings – Case Study of Mönchengladbach (2/8)

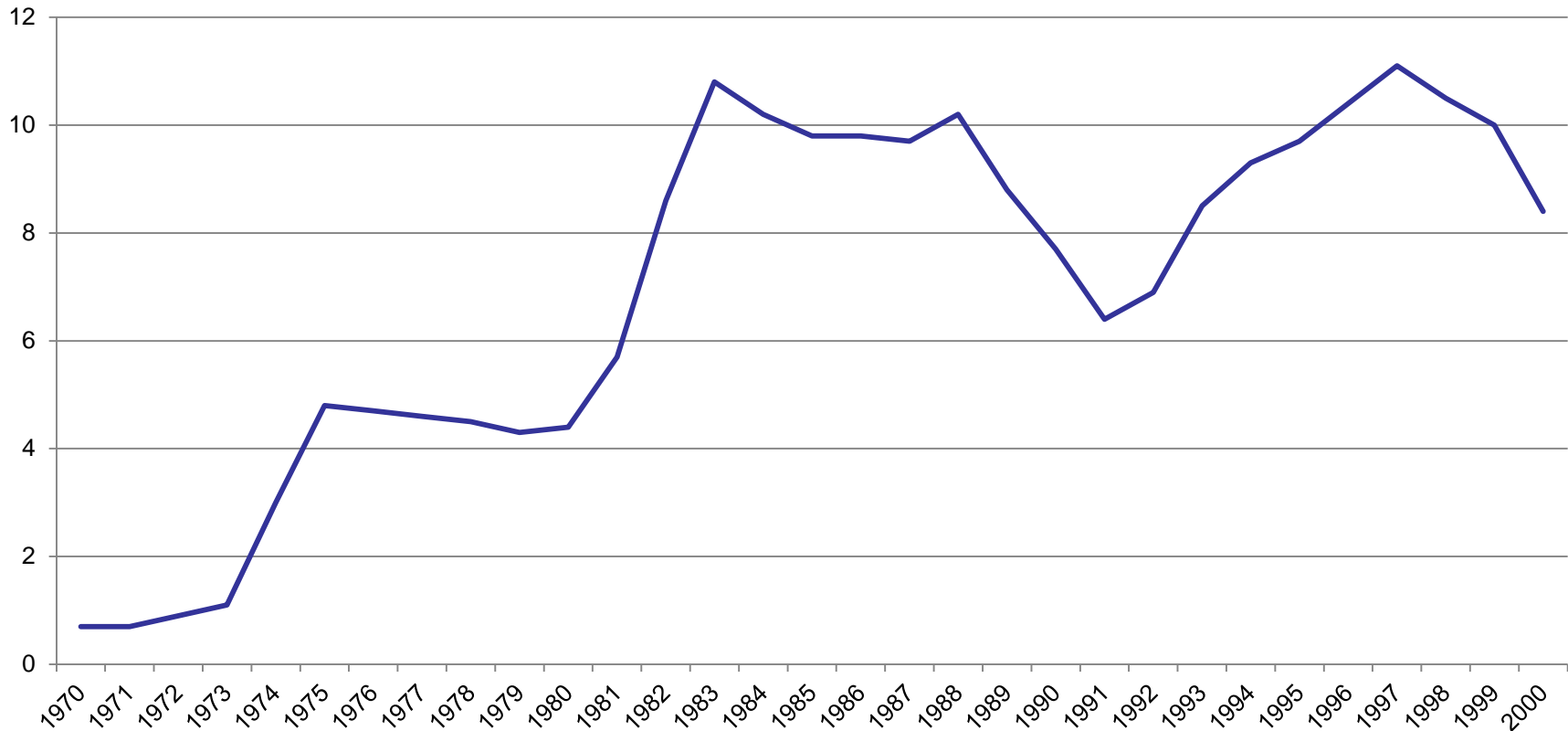
Employment Development in Mönchengladbach (1980 - 2016)



Source: Statistik der Bundesagentur für Arbeit. (2017). Sozialversicherungspflichtig Beschäftigte (SvB) am Arbeitsort (AO). Düsseldorf.

