

Sir Vince Cable Q&A – Life after Lib Dem leadership

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How are you feeling at the end of your term as Leader?

I am not sure what the next stage of my career really is. I'm in California over the summer with my son and I'm looking forward to coming back feeling refreshed. I will of course still be MP for Twickenham.

I'm writing another book looking at the links between politicians and economics and taking a closer view of the figures who have made a big difference through these links including Alexander Hamilton (1) and Deng Xiaoping (2).

[(1) Alexander Hamilton (1755 – 1804), was renowned as one of the founding fathers of the United States of America, leading the way in interpreting and promoting the US Constitution, founding the nation's financial system, the [Federalist Party](#) and the [New York Post](#). As First [Secretary of the Treasury](#), he was promoted the economic policies for [George Washington](#)'s administration, setting up a [national bank](#), enabling funding for state debt, establishing a system of tariffs and trading relations with Great Britain.

(2) Deng, credited through economic policy reform with lifting more human beings out of poverty than any other human being, drew on a model of 'state capitalism' set within the framework of Communist party rule. Deng himself was pragmatic: a gradualist who believed in 'crossing the river by feeling for the stones', being interested in results rather than dogma or doctrine.]

What are your proudest achievements?

Most of the achievements I'm proudest of were achieved during the five years I spent serving as a Secretary of State for Business, Innovation and Skills in the Coalition government. I was able to promote bank reform, the creation of new British Business Bank and Green Investment Bank as well as the Vickers reforms brought forward by the former Bank of England Chief Economist, Sir John Vickers. The Industrial Strategy was a success, in particular for the vehicle and aircraft sectors, currently being so dramatically undermined by Brexit, and I was proud to launch the Catapult network and I do continue to meet people in the network, in particular the National Automotive Innovation Centre at WMG, University of Warwick, which has achieved a successful funding formula working with business and the better ones like these are doing well.

I was disgusted with the sell-off of the Green Investment Bank. It was a very good institution and having invested £12bn in new green businesses it was sold off to the Australian asset stripper which will likely now disinvest in the UK.

Whilst my main achievements were during the Coalition, I've also been a turnaround specialist for the Liberal Democrats. I took over in 2007 on a temporary basis when the Party was at a low ebb and it was in much better shape when Nick Clegg took over. In these last few years the Party has also revived. We are now in much better position as Jo Swinson takes on the role of leadership. She is putting forward a fresh new face and getting good coverage as we fight to Stop Brexit.

What do you consider the most important thing for the Liberal Democrats to achieve at present outside of stopping Brexit?

We must now consolidate our position as one of big players politically. YouGov polls today (24th July) put us second only to the Tories and ahead of Labour, with the Brexit Party falling back to fourth place. We seem to have settled into a stable position as one of four main parties. The big task is to build on that and to go into any future General Election as a major party in our own right.

What lessons do you take from the Coalition years?

Being in a coalition under present voting system is bad for any party and I don't see any appetite for this without electoral reform. There isn't any appetite for this in the country either, in spite of the widespread consciousness of the failings of government. It is a complete and utter mess at present with a minority ruling for the majority. But we still must continue to make the case for reform.

Is another storm brewing for the UK and for us globally?

Yes, I think another storm is brewing. I noted the comment by Andrew Neil that the US is embarking on massive deficit financing at the peak of a boom, a bit like Peron did in Argentina. We are looking at a likely crash landing. There are plenty of signals with the trade war and our own economy in decline. We have had two and maybe three quarters of falling output. But it's a strange recession with full employment. Wages have been flexible, too flexible most likely, and people have kept their jobs.

As Boris Johnson becomes PM could you have foreseen politics where it is today from 2009 after the Global Financial Crisis?

Boris has different personalities and we have to see what he does. We need to look to see what route he will follow. The Tories have to neutralise the Brexit Party as the right wing vote is split if not. If they do get together with them then it's good news for the Liberal Democrats. I'd be very surprised in Nigel Farage becomes US ambassador for example, despite having been mentioned in a recent speech by Sajid Javid. I think it will be more of a passive understanding in doing the Brexit Party's dirty work so there's no need for them to continue. The intention will be to do to the Brexit Party what they did to UKIP.

There is a bigger danger for the Tories in the Shire seats that even if they get together with the Brexit Party then they lose the support of the moderate Tories. I think this will happen all over the country.

The pollster, Prof Sir John Curtice, says the UK population divides roughly into the social liberals and social conservatives – do you agree with these two broad splits in our population and are they linked to our views on Brexit?

Yes, broadly I agree with Prof Curtice. I think the point he's trying to make is that we now have the politics of identity rather than a straight left- right split.

What do you say to young people who voted by over 70% to Remain in the EU?

They have been betrayed by the Labour Party, that much is very clear. The Brexit Party vote is heavily driven by age and the left-behind as well, but the biggest determinant is age. The older generation have shafted the young. Now we are getting an angry younger generation, betrayed on Brexit, let down on housing and let down on environmental issues and Labour Party is no longer of any value to them.

The Greens are still in single figures in the polls. If they look at the potential for winning seats in Parliament, it's hard to see where the Greens go, whereas we have the potential to win large numbers of MPs in any future general election and of making a real difference.

