

Radical Options for Scotland & Europe



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POWERS FOR THE SCOTTISH PARLIAMENT

White Paper on Single Market seizes State Aid for Westminster

The White Paper on the UK Single Market issued for consultation on 16 July delegates a range of minor powers to national parliaments in Scotland and Wales but captures all key economic levers for Westminster.

In particular Westminster is allocated powers over state aid to industry and associated powers over public procurement and tax incentives for investment. All these areas of state policy, the White Paper argues, must be common across all jurisdictions in order to maximise the internal market and its efficiencies of scale.

The White Paper therefore proposes to amend the 1998 Scotland Act to delete Schedule 5 which explicitly lists 'financial assistance to commercial activities for the purpose of promoting or sustaining economic development or employment' as one of the powers not reserved to Westminster and available to a Scottish government – although these powers have in practice been heavily restricted under EU Competition Rules.

Nicola Sturgeon commented that 'make no mistake this would be a full scale assault on devolution – a blatant move to erode the powers of the Scottish Parliament in key areas.'

Pauline Bryan, Labour Peer, responded at the ROSE conference held on 16 July that the democratisation of our existing institutions and the development of a genuine system of progressive and democratic federalism demanded the delegation of economic powers.

However, Baroness Bryan also pointed out that Nicola Sturgeon had already sold the pass on the issue by saying that Scotland would use such powers simply to maintain alignment to existing EU state aid rules – which effectively deny any significant ability to intervene.

At the same conference Alex Neil MSP also argued for the devolution of these powers and was highly critical of existing EU state aid rules as denying real powers of intervention.

ROSE will be submitting a written response to the White Paper consultation which ends on 13 August. It urges all Scottish trade unions and Trades Union Councils to do the same.



**Rolls Royce, Inchinnan
Could State Aid have
saved these high-tech,
high skill jobs for
Scotland ?**

**EU agrees Covid Rescue package
but economies continue to
diverge**

The meeting of the EU Council of Ministers at the end of June agreed a 750 billion euro Covid recovery programme – of which 300m will go as direct grants to the countries worst affected.

However, the EU economies continue to diverge sharply. According to the EU's Summer Forecast the next year will see the German economy contract by 1 per cent but Italy by 5.25 per cent, Spain by 4.5 per cent, France by 2.5 per cent and Ireland by 2.25 per cent.

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We say

The White Paper on the UK Single Market poses a critical challenge for Scotland's trade union and labour movement and it is vital that there is an informed and effective response.

The White Paper is preliminary to legislation that will be pushed through the Westminster parliament over the three months of the autumn session. It has to be ready before existing EU regulations expire on 31 December.

The White Paper proposes that the powers delegated to the Scottish Parliament under the Scotland Act of 1998 to provide financial aid to industry be withdrawn to Westminster. It would therefore stop the Scottish Parliament or any subsidiary body granting financial support or taking any other steps to assist economic regeneration and development that involve direct or indirect financial assistance or incentive.

The justification is that this is the only way to maximise the benefits of scale provided by a market covering the whole of Britain and which is already highly integrated. It is, of course, is exactly the same justification as that given for the EU Single Market's Competition Terms.

There must be, it is argued, a 'level playing field'. This is the only way of being fair to all.

But, as we all know, it is not 'fair to all'. This is because, while the playing field may be level, the size of the players is vastly different. Big monopoly concerns dominate across the EU and in Britain. They concentrate assets. They control markets. They are backed by the massive resources of the big investment banks. Think Amazon. Think Google. Think Siemens or Volkswagen. Think SERCO or Branson.

"Whole regions locked in a cycle of decline"

This is why, since the introduction of the Single Market, the countries of the EU including Britain have seen massively unequal development – with whole regions locked in a cycle of decline.

The existing rules have prevented both developmental aid for many threatened workplaces and also comprehensive public ownership. Both types of intervention would violate 'competition'. These rules therefore mandate and promote big business control – and under Covid we have all experienced what this means

When the Scottish Trades Union Congress first backed the proposal for a Scottish Parliament in the 1970s it was precisely to enable it to intervene to rescue key areas of Scotland's economy in shipbuilding, engineering and motor manufacturing. And as a result of a long struggle Scotland finally gained such powers in 1998.

