ANDREW MARR:
Before politics and this programme took a summer break, things were looking fairly good for Labour - they were holding a steady lead in the polls, helped by growing fissures in the coalition - and yet their policies were, to put it politely, just a little vague. Well nothing much has changed, but as the conference season approaches, the party and its economic policy, in particular, are coming under renewed scrutiny, and reports of tensions between the two Eds - Ed Miliband and Ed Balls - suggest a new autumn drama to amuse the political classes. I’m joined now by Chuka Umunna, the Shadow Business Secretary.

CHUKA UMUNNA:
Good morning, Andrew.

ANDREW MARR:
Welcome. We’ll talk about all of that. But, shazam, you are Business Secretary; you’re in government. What’s the first thing you do?

CHUKA UMUNNA:
We would give an immediate stimulus to our economy. Remember we’re in our third
quarter of negative growth now. The reality of these big national figures are that for example in my constituency, I’ve got over ten people chasing every job, I’ve got over four thousand people making that trip to Job Centre Plus every week looking for work, and so we would give an immediate boost to the economy. And then …

ANDREW MARR:
(over) So you say “a boost”. What does that mean? Give some examples.

CHUKA UMUNNA:
I’ll give you an example. In London at the moment, micro businesses do not get a national insurance break when they take on extra workers. We would give them a national insurance break to encourage them to take on extra workers. We would do things, for example, like reducing VAT, reversing the hike that the government implemented towards the beginning of this parliament, which would get money back into our economy. And also the big thing, which I think is going to figure in the discussion this week, bringing forward infrastructure investment because that has, if you like, a dual benefit: not only does it provide a boost to the economy now, but it also provides a platform for future growth. And one of the problems that we have is that at the moment major infrastructure investment projects are falling backwards. Business is the same.

ANDREW MARR:
(over) So if you hear they’re going to bring forward infrastructure projects, you will applaud and you will say yes, we’ll vote for that; we approve of what the government’s doing - if that’s what happens this week?

CHUKA UMUNNA:
Well if we see announcements where they bring them forward, that will be very welcome. But the problem is …

ANDREW MARR:
(over) Okay, let me just ask about …

CHUKA UMUNNA:
… there has been delay and indecision all along the way. Businesses …

ANDREW MARR:
(over) … let me just ask you about the wider picture though …

CHUKA UMUNNA:
Sure.

ANDREW MARR:
… because what you can’t do, presumably, is a great, big, old-fashioned Keynesian boost for the economy. You look at the borrowing figures at the moment and no government has much wriggle room. You can cut VAT, but you’re going to have to find some way of paying for that. You can’t spend more money right at the moment, can you?

CHUKA UMUNNA:
But the point is unless we actually get more people into work, over two and a half million people out of work, that causes your tax receipts to drop because they’re not paying income tax …

ANDREW MARR:
Sure.

CHUKA UMUNNA:
… and of course you have to pay them benefit. And one of the very interesting things …

ANDREW MARR:
(over) Well that’s chicken and eggs. I mean you can’t, nonetheless, push borrowing up even beyond, much beyond where it is at the moment because …

CHUKA UMUNNA:
(over) But you cannot …
ANDREW MARR:
… despite all the rhetoric, actually this government hasn’t cut much when it comes to, for instance, current expenditure.

CHUKA UMUNNA:
But, Andrew, unless you get people back into work, you can’t reduce your borrowing. And one of the interesting things is, I think it’s fair to say, that some business organisations have not seen eye to eye with what we have been saying around deficit reduction, but one very interesting and I think quite interesting moment this week was the Head of the British Chambers of Commerce said there was wriggle room to do a stimulus. And also very impor…

ANDREW MARR:
(over) I’m sorry, but what they want is they want to tear up a lot of the regulations that are making it difficult to hire and fire people; they want fewer controls; they want fewer regulations; they perhaps (many of them) want a cut in the minimum wage. Those are all things that Labour will never give them.

