

Decline of heavy industry in More Economically Developed Countries (MEDCs)

Revision Points:

- Heavy manufacturing in the UK has been in decline for many years.
- Reasons include competition from overseas, particularly S.E Asia, poor management, lack of investment, outdated working practices and expensive workers.
- The Rover plant at Longbridge closed in 2005 with the loss of over 5,000 workers.
- The UK still manufactures steel, though it is now one of the smaller producers in the world. In 1945, there were 50 steelworks in Ebbw Vale in South Wales. By 1970, there were just seven.
- There is only one steel manufacturing company in the UK now. Corus was formed in 1999, following the merger of British Steel with a Dutch company.
- Steel manufacturing in the UK has been consolidated into three sites at Port Talbot, Scunthorpe and Teesside, and redundancies have continued in recent years.
- The UK's steel industry is presently quite healthy.

Radio interview with a Teesside steelworker

*Tony - steelworker
BBC reporter*

Reporter: We're in Teesside today, finding out about the decline of heavy industry in the UK. I'm with Tony, who works at the Redcar steelworks. Tony, as a steelworker, you must be very worried about the future?

Tony: Corus, which owns the steelworks here in Redcar, say that our future is looking better now.

Reporter: But you must know that manufacturing jobs in Britain are being lost every year?

Tony: That's true. My brother worked at the Rover plant in Longbridge, Birmingham and over 5,000 people lost their jobs there in 2005.

It's not just the jobs though; it affects the whole community. Local services like shops have to close, and many people move away, making it harder for the people who have to stay.

Reporter: Why do you think jobs are being lost?

Tony: Well in the case of the Rover plant closing down at Longbridge, it was because they weren't selling enough cars. Other companies have more efficient factories using better technology, and the workers don't cost as much to employ.

I blame the company directors. They should've invested more money in improving the design of the cars. You can't blame people for not buying Rovers. The cars just weren't good enough.

Reporter: How's the steel industry doing here in Teesside?

Tony: Times have been hard for steelworkers here. There have been lots of redundancies. A lot of my friends have lost their jobs. The bosses of Corus say that other steelworks are more efficient than the one here in Teesside, and that the global demand for steel has slumped so the price is low.

We used to sell steel to the USA but in 2002 George Bush introduced tariffs to protect American steelworker's jobs. The tariffs made steel from Britain more expensive than American steel and so they stopped buying steel from us. That seemed very unfair to me. After all, our government doesn't get involved when jobs are being lost in Britain. Anyway those tariffs didn't help the steel industry here as our industry was already unsettled.

Reporter: So, do you think that you will still be working in the steel industry in five years time?

Tony: I hope so. In 2006 Corus invested £40million in the Redcar steelworks. There's a new rail link from the plant to the port of Teesport which saves a lot of the transport costs. Now we're exporting steel to Europe and all over the world – even to Mexico and South Korea! The future is looking a bit better.

Reporter: What's happened to your friends that lost their jobs?

Tony: Some have moved down south to look for work and others have gone to college to retrain for other jobs. The Regional Development Agency is trying to attract firms to Teesside and they've been quite successful. There are new jobs being created at Teesport as well. A lot of people have the idea that the north of England is full of unemployment but it's not like that. There are lots of opportunities up here.

Useful links:

Steel tariff - http://en.wikipedia.org/wiki/Steel_tariffs