

We should be wary of anyone touting quick fixes to our problems

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Paul Benneworth argues that Britain's deep-seated short-termism has caused problems for the North East economy



A worker puts the finishing touches on a Nissan Qashqai

I was cycling to work this morning through the misty forest when I was overtaken by a Nissan Leaf. It gave me a sneaking sense of pride to know that a car in the eastern Netherlands had been made in Sunderland, in one of Europe's most modern, productive factories.

Nissan has been impervious to the recent fad for moving jobs overseas and lately gone from strength to strength. It's an anchor for what's left of North East manufacturing and Nissan's high standards over 35 years have driven up quality, competitiveness and innovativeness across regional engineering businesses.

But that sense of pride also comes with a tinge of pain in realising for how far our manufacturing has declined. From our once-world leading position, 'Made in Britain' badges are rarer these days than Red Kites.

There's plenty of Minis in Holland, but they come from Brabant's Nedcar factory. Now owned by German car giant BMW, the story of Mini demonstrates that it's as much persistence as inventiveness and ingenuity necessary for economic success.

This makes Britain's perennial extreme short-termism a real problem. Whilst Japan, Germany and the US were building strong automotive conglomerates after WWII based on mass sales, Britain's bungling car firms slashed spending cuts and hiked profits, stalling investment and seeking mergers.

In 1975, the merger firm British Leyland had collapsed to the point of a government bailout. But under ownership by a government struggling with IMF micro-management, industrial unrest and internal strife, couldn't provide some respite to invest and begin modernising their hopelessly-outdated product range.

So in the 1980s, Thatcher turned to her standard industrial quick-fix trick, privatisation. Spurred on by wonks led by John Redwood, they promised us that removing the state's dead hand from the now Rover Group would unleash a private sector magic to transform's Britain's creaking industrial base.

When owners British Aerospace finally flogged off Rover to BMW, the Germans were shocked by what they'd found. Expecting a gleaming modern factory with the latest technologies, they found a dilapidated, demoralised shell of a business.

If you'd been banking on industrial revival in the 1980s, Thatcher's privatisation quick fix was just an expensive con trick. Financial chicanery, not technological innovation, took the upper hand, a recipe for spivs to make a quick buck on the back of others' toil, and laying a big chunk of British industry to waste.

We've suffered more than most in the North East from these quick fix solutions imposed from outside. Since our regional banks failed in the 1840s we've relied on outside finance for our industry.

And asked to choose between patiently investing in local firms and making a quick buck on a Uruguayan railway in the 1850s, the City of London's answer has always been the same. Give me profits, now!

Spivs promising magic transformations are only after their own gains and are happy to run off to leave us sitting in the rubble. So we should be wary of anyone touting quick fixes to problems really caused by Britain's deep-seated short-termism.

When we're told that British public services are at breaking point, we should remember just who it was these same Tory zealots that choked public spending to fill their greedy banker friends' pockets. It's austerity pure and simple making it harder to get a GP appointment, to find a school place, to get hospital appointments or find a quality social home.

It wasn't immigrants and it wasn't the EU, and storming out of Europe is no magic solution for our chronic underspending problem.

Hopefully us north easterners are canny enough to see through the Brexiteers' spivvy hucksterism to give us some long-needed stability and certainty to thrive into the 21st century.

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