

# Northern Netherlands in Transition Conference Results

Leeuwarden, 3 & 4 december 2019



# Foreword

## Alderman Friso Douwstra

Dear Reader,

I am proud to present the results of our international conference on the Northern Netherlands in Transition on 3 and 4 December 2019. The Northern Netherlands spent two informative days jointly developing an action plan to prepare for (employment) changes in the Northern economy as a result of the government's decision to stop gas production.

The need for the decision cannot be overemphasised. In light of climate change and the persistent earthquakes in the region, the Dutch government has decided to cease gas production in Groningen in 2022. However, rather than perceiving the transition to renewable energy as a threat, we see it as an opportunity! The production of renewable energy will potentially create far more jobs than will be lost in the gas industry. But, to benefit from this, the North needs to be well prepared. I am proud that the four largest Northern cities jointly decided to facilitate this process, not only by bringing together as many Northern stakeholders as possible, but also by attracting inspiring speakers. And these efforts paid off. This report describes the courses of action devised for and by the Northern stakeholders to ensure that the transition is an economic success.

We could not have done this alone. So I am extremely grateful to our international partners for the inspiration they provided during the development of the action plan. Firstly, the scientists of the Joint Research Centre, who, with their specific analysis, pinpointed the issues and opportunities for the Northern Netherlands. Our partners from the municipality of Heerlen, the Lille Metropolis EU Office and BusinessOulu also made a significant contribution by sharing with us

the lessons they learned during similar economic transitions. Once more we see that our region is not alone in facing such major challenges.

Again, I would like to express my sincere thanks to everyone who contributed. In the coming period we look forward to working with you to implement the action plan so we can capitalise on the opportunities that energy transition offers the Northern Netherlands.

Sincerely,

also on behalf of my colleagues Mirjam Pauwels (Assen), Guido Rink (Emmen) and Paul de Rook (Groningen),

Friso Douwstra  
Alderman for Economic Affairs and Employment,  
Municipality of Leeuwarden





# Advice from international partners

On the first day of the conference international (hands-on) experts delivered presentations designed to inspire the Northern Netherlands on how to meet the challenges of economic transition. Scientists from the Joint Research Centre (JRC) presented the results of their specific analysis of the situation in the Northern Netherlands. What can we learn from our international partners?

*The Joint Research Centre is the European Commission's science and knowledge service. It supports the development of EU policy by providing detailed scientific advice. It also develops instruments and methods to meet major societal challenges.*



# Advice from the Joint Research Centre

## The outstretched hand of the JRC

Piotr Szymanski, the head of the JRC Directorate for Energy, Transport and Climate, was delighted to see that the Northern Netherlands is committed to making the energy (employment) transition happen. Not only because the energy transition will help achieve Europe's target of zero carbon emissions by 2050, but also because the Northern Netherlands is adopting a unique approach in seeking to involve as many stakeholders as possible in planning for the transition. The JRC has already done much to help the Northern Netherlands prepare for the transition, but Dr Szymanski said he believes the JRC has a great deal more to contribute. The Northern Netherlands can use the wealth of knowledge possessed by the JRC to make the impactful decisions that will need to be made moving forward. Dr Szymanski informed the attendees that the JRC's door is open to anyone seeking advice on how to contribute to the energy transition.

## “ We can and would like to play an active role in the transitions of the Northern Netherlands.”

*Dr Piotr Szymanski, Head of the Joint Research Centre Directorate for Energy, Transport and Climate*

## The energy transition – not a threat, but an opportunity

The JRC believes the impending transition should be seen not as a threat, but as an opportunity. The production of renewable energy could potentially create far more jobs than natural gas. But for the Northern Netherlands to seize this opportunity, there needs to be a clear policy framework to support industry transitions. We have to make it easy for companies to adapt their business model to the needs of the new economy. This requires consultation and coordination between educational institutions, employers, municipalities and provinces.

