

In praise of small business and the self employed

Yesterday in Parliament the government confirmed its renewed scheme to offer some money to the self employed who are banned from working by lock down rules.

In the exchanges I welcomed the government's acceptance of a simple proposition. If government prevents someone from earning their living or from trading their business for a public health reason, they should compensate them.

I went on to ask given this common ground between us, why didn't the government follow through and make sure all categories of self employed who have lost their livelihoods to lockdown are in receipt of some substitute income for the duration of the controls?

I was not the only one to ask this. The Chief Secretary to the Treasury gave us the same answer as during the first Furlough scheme. They find it too difficult, for example, to distinguish between a self employed person working only for his own small company and paying himself a dividend, and a rich individual receiving dividends from other companies where he or she does little or no work. I find this bizarre. The Treasury should already know from tax records that the individual just has the one source of income, and works in the company he runs. They can always check it if they are suspicious. They could demand some certification by the individual when claiming the money. They rely on the individual to make an honest declaration of the dividends for tax purposes anyway.

I and others will keep pressing the government, though they seem unwilling so far to be fairer and more flexible. As I explained again to the Minister we will need all the entrepreneurs, small business people and small companies we can get when lockdown is over to power the economy back to life. Our small business sector deserves better. The Treasury should also abandon its tax attacks on people who work for themselves where the tax authorities want to claim they work one of their customers.