

## Election 2015: No Business like Party Business

By [James Humpish](#)

Thursday 7 May 2015



Whilst party promises come ten-a-penny, the outcome of today's General Election promises nothing but a hung parliament. Issues which parties are riding on include immigration, the environment, nationalism, social policy and the economy. Thriving business is at the heart of higher growth rates and a larger economy, and the Conservatives continue to stress that the strength of British business is instrumental to funding public services and benefitting workers. Labour and Ed Miliband have repeatedly questioned this emphasis on business, but the parties have all placed pledges on firms to try and boost their credibility when it comes to voter decisions of the next few days. Though party dealignment is reaching new heights, the distinctions in policy are largely ideologically consistent – the right are still after the larger pie, whilst the left are after more equal slices.

It seems clear that businesses are going to be served best by a Right-leaning government, with the Conservatives offering continuous commitment to small businesses, and even UKIP being described by advisement firm BusinessZone as having a surprisingly comprehensive and convincing series of pledges as to how to improve prospects and market practice. The same week that Labour won support from actor Martin Freeman, the Conservatives curried favour of a hundred top business leaders in a well-publicised open letter. Since then, a figure approaching 2000 businesses now openly declare support for the Tory campaign. Policy-wise, Cameron can point to Growth Vouchers and Start Up Loans initiatives to demonstrate his commitment to investment in the business economy both now and in the future.

Wanting to treble Start Up Loans, launch a Help to Grow scheme to complement their Help to Buy, and beginning a large-scale review of business rates, the Conservatives are pushing their business strategy pretty hard in their efforts to retain power. Businesses have reacted positively, and the icing on the cake may be the incentives for local councils to maximise the business rate revenues, with pilot projects resulting in Greater Manchester and Cheshire East already securing growth in business rates that they've generated thus far.

Elsewhere, Labour has had to rectify their anti-business image in the early months of 2015. Miliband and Ed Balls have proposed cutting and freezing business rates without review in the hope of restoring confidence in the business sector whilst the Green Party have pledged to localise small businesses and lowering VAT in the tourism and restaurant sector to 5%. Staying with the Right, UKIP's policies are themselves quite interesting, with comprehensive pledges for single-property business rate reliefs,

tackling of late payments and access to trade credit. Nigel Farage's party is also proposing early apprenticeship opportunities, a contrast to Labour's promise for guaranteed apprenticeships only upon leaving education. Some of UKIP's ideas are decidedly more small-scale, such as allowing shoppers half an hour of free parking in town centres.

Whilst one focus of the business debate has been reducing start-up costs for those without large economies to scale, the welfare of workers has carved a divisive line for the parties. Labour and the Greens have pledged to ban 'exploitative' zero-hour contracts and raise minimum wage to £8 an hour – with the Conservatives strongly in favour of zero-hours contracts, although they have not entirely ruled out raising the minimum wage, which in hindsight, could have proven a real vote-winner for them.

There has been much talk of raising minimum wage and little of the fact that Miliband has pledged an £8 minimum for 2019. Though coinciding with the recovery, the rate of increase in the minimum wage has been consistently growing since 2010, and shows no sign of curbing. Increasing from 2% to 3% means that as minimum wages rise from £6.50 to £6.70 this year, it's not implausible that, were the Conservatives to remain in government, a minimum wage of almost £8 may transpire naturally. It is of course possible that driving up wages would cause inflation and embroil those who don't actually experience any increase in real wages in more difficulty. If growth in the minimum wage continues to rise at 3%, the outcome will be at least £7.53 for each worker by 2019. The Liberal Democrats have remained rather vague on the issue, but have pledged for wages to outpace inflation, though Nick Clegg et al have not elaborated how exactly they would carry out that pledge.

The Left's emphatic opposition to zero-hour contracts is diametrically opposed to Cameron's laxness on them. UKIP also join the foray saying that the contracts should be cracked down upon and options given to those desiring more work – simultaneously blaming them on an over-supply of labour. Though many benefit from zero-hours contracts, many do not, and in this case it may be that UKIP's policy of banning exclusivity clauses and minimum notice periods for work serves as a compromise between Labour and the Conservatives. For business' sake, restrictions on zero-hour contracts again could damage the free markets, but in terms of empowering workers, there appears to be a consensus that this isn't the worst idea. Perhaps allowing employers to have the final say over zero-hours contracts would work best for this. Overall, for all the pre-election talk of undecided voters and not being able to clearly distinguish the parties from one another, an analysis of business and employment proposals reveals that there is much to differentiate the parties on policy lines. Whether they will deliver on these promises is difficult to judge. It is up to the voter to decide on Thursday.



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