What message of hope could we give to young people now?

You have been betrayed over Brexit and should get behind the one party which is fully committed to remaining in the EU and fully alert to your concerns about the environment and housing.

This is the time for councils to be building truly affordable housing. There are a lot of councils building houses and even this wretched government is giving them the freedom to borrow. Councils like Liberal controlled Eastleigh and others of all parties are building where there is land. South Shropshire has done quite a bit of social housing. As far as private housing is concerned why don't councils CPO some land to take this agenda forward.

As a Party we've got the basic elements in place. The fact that Jo Swinson has been elected as a young woman with young children is plainly something relevant that she's bringing, together with her experience, to this role and to the image of the Party. It's the right image for this generation.

What do you think about the tuition fee situation now?

I have been promoting the idea of Lifetime Learning Accounts as a personal proposal and there is a Lifetime Learning Commission looking to explain how this could work on a more modest scale.

In terms of Further and Higher Education (HE) we tried to narrow the disparity in funding between the two when I was in government and the mechanism we came up with was tuition fees. We tried to promote fees for Further Education (FE), but it did not work. There is a disparity in the funding which needs tackling (3). The Augur report, which acknowledged this, made a commitment to narrow the gap. Apprenticeships were doing well, we were getting them up and running but the government screwed up really badly with the Apprenticeship Levy with apprenticeships down by a quarter in 2017/18 to just over 375k, with an annual target for 3m apprenticeships having been set by government by 2020. Whilst 25% of big firms are able to fund apprenticeships in their supply chain and SMEs (small and medium sized enterprises) pay only 5% towards these with government paying the rest, the accreditation of tailored courses has been taking too long. There is also no real organisational capacity to organise the supply chain and SME activity. People are now getting used to it but there has been a lot of wasted time.

[(3)around £7bn per annum in FE to cover 4m students and over £8bn a year government funding in HE to cover over 2m students]

Does a fairer UK means greater devolved powers to the region?

Yes it does, but we need to be careful. I am a big supporter of Heseltine's review ('No Stone Unturned'). I have concerns about turning over Further Education and Apprenticeships to a devolved system as you may well end up with different standards all over the country. With transport it makes sense to have regional transport plans. But fragmentation of training is a danger. With health there is a familiar dilemma – we do tend to have more initiatives but there is the danger of postcodes lotteries. Overall I am in favour of devolution but it can lead to many different outcomes.

Does a No-Deal Brexit mean breaking up the UK?

Not immediately. It will certainly bring more and more pressures to bear on Northern Ireland. The Nationalists majority and sympathetic

Unionists may go for a united Ireland. When the Scots see the mess Brexit will make as Britain breaks away from Europe, they will probably think again about breaking away from the UK.

What would the impact of a No-Deal Brexit be on manufacturing and regions like the Midlands as the home of UK automotive and an aerospace cluster of global significance?

It would be disastrous for the West Midlands but I think a No-Deal Brexit is still very unlikely. A lot of this is hot air to cover the extreme wing of the Tory Party. Brexit itself will be very damaging.

What is the likelihood of a general election this Autumn?

I don't see the chances of an Autumn election much above 30%. I think Spring is much more likely if Boris Johnson keeps control; if he loses control we may have election forced on us.

***After the Storm* – do you think we have dealt with fundamentals of capitalism and will the Industrial Strategy sort out our productivity shortcomings in the UK?**

There are still a lot of problems. The banking system is a lot more stable. But there are still a lot of issues that we need to address regarding capitalism and corporate governance. The environmental agenda needs to be less about talk and more about action. But we still do not have many alternative models that work.

How best to decarbonise capitalism and does this lead to more ethical capitalism?

Yes, decarbonising capitalism can be stimulated but we do need to be a bit careful and wary of moving too far ahead of the public. The kind of thing governments can do is to implement Carbon Taxes and tougher regulations. A segment of the public is ahead of the politicians, but this has not so far a big driver.

Looking internationally and the rise in international migrants from 170m in 2000 to 260m worldwide in 2019, are our global institutions working?

Key bodies like the World Trade Organisation and the World Bank have lost authority but it is essential that this is rebuilt and retained otherwise our global rules-based order disintegrates. This is one of the reasons why remaining in EU is so important and we have to show this can work and to stay in it. Managing globalisation, having rules and showing they can be enforced for the benefit of large numbers of countries is vital. But we shouldn't get too despondent as in most parts of Europe the nationalists have not made too much progress and are in a minority. There has been damage in the UK and US, but we are not yet back to the situation of the 1930s.

Do you have any thoughts for us in Malvern Hills where we are promoting ourselves for our trailblazer 5G testbed (the first in the country), our sensors and cyber security leadership?

In terms of the smart economy, I am not a technologist so I won't try to make observations, but what you are describing is precisely what the Catapult network was trying to do. I think we may well need a Catapult to deal with 5G technologies. If that were to be agreed with the resources required, it would help to bridge the gap from testbed to commercial viability and I could see this being a potential for a place like Malvern located between GCHQ and Birmingham.