

Radical Options for Scotland & Europe



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Legislation currently in Westminster

JOHNSON'S NEW POWER GRAB

A Subsidies Control Bill was laid before parliament in summer 2021 and will, as amended, become law later this year. **A Green Paper on public procurement** was issued in March 2021. **A Bill** will go before parliament in the autumn.

Both will operate, in general, within the terms of the Trade and Competition Agreement (TCA) signed with the EU in December 2020 and embodied in the Internal Market Act. They will do so alongside the World Trade Organisation's Government Procurement Agreement (GPA) renegotiated by Britain in 2020 and which came into force in January 2021.

At the same time Johnson plans a radically new industrial policy outlined in his 'Levelling Up' speech on 15 July. This will be presented to parliament in a White Paper this autumn.

Collaboration with big business

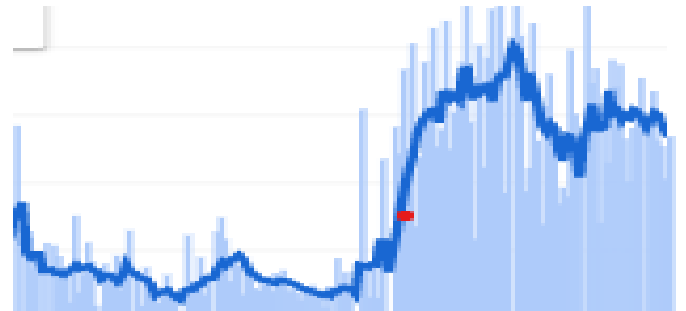
Johnson made it clear in his speech that his industrial redevelopment will be based on a new level of collaboration with big business and that jointly big business and the Westminster government will seek partnership with local communities and councils across Britain – including within the devolved administrations of Scotland and Wales. Up to £50 billion has been allocated to fund such local and regional big business partnerships.

Simultaneously the Subsidies Control Bill and this autumn's Bill on public procurement will rob the Scottish Parliament and the Welsh Senedd of the powers over industrial policy devolved under the 1998 Acts of establishment. Westminster will have the same ultimate say over State Aid as the EU did previously and will also control the terms set for public procurement.

While there may be somewhat greater latitude for social and local needs in the new legislative rules, it will be Westminster that will decide. Westminster will also control in the coming

Mercedes Vilalba MSP and Jackson Cullinane p 2 Mark McHugh p. 3 FreePorts and GreenPorts p. 4

EU's VACCINE SURRENDER



Rising Covid cases in DR Congo

In June the EU Commission rebuffed a move from President Biden and a majority vote in the EU Parliament and argued that patents rights on vaccines could not be waived without weakening commercial supply. Germany and France host a number of the world's biggest of pharmaceutical companies.

Previously the Secretary General of the World Health Organization had called for a waiver that would enable poor countries to access vaccines cheaply. He pointed out that at that stage those living in poor countries, 50 percent of the world total, only had access to 17 percent of the vaccines. In Africa only 2 percent had been vaccinated.

This August, Parsa Erfani writing in the *British Medical Journal*, reported that as of the summer of 2021 only 6.9 percent of the population in low income countries had received one vaccine dose, infections were spreading rapidly and that this increased the likelihood of new variants. On 31 August South Africa confirmed the identification of a new variant.

budgets will be squeezed both by inflation and direct cuts.

We say

Boris Johnson is currently making a power grab. He is seeking to centralise power both economically and politically across Britain and is doing so through a new active partnership with the biggest of big business.

Laws currently going through parliament will effectively withdraw the 1998 powers of devolved institutions in Scotland and Wales over economic and industrial policy. In England the post-EU legislation will equally remove ultimate powers over independent 'community wealth building' from councils and regional authorities.

However, Johnson's initiative is not just about 'protecting the Union' by centralising economic power. There is a deeper objective.

It is to remould public attitudes towards big business. It is every bit as fundamental as that pursued by Mrs Thatcher in the 1980s when she launched 'shareholder' capitalism as a cover for mass privatisation. Remember the advertising hoardings. Everyone could buy shares. Everyone could become a capitalist.

Thatcher and her big business allies launched this programme after a decade in which a mass trade union movement had directly threatened the power of the big monopolies.