3. Preliminary Findings – Case Study of Mönchengladbach (3/8)

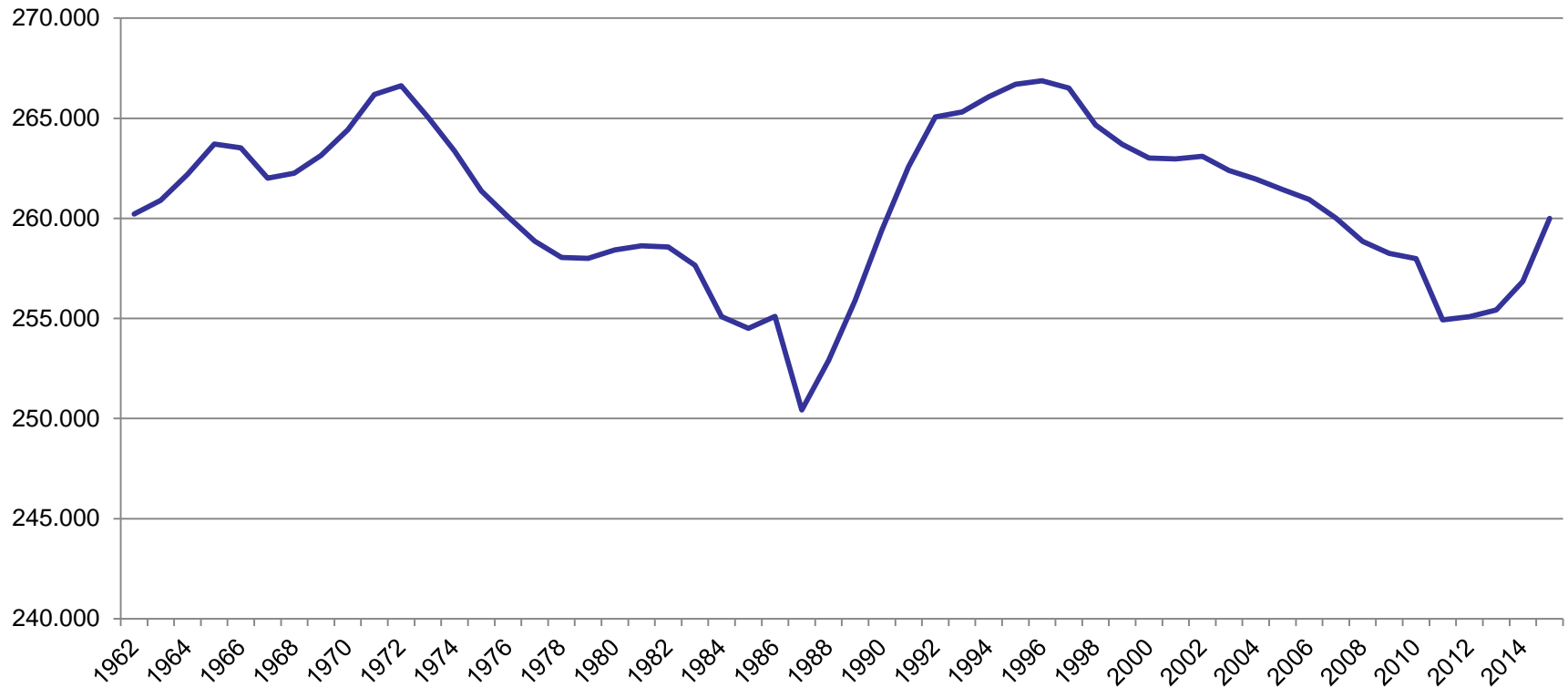
Unemployment Rate in Mönchengladbach (1970 - 2000)



Source: Amtliche Nachrichten der Bundesanstalt für Arbeit [ANBA], 1971, ANBA, 1976, ANBA, 1981, ANBA, 1986, ANBA, 1991, ANBA, 1996

