

The public wants businesses to focus on consumers' interests

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It's been a tough decade for business. Companies have had to weather the sluggish recovery from the financial crisis, the uncertainties and delivery of Brexit's trade barriers, the disruption of lockdowns and the fallout from inflation. They've navigated sharp rises in the minimum wage, volatile corporate taxation and the introduction of the apprenticeship levy. As if all that wasn't enough, the CBI, the business sector's biggest lobby group, is embroiled in a seemingly existential scandal.

Businesses have been scapegoats throughout this period of stagnation. They've been castigated for not investing enough or not paying high enough wages. They've been pilloried for tax avoidance, climate change, zero-hours contracts, obesity, not building housing, building low-quality housing, gender pay gaps and the decline of the high street. Today even inflation is blamed by many on their greed. No wonder YouGov polling last year showed a sharp rise in people who thought businesses were behaving "much worse" than they were a decade ago.

In this hostile environment, the business community needs an effective voice articulating its beneficial contributions. Into the vacuum steps a new organisation from Matthew Elliott, the political strategist. He recently launched a charity, the Jobs Foundation, that has a mission to champion the role of business "as a force for good". In particular, it wants to remind us that it's primarily through day-to-day business that jobs are created, worker training is provided and tax revenues are generated to fund public services.

If anyone can change this conversation, Elliott can. A non-profit entrepreneur, he has been ahead of the curve as an expert in public opinion and political campaigns. Sensing resentment at government waste in the Blair-Brown era, he formed The TaxPayers' Alliance, which changed the discourse on public spending. Later he was campaign director for the successful NOtoAV campaign in the 2011 Alternative Vote referendum, and most famously was the chief executive of Vote Leave, which won the European Union referendum.

The Jobs Foundation wants to turn a new leaf from the post-referendum wars, during which Boris Johnson famously declared "f*ck business". As such, it is a non-political entity that brings

together entrepreneurs and business leaders from various political backgrounds, including those who have supported Labour, Conservative, Remain and Leave. What unites them is a belief that a flourishing business community enriches society and that that success is too often taken for granted.

Too true. As Sam Bowman, the economist, reminds us this week, Britain is trailing further and further behind leading economies such as the United States. GDP per capita is now 39 per cent higher there than here after a decade in which productivity grew twice as fast in America. The impact on workers is striking: a newly qualified nurse earns 55 per cent more in the US than in Britain; a car wash manager at Buc-ee's in Alabama is paid more than three times the UK median salary.

Bowman points out that our policymakers, when not in fire-fighting mode, tend to think being "pro-growth" today requires supporting cutting-edge sectors such as artificial intelligence, biomedicine and renewables. Yet Britain is so far behind where it could be even with today's technology that merely delivering cheaper energy, more permissive land-use for housing, offices, factories and infrastructure and a more pro-growth tax system could be a boon for all business sectors and, ultimately, productivity.

Unfortunately, there's little appetite for that agenda today. Most policymakers prefer to obsess over non-growth concerns, such as net zero, inequality, obesity, regulating tech, online harms and cutting immigration; fantasising about policies that would make businesses' lives harder, compounding the problem. Companies respond to this noise, striving to demonstrate their social responsibility bonafides, by cutting their carbon emissions, fulfilling environmental, social, and corporate governance metrics or stopping Nigel Farage from having bank accounts.

Intriguingly, the Jobs Foundation's polling with YouGov shows that this isn't what the public want from business. For all the anti-profit, stakeholder capitalism zeitgeist, voters remain incredibly hard-headed that businesses' main focus should be on delivering the products and services they value. The plurality (42 per cent) say that business should deliver on price, with 34 per cent emphasising product quality and 28 per cent customer service as what businesses should be prioritising.

Beyond businesses' direct impact on consumers, their roles most valued by the public, according to pollsters, are job creation (31 per cent), delivering tax revenue (30 per cent) and providing staff training and development (22 per cent). These are seen as more important social contributions than focusing on net zero (21 per cent), ESG (13 per cent), corporate social responsibility (11 per cent) and philanthropy or social campaigning (3 per cent).

In affirming how companies can and could meet these public priorities, the Jobs Foundation must carefully balance stories about successful businesses with broader conversations about the private sector. They must not imply that if an individual company, driven by market demands, makes difficult decisions to cut jobs or training initiatives, it's somehow anti-social. One firm's actions don't negate the overall value that businesses provide through delivering benefits within a market system.

All businesses want to make profits, but the magic of profit-and-loss signals are that they reward organisational forms, entrepreneurial ventures and decisions over staffing and treatment of suppliers that create value. Those signals act as a compass for the market to direct business activity to what consumers want. Not all companies can and will thrive at all times, and that's OK.

Today the business community finds itself in an unflattering light, contributing to our anti-growth, anti-market climate. If this charity can move the needle in highlighting how businesses deliver on important societal ambitions, hopefully it will help to shake firms out of their apologetic stance for profits and remind politicians of the merits of a growth-friendly business environment.

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