

Radical Options for Scotland & Europe



Published by Radical Options for Scotland and Europe

February 2022

Green Freeports & the White Paper on “LEVELLING UP”

A business partnership agenda

The Levelling Up White Paper was finally published after two month's delay on 2 February. The full text is at <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>. As part of this Levelling Up agenda Johnston visited Scotland on 14 February to launch the Green Freeports deal agreed the SNP government.

The White Paper begins: The UK is an unprecedented success story'. But continues 'while talent is spread equally across our country, opportunity is not. Levelling up is a mission to challenge, and change, that unfairness. Levelling up means giving everyone the opportunity to flourish... It needs to begin by improving economic dynamism and innovation to drive growth across the whole country, **unleashing the power of the private sector to unlock jobs and opportunity for all.**'

Freeports are an example. Firms will be exempt from most taxes and tariffs and some regulations. Although the SNP government claims that it has negotiated the payment of the Real Living Wage by firms locating there, Ross Greer on behalf of the Green Party has condemned the deal as a 'surrender to a corporate agenda'.

Very similar to Mrs Thatcher's Enterprise Zones they are likely to result in the relocation of existing firms rather than new jobs – with little to stop firms taking the subsidies for a period and then moving on.

The White Paper, which is itemised in more detail in ROSE briefing 46, presents an agenda for intervention in all parts of the 'UK' by the Westminster government. It seeks to ensure directly elected leaders, city mayors or county governors, in all areas by 2030.

The Levelling Up administrators will then supply development funds on condition that there are deals with 'private sector'. These deals will include the handling of public procurement contracts jointly between Whitehall and local 'leaders'. In Scotland Whitehall will deal directly with City Region cabinets. The Scottish and Welsh parliaments seem to be excluded.



GAS RIP-OFF: SCANDAL OF PRIVATE SECTOR PRICE GOUGING

Households face a 54 per cent increase in energy bills this Spring. Where does the gas come from? Over 50 percent from the North Sea (15 years ago it was 100 percent). 9 percent now comes from Qatar and the other 39 percent from Norway, the Netherlands and Belgium. Not 'the Russians'.

Does it cost any more to produce than in 2019? Not at all. Ask any rig worker. The big companies are profiteering. Shell's earnings have quadrupled in a year.

Previously much of the gas was flared off in the dash to extract the more profitable oil. Today most of the North Sea gas assets have been sold off to externally controlled multi-nationals. Of the 22 billion cubic metres currently extracted, all but 5.5 billion are controlled by externally owned firms (the biggest Total and Harbour Energy). And for those that are British-based, Spirit Energy and BP, substantial share holdings are external: two US investment companies, BlackRock and Vanguard, own over 20 percent of BP. That's where the profits go. **What does this say about big business as the guardians of our future and vehicles for Levelling Up?**

We say

The need for a trade union and labour movement campaign for economic democracy was highlighted on 14 February when Johnston visited Scotland to unveil plans for 'Green Free Ports' sponsored jointly with the Scottish government.

The SNP's partners, the Scottish Greens, were quick to condemn the initiative. Its spokesperson, Ross Greer, described 'Green Freeports' as a capitulation to corporate interests.

Johnson's Free Ports are indeed symbolic of his entire 'Levelling Up' programme. It is, to quote from the document itself, about 'unleashing the power of the private sector'.

Curbing democracy

Worse than this, it is about simultaneously curbing what remain of the democratic powers of the devolved institutions of Scotland and Wales over economic policy and forcing local government across Britain into dependent partnerships with big business.

In this Bulletin Labour Peer Pauline Bryan describes the legislation currently being carried forward in Westminster that will a) concentrate powers over the Internal market unilaterally in the hands of Westminster b) do the same over powers to grant State Aid (critical for both preventing closures and regional industrial regeneration) and c) give Westminster ultimate control over all aspects of public procurement – the vast sums of public sector money currently paid out to the private sector for supplies and services.

