Miliband's Muddle [1]

Written by **Jan Boucek** [2] | Saturday 24 July 2010

Former Foreign Secretary David Miliband made a pitch for his Labour leadership candidacy in Friday?s Financial Times with a plan [3] to solve the nation?s ?jobs deficit,? whatever that is. Couldn?t he have just said increasing employment?

The rest of the article carries on with that kind of New Labour-speak that dances around the huge elephant in the room ? the UK government?s growing debt load. In outlining his grand vision, Mr Miliband didn?t even have the intellectual honesty or simple modesty to admit his government had got it badly wrong. All we get is this glancing reference to the current state of affairs: ?I am an economic realist. The public finances need addressing.?

That?s it: no apologies, no *mea culpas*, no admission of lessons learned, no hint of any responsibility. Instead, we get this five-point plan of action that continues the woolly thinking wrapped in the nebulous words so beloved of the old regime that got us into this mess:

> Create a British Investment Bank to *facilitate investment* into infrastructure, support good small businesses struggling to access funding and provide capital for export industries.? (Wasn?t Gordon Brown already ?investing? for the future?)
>
> *Set and achieve* a goal of having 60% of 18-30-year-olds in university, higher level vocational learning or an apprenticeship by 2025.? (Labour failed to meet its 50% target for university enrolment so let?s fix that by raising the target to 60% and throwing in vocational training and apprenticeships.)
>
> *Deploy the public sector* to invigorate local economies by maximizing the multiplier effect of public services.? (Well, we?ve already had 13 years of that as public sector payrolls have surged while private payrolls have languished.)
>
> *Focus* on increasing productivity and the quality of work in low pay, low value sectors of the economy. (As a priority, shouldn?t high value sectors be where any money goes? There?s a reason why low pay/low value sectors are that way - they?re the wrong businesses to be in.)
>
> *Pursue* an industrial strategy for the 21st century, marshalling the state?s tools of procurement, regulation, planning and taxation to attract the private sector where it is needed most. (Ah, yes, the ?white heat of technology? is back! Politicians and civil servants will identify and foster the next iPhone, shale gas technology and Toy Story 3.)

Ironically, the FT on Friday also had an article [4] by European Central Bank President Jean-Claude Trichet, urging governments to get on with restoring fiscal sustainability: ?With hindsight, we see how unfortunate was the oversimplified message of fiscal stimulus given to all industrial economies under the motto:

?stimulate?, ?activate?, ?spend? ? But there is little doubt that the need to implement a credible medium-term fiscal consolidation strategy is valid for all countries now.?

Unless the likes of Mr Miliband first acknowledge their role in the UK?s fiscal disaster, Labour policy prescriptions to facilitate, achieve, deploy, focus and pursue will ring hollow.

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