Currently the outcome of the negotiations between the EU and Britain remains very unclear. They may terminate this summer with no agreement and a reversion to WTO rules – or they may continue through the autumn and result, as the EU currently demands, in the writing of the EU competition rules into British law (in which case state aid at any level would be barred).

Whatever happens, however, Scotland would lose these critical powers – which are now, after Covid, needed more than ever. That is why labour movement organisations need to respond to the White Paper before the 13 August deadline and to put pressure on ALL political parties to resist any legislation that seeks to implement these proposals

Reports from ROSE's 16 July conference

After Covid the Scottish Parliament must have powers to intervene



ALEX NEIL MSP

Former Cabinet Secretary for Social Justice, Communities and Pensioners Rights

I'll be speaking about the economic situation and about policies as we leave the European Union. I hope this is relevant to the subject of tonight's meeting.

First I want to speak about unemployment and today's figures. Long ago, when I joined the Labour Party back in 1966 we still had full employment. However, at no time since 1970 have we really had full employment. We have had high levels of hidden unemployment and people looking for work who are not counted in the figures. Now with Covid we have a massive problem.

This is why we need economic powers to intervene and why I voted for Brexit. Not for the same reasons as Boris Johnson – but because today we don't have the EU of Jacques Delors and because we are required to share sovereignty with some very dubious people and movements. Look at Poland after the recent elections, at Austria, Hungary, even Holland and Italy.

Today we urgently need much more money pumped into the economy. Covid has changed the whole tenor of debate. Jeremy Corbyn's proposals before the last election, attacked in the press as wild and unaffordable, now look very modest. The £300 billion spent so far has come from the Bank of England and not from tax and been simply to cover immediate medical needs. Much more will be needed to stop a massive recession. The Bank of England is quite capable of supplying this by expanding the money supply without, in current circumstances, any danger of generating inflation.

Quantitative easing is simply borrowing from ourselves, what is called a contra entry by the bankers, and does need paying back for 300 years - or ever. It opens up a whole new spectrum of economic debate.

Immediately we have to get people back to work. But we also need to tackle poverty and the great geographical concentrations of deprivation if we are to get the economy moving again. We can't go back to the situation as before. We need to give people the confidence to spend. If you put cash in the pockets of those on the breadline they will spend locally in the shops and clubs. Welfare benefits need to be increased sharply to compensate for the four year freeze. We also need to tackle tax inequality. Somebody on the minimum rate will pay 16 per cent national insurance. Someone on £200,000 will pay only 4 per cent.

We also need spending on infrastructure to create jobs and to meet urgent social needs. Scotland's housing remains a scandal. We have the worst housing in Europe and a minimum of 160,000 people on the waiting list. We need at least 25,000 new homes a year if our country's rising population, a record at 5.4 million, is to be housed adequately.

Urgently also we need to spend on the national health service in preparation for a Covid second wave – to have the capacity to isolate Covid patients without preventing others receiving urgent treatment. These are some examples of what we need and can afford.

New Monetary Theory is simply Keynesianism as it was practiced after the last war. We can print the money now as we did then and use it to build a brand new economy with decent jobs, productive industries, full employment and fair pay.

This is the challenge that we on the Left face today. We want investment in both our people and in our country and we need the powers to do it.



PAULINE BRYAN

Labour Peer and convener of the Red Paper Collective

How we emerge from the Covid 19 crisis will strongly influence the shape of our society into the future. The transition to a post Covid world will raise fundamental questions about our society. We would have hoped that the Labour Party, even from a weak position in the House of Commons, could have made a strong case for some significant changes.

It could have responded to the loss of support in the red wall seats by quickly proposing policies for the regeneration of local economies. The metro mayors and other local councils did make a strong case against the over centralisation of the response during the early stages of the crisis. But the leadership never made this a focus while it carefully triangulated the leader's interventions.