To assist with this process, a work group at the JRC is busy developing a methodology (POINT) that will help European regions identify effective transition paths.

POINT will be tested in three European regions before being released. It is expected to be available in June 2020. The Northern Netherlands would be wise to keep a close eye on these developments because this new methodology could help the region develop a strong vision for the future of the Northern economy.

*- Dimitrios Pontikakis, Economist on the Fiscal Policy Analysis team at the Joint Research Centre Directorate for Growth and Innovation*

## Ample potential but inadequate planning

The JRC carried out an impact analysis of the decision to stop gas production for the Northern Netherlands. The results showed that the jobs most likely to disappear are in the downstream segment of the gas value chain.

Drivers who transport natural gas and gas boiler installation engineers are among those expected to be affected.

There are 29 companies and almost 16,500 jobs in the downstream segment of the industry. These jobs will not all be lost when gas production stops, but they will inevitably change. The JRC believes the production of renewable energy could potentially generate more employment and its impact analysis backs this up with figures: the Northern Netherlands' current energy needs could potentially support the creation of almost 16,000 new jobs in the renewable energy sector. However, with its current plans, the Northern Netherlands will fall far short of this potential. The existing plans will result in the creation of approximately 2,300 jobs. Much work still needs to be done to generate the almost 14,000 jobs that could potentially be created. In short, there are plenty of opportunities, but we have to seize them.

*- Hana Gerbelova and Amanda Spisto, Project Officer Energy and Research Fellow at the JRC*



# Advice from other European regions

## Heerlen: “Be proud of your identity and seek help from partners!”

Between 1965 and 1974 all of Heerlen’s coal mines were closed and there was a steep rise in unemployment. Heerlen warned the Northern Netherlands not to make the mistake of erasing the legacy of its gas industry. Heerlen’s denial of its mining history essentially robbed the people of Heerlen of their identity. This loss of lifestyle, identity and local pride led to an inactive culture rife with (drug) crime. So, Heerlen’s advice was: be proud of your gas industry and find ways to preserve the regional identity of the North in the new energy sector. Heerlen reinvented its economy by working with companies, social structures and educational institutions to make Heerlen more attractive to young people.

Through continuous investment in culture and the natural environment, Heerlen re-emerged as a vibrant economic region. Heerlen’s final piece of advice to the Northern Netherlands was to form partnerships both nationally and internationally: the Northern Netherlands should not shy away from involving central government and European partners in the redevelopment of the region.

- Eric-Jan Reemers, Programme Manager Sustainability, Municipality of Heerlen

## Lille: “Invest in your infrastructure and revamp your identity!”

Lille also poured considerable investment into the cultural life of its city. Drawing on its past as a textile city, Lille repositioned itself as a fashion capital and succeeded in attracting many creative companies, which contributed to its selection as World Design Capital in 2020. The second driving force in Lille’s economic transition was the improvement of the surrounding infrastructure: people must not only want to come to your city, they must also be able to get there. Effective lobbying helped make Lille the infrastructural intersection between Paris, Berlin and London. This brought considerable economic activity to Lille and played an important role in the city’s revival.

- Christophe Bolot, Director of the Lille Metropolis EU Office

## Oulu: “Be guided by the skills of your labour force!”

Whereas Heerlen and Lille sought to develop new economic sectors, Oulu decided to restructure its primary high-tech industry. The loss of a substantial portion of Nokia’s activities revealed how dependent the industry had become on a single company. However, realising that the skills and knowledge of its workforce were not suddenly worthless, Oulu decided to keep focusing on its innovative high-tech industry. The city made it attractive for many smaller high-tech companies to establish their businesses in Oulu.

Among other things, this allowed the city to emerge as a centre for healthcare innovation. The diversification of Oulu’s high-tech industry ended its dependence on a single company for employment and created more jobs than prior to Nokia’s withdrawal.