Under the 1998 Acts that created the Scottish and Welsh parliaments powers over economic and industrial policy were effectively delegated. This legislation snatches them back.

Agents for corporate interests

Worse still, Johnson's Levelling Up programme quite cynically seeks to convert local government into effective agents for business interests. At a time when council grants are being shredded, Johnson's Levelling Up programme will offer massive 'development' grants on condition they are administered jointly with private sector contractors: 'unleashing the power of the private sector'.

In England the government plans to shift legal powers away from elected councils and to have 'mayors' and 'governors' elected on US lines by 2030 for all areas. In Scotland it will operate through City Region cabinets – bypassing both directly elected councils and the Scottish parliament.

It is the reverse of what Labour under Corbyn proposed: that at British, Scottish, Welsh and local government level structures would be developed, jointly with trade unions, both for publicly controlled economic development and for enhanced public control over existing businesses to ensure development and investment – not asset stripping and profiteering.

As insidious as Thatcher

This democratic agenda is what Johnson and his big business associates want to avoid at all costs. Its planning is as deliberate and insidious as Thatcher's programme of privatisation in the 1980s.

This is why the STUC's alternative economic programme is so important and why the motions coming up at the coming conference in Aberdeen are so timely. Like Wales, as Beth Winter describes in this Bulletin, Scotland needs to help lead the fight-back across Britain for democratic control of the economy – and to expose Johnson and his big business programme.



Beth Winter MP

Describes how the Welsh Government is campaigning for powers to enable the development of a democratically-controlled economy in Wales. She is MP for Cynon Valley

“This is a key moment in the political life of Wales. The Welsh Government has entered a new stage through the recently announced Cooperation Agreement between Labour and Plaid Cymru.

This is an important agreement not only because many of the policies are progressive but also because two political parties in Wales are working together across party lines to agree and implement these policies.

The move to this kind of joint working has been met with a deafening silence from Westminster – across the party divide. But we were able to do it in Wales because our political leaders understand that they are in power to serve the interests of the people they represent. And they've listened to campaigning organisations including People's Assembly Wales, Bevan Foundation and Child Poverty Action Group.

These ideas have not appeared from above but have been voiced by campaigners over some years.

Withholding Legislative Consent

Welsh Government has made clear its opposition to the draconian policies of this Tory Government and its anti-democratic Bills and has withheld legislative consent from Westminster where possible. It is clear that there is a different tone and a different policy position developing in Wales which is more meaningful than all the adversarial name-calling and grandstanding of Westminster.

But these battles cannot be won by opposition from within the Senedd alone – that is clearly understood in Wales, and campaigning organisations throughout the country are voicing their continued opposition to this appalling Tory Government.

Trade Union Rights

Relationships with the trade union movement in Wales are solid – which doesn't prevent trade union leaders from criticising the actions of Welsh Government as they have done over nurses' pay. But Welsh Labour led Governments have always stood up for trade union rights, and Wales is leading the way in developing an inclusive, largely foundational, economy taking a social partnership approach to promote fair work. In 2017,

The Welsh Government has passed the Trade Union (Wales) Act, welcomed by the Wales TUC as a step in the direction of partnership working in the public sector.

Here is a flavour of some of the most recent ideas and proposals being developed in Wales.

- Free school meals for all primary school children
- Exploring developing a publicly owned energy company for renewables
- A freeze on building new roads
- Building our own electric buses instead of importing from abroad
- Establishing a national construction company to improve the supply of social and affordable housing
- Establishing a Community Bank for Wales
- Setting up a National Care Service
- Proposals on fair rents, ending homelessness
- A local procurement strategy and community food strategy.

Not only do we need to protect devolution, we need to strengthen it, and give more powers to the devolved nations. Our First Minister, Mark Drakeford, has spoken of a federal system – of four equal nations. That is why a Constitutional Commission for Wales, involving academics, trade unionists and politicians, has been established.