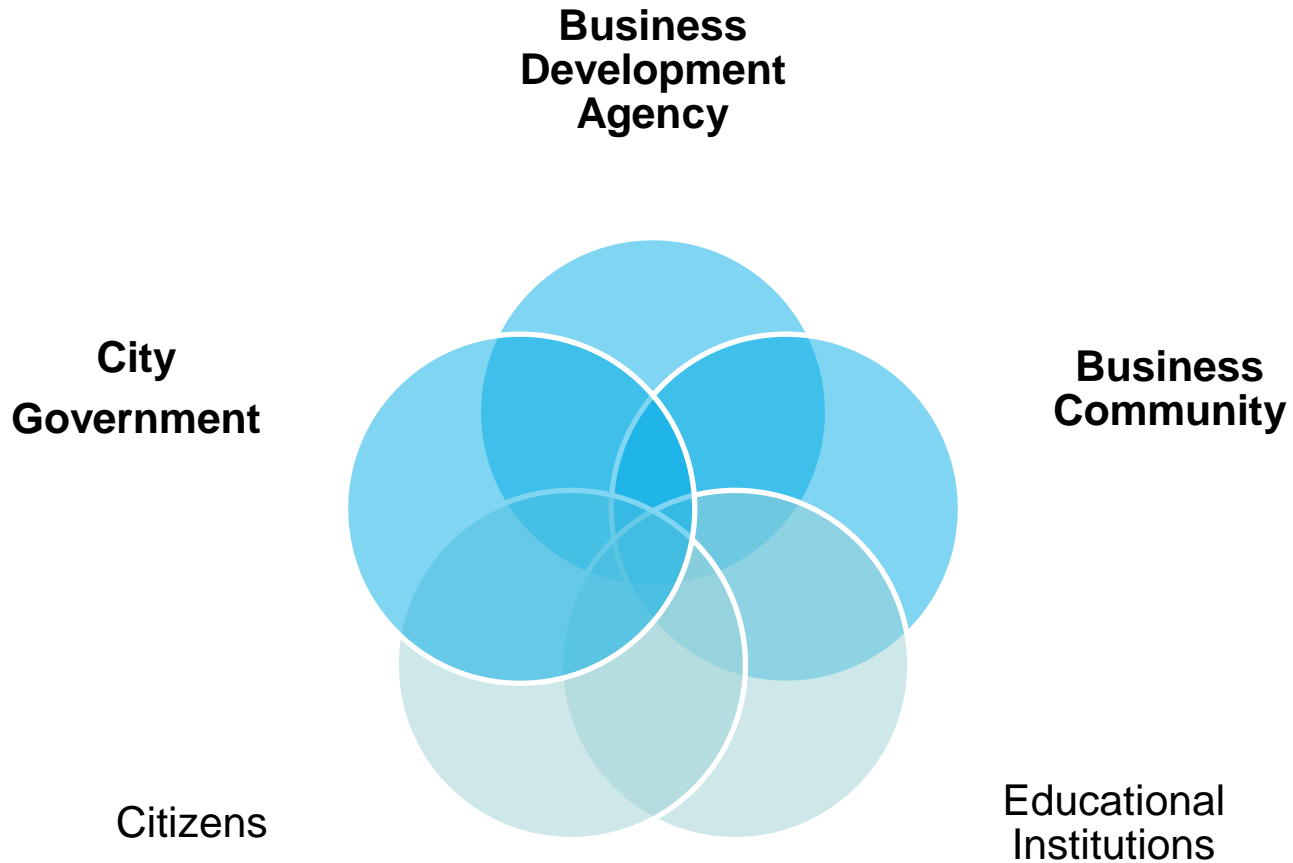
3. Preliminary Findings – Case Study of Mönchengladbach (4/8)

**Population Development of Mönchengladbach
(1962 - 2015)**



Source: IT.NRW. (2017) Bevölkerungsstand - Gemeinden – Stichtag 1962 -2010. Düsseldorf.; IT.NRW. (2017) Bevölkerungsstand Basis Zensus 2011 - Gemeinden – Stichtag 2011-2015. Düsseldorf.

3. Preliminary Findings – Case Study of Mönchengladbach (5/8)



Source: authors' own graph

3. Preliminary Findings – Case Study of Mönchengladbach (6/8)

City Government

Measures taken to fight the crisis in the textile and clothing industry and its consequences:

- Acquisition of subsidies
- Keeping resident businesses and settlement of new businesses
- Establishment of the University of Applied Sciences (1 August 1971)
- Expansion of the regional airport and improvement of transport links

3. Preliminary Findings – Case Study of Mönchengladbach (7/8)

Business Development Agency

- In 1967 foundation of Business Development Agency of Mönchengladbach
- In 1969 transfer of business development tasks to an independent agency
- In 1975 reintegration of these activities into a municipal bureau
- In 1996 initiation of the “Krickenbecker Gespräche”: voluntary meetings of business representatives and politicians leading to the creation of a new independent business development agency WFMG in 1997 with two specialties:
 - Modern concept of 51% ownership by the city and 49% ownership by residential companies including the Chamber of Industry and Commerce and the Craftsmen Association
 - Thorough analysis of economic situation leading to a clear strategy based on five primary industries (researched by the NIERS institute)

3. Preliminary Findings – Case Study of Mönchengladbach (8/8)

Business Community

Very ambivalent role in the course of time:

- Raise of the textile industry and the city's former prosperity were owed to several entrepreneurial personalities
- 1960s and 1970s: prevention of the settlement of new industries
- Recent years with positive examples:
 - Set-up of the current business development agency WFMG
 - Entrepreneurial initiative “MG 3.0 Masterplan” - city-wide urban master plan and basis for the cities current urban development strategy

4. Summary

People drive change

- Different actors assuming the role of so-called change agents
- Networks, strategic alliances and close forward looking collaboration required in order to develop full potential
- Self-perception as concerned party and business partner is mandatory
- Balance of power and control issues need to be considered
- Focus on actor's own strengths rather than subsidies
- Importance of a solid background analysis and clear strategic focus (vision) in order to unify all actors

5. Further Research Ideas

- Development of a time line indicating all the important events and turning points as well as the involved actors to allow a more detailed analysis of the role of governance and interaction of the relevant actors
- Further interviews with an optimized questionnaire focusing on the measures taken once the crisis hit, the involved actors, as well as the developments in recent years
- Further analysis of the role and effects of citizens and educational institutions (University of Applied Sciences)
- Further quantitative analysis of company closures and (re)settlements in order to better understand the different clusters and changes between the economic sectors

Thank You for Your Interest!

Do you have

questions?

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