Unfortunately Labour, even under Jeremy Corbyn, failed to build a strong case for regional devolution avoiding the debate with some of its own MPs and never dealing with the concerns that there are already too many layers of government in parts of England and certainly too many MPs.

As Alex Neil described, the problem that during the 2008 crisis was that the cash from quantitative easing did not trickle down. It stopped at the banks to enable them to meet their accounting obligations or if it reached companies it was used to bolster balance sheets and not to develop investment in manufacturing. Anyway EU state aid rules would have made this impossible.

Today, it would be preferable if money went directly into people's purses to boost spending but we also need a lasting dividend as for instance in a new green deal and the development of alternative energy sources. This is the most obvious way to regenerate our economy giving resources to regions to develop alternative energy projects in a just transition process. Local authorities and Trade Unions should be leading demands for democratic accountability for financial support from the public purse to private companies.

This applies not just to monies spent by the Scottish government but also local authorities. Wind turbines could be produced locally and owned by local authorities and not the private sector and provide benefit locally.

Covid has exposed the weakness of a system that expects local authorities, health providers, schools and local manufacturing to

compete with each other for resources rather than co-operate for the greater good.

Scotland has done little to lead the way in its response to devolving power and supporting progressive policies. It has suffered from the same problems of a centralised response to PPE and testing as in England. We shouldn't forget that the SNP government joined with the Conservatives in the Scottish Parliament to prevent sectoral collective bargaining for care workers.

Covid has distracted from the scrutiny that would have been expected of the transition out of the EU. The discussions around Commons frameworks have not progressed. We have already passed the point where the UK government could ask for an extension and legislation is currently being tabled on the new arrangements. Bills on Fisheries and Agriculture are now before Parliament and will be shortly followed by a bill on the Environment.

A White Paper entitled the UK Internal Market has just been released. The White Paper states that it will adopt the principle of non-discrimination – so that there is equal opportunity for companies trading in the UK regardless of where in the UK the business is based. It goes on to say that these principles will prevent any part of the UK from blocking products or services from another part. It will however protect devolved powers giving as an example allowing charges for plastic bags or introducing smoking bans.

The aim of the UK single market is also to prevent different approaches to state aid in different parts of the UK. The Red Paper Collective has long argued that the Scottish Government should use state aid to promote high paid high skilled jobs and to make essential parts of our economy democratically accountable. However, the Scottish and Welsh governments want the devolution of state aid policy not in order to regenerate our economy, but so as to remain closely aligned with EU state aid rules.

Nicola Sturgeon tweeted about the proposals: ***"Make no mistake; this would be a full scale assault on devolution - a blatant move to erode the powers of the Scottish Parliament in key areas."*** But she is of course only demanding these powers with a view to handing them back to the EU.

The Party's Sustainable Growth Commission now looks even less sustainable than when it was adopted by the SNP Conference last year. The planned 10 years of austerity will have to be stretched indefinitely.

At some point there will be an analysis of how the Scottish government handled the covid crisis. During the peak of the crisis it followed the UK government into one failing after another, making unachievable promises on PPE and testing and abandoning residents and staff in care homes.

This is not to say that Labour is in a good place. Over the past two decades it has seen its support dwindle and there are long standing differences on its response to the right to self-determination.



Scottish Labour's position cannot be based solely on future constitutional change across the UK. Although I do think stating clearly that Labour rejects the House of Lords with its pomp and ceremony, its 90 hereditary peers, its Bishops and its membership selected from the British establishment would be a good move.

If Scottish Labour is to have any impact in next May's Scottish Parliament election it must advance a radical agenda. It must firstly acknowledge that the Scottish Parliament under all parties has been weak and timid and failed to be the "Workers' Parliament" that the early proponents wanted.

Even in advance of any constitutional change the left should make the case for co-operation between English Local Authorities and the devolved administrations to exert their combined power to demand that the Tory Government puts people before profits.



PAT MCILVOGUE

Unite Senior Regional Industrial Organiser

The Caley Springburn Rail Workshops, closed almost exactly a year ago, provide a good starting point and enable us to home in on the real issues involved. The Caley was sadly one of many lost opportunities for industrial regeneration. The Scottish government could have intervened following up suggestions by Alex Neil. But Michael Mathieson, the minister involved, did not respond.

