



WORLDbytes News Channel

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Leading academic outlines five-point strategy towards the creation of a state "more worthy of our needs"

Professor Frank Furedi, the leading social and cultural commentator, has spoken of his frustration that, even in face of the current economic crisis, the UK government has "a real desire to evade spelling out that there are some very difficult decisions to be made."

Furedi recognises that governments have to struggle with the tension of having to restructure economic life and establish conditions for future growth, whilst also trying to preserve standards of living. There is, he argues, a "contradiction between these two imperatives that... most policymakers are very reluctant to spell out."

Throwing money at the situation, bailing out struggling industries will do little for the future growth of UK society he argues, saying "nor will it do very much good for the workers who are still employed in there because their living standards in the long run will be compromised."

Controversially, Furedi argues that the state should even allow the old banks - the financial equivalent of "clapped out car industries" - to go under. What is needed he says are new financial institutions that, "provide some measure of support for... those smaller sectors of industry that have an element of innovative capacity within them but are completely left out of the picture."

Furedi argues for the encouragement of, "a strategic approach towards diversification away from reliance on consumer spending or financial services towards a restructuring of the economy."

According to Furedi, a state effective in creating future growth will have to not shy away from making "smart, but difficult decisions" and focus on developing five things:

- **Science and innovation**, encouraging a culture where science and innovation can thrive.
- **An industrial policy** that will mean restructuring the sector.
- The conditions where **infrastructure** can improve and evolve.
- A clearly worked out **energy policy**, which will generate a more productive and more reliable energy sector.
- **Encouragement of new start-ups**. The emphasis has to be on encouraging new start-ups, not saving the old.

Furedi made his comments during a keynote address entitled "Can the state save the economy?" at the *Battle for the Economy* conference, held at Goodenough College, London on May 16th 2009. Respondents included Dan Lewis, research director of the Economic Research Council, Professor Eric Reinert, and the Wall Street Journal's European columnist Simon Nixon.

An edited version of the discussion is now available to view at:

www.worldbytes.org/programmes/007/007_006.html

The filming and editing of the discussion was conducted by a team of volunteers for WORLDbytes. WORLDbytes is an alternative on-line channel hosting programmes created by young volunteers which aim to get behind the headlines and promote a people-first perspective on a wide-range of issues. The programme's credo is "don't shout at the telly, change the message on it".

The WORLDbytes online channel is available at www.worldbytes.org

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