

Funding the Future

Article URL

Published: January 12, 2026, 6:23 pm

I [note the Guardian reports](#) this morning that:

[Jeremy Corbyn](#) has launched an audacious bid to defeat his rivals by pledging pro-business reforms to back entrepreneurs as voting begins in the Labour leadership race.

In a move to broaden his appeal to all parts of the party as ballot papers are distributed, Corbyn will announce a series of measures including tax cuts for small businesses and increased spending on training.

I am pleased. I said this in an interview with Reuters last week:

While [Murphy] favours greater corporation tax on big businesses as they are "sitting on very large piles of cash", Murphy says [he thinks] a Corbyn government would be very small-business friendly.

I said much the same when speaking to a Corbyn rally a couple of weeks ago, and I did so for a number of very good reasons.

The first is that a genuinely left of centre government will, almost uniquely in the last 30 or more years, appreciate the fact that the City of London is not the only place where business operates in the UK.

Second, it will realise that banking and business are not the same thing. Business policy would focus on business need, not financiers demands, and since well over 90% of all businesses in the UK are small they would come out top of the list.

Third, because such a government would want jobs in every constituency in the UK, because that is what its highest priority would be, it would have to promote small business: only small business could possibly deliver in that promise. In many constituencies a supermarket and the NHS have been the biggest employer for decades and as that is unlikely to change small business has to be the way forward.

Fourth, many of the activities People's Quantitative Easing is designed to promote will have to be undertaken by small business: building, insulation and many related

activities usually are at the end of the day sub-contracted at the very least to smaller businesses. There is nothing more pro-small business than providing it with work.

Fifth, beating tax cheats - as a left of centre government would really seek to do - is really good for small business because a well enforced tax system provides the level playing field on which honest small businesses can compete fairly. The tolerance of tax abuse displayed by governments of both parties in the past undermines smaller business, growth, long termism and so employment prospects.

Sixth, there are real opportunities for reform for small business: for too long running limited companies has been too complex for them as the rules are written for large companies, and a new limited liability, easier to run, business vehicle is needed for smaller business.

Seventh, the accounting profession has created some hefty accounting requirements for smaller business, maybe out of vested interests. There would be very good reason for reviewing what is really needed - and making it smaller business friendly but more useful for those who need its accounts as well. A focus on cash flow - which is the lifeblood of small business and which has been ignored for so long by small business accounting requirements would be one part of this.

And eighth, as Jeremy says, it is time that the tax differentials in favour of small business are restored. It is absurd that multinational companies now share rates with small business whilst also enjoying massively greater opportunity for reducing their bills with allowances and reliefs. An unlevel playing field has been created from which small business can only lose. The balance has to be restored and it should be small businesses who are doing the right thing for the UK economy who should get the gains.

I would actually go further than these things: the point is the important one. By not being in the pocket of big business but by, at the same time, wanting what small business does, which is local jobs, local business and the meeting of local need a left of centre government is almost bound to be more pro-small business than any other.

Finally: please note, these are my views. They have not been endorsed by the Corbyn campaign.

ADDITION: Jeremy Corbyn's small business manifesto is now out [and is here](#). I recommend reading it.