

Radical Options for Scotland & Europe



Published by Radical Options for Scotland and Europe incorporating SCAEF

November 2020

BIDEN'S VICTORY MAKES A NEO-LIBERAL EU DEAL MORE LIKELY

President of the EU Commission Ursula Von der Leyen welcomed the US election result: 'I warmly congratulate Mr Joe Biden on his victory in the US presidential election'.

She looked forward to the resumption of 'a partnership [that] has underpinned the liberal rules-based international order for decades and remains a pillar of stability, security and prosperity on both sides of the Atlantic ... The European Commission stands ready to intensify cooperation with the new Administration.'

Olaf Scholz, German Foreign Minister and Deputy Chancellor, commented that 'there is now a good change for the resumption of multilateralism'. Jens Stoltenberg, NATO Secretary General, welcomed Biden as 'a strong supporter of NATO and the trans-Atlantic relationship'.

'A great enthusiast'

The day after the election result Boris Johnson commented that 'I've always been a great enthusiast for a trade deal with our European friends and partners ... The broad outlines are pretty clear, we just need to get on and do it if we can.'

European Commission President Ursula von der Leyen said on Saturday 6 November 'some progress had been made in recent weeks after the EU agreed to discuss specific legal texts' but 'large differences' remained over the question of access to British fishing waters from 2021 and regulations on workers' rights, environmental protection, and state aid designed to maintain a 'level-playing field'

Ahead of his visit to London on 8 November Barnier tweeted that any deal must "respect the interests and values of the EU and its 27 member states". The defeat of the UK Single Market Bill in the House of Lords on 11 November and the departure of Dominic Cummings on 13 November may see the government modifying policies to be more closely in line with the neo-liberal demands of the EU.



Police in Naples attack youth protesting against layoffs and lack of furlough payments on 24 October.

Inequality intensifies across the EU

Youth unemployment in Portugal is 24 per cent; Italy 29.7 per cent; in Greece 37.8 per cent and in Spain 40 per cent. In Germany it is 6 per cent.

In Germany GDP per head stands at 121 per cent of the EU average – but 95 per cent in Italy, 91 per cent in Spain, 79 per cent in Portugal and 68 per cent in Greece. *Eurostat: September 2020*

ROSE'S AGM AND CONFERENCE 11 a.m. SATURDAY 12 DECEMBER

Speakers will include:

Gordon Martin RMT
Ruth Winter, Labour MP for Cynon Valley
Pauline Bryan, Labour Peer
Cllr Andy Doig

Chair: Phil McGarry

Join Zoom Meeting
<https://us02web.zoom.us/j/89866078161>
Meeting ID: 898 6607 8161

P4. Pauline Bryan on State Aid and Robert Laurie on Jobs

P.5 Alex Rowley MSP

p.6 Rose Petition

We say

Joe Biden's victory will greatly increase pressure on Johnson to negotiate a last minute deal with the EU. The Barnier-Frost negotiations had broken up with only minimal progress just two days before the election result.

Concessions are now likely on the 'level playing field', possibly on the Irish border and probably on fishing as Biden postpones any British trade deal with the US.

The pressure for a settlement is now increased by fears in the City of London, among both British investment companies and the local service contractors for the US banks, that the lack of any agreement covering services will leave them badly exposed to an exodus of US investment banks to Paris, Frankfurt and Dublin over the coming years.

The key question remains what kind of a settlement and how will it be imposed? Johnson's UK Single Market Bill remains centre stage. Once enacted, it will centralise powers over state aid and competition policy unilaterally in the hands of the Westminster government and thereby withdraw the powers over industrial policy delegated under the 1998 Scottish Parliament Act to the Scottish Parliament.

It is also much more likely now that any settlement made over the next few weeks will align Westminster's exercise of these powers very closely to existing EU practice and that this will include the competition requirements of existing EU statutes for rails, posts and energy. Although legally this control will be exercised under the new Act by the UK, it will be closely supervised by the EU.

