



## Inconclusive election

# AN IMMEDIATE JOBS CRISIS

The Bank of England's latest projections see another 5 per cent of jobs lost in the second quarter of this year. In the third quarter ending 31 September – when furlough is due to finish – they estimate a further 4 per cent.

This is on top of the large-scale job losses last year. The biggest were in accommodation and food (employment still down 20 per cent), transport (10 per cent), retail (8 per cent), manufacturing (8 per cent) and professional and scientific (7 per cent). These figures are for Britain as a whole. Scotland's are not likely to be less.

Nor, once Covid eases, are Scotland's economic problems going to go away. With inflation pushing up interest rates, high levels of company debt are likely to see further insolvencies and the type of corporate restructuring that brought the closure of McVities.

### STUC's People's Recovery Programme

This makes the People's Recovery programme adopted at April's Scottish Trades Union Congress all the more urgent – with its call for immediate spending on green infrastructure, the establishment of a National Investment Bank, the bringing of social services and transport brought back into the public sector and imposing public duty responsibilities on public procurement contracts.

Equally important, in terms of the powers to do so, is the Composite K passed at Congress which states that 'the Scottish Trade Union Movement must carve out a space for the vision of working people across Scotland for our future, which is neither Growth Commission nationalism nor Tory status quo.'

**No less important is Composite L which mandates the STUC to oppose the Westminster government's power grab, which reimposed EU-type controls on state aid, and to mount 'a campaign exposing the anti-democratic nature of the Internal Market Act and fight to restore these**



### Pladis relocates production

Early in May the confectionary and biscuit multinational Yildis announced the closure of the famous Tollcross McVities factory producing Hobnobs, Digestives and Rich Tea biscuits.

Established in the 1830s, McVities merged into United Biscuits in 1948 which was later taken over by Pladis, a company owned by Yildis, a Turkish multinational. Heavily indebted, Yildis has been trying to restructure its \$7 billion debts.

Pat McIlvogue of Unite described the closure as devastation for the local community. Gary Smith of GMB described the decision as economic vandalism. 'Workers aren't leaving this unchallenged – they want to protect food manufacturing in their community, they want investment in their plant and jobs for the next generation.'

# We say

**Our front page details the impact of Covid on jobs in Scotland. The worst impacts so far have been in airport staffing, in hotels and hospitality, in catering and retail and in sectors of manufacturing related to aircraft and transport (Rolls, Royce and Alexander Dennis). In addition, other employers, such as British Gas and BT, have taken the opportunity of 'crisis conditions' to attempt to force through sharp cuts in employment and wages.**

The most recent blow has been the threat to 500 jobs at the Tollcross 'McVities' plant owned by a Turkish-based financial consortium.

These developments therefore raise very sharply the question of industrial policy in Scotland: what, if anything, can be done ?

## Scotland's loss of economic powers

December 2020 saw Johnson take away the powers conferred on Scotland's parliament in 1998 – and at the same time embody in British law almost all of the EU's 'free market' legislation that limits public sector intervention. Johnson has also, both through the UK Internal Market Act and in his subsequent budget, arrogated to himself 'levelling up' powers of intervention on free market terms.

And these will simply intensify existing external big business domination. Free Ports will drive down wages and conditions. The promised infrastructure interventions will pump more money into multinational consortiums using competitive tendering rules to grab contracts.

Scotland's economy will therefore, as with other regional economies, continue to sink – probably at an even faster rate than before.

What will the new Scottish government do ? Most likely wave its hands and say nothing can be done without Independence 'in the EU' – that is, within the same restrictions that have already brought us to where we are.

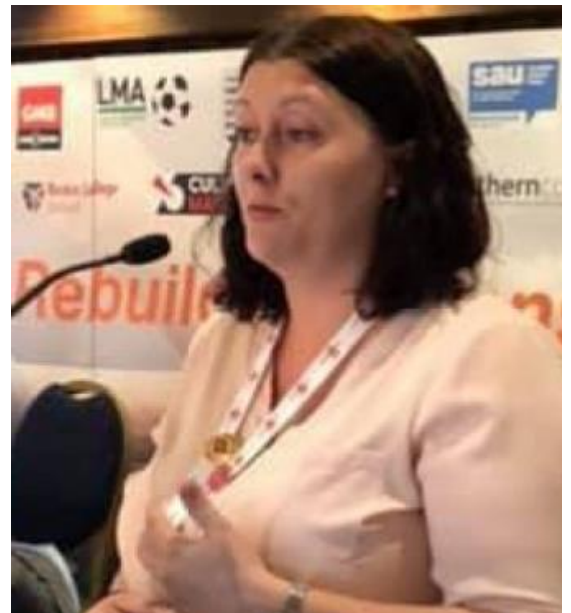
This is the political challenge facing Scottish trade union and Labour movement. This Spring's STUC conference mooted the possibility of a third option in any referendum in favour of new economic and public sector powers for Scotland's parliament. This was an important development.

