

## OECD Steel Committee Workshop

### Facilitating Structural Adjustment in the Steel Sector

#### Agenda

17 September 2018

OECD Headquarters, Paris, France

#### Background

The focus of the OECD Steel Committee's work is on promoting structural adaptation of the steel sector that would lead to more open and less distorted steel markets, resulting in a more efficient allocation of productive resources. Facilitating resource allocation across firms and sectors of the economy is a key element of structural change and a driver of economic growth. However, industrial characteristics and inefficient policy settings may result in excess capacity and heightened barriers to exit that tend to prolong or even hinder structural adjustment. Restructuring appears to be more challenging in the steel sector than in many other manufacturing industries. The OECD is organising a Workshop on 17 September 2018 to examine the main challenges entailed by structural adjustment in the steel sector, including its impact on workers and communities, and discuss policies that can contribute to a more efficient and competitive steel industry in the future.

#### Purpose of the workshop

This workshop will bring together government, industry and trade union representatives as well as experts from academia to discuss policies that can facilitate structural adjustment in the steel sector. The aim of the workshop is to better understand the different barriers to exit and the social consequences of steel plant closures. Participants will discuss policies that can facilitate closure of inefficient steel plants, including measures to cushion the social impact of restructuring, in order to enable a reallocation of resources to more efficient production units and/or other sectors of economic activity. Such policies would improve the longer-term efficiency and functioning of steel markets.

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**08:30-09:00**      **Registration and Welcome coffee**

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**09:00-09:15**      **Opening remarks**

Mr. Lieven Top, Chair of the OECD Steel Committee

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**09:15-10.45**      **Session 1. Removing barriers to exit**

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Closures and restructuring appear to be more difficult in the steel sector and other capital-intensive sectors than in many other industries. This item provides an opportunity to discuss the different structural and policy-driven barriers to exit in the steel sector. The discussion focuses on the policy actions that should be undertaken to facilitate the exit of inefficient production units.

**Moderator**

- Mr. Christopher Beauman, EBRD

**Panellists**

- Mr. Stephane Sorbe, OECD Economics Department
- Mr. Benjamin Liebman, St. Joseph's University
- Mr. Dmitry Kolomytsyn, Russian Steel Association

After an overview by each panellist of the main issues, the discussion will then address the following questions:

- What are the main barriers to exit in the steel industry?
- Are there concrete industrial specificities that make closure of a steel plant particularly challenging?
- Should policy makers be concerned about barriers to exit arising from industrial specificities? What concrete policies are needed to facilitate exit?

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**10:45-11:00**      **Coffee break**

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**11:00-12:30**      **Session 2. Supporting workers affected by steel capacity closures**

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While the general policy discussion focuses on the benefits of reducing steel overcapacity, greater focus on the social consequences of plant closures seems warranted. Failure to support workers in reskilling and finding alternative jobs may also act as a barrier to exit and hinder efforts to restructure the steel industry. This item would promote a discussion on the labour and social challenges that may arise with a steel capacity closure and on the extent to which these can be alleviated in order to promote restructuring. The discussion would focus on policies to help workers affected by capacity closures, increase their re-employability and suggest policy avenues that could minimise the impact of closures on workers and communities while contributing to the reduction of steel overcapacity.

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**Moderator**

- Mr. Christopher Beaman, EBRD

**Panellists**

- Mr. Mark Keese, OECD Directorate for Employment, Labour and Social Affairs
- Ms. Kristiina Huttunen, VATT Institute for Economic Research and Aalto University School of Economics
- Mr. Ronald Janssen, TUAC

After an overview by each panellist of the main issues, the discussion will then address the following questions:

- How challenging is it for policymakers to deal with the employment and social implications of steel plant closures?
- Are dismissals of steel workers more concentrated in time and geography than in other sectors?
- How quickly do displaced steel workers find a new job, compared to workers in other industries?
- Which concrete policies can improve re-employability and thus promote the restructuring of the steel industry?

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**12:30-12:45****Closing Remarks**

Mr. Lieven Top, Chair of the OECD Steel Committee

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