The Scottish government clearly wanted to continue to align Scotland to EU state aid rules and still today wants to claim that any intervention must be bound by state aid rules for the private sector – as in 2019 when they said that the closure at Caley was a commercial decision by a private company even when the intervention as called for by the unions and workforce would have been both progressive and profitable.

The venture capital company Mutares or Gemini Rail that closed Springburn have now just announced very heavy redundancies and possible closure at Wolverton, the base for the remaining British rail maintenance plant. Closure there, on the door step of Milton Keynes, would release highly profitable development land for sale - and expose their true role as asset strippers. What happened at Springburn? In the course of a year long campaign the convener Les Ashton and the union representatives, Mick Hogg of RMT and myself, used Mutares's outstanding liabilities to the Springburn workforce to force them to concede both the site, the undertakings and business and a £1 million payment.

This was offered to Mathieson and the Scottish government. Along with these assets was Alex Neil's proposal for an arms length company of the Scottish government, Unite also proposed diversification and utilisation of the depot through electrification as well as redeveloping the site for training, as an R&D centre and as a heritage enterprise, all of which would have evaded the state aid rules. But the Scottish government wanted none of it.

Let's now take the current industrial situation post Covid. Menzies Aviation have just announced a fire and rehire policy for 600 employees at Glasgow and Edinburgh airports, slashing terms and conditions for baggage handlers, reducing pay from £21,000 to 12,000, reducing hours from 40 to 25, ending their bonus and overtime and cutting holidays. If these workers don't reapply on these terms they will be assumed redundant – and this after Menzies has also proposed to pay off half the workforce. This will enable Menzies they claim to turn a £650,000 deficit into a £300,000 profit.

Previous to that Menzies called on the Scottish government to intervene citing their 'Scottish heritage'. It responded by giving Menzies and the airports a non-domestic rate reduction. But when Menzies was asked if that would mean reversing cuts in their workers' terms and conditions they replied 'Oh No! – this money has been absorbed throughout the company's UK operations'. This was a company that entered the airport services market six years ago to undercut other suppliers such as Swissport by slashing margins in a race to the bottom. Now Covid has broken that model and Menzies don't have the basis for profit without further attacks on labour. That's why all these airport services should be taken back into the public sector.

These three Scottish airports, Glasgow, Edinburgh and Aberdeen, last year turned a £300m profit after tax.

Employers cannot be trusted. Menzies and others have turned a Job Retention Scheme into a state-sponsored redundancy scheme. 95 per cent of their employees has been on furlough. The companies have drawn down state money and used it to subsidise their costs and are now preparing to sack their employees. That's why Unite says there must be strict conditionality on any aid and a public stake in these companies.

This is what Unite's Blueprint for Aviation argues. People must be treated with respect. There must be no compulsory redundancy. Menzies have now proved that it is possible to be an even worse employer than British Airways – and the Scottish government have facilitated this. We wrote to Mr Mathieson the minister for transport in March along with the First Minister, Three months later we have heard from neither.

AFFILIATE TO ROSE

Individual membership is £5; local organisation £10;
Scottish level organisation £50

Name _____

Address _____

Fee _____

Cheques payable to SCAEF: Jim McDaid, 41 Craufurd Ave, West Kilbride KA23 9PD

Current affiliates include Scottish Unite, Unison and RMT and Trades Union Councils for Glasgow, Dundee, West Lothian, Mid Lothian, Fife, North Ayrshire, Dumfries, Clydebank, Inverness and Kilmarnock & Loudon.

Vice Presidents include Elaine Smith MSP, former Labour MEP Alex Smith and former deputy leader of the SNP Jim Sillars.



GORDON MARTIN
RMT Scottish Organiser

It's clear we are in a real crisis, one not of our making which the bosses are seeking to exploit – asking people to take jobs back on reduced terms and on zero hours contracts, driving down wages and driving up profits.