But the current (and deepening) crisis means these demands must also be immediate – and linked to similar calls from the English regions. Johnson's cancellation of already existing powers must be challenged. Equally there must a challenge to the writing into British law of EU bans on state aid and comprehensive state ownership and the carrying forward of the requirement for compulsory competitive tendering for almost all public spending.

## 'A foundational economy'

The crisis is an immediate one. The scale of unemployment, job loss and casualisation demands that we fight now for the legal and political basis for a 'foundational' economy – an economy that retains local wealth, ensures key public sector needs such as food, catering, health products are manufactured and sourced locally and that support is given to containing and consolidating skilled and professional workforces.

**Today 'private ownership' simply means control by external financial consortia – with results we can see around us. The immediate demand must be for public, democratic control locally, regionally and nationally - ROSE's 'radical' option.**



Sarah Woolley  
General Secretary, Baker, Food and Allied  
Workers Union

## Why we need democratic public sector intervention

**Food is always needed. So Covid and the resulting lockdowns have not yet had a major detrimental impact in our industry in terms of employment and wages. Jobs have been maintained and in some cases it has even been possible for the union to negotiate wage increases – particularly for larger employers such as Morrisons. Smaller firms have generally maintained existing wage levels.**

However, the key word is 'yet'.

No one knows what will happen when furlough ends and when many people will have less money in their pockets to buy food and other essentials. A number of big employers have lifted wages but they are also seeking changes in conditions.

Greggs, who did make redundancies because of their exposure to reduced retail shop custom, agreed a wage increase of 1.7 per cent (2.2 per cent for the lowest paid workers).

## Financial conglomerates

So we will see what the next few months bring – and our June conference will be focusing on strategies to increase the bargaining power of workers across food and allied industries.

**One very major strategic concern for us is the tendency for existing firms, with good records of labour relations, to be bought up by financial conglomerates and then asset stripped and production 'consolidated' and plants closed.**

At the end of last year the Two Sisters/Northern Foods conglomerate sold off its Foxes Biscuit factories at Batley and Kirkham to another conglomerate, the Italian company Ferrero. Since then Ferrero has also bought Burton's biscuits with another four factories.

We are worried that we will see 'consolidation' with one or other eight plants involved being closed. Such closures have major impacts on small communities – where they are often the only major employer.

Similar consequences have been seen in Scotland with the closure of Tollcross factory – when the Turkish owned conglomerate Pladis shifted well-known brands to other factories in its chain.

This tendency to consolidation and monopolisation in the food industry is one that concerns us as a union and appears to have intensified during the last two years of Covid. On the one hand we have seen the government giving contracts to firms that have supplied school lunch boxes at ludicrous prices. On the other we have seen a doubling and trebling of families having to depend on food banks.

### “Right to Food Campaign”

Our union has backed the 'right to food' campaign and in Scotland worked with the former MSP Elaine Smith to support her Bill through the Scottish Parliament to make children's right to food one that is embodied in Scottish law.

As part of this campaign we also very much support the development of food production that is locally owned and controlled – either through cooperatives or by local government taking catering for social services and schools back in-house. There is also great scope here for NHS catering to be brought back from private combines. The work done by Preston Council and in Scotland by North Ayrshire Council are examples of how food quality can be improved and wealth retained in local communities.

### “More Powers for locally accountable government”

Their work underlines the need for more powers at this level of locally accountable government - where organised labour, like our union, can collectively protect wages and conditions and at the same time rebuild a food industry that is locally accountable to the people it serves.

## High Court rejects Welsh Government's challenge to the Internal Market Act

On 16 April the UK High Court rejected the case brought by the Welsh Senedd that Johnson's Internal Market Act withdrew from devolved parliaments powers previously possessed under the terms of the 1998 devolution Acts.

The judgement argued that the case brought did not refer to specific actions by the Westminster government but only to the general principle and was not therefore susceptible to legal decision.

