

## CHANGING ECONOMIC ORGANISATIONS

Most economic activity takes place in limited companies, many of them vast multinational organisations. The way they are run has a huge effect on our lives, yet their workers, customers and suppliers have no say in them. Even shareholders are often remote, and their connection with a company, and responsibility for what it has done, can be severed overnight by the simple act of selling their shares.

The economy would be better, more stable and more responsive if there was (a) much greater diversity of economic models and (b) more control by those most directly involved in some of the economic organisations we already have. We would:

- Encourage *small firms*, which are more embedded in their local communities and provide less opportunity for creating huge disparities of income and wealth.
- Amend company law to ensure that medium and large companies take account of and report on the *environmental and social impact* of their activities.
- Amend company law to ensure that medium and large companies have *employee and consumer representatives* on their boards.
- Ensure that *Companies House* actually collects data due from companies and has accurate data on their *beneficial ownership*.
- Set *local authorities* free to run local enterprises for their own communities.
- Support *social enterprise*.
- Introduce a *cooperative development fund* managed by community banks to finance new and expanding cooperatives, alongside a much more comprehensive nationwide network of cooperative development bodies providing the necessary education, training and legal support.
- Grant employees the legal right in certain circumstances to buy out their companies (funded by the Green Investment Bank) and turn them into *workers' cooperatives*; or, for example, grant the right to turn sporting clubs, in particular football clubs, into community and supporter cooperatives by giving powers for season ticket holders backed by the local community to take over the running of a club.
- Expand *cooperative education*, teaching young people the history of cooperatives as well as how to set them up in practice. We will ensure business qualifications will give the same emphasis to cooperative and mutual business models as to other private enterprises.

## SMALL FIRMS AND THE LOCAL ECONOMY

The UK economy needs to be more local. Transporting basic foodstuffs all over the planet when they can be grown and sold near to home adds to greenhouse gas emissions and reduces security of supply. Local businesses are more responsive to local communities and are often better employers than remote, large ones. Income differences are smaller in small firms. If poorer people are better off, they tend to spend their extra income locally. So Greens champion small businesses and the local economy, and our Green MP Caroline Lucas was an official Parliamentary champion of the Federation of Small Businesses.

We will:

- Make it easier for small businesses to employ people and contribute towards paying the living wage by using receipts from a wealth tax to reduce *employers' National Insurance* in the longer run to 8%.
- Improve the competitive position of small firms, maintaining *corporation tax* for small firms at 20% while raising that for larger firms to 30%.
- Increase access to *finance* by investing £2 billion in a network of community banks, mutually owned and serving local areas or particular groups.
- Reduce the tax on conviviality and help small businesses in the *tourism and restaurant* businesses by *lowering VAT to the reduced rate (5%)* for cooked food, entertainment and accommodation, costing £6 billion a year.
- Keep *trade local* by allowing local authorities to favour local procurement to help their local economy.
- Ensure that legislation requiring that small businesses should be *paid on time* is properly enforced.
- In the longer run, simplify *PAYE* through our Basic Income proposals.
- Encourage greater *diversity among entrepreneurs*, including young people, women, ex-service people, the previously unemployed, people who are disabled and older people.