Prevent, conceal, forestall

Again, between 2016 and 2019, the Labour Party under Corbyn posed a massive threat of renewed labour movement mobilisation explicitly challenging the powers of big capital. This was overcome. But the memory remains – and it remains at a time when Johnson and his advisers know they face a new crisis of unprecedented magnitude. Johnson's programme is to prevent, conceal and forestall.

Covid exposed the Tory destruction of the welfare state. 130,000 deaths stand testimony. The government blew £400 billion in an attempt to cover up – mostly in handouts to contractors and finance companies. Now it has to get it back. It will use direct cuts. It will use inflation. And it will have to do so at a time when too many people have already seen the predatory nature of the big monopolies.

What's the plan of Johnson and his advisers? It is to make us all love big corporations, to see them as partners in a time of trouble who bring us jobs, housing, amenities and infrastructure – when councils and devolved governments can't.

He outlined this plan in his 'Levelling Up' speech on 15 July. His Tory government stands ready, he said, to deal with the real problems of poverty and social deprivation and to do so - not through the 'failed socialism' of the public sector – but in partnership with business. And, more specifically, by getting local councils and communities themselves to become active partners with private enterprise. Funding for councils and devolved governments will be cut, directly or indirectly. But programme after programme will pour billions into the coffers of contractors and monopolies if they work in partnership with the Johnson government and local communities to 'serve the people'.

'Build Back Better' gets £10 billion – dependent on 'partnership' with local councils. This is equally so for the £5 billion High Street 'Restart' programme. The 'Green Revolution' gets £15 billion. Another £20 billion goes to companies siting new plants, such as those for electric cars and carbon storage, in areas of deprivation.

This is the challenge. It is why the labour movement and those in the Scottish parliament need to heed the call of Rose's 12 August meeting to expose and defeat Johnson's grab for post-EU economic powers and speak out against the raft of legislation currently going through Westminster.

Rose's 12 August public meeting 'Powers for a People's Recovery'



Mercedes Vilalba MSP poses the questions

The title for this discussion is 'Powers for a people's recovery'. Introducing myself I am one of the new Labour MSPs elected in May and I represent North-East Scotland.

ROSE was formed to bring together people in the trade union and labour movement who wanted to ensure that the new post-EU freedoms were used to protect workers' rights at work and politically to enhance the freedom of people in Scotland. That is the power to develop public ownership and to assert democratic control over the economy, using state aid and new controls over public tendering. These are immediately relevant powers – ones that could ensure, for instance, that we could develop comprehensive public ownership for Scotland's transport.

It is important also to define the context. Last year the Westminster parliament passed the EU Trade and Cooperation Act carrying forward in British law many of the EU prohibitions on state aid and public procurement. The Internal Market Act then concentrated these powers in the hands of the Westminster government – taking away powers previously devolved to Scotland and Wales in 1998.

Currently the Subsidies Control Bill is going through the Westminster parliament prohibiting any subsidies that distort competition and again consolidating Westminster control.

The questions facing this meeting is how to develop a wider strategy to counter these centralising moves and win back the powers originally granted to the Scottish Parliament in 1998 to assert democratic control over the economy.



Jackson Cullinane defines the challenge

Mercedes spoke about strategies for moving forward using the new powers post-EU powers. I think currently we have to focus on the problems we still face.

I don't want to re-run the Brexit debate. But I should stress that the position of my union, Unite, of Remain and Reform, was chosen with some care. Unite wanted reform because it clearly recognised the problems with the EU.

Our immediate challenge is that these EU problems, above all the lack of democracy, have simply been transferred to the management of economic and industrial policy in Britain.

“Unelected EU Commission”

In the EU an unelected Commission initiates all legislation and policy. The elected EU parliament can at best only amend. The same goes for implementation and enforcement. It is the EU Commission that makes the decisions on state aid. It is the Commission that decides if member governments are able to assist industries in distress. And, no less important, it is the EU Commission that sets the limits on public spending and public borrowing and does so, by and large, within monetarist, neo-liberal limits.

Now, unfortunately, the enforcement of these restrictive powers, as defined by the EU, has simply been transferred to the UK government – and this, in turn, has been largely accepted by the Scottish government in its ‘EU Constitution Legal Continuity Bill’.

