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Privatisation, nationalisation and jobs [1]

Written by **Dr. Eamonn Butler** [2] | Monday 14 October 2013

Just as the UK government sells the bulk of Royal Mail, the Scottish government prepares to nationalise Prestwick Airport. The current owners, the New Zealand company Infratil, have done their best in marketing the place, but cannot make it pay. An hour out of Glasgow, it has been losing custom to Glasgow Airport, which is minutes from the centre and has benefited from recent road improvements. Prestwick is also very dependent on one customer, Ryanair, which has cut its flights and is famously keen on forcing down airport charges. So it seems that the Airport will be sold to Holyrood for £1. That's a very bad deal. Firstly, Prestwick loses money, secondly there is no obvious way of making it pay, and thirdly, an expert private operator will make a better fist of it than politicians.

The reason for the nationalisation is to protect jobs. There are various high-tech and aviation businesses that need a runway, and they and the airport employ a large number of the local population. Debating this on Radio Scotland, I was faced with the usual argument: 'the private sector makes profits, then when things don't pay any more they walk away and leave the public with the bill for sorting out the mess'.

Give me strength. Who do you suppose provides all the taxes that the government uses to 'sort out the mess' in the first place? Answer: the private companies that make profits and pay taxes on them, the companies that supply them and do the same, and all the people who work for all those commercial enterprises and pay tax on their wages and still more taxes when they save or spend those wages. Business should stick to making money and government should stick to civics. Neither of them is much good at doing the other's job.

And is it a 'mess' anyway, or simply the workings of a changing world? Jobs should go where the demand is, rather than outdated industries and infrastructure being preserved in the aspic of taxpayer funding. If the Scottish government were not so keen to intervene ? with an eye to elections, politicians always like to look 'pro-active' ? what would happen to Prestwick? Maybe the companies that depend on its runway would find cheaper ways of keeping it working. Maybe the jobs would simply move to somewhere better connected. Maybe the land would be sold for some far more productive purpose that would produce even more, genuine, industry and employment.

Once Holyrood has nationalised Prestwick, it is going to be faced with calls to do the same for the much larger, failing oil facility, Grangemouth. And whatever superannuated loss-maker follows that. It is beginning to sound like the 1940s. Maybe it can preserve jobs though: after Independence, Scotland could

always market itself as a Museum of Socialism.

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