This will make any pro-active policy to secure post-Covid economic recovery in Scotland, Wales and the English regions difficult - if not impossible. It will certainly rule out any long-term and coherent programme, based on public funds, to re-establish centres of industrial and scientific excellence and rescue the labour skills that still exist. Any such intervention would require a new level of public sector economic support. It would also need to be regionally/nationally managed and accountable.

Johnson's Single Market Act, combined with its close supervision by the EU, will deny this – and is why the ROSE petition to the Scottish Parliament becomes even more important.

Johnson's own recovery plans are focused on massively expensive infrastructure projects centrally managed and delivered by multi-billion private contractors. These will enrich the contractors but do little or nothing to deal with the systemic problems of the British economy – especially after Covid.

This is why it is very welcome that the ROSE petition, calling for a political mobilisation against Johnson's Single Market Bill has now been backed by both the Scottish Trades Union Congress and Unite the Union. As we see in this edition of our Bulletin, similar concerns are now being voiced in Wales. England's regions are not likely to be far behind.

However, a battle of ideas still needs to be won.

Alongside the justified rejection of Trump, Johnson and their values, there is also a corresponding belief that somehow the EU itself offers solutions, that a 'level playing field' is indeed fair, that competition is necessary for efficiency and that the EU represent the values of cooperation and internationalism.

As this Bulletin demonstrate, the EU is every bit as committed to big business neo-liberalism as the United States. The EU's crippling disparities of development are growing ever deeper and this is directly related to the way the EU's 'level playing field' enables the biggest monopolies to take all.

It is also why the retention of nationally and regionally-based powers of industrial intervention is so critical.

“Two decades of devolution under attack”

By Mick Antoniw

Member of the Welsh Assembly for Pontypridd and of the Labour Party National Executive



Two decades of devolution are under attack. The UK internal market bill is designed to bring an end to devolution as we know it and recalibrate a centralisation of power into the hands of 10 Downing Street.

This is not accidental. It has been clear since the beginning of the Brexit debate that far-right ideologues in the Conservative Party have long seen it as an opportunity to cement their neoliberal economic and social agenda into the framework of a centralised British nationalist state.

The Tory contempt for devolution, the constitution and the rule of law grows year-on-year. Consistent use of the royal prerogative and legislation to bypass parliament or to limit scrutiny has become normalised. The consistent legislative undermining of devolution and the [Sewel convention](#) now has the appearance of a fait accompli. The bill may be the nail in the coffin of devolution, catalysing a political process that leads to the inevitable fracturing or break up of the United Kingdom.

“Centralise powers”

As pronounced by Wales' counsel general on behalf of the Welsh government: “The UK government plans to sacrifice the future of the union by stealing powers from devolved administrations... The bill is an attack on democracy and an affront to the people of Wales, Scotland and Northern Ireland.” It is the culmination of a series of bills and proposals that, in a similar vein, seek to centralise powers in the hands of UK ministers even where they relate to areas of responsibility that have long been devolved by parliament. These are powers that will be exercised by the UK government alone, bypassing Welsh consent and even UK parliamentary scrutiny.

The combined impact will lead to the greatest recentralisation of power experienced by any European state since World War Two. Powers exercised for decades under the umbrella of the EU's framework will not now revert to where parliament designated they should be via the devolution statutes.

A post-Brexit shared prosperity fund will have little to do with prosperity and sharing – and even less to do with public accountability. Assurances on food and environmental standards and on protection of the NHS have become increasingly incomprehensible.

Health in Wales is devolved, and the Welsh Labour government is committed to protecting it from privatisation and the internal market. But international trade is reserved to the UK government.

It is clear that US corporations and trade negotiators have their sights set on the NHS across the UK. And an international agreement is likely to be used to override devolved resistance to privatisation and to non-regression in environmental and food standards.

The internal market bill will become the driving force and means to achieve this. It will concentrate power in the hands of UK government ministers, with limited parliamentary scrutiny and afford the power to override the Welsh government. It will drive a coach and horses through the Wales Acts and the referendum that established devolution. Legislative consent will be denied by Wales and Scotland, thereby confining the Sewel convention once and for all to the constitutional dustbin.