The Scottish government told us that the EU rules prevented it from directly awarding Scotland's ferry routes to the publicly-owned CalMac and forced them to invite tenders. They refused to provide direct state aid to BiFab because of EU rules. They ruled out public ownership to save the Caley Rail Workshops - despite being offered the site and £1 million by the previous owners. And, apparently on the basis of EU rules, they opposed all amendments to the Procurement Bill, which would have banned zero hour contracts and blacklisting and made the living wage and training standards mandatory in all public sector contracts.

Failing to offer any effective challenge

Similarly today we find the Scottish government failing to offer any effective challenge to the power grab by Johnson and the UK government as it takes over policy enforcement from the EU. Bills currently going through Westminster will limit, maybe even remove, the powers over industrial policy as devolved to the Scottish and Welsh governments in 1998.

This includes the ability to develop Community Wealth Building that seeks to keep spending power in local economies and under local democratic control. In the May elections we saw such policies, as administered in Preston and Salford, receiving overwhelming support.

Immediately we face two urgent crises demanding democratic intervention.

There is the post-Covid task of rebuilding the economy. And there is climate change. The British government's policy on renewables is simply to let the market rip ‘to drive down prices’. Yet both crises can only be resolved by the democratic assertion of public interest against market forces, vested interests and profit.

Is there a way out? Yes – through explaining and organising. We have allies. There are local councils some of which want to assert democratic control and take services back in house. There is the environmental movement. There is, of course, the trade union and labour movement, representing working people with a direct interest in resolving the challenges posed by both Covid and Climate change.

These are the allies that must be mobilised against those who defend the status quo - and that currently includes both the UK government and the Scottish government.



Mark McHugh describes Scotland as it is

Mark is an officer of the Bakers, Food and Allied Workers in Scotland

I have experienced current crisis working as an officer for our union. We have been battling both in the private sector in the food and baking and also for a new but related sector, that of interpreters as employed in the public sector.

Catering and food are traditionally low paid occupations – up to 90 percent are on low pay. Yet furlough meant that our members and their dependants had to survive on 80 percent of what was already poverty pay yet still having to pay 100 percent of their rent and other necessities. And this was despite those employed in food production being described as ‘key workers’ and required to work, during the Covid labour shortages, intensively through night and day.

“£6 million profit is £6 million profit”

We had some very difficult wage negotiations. Production and profits went through the roof. Yet employers were insisting they could not afford wage increases. Well, six million profit is six million profit. And at the same time as trying to secure justice for existing workers we had to ensure that new workers, often replacing migrant workers going home, were given full and appropriate training.

Since then we have witnessed employers offering incentives of up to £1,000 to workers to stay – especially in logistics and delivery. So we have seen poverty, and food poverty, at the same time as employers willing to splash out to grab key workers.

“Right to food Campaign”

In terms of building alliances the ‘right to food’ campaign, as developed on Merseyside and elsewhere, offers important lessons on how to win allies in working class communities. It has highlighted food poverty as well as the poverty of food workers. In the north-west Ian Byrne MP has been mobilising football clubs on the issue. We should take note.

Our work with interpreters equally reveals key problems that have to be addressed in the public sector, particularly the use of agency workers on subcontract with very limited rights.

We now have a branch of interpreters with up to sixteen nationalities originally recruited from those involved in the food sector but spanning all aspects of the public sector, the NHS, courts, police services and social care.

Pay calculated by the minute

These workers are hired through agencies that are paid up to £35 an hour. Notionally the interpreters can be paid up to £17 an hour. But often they are paid much less – as their time is usually calculated by the minute used. In the courts and child protection services they may get just 40 minutes before they are sent home. So £17 a day if they are lucky.

Powers for a people's recovery (cont.)

A lot work in the NHS but they get none of the protection and rights of direct employees. They are on 16 hour or 24 hour contracts. None got the £500 payment. We have raised this with relevant ministers, Jeanne Freeman and Humza Yousaf, with no real response. Now, increasingly, interpreters have to work remotely with zoom. Again they are paid by the minute not hours.

There's a real fight out there. The challenge is poverty and insecurity – and it is everywhere.

As our chair noted, it's a pity that the Scottish government voted down the amendments to procurement legislation on zero hours contracts and other workers rights.

