**Investment needed for the North East's economic future**

The recent announcement that Siemens will be creating 300 jobs in Hebburn is some welcome news for South Tyneside and a reminder about the importance of creating good quality jobs in the region. Together with the forthcoming Hitachi rail plant at Newton Aycliffe, which many in the region campaigned hard for, it shows the value of modern manufacturing. Manufacturing provides an average wage of over £30,000 a year and can really help lift the spending power in our region.

The frustration is that these jobs are the exception rather than the rule. A visit to any job centre in the North East tells a stark tale of what’s on offer. Many jobs are poorly paid, with short-term contracts or provide insufficient hours for people to get by on. These are all symptoms of an unhealthy, uneven and insecure recovery and cannot be allowed to represent our region’s future.

Governments can improve matters in the short-term by eliminating exploitative zero hours contracts, lifting the minimum wage and ensuring fairer pay in sectors that can afford it. The bigger medium term challenge for us in the region is to change the composition of the North East economy so far fewer workplaces scrape the barrel of what is legally permissible. To do this we need to appreciate the importance of both public and private investment in changing fortunes.

Public money has a vital role to play in encouraging economic growth, especially when private investment falls. After all, the Siemens jobs in Hebburn are as a consequence of a £1.2 billion government order for Thameslink initiative in London. Hitachi’s presence in County Durham follows the award of the Intercity Express Programme worth £4.5 billion. The North East doesn’t always start on the front row of the economic grid, so public policy can lower risk for investors and help creating an improved climate for economic development.

Get any group of employers, unions, councils or regional economists in a room and within five minutes we’ll be agreeing about the need to improve the region’s roads, public transport, lift workforce skills, substantially increase the number of quality apprenticeships, promote innovation and retain talent. It needs active government with an industrial strategy, devolved economic powers, collaboration and a shared vision. We have a big ‘to-do list’ that and it will require investment. It would also be welcome to see ministers accept that fully-funded public services are a help not a hindrance to economic success.

The most encouraging thing of all is that we’ve demonstrated what can be done in the North East. Visit [www.onenortheastlegacy.co.uk](http://www.onenortheastlegacy.co.uk) to see what was achieved together in 12 years by bringing key players together and giving the agency adequate tools for the jobs. They responded with the highest growth rates outside of London, physical regeneration on an awesome scale and a surge in start-ups. 160,000 North East jobs were created or safeguarded and £4.50 returned for every £1 of public money invested.

The lessons from this period need to be learned by the next government if Local Enterprise Partnerships and Combined Authorities are to be bolstered and renewed. We all have a role to play in helping the region realise its ambitions and we should now be demanding the tools we’re going to need.

Neil Foster, Policy and Campaigns Officer for the Northern TUC