INTerview with:
CHUKa UMUNNA, MP
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JEREMY VINE: The Shadow Business Secretary, Chuka Umunna is with me. Good morning to you.

CHUKA UMUNNA: Morning Jeremy. Good to be here.

JEREMY VINE: Before we start on the big picture of the economy, I know you’ve had a small business fest the last couple of weeks.

CHUKA UMUNNA: Well we did, so this time last week we instigated, I suggested this at the beginning of the year, the biggest celebration of business I think we’ve seen in this country in a generation. Over 10,000 tweets, I don’t know if you’ve twittered about it yourself, but we now know, initial indications are that Small Business Saturday which was the day, last Saturday, pushed around half a billion pounds worth of spending to our small businesses and the beauty of this is that it wasn’t party political, it wasn’t big corporate, this was something everyone was able to get involved with, and the reason that I instigated it Jeremy, was because I feel that in many respects, you know there’s a lot of talk about the American Dream, the little man taking on the big guys, going on and succeeding against the odds, now I actually think we have a British Dream in this country, where people are hungry to achieve their aspirations and ambitions...

BOTH TOGETHER

JEREMY VINE: The last person to say that was Michael Howard, the Conservative leader, he had a whole British dream thing.

CHUKA UMUNNA: Well, look, I think at the end of the day we have a British Dream that is every bit as strong as the American dream, we just don’t really talk about it, so in the overall context, the big picture that’s what it was about, but of course let’s not forget, small businesses create almost two thirds of private sector jobs, they add diversity to each of our neighbourhoods and of course they are an important part of the supply chain for bigger businesses...
we may have that very important symbiotic relationship.

JEREMY VINE: ... hugely sensitive to the economy.

CHUKA UMUNNA: Yes.

JEREMY VINE: Given what your party did to the economy while you were in power, why would they support Labour.

CHUKA UMUNNA: Well look, we all know there was a global financial crisis...

BOTH TOGETHER

JEREMY VINE: ... You ran up a record deficit.

CHUKA UMUNNA: There was a global financial crash during our time in office and we've held our hands up and said, look of course we should have better regulated the banks but the big questions that we've got... (interjection)

JEREMY VINE: You spent money at the top of the boom that you didn't have.

CHUKA UMUNNA: Well look, we didn't have a global financial crash because we spent too much investing in people, in our schools, in innovation, in our hospitals, we had a global financial crash because of what happened in the banking sector.

JEREMY VINE: But I'm talking about before that, you ran up a deficit at the top of the boom which small businesses don't do. You spent money you weren't taking in tax at the top of the boom.

BOTH TOGETHER

CHUKA UMUNNA: But we didn't.

JEREMY VINE: You did.

CHUKA UMUNNA: ... the reason that we had a deficit by the end of our time in office was because the global financial crash precipitated a big fall in tax receipts, in corporation tax receipts and income tax receipts and the reason
that George Osborne, this year alone, is going to be borrowing over fifty billion pounds more than he planned at the beginning of this Parliament is because over the three years of a flat lining economy he hasn’t seen the tax receipts, corporation tax receipts and income tax receipts that you need to bring down your deficit from debt.

JEREMY VINE: My question was only why would small businesses trust a party that can’t even keep within a budget at the top of the biggest boom in history... 3 percent a drift even at the top of the boom.

CHUKA UMUNNA: Well look if you look at the different things that we introduced in office, first of all, under our time in office we saw, over one point one million new businesses created, many of course were small businesses. We put in place regional drivers for growth like the regional development agencies, which supported small businesses and we created an environment in which many of them could flourish. But actually ultimately, what your viewers are in the business of, is the future businesses and they want to know what the offer is going to be in 2015 and what we’re going to do now given the issues that we’ve got. I mean, yes it’s good that growth has returned and you know from our point of view remember it is Labour constituencies above all else where you see higher unemployment rates when you don’t get growth so the return of growth is welcome but to what extent is this long term and sustainable. We can’t have a return, Jeremy, to business as usual and we want to see long term sustainable growth that’s the big question.

BOTH TOGETHER

JEREMY VINE: Let me ask you about that because a lot of people say, because you said that the economy was flat lining, because you said growth wouldn’t come with these policies now it has come, you don’t have a policy.

CHUKA UMUNNA: Well I don’t agree with that. I mean look, first of all we said that if you choked off growth and you went from an overly austere fiscal consolidation and you risked months of stagnation and no growth and that’s precisely what happened but now we’ve got growth, the question is what kind of growth and I think there are four key tests to me. First of all is it properly balanced, is it coming from a range of sectors. The problem we had pre 08/09 is that too much growth I suppose was coming from finance, private consumption but also rising house prices when actually we want to have growth coming from a greater variety of sectors. Secondly is growth evenly spread across our country, not just coming from London and South East but across the board. Thirdly are we actually seeing an increase in exports and lastly are we seeing the business investment we need to see and we are not on all of those measures seeing the progress that we need to see, if we’re to have better balance, long term economic growth. Those are the four tests on every single one of those, the government is failing... (interjection and overlap)

BOTH TOGETHER
JEREMY VINE: Point taken, you say it’s the wrong kind of growth. I, just, just on another story, looking on the papers at the moment which is migration and you had David Davies, earlier saying, something needs to happen with this January 1st deadline, the Bulgarians, the Romanians coming. Do you believe that needs to be stopped.

CHUKA UMUNNA: Well, look, we were very clear and we raised this issue with the Home Secretary over eight months ago, that you have to have proper transitional controls in place and so will happen in respect of people coming in from Bulgaria, Romania, wanting to claim out of work benefits, housing benefits, job seeker’s allowance for example; so will that come in and will the restrictions they’re talking about coming in in January, no indication so far. To the extent that people do come in and they can show that they can work and bring economic activity here. Are appropriate measures being implemented to stop them undercutting British workers, but also to stop them being exploited by employers, for example, by ensuring you have proper enforcement of the national minimum wage and increasing the fines twofold as we’ve suggested. Now we haven’t seen action on that front from the government, but can I just say, er, you know - a word of caution here, we’ve got to be clear - of course we need a properly managed migration system, but equally migration’s brought a lot of benefits for our country so let’s ensure that we have a properly balanced debate when it comes to talking about these issues.

JEREMY VINE: Chuka Umunna, Shadow Business Secretary, thank you very much indeed.

CHUKA UMUNNA: Thank you.

END OF INTERVIEW WITH CHUKA UMUNNA