Now's the time for entrepreneurs to understand what a Labour government would do

We are in the midst of party conference season in the UK. Ahead of the 2024 General Election they have assumed a greater importance than in other years, and I know that the UK's startup community is particularly keen to understand how the land may lie.

In Rishi Sunak's keynote speech at the Conservative Party Conference on 4 October, he said that the Conservatives are the party of small business and enterprise. They do say it's always good to start with a joke.

Apologies – I don't mean to make light of what has been a challenging period for UK startups or to claim that one party would be better than the other. I'm not necessarily convinced that a change in Government will bring much tangible difference. I haven't heard much of substance yet, and it's time we understood what a Labour government would mean for UK startups.

Challenging times for entrepreneurs

Fellow founders will need no reminding that it has been a difficult few years for anyone involved in a startup. There aren't many entrepreneurs who would say

that Brexit has been a success in terms of access to talent or in making trade easier with what were previously our closest trading partners.

The tech sector still has a major shortage of skills and talent. If anything, it's getting worse, not better. In the immediate aftermath of the pandemic, people were much more willing to seize the day and change their role, but they are much more cautious now the broader economy is so uncertain.

There's also no question that higher inflation across Europe has made it a challenging year for many startups and scale-ups. It's a challenging funding market currently and many startups are suddenly having to cut back on the expenditure. This is no bad thing – we all want to be as lean as possible – but too many are seeing their futures threatened.

It feels like everything is unclear, and the future is beset by uncertainty. The UK startup ecosystem lacks impetus, and there is little long-term planning or focus on creating a competitive advantage, with programmes such as Tech Nation cancelled earlier in 2023. This was replaced by Eagle Labs and Tech Nation is itself to be relaunched under new ownership by Founders Forum Group. However, the jury is still out on whether these will be more effective than the highly regarded original Tech Nation, of which Deazy was one of the final participants.

What do startups need from government?

There are some positive signs, however, and the Government is at least trying to maximise the potential of AI. But even with that, the investment _being discussed_ is a drop in the ocean, so it remains to be seen whether the UK can become a compelling place for AI firms to thrive.

Any entrepreneur could reel off a list of policies that would help, such as easier access to finance, better practical guidance, tax relief schemes, levelling up across the UK, a deeper talent pipeline, world-class digital infrastructure and more international trade deals to name a few. But broadly speaking, I don't feel that politicians (from across the political spectrum) have the best understanding of tech and what tech businesses need to prosper. The age and background of many politicians do not lend themselves to this.

Although there are some exceptions – including the PM, who studied at Stanford University, has worked in investment and certainly appears to have a handle on tech – it means that policy decisions are made without much knowledge and experience behind them.

A long-term vision

The UK needs a clear vision for how tech can be supported and developed, and there's an urgent need for more long-term strategic thinking. What will the tech ecosystem look like in 10 to 15 years, not 18 months?

Without this strategy, the impact on UK tech could be enormous. Empowering and encouraging startup growth is excellent for the economy, especially at the early stage, and we run the risk of startups being isolated and not supported at critical points in their development.

The UK has a rich heritage of innovation and entrepreneurship. According to data from _Virgin StartUp_, startups account for 12% of UK employment and contribute almost £200B a year to the economy. The _2022 Digital Strategy_ said that if the UK's digital ecosystems are given the right support it could add £41.5B to the UK economy and create 678,000 jobs by 2025.

It would take little to restore that reputation and allow our startups to flourish. If Labour is to win the 2024 General Election – and most signs are pointing to that – it's not enough for them to be less bad than the incumbents. We need a clear vision of what the UK startup ecosystem should be like and a strategy for how we will get there.

Over to you, Keir.

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