

Dogma will cause no end of harm; Opinion.

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SO 2012 has already brought mixed employment news for the North East. Large closures have been announced, by drugs giant Sanofi in Fawdon and aluminium producer Alcan at Lynemouth.

Although those two sites have historically grown and shrunk, once they go, they are lost to the region forever. So these closures have to be seen as the latest step in the North East's ongoing de-industrialisation.

The other news, from Nissan at Sunderland, was altogether more positive as Sunderland has been announced as the producer of the new Invitation model.

This will bring 400 jobs at Nissan itself, and another 1,500 are expected from locally-based firms that supply into Nissan.

These announcements brings us back to the point that success has 1,000 parents, but failure is an orphan. Labour, the Lib Dems and Conservatives all rush to claim the credit for Nissan's new jobs. At the same time, there is an eerie silence surrounding the plant closures.

The truth is that successes take a long time to build up, and there's no single magic approach. All three factories benefited from a series of subsidies over recent decades from both Labour and Conservative governments.

What's important for successful support is that government adopts a 'no one-size-fits-all approach'. When firms have problems, they need government to really listen to and support them in addressing their needs.

Flexibility is key to good policy, and the enemy of good policy is simplistic dogmatism.

When Tony Benn announced he wanted to capture the commanding heights of the economy, businesses were scared and scaled down their UK activities.

Damaging business with dogmatism is not the Left's exclusive prerogative. Thatcher's 'no support for lame ducks' launched a decade of highly-destructive closures of competitive nationalised industries that other, less dogmatic, countries, successfully turned around.

One area where the coalition is being undeniably dogmatic is concerning the public sector. Their rhetoric frames the public sector is a 'dead hand', that can only throttle enterprise and drive out good business. They are slashing budgets, services and in the latest twist, undoing the balancing role played by the public sector through national wage scales.

But if the coalition Government think that it was Whitehall that was listening to Nissan and other businesses when they asked for support, then it is seriously deluded. You can't understand the continuing success of Nissan in the North East, without understanding the work done by Government Office and the regional development agency in fighting for the region.

They had to fight against Whitehall bureaucrats who dogmatically believed that a pound of subsidy was a badly spent pound.

Building up new industries is a tricky business, and Whitehall would do well to focus on that challenge, and show that Government industrial policy can be a force for rebuilding the North East rather than just slowly closing it down. An age of simplistic dogmatism in industrial policy from the coalition leaves the North East's prospects undeniably sombre.

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