- Olli Löytynoja, Head of Unit Key Accounts and Investments at BusinessOulu

## What lessons can we learn from this?

The Northern Netherlands can learn important lessons from these three examples. During an economic transition such as the one we are engaged in, it can be fruitful to invest time, money and manpower in:

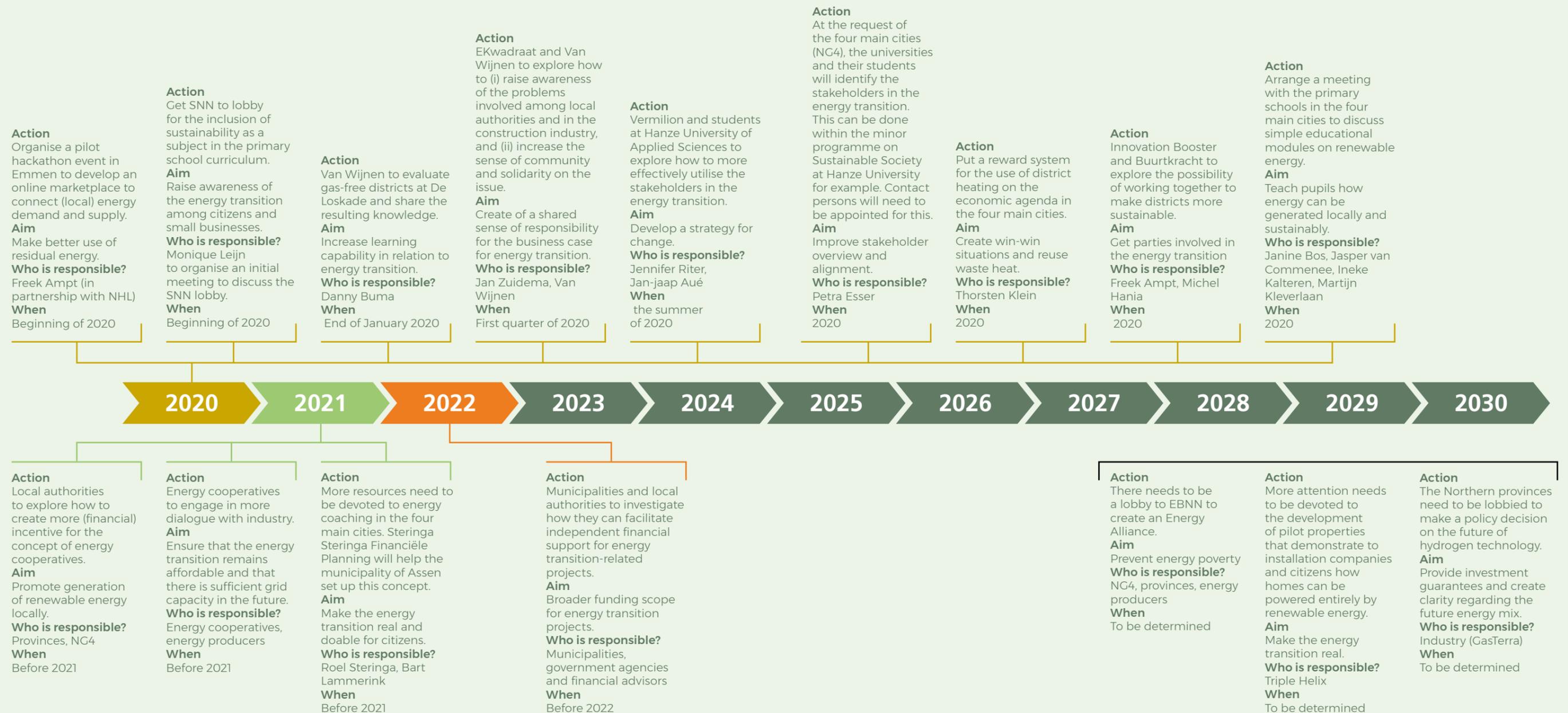
- Redevelopment of identity
  - The cultural sector
  - (Inter)national partnerships
  - Improved access to the region
  - Diversification of industry
- Heerlen, Lille and Oulu all agree on one thing: the Northern Netherlands has more opportunity to prepare for the transition than they did. The North should make good use of this preparatory period and start taking action.





