

# Rebecca Long-Bailey speech on Labour's industrial strategy

York has a proud industrial past.

In the nineteenth century, many of the sweets and chocolate brands we all know and love, such as Terry's and Rowntree's, started production in York. By the end of the century, confectionery production was a major employer here, second only to the railways.

Confectionery production maintains a presence in York. But, like many industrial communities across the North of England, the industry has faced significant challenges.

Only a few weeks ago, Nestlé announced job cuts across a number of factories, including York, and the move of Blue Riband production to Poland.

The decline of these industries and, indeed, other key manufacturing hubs across the country, has been largely due to the economic choices made by successive governments.

They didn't just leave a gap in the jobs market and a gaping hole in our economy. Their exit from places up and down Britain quite simply ripped the heart out of communities, leaving many areas struggling to bounce back.

Those communities felt left behind, their pride, hopes and dreams shattered.

But in the last few weeks, Labour has used this election campaign as an opportunity to lay out a bold vision of a different Britain.

A Britain that will rebuild these communities.

A Britain that looks after its sick and its elderly.

A Britain that gives every child the chance to reach their full potential. And in which going to university doesn't leave you saddled with tens of thousands of pounds worth of debt.

A Britain in which everyone who works earns enough to live on, and everyone who doesn't work has the chance to find a

decent, fulfilling job.

A Britain that is quite simply: fairer;  
richer; and happier.

Today, I am here to talk about how we  
build that Britain.

Because we can't do it with an economy that  
relies on debt-driven consumption to drive growth. Families using credit  
cards  
just to get by.

We can't do it with an economy that is so  
imbalanced that people in London earn £134 more a week than in Yorkshire.

And in which the top 1 per cent own 24  
per cent of wealth.

Now, Labour's manifesto is a promise to  
rewrite the rules in favour of the majority of people in this country. And  
today, I will set out how we will do that for our economy.

For years, Britain's economy has been  
rigged in favour of narrow but powerful interests in the financial sector in  
one corner of England.

We were led to believe that, released  
from the shackles of regulation, the growth of the City of London could  
sustain  
the whole economy.

That we shouldn't worry about our once  
proud industrial communities being sent into managed decline, because we had  
the  
welfare state to redistribute to areas of the country left out of London's  
growth.

That we shouldn't worry that swathes of  
the country were seeing their potential wasted – or that the activities of  
the financial  
sector grew more and more detached from people's needs – because all that  
mattered was headline growth.

The 2007 financial crisis showed us the  
dangers of an economy overly reliant on an unfettered and highly volatile  
financial sector.

But Britain is yet to learn that lesson.

Headline growth may have recovered since  
the crisis, but the structural weaknesses of Britain's economy remain.

Our economy continues to be grossly imbalanced – sectorally, towards the service sector, and geographically, towards London and the South East.

Productivity and investment are stagnant.

Our balance of payments deficit shows no sign of shrinking.

And average earnings are not expected to return to 2008 levels before 2021.

It is completely unacceptable that, 10 years on from the financial crisis, people who played no part in creating it, are still paying the price.

And the country's decision to leave the EU last summer has raised the stakes even more.

When Britain leaves the EU, developing a new economic model, and a new role for Britain in the world, will be not just desirable but essential.

The Conservatives have set out their stall – choosing bombastic rhetoric over a serious strategy for negotiations.

They have picked winners, offering bespoke deals, whilst leaving most businesses out in the cold.

They insist that no deal is better than a bad deal.

But businesses I speak to all across the country know that that is nonsense.

If we crash out of the EU without a deal, it will destroy what remains of our industrial base, and fire the starting gun in a race to the bottom on wages and workers' rights.

Labour's vision couldn't be more different.

We have said repeatedly that we will put our economy first in Brexit negotiations.

But we will go further.

We will break with the failed economic policies of the past, define a new relationship between government and the economy, and rebuild our economy on a better model.

Unlike the

Conservatives, Labour will not shy away from making full use of all available policy levers, working in partnership with business and trade unions, to rebalance our economy so that it serves the many, not just the few.

Our National Transformation Fund, and £250bn of lending by our new National Investment Bank and network of Regional Development Banks, will transform our economy and deliver one million good jobs over the course of the Parliament.

Now, Labour's plan for the economy is centred around three pillars.

First – national missions to address the biggest societal issues of our time.

Second – a set of cross cutting policies to create a fertile ground for business growth.

