

The Future for Manufacturing in the UK – Part 1 (of 3)

The recent news from the CBI, that a further 22,000 manufacturing jobs may be lost in the current quarter, and that manufacturing in the West Midlands remains particularly gloomy, had me scurrying to re-visit some of my summer reading

My first take on the dti's "Competing in the Global Economy – The Manufacturing Strategy Two Years On" (**Note 1**), which was released to an eagerly awaiting public in July 2004, was that it meant well and there seemed to be quite a lot of initiatives going on and being added to.

There were, however, two comments in Patricia Hewitt's Foreword which were to me very significant. "All manufacturing companies... need to attract good quality people", with which I agree, and "Manufacturing in the UK has a strong long term future" with which I do not wholly agree. I shall return to these important issues presently.

It was also not encouraging that almost the very next headline was "Manufacturing matters...but...hidden by a negative public image" Oh no, I thought, don't tell me that the answer is going to be better PR and spin!

Nevertheless, the attitude of the media is in my view important in the perception of manufacturing. It seems to me that, in particular, television is uniquely placed to be able to communicate the excitement of, and fulfilment in, building and making ideas work. However, what we get are programmes by the likes of the recently departed Fred Dibnah, which were quite interesting but essentially backwards looking - and in any event Mr Dibnah lacked the charisma and generational appeal to provide real inspiration. Even "Robot Wars" does not do real justice to the engineering which produces such ingenious machines, preferring almost exclusively to focus on the gladiatorial abilities thereof.

It does seem to me that engineers are uniquely able to point proudly to buildings, bridges, planes, cars and say "there's a piece – or maybe a lot – of that which works because of me". Of course, it might be fairly said that engineering projects also need legal and financial skills, but it is important to remember which is the dog and which is the tail. Who are the inventors, creators, builders – and who are the pen pushers. As a generalisation, the media seems not to recognise this and status has been inverted as a result.

Herbert Hoover, US President from 1929 to 1933 and a mining engineer himself, put it far more articulately and inspirationally than I ever could: "Engineering is a great profession. There is the fascination of watching a figment of the imagination emerge through the aid of science to a plan on paper. Then it moves to realisation in stone or metal or energy. Then it brings homes to men or women. Then it elevates the standard of living and adds to the comforts of life. This is the engineer's high privilege." (**Note 2**)

As regards attracting good quality people, employers outside the service sector need to be particularly reminded that working environment – physically and culturally - is incredibly important. The traditionally male dominated drawing office and the aroma of machine oil may not be a compelling alternative to modern professional offices inhabited by smart young men and women. Manufacturers would do well to look hard at this issue and to develop workplaces which have some "buzz" and which will be attractive to young men *and* women.

But graduates themselves perhaps also need to look beyond superficial attractions when job seeking. A career in finance, law, consulting and the like often comes at a price in terms of longer term lifestyle. The deal is not quite "we give you lots of money, you give us all of your waking hours". (Actually, at some investment banks that I know, that is exactly the deal!) Nevertheless, the work ethic is often highly demanding, and goes on for years not letting up until the earlier of retirement or burn out. As an alternative, it just seems to me that the person, who builds things which are useful to all of us, is able to tangibly leave his / her mark on the world much more so than someone who has shuffled, no matter how brilliantly, the paperwork.

I am not setting out to deride the professions as such (I belong to one!) – I am just making the point, to new entrants to the workplace, that different careers will have in the medium term different fulfilment, earnings and work/life balance trade offs.

Ah, I hear you say, but these new entrants to the workplace will still want the opportunity to make some serious money. Well, for the entrepreneurially minded, there are already currently nearly 100,000 manufacturing businesses with 1 - 50 employees in the UK (**Note 3**) – and there is always the chance of becoming the next Sir James Dyson!

Let me return to the point in the dti Report with which I somewhat disagreed. One might say that it is semantics, but it is an important distinction. I would qualify Ms Hewitt's statement by saying that "*Some* manufacturing in the UK has a strong long term future". And some does not. The dti Report itself acknowledges this - some industries have already been effectively written off. It states bluntly that "it is clear that the UK will not be able to compete in all areas of industry – nor should we try" The analysis goes on to say "we are unlikely to be able to compete effectively in world markets with mass produced labour intensive products such as high street clothing and consumer goods where labour costs are a significant element of the price"

In short, de facto choices, about which of the UK's manufacturing industries survive or not, are already being made.

Can this situation be completely left to the marketplace, in the hope that businesses will pay higher prices to keep strategic local suppliers alive (although this can happen in some cases for a while)?

In general, business tends to react only to economic realities - and the law - and will therefore respond pragmatically and in its own narrow interests.

There are many good notions in the Government's Manufacturing Strategy. Indeed, I tried to tot up all of the existing and new initiatives and proposed new bodies, but I confess that I was defeated by the sheer proliferation of these. At a micro level, let us hope that these provide real help. The Department of Trade and Industry's Report gets a B+ for, well, industriousness - but regrettably records closer to an F for vision and leadership because it does not rise above the hubbub of current leanings in international trade.

In the second part of this article I shall, in the words of Charles Darwin in his Origin of Species, "discuss in a little more detail the struggle for existence".

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Note 1 http://www.dti.gov.uk/manufacturing/strategy_review.pdf

Note 2 http://www.quotationspage.com/quotes/Herbert_Hoover/

Note 3 Estimate based upon

http://www.statistics.gov.uk/downloads/theme_commerce/PA1003_2003/PA1003_2003.pdf pages 16-17