The Welsh government had argued that the powers now denied referred to currently critical areas such as the environment and food production – as well as powers over state aid.

## Banker Sir Howard Davies puts bets on City's future

Writing on 16 May the former deputy governor of the Bank of England and current Chair of Nat West Group was optimistic about the future of London as a financial centre.

He noted that the City still dominated the Europe's capital markets – raising £8.3bn in the first quarter of 2021 against £5.4 billion in Frankfurt and £0.1 in Paris. 'It seems likely that London will remain Europe's largest financial marketplace by a considerable distance. It will remain plugged into a global network; transactions with European clients are perhaps a quarter of its business'.

He claimed that so far job losses in the City have been only one tenth of the 70,000 estimate in 2017 and almost half of City firms are currently planning to expand their workforces.

## Pound sterling's value rises against euro and dollar

**Sterling rose 1.25 per cent in May making a euro worth 86p – the pound's highest level against the euro for three years.**

This followed the Bank of England's decision to cut back Quantitative Easing by a third on 16 May and comments by members of the Bank's monetary policy committee about the need for an increase in interest rates in the near future.

Vince Mills, Joint Secretary of ROSE, noted that these policy shifts would be in line with the central position of the City in government thinking. 'Keeping London as a world banking centre is the government's prime objective but, as in the past, an artificially high pound will have seriously detrimental consequences for the rest of the economy.'



## Barnier calls for five year ban on 'Immigrants'

Michel Barnier launched his bid for adoption as Centre Right Gaullist candidate for the French Presidency by calling for a five year ban on immigration.

'The problems of immigration are not trifling. As a politician I know how to see problems as they are' and he went on to claim a 'direct link with terrorist networks' and call for ban on Moslem dress: 'we must clearly reaffirm that religious insignia cannot enter public space'.

Barnier previously served as a Cabinet minister in the Chirac and Sarkozy governments.



## **NATO military exercises off the Western Isles 8 - 20 May 2021**

Military exercises involving land, air and naval forces took place in the Western Isles over two weeks in May. The biggest exercises for a decade, Operation Strike Warrior covered the Sea of the Minch, Stornoway airport and the Qinetiq range in South Uist. NATO forces deployed 31 warships, three submarines, 150 aircraft and around 13,400 military personnel including 1,500 ground troops. Participating NATO nations were UK, USA, Denmark, France, Germany, Latvia, The Netherlands, Norway and Poland. Queen Elizabeth II was on active service for the first time – prior to next month's deployment to the South China Sea.

### **Cllr Andy Doig and Arthur West raise concerns about increasing EU militarisation**

On February 14th 2019 the European Political Strategy Centre published a briefing called - Joining Forces - the Way Towards the European Defence Union. This briefing highlighted how the EU/ NATO strategic partnership has become an integral pillar for strengthening the European Union. It openly refers to a shared vision of how the EU and NATO should act together against common threats.

A tangible expression of the EU's movement towards increasing militarisation is the continued development of what is known as EU Battle Groups which first came into being in 2007. These structures are heavily armed military formations of 1,500 to 3,000 troops operational for six months at a time. Two Battle Groups can operate at any one time and chillingly are able to go to war anywhere in the world within five to fifteen days notice.

Another sign in the direction of increasing EU militarisation is that from 2021 to 2027 an eye watering 13 billion euros has been assigned for the EU military budget.

However perhaps even more worrying is that another 10 billion euros has also been allocated to provide weapons to non-EU countries. It would seem that the direction of EU defence strategy seriously threatens the traditional neutrality of EU members such as Austria, Finland, Malta and Sweden.

However, it also puts a huge question mark over the SNP policies which support an independent Scotland joining NATO and taking steps to re-join the EU. Given the accelerated military direction of the EU and its closeness to NATO there could be increasing pressure to retain the presence of nuclear weapons in Scotland as a price for NATO membership and re-joining the European Union.

**The threat to a peaceful world posed by the European Union's military ambitions need to be highlighted and campaigned against by ROSE in partnership with Peace Movement organisations.**

**The most recent EU-NATO dialogue took place in June 2021**

[EU NATO cooperation 6th progress report June 2021.pdf](#)

## **EU STRENGTHENS LINKS WITH KAZAKHSTAN**

The European Union (EU) and the Republic of Kazakhstan held a 'constructive meeting' of the Cooperation Council with Kazakhstan's Deputy Prime Minister and Foreign Minister, Mukhtar Tileuberdi on 10 May.