Third – collaboration and support at a sectoral level.

Following the work of leading economist, Mariana Mazzucato, Labour will set national missions to tackle the defining problems of our age.

To meet these missions, the public sector will make strategic investments that catalyse private sector innovation.

Our first mission is to ensure that 60 per cent of the UK's energy will come from low carbon or renewable sources by 2030.

Climate change is, quite simply, the biggest challenge confronting humanity.

Our ambitious target will spur the kind of bold and decisive action that has so far been lacking.

It will also help our economy and put us at the forefront of the emerging global renewable technology market.

For climate change is a threat, but it is also an opportunity.

Transforming our energy system and investing in renewable technologies will create good jobs, boost our exports, and lower the price of energy for everyone.

Britain is home to the greatest

innovative minds of our time. We have led the world in science and technology.

As a child, I marvelled at the technological advances my region had contributed to Britain when my dad took me to the museum of science and industry in Manchester. We invented the computer, we discovered graphene, we led the world in energy, to name but a few, and I was proud of my rich industrial heritage.

But I don't want our pride in innovation consigned to mere school trips to museums.

I want us to write a new chapter for the history books, where Britain leads the world in science and innovation, where we lead the next industrial revolution.

Where our sense of pride comes not only from the greatness of the British people and our history, but also the services we deliver and the products we manufacture in the future.

An industrial patriotism.

So our second mission is to put Britain at the forefront of world innovation and to ensure that the products and services we create are manufactured and delivered here in Britain.

We will create an innovation nation, with the greatest proportion of high-skilled jobs in the OECD and 3 per cent of our GDP spent on research and development by 2030.

Innovation is essential to improving our productivity, which is the best means of raising wages and boosting the competitiveness of British industry.

The UK has world leading technological industries and research institutions, but we are lagging behind in terms of investment in R&D – spending only 1.7 per cent of GDP compared to an OECD average of 2.4 per cent.

The next Labour Government will immediately invest £1.3 billion in the first two years of Government, a proven way to galvanise the private sector into investing much more.

We will establish two new Catapult Centres – one for retail and one for metals, reflecting the breadth and diversity of the UK economy.

In setting these missions, we are laying down the gauntlet to business.

Central government will do its part by providing the foundations on which they can be met.

We will invest in people, and ensure that businesses can access the highly skilled workforce they want by setting up our National Education Service, allowing everyone to upskill and retrain at any point in life.

We will harness the £200 billion the Government spends in the private sector each year, to promote responsible businesses.

We will direct public money back into local economies, so that local pounds create local jobs.

We will take action to reverse the offshoring, seen in recent decades, by bringing supply chains, and good jobs, back to the UK.

But we will do so by highlighting and extending Britain's strengths, because we know that we can't win a race to the bottom on wages and conditions.

Labour will also take action on excessive energy prices, which put our industries at a disadvantage.

Labour will reverse years of under-investment in our infrastructure, investing £250 billion over the next ten years through our National Transformation Fund.

We will introduce a Universal Service Obligation for superfast broadband, at three times the speed promised by the Tories, future proofing the UK economy.

We will transform our transport system across all our regions and nations. Here in Yorkshire, we will deliver Crossrail for the north to connect the wonderful northern cities.

But it's not just in terms of public sector investment that Britain has been falling behind – businesses need help to invest more too.

That's why Labour will set up a National Investment Bank to fill gaps in lending to the private sector, and provide the patient, long-term finance businesses need to grow and prosper.

Finally, our industrial strategy will

have a strong sectoral element.

As the work of economist Ha-Joon Chang has shown, the strongest industrial economies in the world – Germany, South Korea, Japan – got to where they are today because their governments nurtured, and supported, key sectors as they grew.

A Labour Government will do the same; breaking with the failed ideologies of the past and learning from the world's best, by supporting sectors in which Britain is already a world leader and cultivating new strengths.

We will set up sector councils for each strategic sector – modelled on the highly successful Automotive Council – to bring together government, employers and workers and their trade unions as part of a new era of economic cooperation.

Through collaborative effort between Government and industry, Labour will create the winners of the future.

We will make sure that Britain is viewed by the world as a symbol of innovative and industrial excellence.

We will produce a million high quality, high-skilled and high paid jobs.

We will deliver economic growth to every region and every nation.

Quite simply, Labour will build an economy that works for the many and not the few.