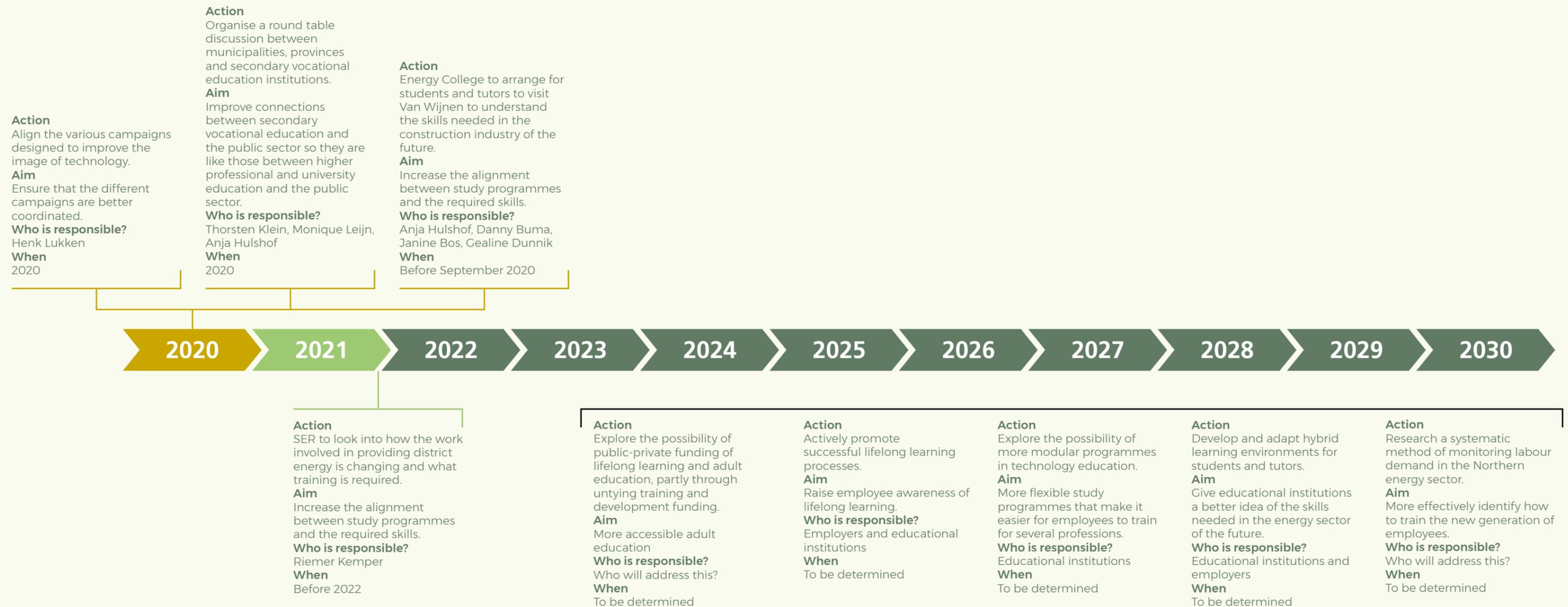
# Actions to support the energy transition

How do we know how much to invest in wind, solar and water energy? Do we make homes more sustainable by switching to electricity, district heating or something else? How do we gain insight into how the technology in these sectors will evolve? This timeline shows the actions proposed and planned by the attendees to meet these challenges.