From the RMT perspective the Scottish government has always been very timid when it comes to using power over business. On the ferries RMT won a legal case some years back that these could operate as wholly owned services of the Scottish government. Yet a couple of years later when it came to the contract for the North Link ferries the Scottish government again put them put to tender – with SERCO getting the contract, one of the worst of all the contractors.

Today the trade union movement needs to intervene in this crisis to get real concessions: the bakery not the rolls. We can't accept conditions being continually driven down under Thatcherite laws that were maintained by New Labour with Blair and Brown boasting that they were the most restrictive in Europe. Now we have to face this crisis disempowered by anti-trade union legislation, a perfect storm with unemployment already up to 2.8 million and likely to more than double when the furlough scheme ends and with firms just using furlough for their own purposes and with every intention of sacking workers before the grant reduces.

In terms of powers for the Scottish parliament the RMT believes that we should start with a real campaign for the delegation of powers over employment law and HSE in their entirety. If left in the hands of Johnson in Westminster any safeguards we have will be further undermined.

The measures taken by government so far are simply an 'unemployment delay process' – to be quickly replaced with attacks on benefits and those still with jobs facing employers willing to exploit unemployment to the full.

What we need in Scotland are more powers – more economic levers that the government can use. But not to tinker. They should be used to provide real benefits for our communities, used for us and not the bosses. Here and now we need to launch demands that will meet the gravity of the crisis including

- Reduction of working hours with no loss of earnings
- Increases in benefits
- High investment across infrastructure: hospitals, housing, schools, road and rails.

We must come out of this health emergency in a stronger position than we came in. We have had ten years of austerity and cuts. Their continuation combined with mass unemployment could easily lead to the rise of the far right – encouraged by those in power.

This is why the Left needs to unite across all parties and demand bold socialist policies. The printing presses have been put to work to bail out the bosses. Let's get them printing faster, as Alex said, to meet our demands.

This means organising popular pressure on all levels of government, Westminster, Holyrood and our local councils. We need to put immediate demands for a reversal of cuts and a repeal of laws anti-working class laws. We need also to look at the bigger picture and build up a movement for a transitional programme, for socialism that puts people before profits.

COUNCILLOR MATT KERR

GLASGOW CITY COUNCIL

We heard Gordon saying that we needed to kick in the doors of Town Halls to stop further cuts. I wish people would. We need a new mobilisation now against the further cuts that governments, British and Scottish, will seek to inflict in the aftermath of the virus crisis.

During this year's cuts many councillors, even Tories, did not want to vote them through. Some councillors like to be seen to be taking 'tough decisions'. But there is a limit. It's the officers who say there is no alternative and strong campaigns on the streets would empower councillors to resist. And if councillors stood up to oppose that would start a movement that would reach into parliament. Councils will always be in the front line in terms of cuts and they are likely to be after this epidemic.



The recession that has taken hold was unavoidable given the health issues. But before the virus we were already in crisis. We have had austerity since 2008 and the real problems go much further back. They say that capitalism can always reinvent itself. This happened after the 1980s. Unemployment continued but changed. Instead we got bogus self-employment, casual work, part time work and zero hours work. For those at the bottom of the pile this caused a perfect storm of insecurity and poverty. And in this period the ideology of the 'market knows best' and don't intervene was deeply embedded throughout the public sector at officer level.

'No. That would be State Aid'

Today when we ask officers if we could insist on our care workers being paid the living wage, we were told: No. that would be State Aid. The EU won't allow it as it would break competition rules. But Boris Johnson did break them when he was Mayor of London because he could not workers any other way. We need to be able to tell officers: this is what we want to do, find a way to do it – not ask if we can.

In the 1980s the Tories put fear back into people's lives – the fear of unemployment, debt, of eviction, they sought to let the blood of competition run free and against workers.

The Labour manifestos of 2017 – and 2019 – sought to put people before profit and competition. But the promises to deliver broadband, build houses and hospitals, regenerate industry, transform benefits were just not believed. People were told they were impossible. Now people can see they were essential. Covid has transformed the situation. People now understand the necessity of good public services and ending squalor.