Constitutional Commission

Fundamentally this commission will, after wide consultation, develop proposals on the need to reform the constitutional structures of the UK, and to develop all progressive options to strengthen Welsh democracy and deliver improvements for the people of Wales.

Yes- we still face many challenges but these are not insurmountable if the political will to build a fair, green, equitable society is there. In the words of the Cooperation Agreement: *“The commitments in this agreement build on shared values of social solidarity, a sustainable planet and a vibrant democracy”*



Labour Peer Pauline Bryan describes Johnson’s grab for powers over state aid and public procurement

Since leaving the EU the Johnson government has set out its framework for replacing three areas previously governed by EU rules.

These are the internal market, in the UK Internal Market Act 2021; subsidies or state aid, currently passing through Parliament in the Subsidy Control Bill; and public procurement which was the subject of a Green Paper¹ and a subsequent government response.

Clearly the government’s intentions are to retain a grip on economic policy throughout the UK and to prevent, where it can, devolved governments adopting radically different economic. The Internal Markets Act, the Subsidy Control Bill and the Green Paper on public procurement are designed to allow the UK government to make direct interventions into devolved economies.

Subsidies for Business

The government is clearly not against subsidies for business. Subsidies are an important part of how the so-called free market operates. They can take the form of grants, loans, tax breaks, awarding contracts, and any number other routes. But it also includes subsidising low pay through working tax credits to enable employers to get away with below poverty level wages.

The Subsidy Bill is substantially different to the EU’s regulations. The EU required that a subsidy was approved in advance. The new UK regulations will assume a subsidy can go ahead if it meets the criteria laid down in the Bill and if there is no objection. This is more in line with the World Trade Organisation’s approach. The Bill is favourably disposed to handing out subsidies to the private sector but doesn’t recognise that public ownership should be an option.

The Minister moving the Subsidy Bill in the House of Lords stated that “For the first time, local authorities, public bodies and the devolved administrations in Scotland, Wales and Northern Ireland will be empowered to decide for themselves if they can issue taxpayer-funded subsidies” but he went on to clarify that this will be “by following a set of UK-wide principles”. They will have the freedom to act but only in the constraints set down the Tory government.

Different perspectives in Wales and Scotland

The devolved governments have different political perspectives. Wales has a government committed to ethical employment practices. It would require business seeking subsidies to demonstrate fair working practices including the right of employees to join a trade union. The SNP are of course committed to staying as near as possible to EU rules even though they often claimed these restricted their ability to intervene on subsidies and procurement. The Scottish Government’s explanation for denying legislative consent states the Bill impacts on devolved areas of economic development. The same of course could be said of the EU.

The shape of any forthcoming legislation on procurement is likely to reduce the bureaucracy of the EU regulations replacing it with “a light touch regime”. It claims to make procurement simpler, more open and competitive, that will work for British business and make it easier for small businesses and voluntary, community and social enterprises to win public sector contracts.

Relaxation of regulations for the private sector

While the Tory government is taking back control, it is determined not to share that control with devolved administrations. Any relaxation of regulations will be for the benefit of the private sector and will be paid for by working people through their taxes.

2022 STUC Agenda

The STUC preliminary agenda contains a range of important motions on Scotland’s constitutional future and the defence of existing economic policy powers.

87 from Clydebank calls for the resumption of work for a TU-led constitutional convention. Resolutions from Unite and CWU (**5 and 53**) call for initiatives on Community Wealth Building. **40 and 89** from Edinburgh TUC and Dundee TUC call for a TU led campaign, joint with the Welsh TUC, to restore Scottish and Welsh parliamentary powers over economic and industrial policy and increased borrowing powers for public sector wealth-building investment. **28** from RMT and **31** from Glasgow TUC call for public ownership, respectively, in the ferry industry and bus transport.