There is no room left for polite discourse. 10 Downing Street has declared war on the devolved administrations with its willingness to cast aside decades of devolution and, in the process, turn Westminster into little more than a talking shop. Alongside [ongoing proposals](#) to shackle the role of the Supreme Court and restrict judicial review, the shocking ministerial [admission in parliament](#) that the government is prepared to break international law by unilaterally pressing ahead with changes to the Brexit agreement on Northern Ireland, this Tory administration is driving a stake through the heart of the rule of law – a cornerstone of democratic government.

Coming just months before Welsh and Scottish parliamentary elections, the UK is recklessly drifting towards an eventual break-up. Out of this chaos there emerges a once-in-a-lifetime opportunity for Labour leader Keir Starmer to seize the political initiative and become the nations' champion for progressive reform of the constitution; to defend the rule of law; to promote democracy and champion a new voluntary union based on the principles of equality and social justice.

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

Poland's Permanent Representative to the EU talks up full integration with NATO's military plans

From an article by Androzij Sados, Poland's Permanent Representative, in EurActiv 6 November 2020



“The decision to establish conditions for the participation of third states in Permanent Structured Cooperation (PESCO) projects could be a milestone in strengthening European defence potential. It may well be the last missing element of PESCO's institutional framework.

The agreement on the participation of third states in PESCO opens the door not only to the EU's main security partner, the US, but also to other NATO allies, in particular the United Kingdom.

Poland has always advocated maintaining strong relations with London post-Brexit and this decision paves the way also for the UK to continue contributing towards our collective security. An ambitious vision has the best chance to come true when it rests firmly on three sets of realities.

The first one is founded in one of the fundamental assumptions of the EU's Common Security and Defence Policy – and PESCO for that matter – that NATO remains the cornerstone of defence of those EU member states that are also NATO Allies (20 out of 25 participating member states). PESCO, therefore, is designed to respect the commitments those relevant member states have undertaken within the Alliance.



An EU battle tank illustrating the EUActiv article

Second, an avenue for cooperation must always be open for countries which share our values and defence objectives, in particular NATO Allies. It is necessary for the efficiency of our actions. Without NATO and Allies on board, some projects, such as Military Mobility, would simply not be feasible. Strong EU-US and EU-UK partnerships are crucial to building a more democratic, secure, and prosperous world.

‘The defence sector often operates hand in hand with foreign investors’

The third reality relates to the modus operandi of the defence industry across Europe today. In many member states, the defence sector often works hand in hand with foreign investors. They are carefully screened before given access to the national defence-industrial know-how, as well as provision of their own value added. Such entities, based in the EU but with links to foreign investments (also through management structures abroad), continue to operate under the EU law and the laws of Member States, including national security regulations.’

The EU budget, as agreed in July, allocated 15 billion euro to facilitate military integration

Job Losses in Scotland

From Robert Laurie

The latest official statistics, released in mid-October and covering the period from June to August show a Scottish unemployment rate of 4.5 per cent, or 124,000 people of working age. This was the about same as the previous quarter and was an increase of 12,000 or 0.4 per cent compared to the same period last year.

Perhaps a more telling figure is the September one which records 224,184 people on Jobseeker's Allowance or Universal Credit, a figure which has increased by 111,440 since March. This reflects not just an increase in unemployment but those suffering a reduction in hours and a consequence reduction in income which means they now depend on UC for survival. The number of pay-rolled employees in Scotland was 2,329,000 in September, a fall of 2.7% compared with September 2019.

The 12,000 jobs actually lost are certainly only the beginning of what will be a continuing trend, despite the extension of furlough. In September 1,734 British employers notified the Government of plans to cut 20 or more jobs at any single establishment, amounting to 82,000 the highest figure since 2006. This will amount to about 8,000 in Scotland.

Small Businesses

The number of job cuts at small businesses which go largely unreported will only become apparent in the fullness of time.

Another small and imperfect indication of rising unemployment Ministry of Justice figures show that there were 806 single claims in Scotland between April and June, an increase of 20% compared with same period last year.