The meeting confirmed the mutual commitment in further strengthening bilateral relations. The EU looked forward to the first official visit of President Tokayev to Brussels. The Cooperation Council reviewed the progress made in the implementation of EU-Kazakhstan Enhanced Partnership and Cooperation Agreement (EPCA), which entered into force on 1 March 2020.

### **Strategic minerals**

The EU has consolidated its position as Kazakhstan's first trading partner and first foreign investor with 41 percent of total Kazakh exports. Kazakhstan, which borders China, is central Asia's biggest state with major reserves of strategic minerals. It remains under dictatorial rule.

## **EU to increase role in Africa**

**EU Commission President Ursula Von der Leyen called for formal EU-Africa treaty relations during her visit to Ethiopia on 12 May – to conclude the initiative of begun by former Commission President Jean-Claude Juncker.**

Earlier in April Mrs Von Der Leyen backed calls for an African Green Deal on EU lines funded by the EU Investment Bank. On 7 May the EU Aid Commissioner Jean Borrell called for an urgent increase in EU military support for the government of Mozambique.

# Freeports, Greenports and Johnson's 'Levelling Up'

Johnson announced details of eight English 'Freeports' when he visited Tees-side on 11 May. All are in port areas apart from East Midlands Airport. Only three are in the North: Liverpool, Tees-side and Humber. They will seek to attract firms from elsewhere by reduced taxes, customs and planning regulations for the direct export of commodities overseas.

Prior to the election the Scottish government announced that it would seek funding from the UK government for its own 'Greenports'. These would operate within the same guidelines as those in England but require firms to pay the real living wage and to meet 'Green' sustainability criteria. Negotiations are continuing between Holyrood and Westminster on the acceptability of the Scottish government proposals.

Vince Mills, Joint Secretary of Rose notes that whatever dressing the SNP government puts on the proposals they will nonetheless remain within the same neo-liberal assumptions and lead to the same disruptive relocation of existing as the old 'Enterprise Zones. Scottish Government guidance to firms makes this clear despite the greenwashing. Its guidance reads "Prospective applicants can refer to the [Freeport Bidding Prospectus](#) for England for details of those sections, with which the Scottish Government intends the green port process to align."

## ROSE LEAFLETS

### EXTEND DEMOCRATIC CONTROL OF THE ECONOMY

The third ROSE leaflet in the series calling for greater democratic control is now available from: [foster631@btinternet.com](mailto:foster631@btinternet.com).

**Radical Options for Scotland & Europe**  
SPECIAL BRIEFING FOR 2021 SCOTTISH ELECTION  
**Defending and extending democratic control**  
Leaflet Three: **Public Ownership of Public Services**

**SCOTTISHPOWER**

**Who owns Scottish Power ?**

Scottish Power, a Spanish registered firm. Who owns Scottish Power? The largest shareholders are the Bank of Qatar and BlackRock, the world's biggest investment company. Is it right or sensible that Scotland's main source of power should be controlled by external investors primarily interested in maximising profits - rather than serving the needs of consumers in Scotland and of our productive economy?

The Scottish Trades Union Congress and almost all Scottish trade unions are committed to the public ownership of public services. So also, in terms of the 2017 manifesto, is the Labour Party.

Typically of public services, power, transport, telecommunications, postal deliveries, are currently in private hands. Current shareholders are investment companies driven to maximise profits by the demands of their investors. We see the results in the way they treat their workers (British Gas and British Telecom both using fire and water during Covid).

We also see in the way they treat consumers. How a letter gets on a bike, how your home or car is repaired - and you soon realise who pays and who benefits.

Important for economic development  
Public ownership, and a necessary responsibility to defend public interests, is important not just for individual consumers but also for economic development. These services are all essential for ensuring that production is efficient and effective - and also, for the future, ensuring that investments make the most contribution to Scotland's growth in the planned and otherwise way.

What does it mean for the real world? How Britain has left the European Union. The EU was committed to 'competition' and 'liberalisation' in the provision of public services and the limiting of public ownership. What do consumers are all essential for ensuring that production is efficient and effective - and also, for the future, ensuring that investments make the most contribution to Scotland's growth in the planned and otherwise way.