Continued b 6

Matt Kerr continued

There's a parallel to 1945. People had seen that planning could work in the war. Industry was organised and made productive under public control. Food was distributed in terms of need. Health services were for the first time provided largely as required. All this was done with a purpose: to win a war. Labour's election victory in 1945 was built on that new understanding.

The argument now is not whether we should have public services. It's about the level. Most people have understood that the scale of the deaths in Britain, the second worst in the world, was the result of the existing lack of provision. The furlough scheme stopped riots in the streets but it will soon end without anything significant put in its place. The Chancellor of the Exchequer is already hinting that it's us the taxpayers who will have to pay for it. Although it is clear that there will be other spending injected to boost recovery by investing in infrastructure, the question is how. The Tories will see that it is privately built – by the big infrastructure monopolies – and privately owned.

We need to say that if it is built by the people with public money, it should be owned by the people. Unless we create a movement to demand this, unemployment will continue and people will continue on benefits. In 2008 the government should have doubled benefits instead of giving money to the banks which only produced an obscene increase of the wealth for the already very wealthy.

We cannot return to this. We need to use the experience of Covid to create the green roots of this understanding, of class understanding and consciousness. We can and must do something about housing, social care, health and poverty.. There are tough times ahead. But we can win.

EU migrant workers and coronavirus



FRIEDA PARK

The coronavirus pandemic has everywhere laid bare exploitation, inequality and precarious lives and it has especially shown up the dreadful living and working conditions of migrants – the supposed beneficiaries of “free” movement of labour.

One of the most notorious cases to come to light was the coronavirus outbreak at the Töennies meat factory in Germany. Last month the plant had to close when 1,500 out of 7,000 employees tested positive. Most of the workers are migrants from eastern Europe. For a long time campaigners have highlighted the cramped conditions of work and housing which contributed to this outbreak. Inge Bultschnieder, campaign organiser said workers are afraid to take time off if they are sick or to speak up in case they lost their jobs. Regarding living conditions she said:

“Lots of people in a small flat. There is a house here that the Bulgarians call the haunted house because it is so spooky. They don't pay per flat, they pay per bed, 200 to 300 Euros a month. An acquaintance of mine pays 450 Euros for her flat; above her six contracted workers live in one flat, each one paying 200 Euros for their bed - that's 1,200 Euros for the whole flat. To let these people live in mouldy flats where they have no privacy but have to pay 200 Euros - that is unworthy of a human being.”

She emphasised that Töennies is only one example of many companies where there are similar work practices. People are brought from poor countries in eastern Europe and employed on low wages – sometimes as little as €4.50 per hour. “I flew to Rumania once myself and met former meat workers there, who told me they would never go back to Germany because it was so terrible.”

Last year Töennies had a turnover of €7.3bn (£6.6bn). The owner, Clemens Töennies, has a net worth of about \$2.3bn. He recently had to apologise for anti-African racist remarks.

Another horrendous example from Germany is the fate of eastern European women exploited as prostitutes. Prostitution is legal and big business in Germany with huge brothels owned by private companies. It is estimated that, before coronavirus struck, up to 1 million women worked as prostitutes and that more than half of them came from Eastern Europe, not to mention those who came from other countries. It is the grossest example demonstrating that free movement is no such thing and all about exploitation. While German prostitutes received support as free-lancers from the government grant scheme to mitigate the financial impact of coronavirus, foreign women are mostly ineligible leaving them destitute.

Here in the UK we have also had similar experiences of migrant workers who are marginalised and their rights easily violated. There have been outbreaks of coronavirus in meat processing plants and sweat shops in Leicester.

Referring to migrant workers in the UK during the coronavirus pandemic, Lawrence Waterman, chair of the British Safety Council said,

“[Migrants] certainly are more at risk, if you compare them to the whole working population. If you start with the vulnerability at work, it's not always as safe, secure and regulated. These workers may be expected to cut corners that means they may lack the right protective equipment or find themselves coming into contact with others.”

He added that migrant workers “are also more vulnerable to abusive employment practices as they're not as familiar with the systems, while some don't have settled status so don't want to make complaints. Under the current environment, they probably have fewer outlets to help them.”