Among the hardest hit sector is retail which has seen about 43,000 jobs lost in the UK as a whole. This equals about 4,000 in Scotland, perhaps a bit less when mostly English based HQ cuts are taken into account. Some chains such as Cath Kidston, Oasis & Warehouse, Peacocks and TM Lewin have vanished from the high street entirely to become wholesalers or online only.



Many chains have closed all but their most profitable stores and threatening to close others if battles with landlords do not bring rent reductions. The Edinburgh Woollen Mill vainly attempted to do this. Early November saw Sainsbury's announce they would be closing stand-alone Argos stores and not be reopening the meat, fish and deli counters which closed at the start of the first lockdown. This will amount to a loss of 350 jobs in Scotland.

Why we must defend powers over State Aid



Pauline Bryan Labour Peer

We ought to congratulate Tory the Government for doing so much to bring about harmony. It has managed to unite all but one of the Parties in the Scottish Parliament in opposition to the Internal Market Bill.

The purpose of the Internal Market Bill is to enact the political ideology of the ruling faction of the Tory Party which demands that the unfettered access of business across the UK should be able to overrule any democratically decided public policy goals. The Westminster government's Business Energy and Industrial Strategy own Impact Assessment makes it clear that market access principles will reduce the ability to pursue targeted social and environmental policy objectives.

We were told that Brexit would result in the return of powers to the devolved administrations. But instead significant powers have been retained by Westminster and this Bill goes even further as it will take away existing powers.

Part 7 of the Bill amends Schedule 5 of the Scotland Act 1998 to eliminate state aid from the devolved powers that have rested with the Scottish Parliament for over 20 years. This is happening without negotiation and with only the most cursory consultation.

It will deny Scotland the right to use state aid to retain and expand skilled jobs, to ensure the payment of the real living wage and to insist on a high standard of workers' rights.

The so called "level playing field" is far from fair. How can it be when the players on the field are of massively different sizes and strengths? It would be the equivalent of a football match between Chelsea and Partick Thistle. The big firms in the larger country flourish. Small firms in small countries struggle.

The Bill does not establish independent arbitration or dispute resolution. Once again the UK government will act as both participant and final arbitrator in disputes and will as usual find in its own favour.

This legislation confirms what many of us already know; the current system of joint working between the UK Government and devolved administrations is not fit for purpose.

It does nothing to guarantee high regulatory standards. Instead it creates incentives to lower standards. It prioritises the removal of potential barriers to trade at the expense of other public policy goals such as health or the environment regardless of the democratic decisions of the electorate in the devolved administrations.

Andrew Bowie, Conservative MP for West Aberdeenshire and Kincardine, gave a stark warning in a recent newspaper article; he said 'this Internal Market Bill is just the start. The UK government is back in Scotland. Get used to it.'

If ever there was a wedge that will serve to divide the United Kingdom this is it. We cannot in all conscience allow this dreadful piece of legislation to be rushed through Parliament. We must campaign as forcefully as we can to stop it.

Scottish Jobs (cont.)

It is not all gloom. Tesco is seeking temporary part-time “Festive Colleagues” all across the country. The “competitive” salaries are not disclosed on its advertisements.

Perhaps because manufacturing has already been decimated it has not suffered too much so far but notable exceptions include cuts at bus manufacturer Alexander Denis at Falkirk where another 70 losses were announced in early October on top of 200 announced earlier (out of 850).

Despite the vital role British Telecommunications plays in keeping the nation connected it is drastically reducing the number of sites including that at Aberdeen where 97 jobs will be lost as part of long term plans to export jobs to India.

Recent announcements include plans to cut 100 jobs at Aberdeen Airport, while in finance TSB is to close 73 branches (particularly in small towns and in housing estates) in Scotland with the loss of around 300 jobs. Rival Virgin Money is cutting 200 staff from its Glasgow HQ. The hospitality sector which was an early and continuing victim of the virus has seen continuing job losses, with the most recent from Pizza Express.