**Continued Privatisation**  
The general EU Council position. EU regulations have been central over the last 20 years.

**Stagecoach**



# The Right to Food Interview with Elaine Smith

**Former Deputy Presiding Officer of the Scottish Parliament, Elaine was until April MSP for Central Scotland**

*In the last session of the Scottish Parliament Elaine Smith lodged a Bill on the Right to Food which will be taken forward in the new Parliament by Rhoda Grant MSP. Elaine speaks here on why it is required and why it should form the basis of a new approach to the provision of food that is locally based and produced in ways that are directly responsible to those who depend on it.*

**'Forty five years ago I remember going into Glasgow with my father to deliver soup to the late night food kitchen in George Square. Four decades later it is a scandal that such provision has become more and not less necessary.**

'This was sadly demonstrated before Covid by the sharply increasing use of food banks. Covid itself demonstrated still more systemic problems with our highly commercialised food provision. It has long supply chains. It is largely dependent on multinational companies. And food production itself is conducted in conditions that too often compromises the health of both workers and consumers and at rates of pay usually well below the living wage.

### Inflation

'Now as Covid begins to recede we are seeing a global rise of food prices. According to the UN Food Agency some wholesale prices in June 2021 are up by 40 per cent on the year. Already in Britain this summer has seen a 6 per cent rise. On top the end of the £20 Covid benefit supplement, food price inflation will mean more children - and others - going hungry this winter.

## Page 6 Elaine Smith continued

This is why it is so important that the Scottish parliament agrees to make the right to food one that is written into the statute book and which every Scottish government has an obligation to implement.

'The Scottish government promised action on this front more than a decade ago but it is still only the youngest children that get free schools meals – and this largely because it was introduced in England in 2013 and the Barnett consequentials then enabled it in Scotland.

'However, the right to food goes way beyond simply supplying school meals. And the need itself was demonstrated by Covid. Asserting this right in law provides an opportunity for radical new approaches – for governmental interventions already pioneered elsewhere.

### Government action: Brazil

'In Brazil the right to food is enshrined in Brazil's constitution. President Lula Da Silva launched the "Fome Zero (Zero Hunger)" program to eradicate hunger and extreme poverty in 2003. In 2012 the Special Rapporteur for the Right to Food praised Brazil's example, highlighting the effectiveness of multi-year national framework laws on food.

'In India in 2008 the UN Special Rapporteur highlighted the country as one of the best examples in the world in terms of the justiciability of the right to food. The Progressive government of Manmohan Singh passed radical legislation such as the 2013 Food Security Act, which aimed to provide subsidised grains to 2/3 of India's people – even though today the Modi government is pressing back on these gains.

### Cuba

'In Cuba the right to food is also enshrined in the constitution. Cuba provides ALL children with free school meals. Every child in Cuba must have access to food, clothing and education. Cuba has also pioneered local organic food production and processing usually organised on a cooperative basis. This is a response to blockade but also of deliberate policy to ensure the quality and reliability of food supply.

'The Bakers union (BFAWU) in particular has raised the need for similar community-based initiatives in Britain. It argues that the very large amounts of food required by social services, by care homes, schools and hospitals – all paid out of the public purse – ought to be manufactured, and if possible grown, locally, using local sourcing and labour that is either organised cooperatively or through local government itself with trade union negotiated conditions. The examples of Preston and North Ayrshire show what can be done.

### Action needed to take this agenda forward

'It is currently deeply worrying that key necessities, such as milk supply, should be effectively monopolised by one multinational company and that a handful of big contracting companies dominate food supply for the NHS. This is not in the interests of either patients or the workers.

**'We need action by the forthcoming Scottish parliament to take this agenda forward – and also to demand the restoration of the wider powers of economic intervention which should have been secured as part of the EU settlement.'**

## Commissioner Vestager rejects claims of imbalance in EU approvals for State Aid during the Covid lockdown despite massive inequalities in unemployment



By value 51 percent of all EU approvals of state aid loans to Covid hit companies have been for German companies, a total of 3.4 trillion euros.

France was the next biggest with 14 percent of approvals by value. However, approvals of state aid to companies in Italy and Spain made up only 4 percent respectively.

### 15.4 per cent unemployment in Spain

Unemployment is, however, lowest in Germany at 4.4 percent and relatively low in France at 7.3 percent. Levels in Italy were at 10 percent in Italy and 15.4 percent in Spain.

## AFFILIATE TO ROSE

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

Name \_\_\_\_\_

Address \_\_\_\_\_

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

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.