Listen to the full
conference on line

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Rose website
www.radicaloptions.scot

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Under the EU's Covid rescue package Italy gets 65 billion euros in direct grants (equivalent to 3.2 per cent of its GDP), Spain gets 59 billion (equivalent to 4.9 per cent of GDP) and France 37 billion (equivalent to 1.6 per cent of GDP).



The scale of this assistance has to be set against the monies made available by the German government for Germany's own economic recovery in June. This was equivalent to 30 per cent of German GDP – a level of state support very similar to that also made available in the USA to boost economic recovery. EU state aid rules have been temporarily relaxed to permit governments to give greater financial aid to companies and of the applications so far 52 per cent by value have come from Germany.

Although the new Covid recovery grants break precedent for the EU - by not being loans which required to be repaid – they are spread over three years and covered by strict conditionality. The conditions are that these countries must observe the pre-existing conditions set within the EU semester system – reducing their national debt to GDP ratio to 60 per cent and further liberalising their economies as specified in the EU national reform programmes. This requires further austerity and privatisation.

TRADE WAR BETWEEN EU AND THE US INTENSIFIES

At the end of June US negotiators walked out of OECD trade talks in protest at proposed digital taxes being imposed by EU nations. The US is threatening higher tariffs on French cheese and wines in retaliation for France's digital tax and is investigating proposals by Italy and Britain to introduce a digital tax.

The US Senate is additionally proposing to increase sanctions on German suppliers in retaliation for German's continuing sponsorship of the Russian NordStream2 gas pipeline and in retaliation for the EU tariff of 10 per cent on non-EU cars.



Covid Crisis Job Losses

The following information over the massive job losses in various sectors has been researched from various press cuttings and media outlets. Compiled by Phil McGarry with additions by Robert Laurie to 15 July 2020.

AVIATION

British Airways:

BA announced in April that they were seeking to cut circa 1,200 posts, and to change terms and conditions (T&C) and contracts of employment (CoE). BA have been trying to change these terms for years. It appears staff would be offered revised CoE after giving appropriate notice. It appears now through negotiations that 60 percent of cabin crews will not receive a pay rise during their employment with BA, BA plans to axe 42,000 staff and rehire 30,000 on new CoE with worse T&C.

EasyJet:

EJ announced that they were looking to cut 4,500 jobs across Europe – 1,300 in the UK alone, comprising 727 pilots (a third) and 1,200 cabin crew. It will withdraw services from Stanstead, Southend and Newcastle. They have embarked upon redundancy consultation using Covid-19 as reason, restructuring plans include a sickness and absence criteria. On the grounds of lower demand for air travel.

Virgin Atlantic and Ryanair are both expecting to cut 3,000.

Air France/KLM:

The company has announced 6,500 job losses over the next two years.

Luftansa:

22,000 (out of 138,000) job cuts, has halved its orders for new aircraft.

Airbus:

The aircraft manufacturer plans to cut 15,000 over the next year claiming it is essential to survive the Covid-19 crisis.

Swissport:

The main employer of ground staff, inclusive of baggage handlers. On 24th June it was reported that 4,556 of its 8,500 are expected to be made redundant. 800 in Scotland being targeted. The Airport Operators Association (AOA), which represents more than 50 airports, said on Wednesday up to 20,000 jobs were at risk across UK airports because of persistently lower passenger numbers, 100,000 indirectly supported jobs could be at risk.

Menzies

650 jobs at Glasgow, Edinburgh and Aberdeen airports with more threatened (see article by Pat McIlvogue)

Retail/Catering at railway stations and airports

Select Service Partner (SSP) which includes Upper Crust and Caffé Ritazza provides catering including its many outlets at all stations and airports. On the 1 July they advised they were planning 5,000 redundancies, around 50 percent of its UK workforce. In Scotland they are planning 308 redundancies from a total workforce of 386 at Edinburgh, Glasgow Aberdeen airports and stations. Many outlets and associated franchise will no doubt close, thus denying the public a catering service. Discussions are ongoing.