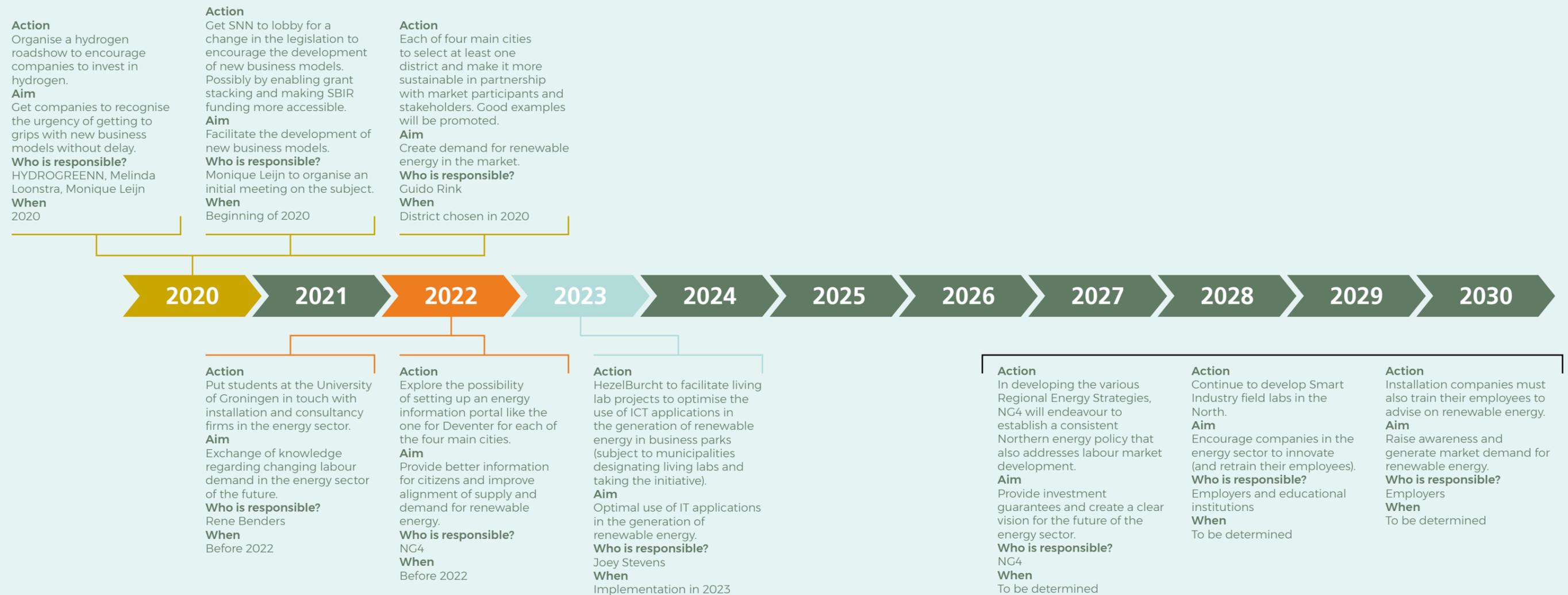
# Actions to support the labour market transition

How do we ensure that the Northern Netherlands has enough suitably qualified professionals to make the energy transition a success? How do we prepare the labour force to effectively meet the (future) employment requirements of the new energy sector? This timeline shows the actions proposed and planned by the attendees to meet these challenges.



# Actions to support the industrial transition

How do we prepare companies for the approaching transition? How do we ensure that all companies in the value chain are aware of the urgency of rethinking their business models? What is the best way to facilitate the transition for companies in the construction and installation industries in both good and bad economic times? This timeline shows the actions proposed and planned by the attendees to meet these challenges.



# NEXT STEPS

As explained in the Foreword, the actions described in this report were proposed for and by the Northern stakeholders. Therefore, as the Northern Netherlands, we are jointly responsible for ensuring that the agreements made on 3 and 4 December 2019 are implemented. In March 2020, the four main municipalities will again meet with the Task Force to explore how they can continue to play a facilitative role during the operational phase. The various actions and issues will also be placed on the agenda through the appropriate networks in the Northern Netherlands, including the Economic Board Northern Netherlands.



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