ROSE PETITION TO THE SCOTTISH PARLIAMENT



This was submitted by Vince Mills this summer and called for the Government to defend the Scottish Parliament’s devolved power to grant state aid. It gathered support from the STUC, Unite and other unions and Trades Union Councils.

On 11 November the Petitions Committee agreed to forward it to the Scottish Government and the Minister for Business, Energy and Industrial Strategy.

OCTOBER 2020 STATEMENT ISSUED BY ROSE

The principles that will shape who is in control of Britain’s economy are likely to be determined by decisions taken over the next few weeks as Internal Market Bill makes its way through the legislative processes of the UK. Already on 7th October the Scottish Parliament, correctly in our view, refused, legislative consent - a decision that will almost certainly be ignored by the Tories in power at Westminster

It is unfortunate, though that key aspects of the debate on this Bill are being hidden by the focus on abstract constitutional concerns of a ‘power grab’ or the Irish border or the threatened legal action by the EU. The issue of economic control is not less important. Will we run our own economy through our democratic institutions or will it be run by market forces as required by EU law? In our view this is a key issue.

The Bill is now in its final stages in the House of Lords. It concentrates all powers over state aid and competition policy in the hands of the Westminster Parliament – taking away the powers delegated to the Scottish Parliament by the 1998 Scotland Act. This is equally so for Wales and the English regions.

The negotiations with the EU taking place in parallel, are focusing on the same question. If there is a settlement it is likely that the UK government will enforce roughly the same policies as the EU currently do, but will do so under UK jurisdiction, outside the legal orbit of the EU Court of Justice.

Is this a bad thing? We believe Yes. Particularly for Scotland, Wales and the English regions.

EU regulations do not exclude state aid. But they do massively restrict it – to small and medium firms (no more than 250 employees), to specific areas and to specific purposes such as R&D and the environment. It must not distort ‘competition’ overall. We have seen the consequences in terms of repeated refusals by the Scottish government to help firms and their workers subject to closure or merger and removal. The EU’s competition terms, hard wired into its Constitutional Treaty and embodied in its Directives covering power, telecommunications, posts, transport and other utilities, are just as bad.

Unrestricted competition in a free market is supposed to bring benefit to all. In our era, however, and clearly over the past three decades, it has meant the concentration of economic power in the hands of a few very big firms across the continent. The EU ‘level playing field’ restricts democratic intervention but gives full freedom to players of massively different size. The results are there for all to see. Economic development across the EU has become much more uneven over the past two decades and no more so than across Britain and its nations and regions. That is why the decisions taken over the next few weeks will be so important.

So it is surprising that this aspect of the debate has received so little attention. The existing leadership of the SNP have made it clear that they support the EU as it currently exists and hence their reluctance is predictable.

But this should not be the case for the wider trade union and labour movement – or anyone who cares about Scotland’s economic future or indeed about economic democracy itself. As we know, big business does not make decisions in the interests of working people – in fact and legally it makes them in the interests of shareholders.

ROSE, Radical Options for Scotland and Europe, currently has a petition before the Scottish Parliament’s petitions committee which raises just these issues. It calls for a united campaign to preserve the principles of the 1998 Scotland Act, principles that came from the long struggle against de-industrialisation through the 1970s and 1980s. At that time that struggle was closely linked to an increasing understanding by working people of Scottish democracy, its protection and development.

This cause is, we believe, even more vital today and we hope that many more organisations will raise their voice to express concern.

Statement by Radical Options for Scotland and Europe (ROSE)

Pauline Bryan Labour Peer Cllr Andy Doig Neil Findlay MSP John Foster (Joint Secretary ROSE) Cllr Matt Kerr Gordon Martin RMT Phil McGarry (Chair of ROSE and RMT) Vince Mills (Joint Secretary ROSE) Par Rafferty Unite Alex Rowley MSP Elaine Smith MSP

The Single Market, State Aid & Scotland's Future

Alex Rowley MSP



Brexit was always going to cause difficulties for the relationships between the governments of the UK. It didn't take much insight to know that there would be tensions between the Scottish Government and the UK Government, particularly after the vote went in favour of leaving the European Union, and the hard-line direction the Tory party decided to take in relation to the Brexit negotiations.