CHUKA UMUNNA:
Well two things. First of all, the thing that he said - if I can just finish what I was saying before - is that in the same way if you don’t sort out your debt problems and your deficit, that will spook the bond market. He also said that if the bond market sees tax receipts falling and sees a lack of growth, that will equally spook them as well. So you’ve got to get growth back again. Now in terms of the actual measures, the key thing - and this is something that came out from the Institute of Directors’ poll of their members a couple of weeks ago - is that yes, I’m not saying that for businesses regulation is not an issue, but the problem at the moment is confidence and their worry about the economy. And the other really big issue is that if we want to unlock the private sector investment that many people talk about - there’s a lot of talk about companies sitting on a lot of cash - you have got to provide them with policy certainty. And what we’re going to see I actually think maybe on this programme when the Chancellor comes on later, we are going to see announcements either later or this week around planning. Now this is a classic example of where the government creates huge policy uncertainty because it was only back …
ANDREW MARR:
(over) But you must applaud a relaxation in planning laws if that’s what we see because that is the kind of structural boost that you’ve been talking about.

CHUKA UMUNNA:
But what you want is certainty in your policymaking. So I’m not saying don’t do something about planning, but I am saying for God’s sake make your mind up and stick to it. And the problem was they published a whole new national planning policy framework back in March, which local authorities have been working to ensure they’re compliant with by April, and now …

ANDREW MARR:
(over) But perhaps they might say that …

CHUKA UMUNNA:
(over) … we are going to see them throwing all the chips up in the air again …

ANDREW MARR:
(over) Okay, let me ask …

CHUKA UMUNNA:
… and that makes it impossible to plan when you want to make investment decisions …

ANDREW MARR:
(over) Okay, let me ask …

CHUKA UMUNNA:
… all the developers out there.

ANDREW MARR:
Let me ask you about some domestic issues Labour party-wise. You sit in those shadow cabinet …
CHUKA UMUNNA:

(over) I do.

ANDREW MARR:

… discussion meetings. Is it true, as we read, that Ed Balls spends his time on his Blackberry infuriating Ed Miliband and talking over him; that there is real tension between these two men? Because it’s been reported all through the newspapers; we’re all enjoying the speculation. You can help us.

CHUKA UMUNNA:

It’s utter nonsense. Look, I’ve got …

ANDREW MARR:

(over) It’s not true?

CHUKA UMUNNA:

It’s not true.

ANDREW MARR:

Ed Balls is not on his Blackberry while Ed Miliband is speaking?

CHUKA UMUNNA:

I won’t deny that all of us have occasionally checked our Blackberrys during shadow cabinet meetings. But the point is, look, I’ve got the second principal economic brief in shadow cabinet and there are large parts of the policy review looking, for example, at their plans for a British investment bank that we’re looking at the moment, which report to the three of us - the two Eds and myself. And the picture that I have seen painted in some of these slightly frivolous pieces, it simply doesn’t …

ANDREW MARR:

(over) So there’s no bad blood, no tension, no difficulty, no sense of the big beast, Ed Balls, starting to kind of flex his muscles and think about the top spot?
CHUKA UMUNNA:
No.

ANDREW MARR:
No?

CHUKA UMUNNA:
There is … Look, we are singly focused at the moment on ensuring that we win back the support of the British people. And we went down, let’s not beat around the bush here, to a catastrophic defeat in May 2010 …

ANDREW MARR:
Okay.

CHUKA UMUNNA:
… and I think we have to approach that task with humility - and we do …

ANDREW MARR:
Alright.

CHUKA UMUNNA:
… and we have to be focused on what concerns people. And what we learnt towards the end of our time in government is that when we turned in on ourselves …

ANDREW MARR:
(over) It didn’t work; important lesson.

CHUKA UMUNNA:
(over) It didn’t work, it didn’t work.

ANDREW MARR:
Alright. Chuka Umunna, thank you very much indeed for joining us this morning.

CHUKA UMUNNA:
Thank you, Andrew.

INTERVIEW ENDS