

# Labour donor John Mills on the UK election: “The Tories have moved into Labour’s economic territory – the two need to work together on delivering a swift Brexit”

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*Ahead of the 8 June UK General Election, EUROPP Editor Tena Prelec speaks to entrepreneur and Labour Party donor **John Mills**, who chaired the Labour Leave campaign. He gives his views on the need for a radical change in Britain’s economic policy – and explains how a hard Brexit could create a favourable environment for it.*



## What do you believe to be the key issue of this election?

The economy hasn’t featured much in the election at all, but it is incredibly important: the British economy has actually performed quite poorly in comparison to other countries over the past decades. Neo-liberal policies have triggered a rising debt, which is clearly unsustainable. There is a huge gap in terms of economic inequality, and grievances associated with it pre-date the EU referendum and have indeed drawn many voters to back Brexit. What is needed for a more sustainable and a fairer economy is the reduction of prices: in the UK, we have a much larger deficit in goods than in services. We need to bring back manufacturing to about 15 percent of GDP to be competitive.

## What is your election forecast and how will it impact Brexit?

This election is a particularly difficult one to call. The electorate is very volatile, more so than we have seen in the past. There is certainly a great realignment going on: working class voters who feel they have lost out from globalisation are turning towards the Conservatives. On the other hand, a great number of young voters are joining Labour.

In case the Conservatives obtain a comfortable majority, I see a 40-50 percent chance of a swift withdrawal from the single market and the rapid negotiation of ad hoc deals that would be mutually beneficial, as EU members also have it in their interest to maintain good trading relations with the UK. There is however the possibility of a stall in the negotiations and hard posturing from the EU, which would likely lead the UK to walk away from the negotiations. In this case, WTO rules would take effect, markets will probably take fright and the pound will come down significantly.

Such a ‘hard Brexit’ scenario could have a silver lining, as the shock might be enough for a sharp shift in economic policy. A hard Brexit might produce the environment for a reindustrialisation of the economy and the renationalisation of a number of industries. The worst outcome, conversely, would be for a deal to be negotiated and then voted down in Parliament. That would cause much turmoil.

## Don’t you think that the possibility of a much more neoliberal policy, turning the UK closer to a tax haven, is just as likely an outcome? Would that be conducive to a fairer society?

I don’t think that would happen, as Theresa May has taken a more protectionist approach. Under her, the Tories have actually moved into Labour’s economic territory. It would be constructive if the two parties collaborated on ensuring a swift Brexit and a change in economic policy that would lead to a fairer society. Anti-austerity in itself is not a real policy: you need an economic plan to make it work, and I think that Labour has the vision set right. Labour must however hold the Tories to account on topics where they diverge, such as employment legislation and consumer protection.

## **What is your opinion of Jeremy Corbyn's work in the campaign so far?**

I think he has done a very good job. He has put in solid performances at interviews, such as with [Jeremy Paxman](#), where he was able to put across the point that Labour policies are part of a democratic decision-making process, that he doesn't impose his views in a dictatorial fashion. If Labour performs better than under Ed Miliband in 2015, I think Corbyn's leadership in the party will be unassailable in the near future.

## **Let's assume a historic upset takes place and Jeremy Corbyn becomes PM – how do you think his government would lead the negotiations?**

I am unsure, as this possibility has not been contemplated. I don't think they [Labour] know what would happen either...

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*Note: This Q&A has been drawn from a briefing at which the interviewee presented his latest book [Britain's Achilles Heel – Our Uncompetitive Pound](#). This article gives the views of the interviewee, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics. Featured image: [David Roach / youtube](#).*

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### **About the interviewee**

#### **John Mills**

[John Mills](#) is a British entrepreneur and a major Labour Party donor. He tweets [@John\\_Mills\\_JML](#)

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