Considerable focus has been placed since the EU referendum on the internal market of the UK, and what exactly that means moving forward in the post-brexit landscape. The Tory vision of the internal market is not one Scottish Labour supports. While we rightly should recognise the importance of the internal market for Scotland (we export £51.2 billion to the rest of the UK, around 60% of our entire total exports) it is impossible for Scottish Labour to give support to any measures that reduce and constrain the competence of the Scottish Parliament.

The measures put forward by Boris Johnson's government would effectively see powers returning from Brussels to be placed in the hands of Westminster, rather than as I have argued since the start of Brexit, in the control of the Scottish Government. This is a view that is not only shared in Scotland, but by the Labour run Welsh Government also. The bullish attitude of the UK Government is creating a stand-off between the devolved administrations, and the attitude of Boris Johnson is an arrogant "you will do as you told" approach.

What we are witnessing is nothing more than a recentralisation of powers in Westminster. The Tory party are desperately trying to frame their Internal Market Bill as delivering more powers to the devolved administrations, but this is a falsehood given contained within the Bill is the ability for the UK Government to override decisions of the devolved governments. This has been shown with food and environmental standards. If Scotland decides it doesn't want chlorinated chicken, and votes to block it, but the UK Government overturn this through the measures contained within the Internal Market Bill, how exactly does the Scottish Government have more power?

Require Public Contractors to Recognise Trade Unions

This collision of governments is also causing even more disagreement when it comes to the context of state-aid. Scottish Labour believes we should have the power here in Scotland to provide state aid to workplaces threatened with closure; to take public utilities such as rail, bus and power fully back into public ownership; and to require public sector contractors to recognise trade unions and collectively bargain wages. However, the UK Government is currently clashing with the EU over negotiations in relation to state-aid, and at the same time is clashing with the devolved governments. The UK Government is seeking to take sole control over the discretion to apply and monitor state aid across the whole of the UK. We do not accept this, as we believe Scotland should have the discretion to use these powers where we think they are needed. However, at the same time, the EU doesn't accept the UK Government's position as it violates the Withdrawal Agreement that would have seen EU rules apply in Northern Ireland. In short – it is a mess.

It is yet to be seen how this will all play out, there is a very real risk of no deal being reached with the EU and the UK as a result crashing out when the withdrawal period ends. If this happens, we cannot allow a centralisation of powers to Westminster allowing a Tory government to dictate policy decisions that should be made in Scotland. Devolution has worked for Scotland and with such economic uncertainty visible down the line it is further devolution that is required to build back a better Scotland. The Tory party manoeuvring is putting the interests of a small elite few ahead of what is in the best interests of our country

EU Sets Sights on Africa

Extract from *European Policy Centre Bulletin for 16 October 2020*

'Under the aegis of the current Commission, Africa has ostensibly become a cornerstone of Europe's geopolitical aspirations. On her first foreign trip in December 2019, von der Leyen visited the AU headquarters in Addis Ababa and reiterated the EU's commitment to building a "partnership of equals".

The fact that her visit took place less than a week after she assumed office is a clear testament of Africa's growing strategic relevance for the EU's foreign policy agenda. This strategic shift towards Africa is also underpinned by a plethora of recent diplomatic initiatives by EU member states, including Germany's *Marshall Plan with Africa* (2017), and former President Juncker's call for an *Africa-Europe Alliance for Sustainable Investment and Jobs* (2018).



Europe's renewed interest in Africa comes at a critical moment for global geopolitical competition, EU-Africa relations, and the African continent itself. Despite immense challenges, Africa is increasingly perceived as a continent of opportunities.

In addition to an abundance of natural resources, Africa's high demographic and economic growth rates in the last two decades have contributed to this new narrative of Africa. Moreover, it has gained further momentum thanks to the AU's institutional reform process, and particularly the establishment of the African Continental Free Trade Area (AfCFTA), which will be operational as of January 2021.

The AfCFTA brings together 54 countries and 1.2 billion people, thus forming the largest free trade area in the world.