Reports from discussion

The Group led by Vince Mills agreed with Jackson Cullinane on the potential seriousness of the obstacles placed by the EU in the way of redeveloping democratic control and the incorporation of EU procurement and state aid rules into UK law.

The Group instanced the way EU procurement rules had prevented the municipal council in Grenoble from sourcing organic food locally – because 'geography' was not a criteria for procurement. Equally an attempt to stop electricity companies from cutting off supply to households in deficit was blocked because the EU's 'right of establishment' which guaranteed the right to conduct business profitably. Similar restrictions had been placed on progressive local government in Naples.

If incorporated into British law and imposed on councils such as Preston and North Ayrshire, these EU procurement and state aid rules would seriously compromise plans for community wealth building. It was therefore important to build a broad alliance of forces to oppose – including green activists, local small businesses as well as the trade union movement and its 'community' arms such as local trades councils and Unite community branches.

The Group led by Pauline Bryan felt that the Scottish government, in dealing with existing EU regulations in the past, should have fought and challenged bans on socially desirable interventions to save jobs or to procure locally.

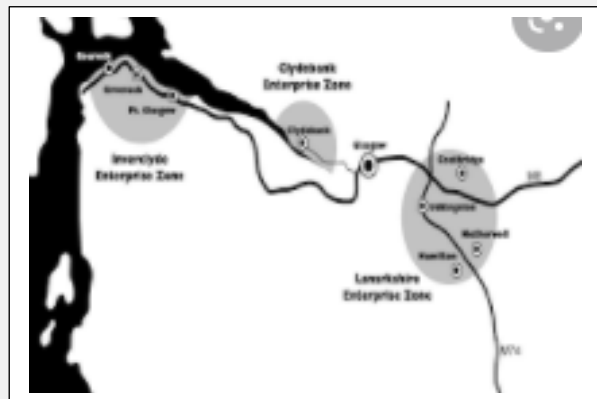
That, at least, would have prepared the ground for resistance to Johnson's centralised imposition of market regulations now. The Scottish government, rather than challenging, had pre-empted EU bans by imposing them itself. This, as well as its support for the EU, has unfortunately weakened its ability to fight back.

This is especially important in terms of the procurement legislation currently going through the Westminster parliament. There needed to be an immediate campaign to ensure, for instance, that local authorities and other public bodies had the powers to ban contractors who blacklisted labour, excluded trade unions or who imposed zero hours contracts.

Mark McHugh's description of the plight of interpreters brought to mind the way dockers used to have to fight among themselves for a few hours work on the dockside. But interpreters were just one of many occupations recently casualised and outsourced to agencies. We needed to reverse this and ensure that the current procurement legislation did not set up new obstacles to fair employment.

Another danger in Scotland was the government's plans for a 'national' Care Service. Legally it appeared that the intention was to set up a quango outside the public sector. This would deprive many workers of the protections currently enjoyed in the public sector – and would not necessarily eliminate the exploitative conditions that resulted in such disastrous mortality during Covid. We should be making the counter demand for the full municipalisation of care at local level in a coordinated way.

Climate change presented the movement with very strong arguments for the need to concentrate as much production as possible locally and to minimise long distance travel. Here again there were opportunities for new allies in the green movement.



Thatcher's Enterprise Zones on the Clyde. They were later found have generated zero new jobs

FREEPORTS AND GREENPORTS

A Note from Phil McGarry

FreePorts originate from the report by Rishi Sunak MP published in 2016 by the right-wing think tank the Centre for Policy Studies. They are modelled on Free Trade Zones in the US.

Over 30 bids have been submitted. Some, like Teesport and Harwich have confirmed that they have submitted but the full list is expected to include Milford Haven, Grangemouth, Dover, Southampton, London Gateway/Tilbury, Hull, Port of Tyne, Poole, Teesport and Harwich/Felixstowe.

In Scotland the SNP government adopted the name 'Green Port' for zones which will operate under the same regime. They will be freed to import components with little or no tax and then re-export – though as 'Green' ports there would be a requirement to pay the real living wage and 'commit to supporting sustainable and inclusive growth'. They would, as with FreePorts, be based on private sector firms.

A full ROSE Briefing will be issued later in September.

AFFILIATE TO ROSE

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

Name _____

Address _____

Fee _____

Cheques payable to ROSE: 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.