EU outsources control of refugees to Libyan militias

From
Frieda Park

Priti Patel's anti-refugee bill is making its way through parliament, with the principle aim of preventing refugees getting to Britain. The EU also has this objective with its notorious Pact on Migration and Asylum.

One example is that since 2017 the EU has funded the Libyan coastguard to prevent refugees from making it to Europe, effectively shifting the EU border to the Libyan coast. This has been successful – numbers arriving from Libya to Italy have slumped by 44%. However, the impact on refugees has been horrendous. The estimated risk of death for those attempting to cross has risen from 1 in 50 to 1 in 20.

There is little effective government in Libya and the “coastguard” is in fact run by local militias. In 2018 the EU asked the International Maritime Agency to create an inappropriately named “search and rescue zone” stretching more than 100km from the Libyan coast thus giving the militias jurisdiction well into international waters. Meanwhile organisations rescuing refugees in the Mediterranean are often barred from entering ports in the EU. Italy closed its ports to boats with refugees in 2018 when it stopped its own search and rescue missions.

Detention Camps

The detention camps refugees are being held in in Libya are even worse than those in Europe with tens of thousands enduring squalid conditions, torture and physical and sexual abuse. Detainees may also be forced into slave labour and prostitution. There have been killings by guards. Individuals are coerced into requesting payments from their families to secure their release – an average of \$500 per person. Despite all this being well-known, the EU continues to fund the scheme.

The EU has given the militias six fibreglass boats, dozens of four-wheel drive vehicles and hundreds of radios, uniforms and satellite phones worth tens of millions of Euros.

Frontex, the European coastguard agency, runs arial surveillance of refugee movements with the information ultimately being passed on to the militias. The EU pays for some basic essentials for refugees detained: a sleeping bag, soap, an ambulance to take them to hospital if needed and, if they don't survive, a body bag.

The new Rose website www.rose-scotland.org

And the new twitter account
@Radical Options

The website contains details of activities and videos on New CCT regulations and Community Wealth Building https://www.youtube.com/watch?v=gaKM_sqXteM Public Ownership and Johnson's new regulations <https://www.youtube.com/watch?v=-Z8TtoruORg> State aid, closures and the powers of the Scottish parliament <https://www.youtube.com/watch?v=202M0IU14yE>

Letter from Cllr Andy Doig published in the *National* on 12 February

I am extremely relieved that both your columnist, Kevin McKenna, and my old friend, Brian Lawson, share my deep scepticism about why the SNP leadership appear to be leading cheer-leaders for a corrupt English Tory Government, anxious to deflect attention from domestic scandals, by cuddling up to the Ukrainian Government. They will not be alone and many SNP members and activists will I am sure share their concern.

I want to place on record that all nations, including Ukraine, have the right of national self determination. Sadly, with his characteristic dripping condescension Alyn Smith MP portrays Scotland's interests on the international stage as a false choice between continuing to fly along in the slipstream of Anglo-American interests as part of NATO after independence – regardless of the continual and long-term danger this may pose to the security of the Scottish people – or being “irresponsible”.

Presumably Mr Smith believes then that non NATO EU members such as Austria, Sweden, and Ireland are part of an axis of irresponsibility by quite sensibly not wishing to surrender their national sovereignty to Washington DC.

Can I remind Mr Smith that officially neutral countries, like the aforementioned three, often contribute to UN peacekeeping missions and in that sense both punch above their weight in international defence terms, and also show considerable responsibility to other sovereign states riven by civil war, external threat, or similar military discord. The SNP's traditional defence stance was based on the primacy of the UN not on any action which NATO may decide to take in its own interests. Mr Smith and the current SNP leadership can try and justify their new multilateral credo in defence terms (as shown by the SNP response to the last Westminster defence review), but after two centuries of Scots being used as cannon fodder by successive unionist Westminster governments in many wars and conflicts, please forgive my lack of enthusiasm.

AFFILIATE TO ROSE

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

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Address _____

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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.