Café Nero and Rouge Coffee Shops: these outlets will see a staff reduction of around 1,900 posts out of 6,000 of a workforce – some 251 shops will close indefinitely. *Frankie & Benny's and Wagamama* have announced that 1 in 10 of their restaurants will close mainly within our airports. About 40 restaurants are expected to close, over and above the 125 sites already announced last month, thus putting 3,000 jobs at risk. The *Bella Italia* chain is in administration, with loss of 1,900 jobs. *Adelie Foods*, suppliers of food to go went into insolvency with a loss of 2,000 jobs.

HOSPITALITY AND TOURIST SECTOR

Trump Hotel at Turnberry have announced 67 redundancies. They have advised that they are restructuring their business and like others are planning to attack and withdraw the remaining staff T&C and associated working practices. Consultations will commence shortly.

The National Trust for Scotland warned in May that 429 of its 751 employees are risk of redundancy.

RETAIL (General)

Debenhams is at risk plus 7,000 jobs will go at Boots, John Lewis and Burger King which will amount to about 700 in Scotland. Harrods is making 600 to 700 of its 4,800 employees redundant, mostly affecting staff in its beauty saloons and cafes in its main Knightsbridge store.

GAS AND OFFSHORE

The threat to the immediate and long term future of employment with the sector is growing rapidly. The combined effects of Covid-19 and the collapse of the oil is having a devastating effect on the price on all staff. To date the following staff numbers have been reduced: 2,000 drilling contractors, 400 Subsea contractors, 100 catering workers on platforms, plus 1,000 onshore staff. These figures exclude offshore workers in the supply chain. Equally the Offshore partnership Agreement which covers 8,000 members is threatened with being scrapped. Again T&C covered by collective agreements are under attack on the diving and catering sector involving all members.



MANUFACTURING

Rolls Royce at Inchinnan went ahead with their plan to reduce the workforce by circa 700 through redundancies. Negotiations are still continuing and the latest figures show that some 100 staff have opted to apply for relocation to the works at Derby. There is a requirement for essential skills and expertise from Scotland and selections are ongoing.

Wabtec

Whilst 110 redundancies were announced at the Kilmarnock Railway workshop it is to be noted that some 450 staff at Doncaster also face redundancy.

Babcock Rail

The company have declared 54 redundancies due to Covid-19s: consultations and negotiations are underway. Equally concerning is that contractors to Network rail have declared that they are seeking redundancies (SPL Power Lines at Coatbridge and at AMCOGiffen who have asked staff if they are interested in voluntary redundancies.

Alexander Dennis

650 job losses announced at Falkirk, Scarborough and Guildford

ENTERTAINMENT AND ARTS

National Theatre (London) announced on 13 July that over 400 jobs losses will occur which effect part-time workers and those on zero hours contracts. This despite the Government's financial intervention. On the 3 July BECTU said 3,000 jobs were are risk in theatres alone.

The loss of 7,000 jobs in creative arts is predicted for Scotland in a study by Oxford Economics/

OTHER SECTORS

Universities and further education facilities have an uncertain future. We know that **social care sectors** are concerned about job losses and the plight of these workers having to cope with substantial vacancies and the long hours and low pay culture. Over a hundred jobs are currently threatened at the UWS Ayr campus.



Publishing:

The Guardian: 180 job cuts announced 15 July, of which 70 will be journalists and 110 in advertising will go.

Reach, formerly Trinity Mirror: on 13 July the publisher of the *Mirror* stable of said it was cutting 550 jobs, about 12 per cent of its 2,600 workforce to create a single national editorial team across the UK and Ireland.

At the beginning of July Glasgow's *Herald* newspaper announced the sacking of three more reporters on top of the sackings last year.

Notes:

Recently reported figures include the fact that 50,000 jobs have been lost in the Civil Service during the period of austerity and Fire & Rescue Service lost 25 percent of workforce. PCS argue that over 13,000 staff are needed to handle the Job Retention Scheme as 2.6 million people have claimed Universal Credit.

Conclusion: Whilst these figure are not exhaustive, economists predict that those likely to be unemployed will reach 3 million and the Chancellor's latest intervention will not solve the crisis. Most employers have rejected his finance after the Furlough Scheme is terminated.