

Response to the Advisory Group on Economic Recovery

[About the STUC](#)

The STUC is Scotland's trade union centre. Its purpose is to co-ordinate, develop and articulate the views and policies of the trade union movement in Scotland; reflecting the aspirations of trade unionists as workers and citizens.

The STUC represents over 560,000 working people and their families throughout Scotland. It speaks for trade union members in and out of work, in the community and in the workplace. Our affiliated organisations have interests in all sectors of the economy and our representative structures are constructed to take account of the specific views of women members, young members, Black members, LGBT+ members, and members with a disability, as well as retired and unemployed workers

Recover, Rebuild, Renew: A Fairer Economy for Workers

The coronavirus crisis has laid bare the unfairness at the heart of our economy. Even before the crisis poverty and inequality were rising and austerity weakened our public services, our communities, and our wellbeing. Precarious work and bogus self-employment are growing features of our labour market and, as the crisis exposed, many companies now rely on flawed and exploitative business models.

The need for change is widely recognised. Ending austerity and addressing the growth of in-work poverty are priorities for governments across the UK and debate in Scotland is already focused on Fair Work and the creation of a wellbeing economy, departing from narrow concepts of growth. The need to address climate change and move to a more localised and greener economy remains the greatest challenge facing our generation and securing a just transition should be at the heart of our recovery strategy.

This crisis has required widespread government intervention to shore up the economy and protect jobs and living standards. As we move forward, it is essential that this supportive and interventionist approach continues, and we must seize this opportunity to make real and lasting change. We must take action to rebuild fairness within our economy, ending poverty and inequality; properly resourcing public services; driving Fair Work, improving job quality and security to raise living standards; and providing a robust safety net for everyone in times of need.

We must also focus on social justice by taking action to ensure that every community, the length and breadth of Scotland thrives. We need to breathe life into our communities, by investing in essential local services, shifting power to people and reinvigorating local democracy, ensuring no-one is left behind.

Fair Work

Scotland must become a Fair Work Nation where security, opportunity, fulfilment, respect and effective voice are a reality for every worker in every workplace. To secure Fair Work the Scottish and UK Governments must work together to:

- Raise the national minimum wage to £10 an hour
- End precarious work in all its forms, including through zero-hours contracts, umbrella contracts and bogus self-employment.

- Make all employment rights legally enforceable from day one.
- Only provide government funds – through procurement, contracting and commissioning – to employers that recognise trade unions in their workplace and apply union negotiated rates of pay.
- Place effective voice at the heart of corporate governance and encourage sustainable and ethical business models.
- Expand collective bargaining coverage and create sectoral agreements in childcare, social care, hospitality and tourism.
- Create sectoral forums across all sectors of the economy.
- Devolve employment law and give right of access to trade unions to all workplaces.
- Rebuild enforcement agencies like the Health and Safety Executive, increasing their budgets and bringing back regular workplace inspections.

Equality

It is essential to value and support everyone who lives in Scotland, eradicating discrimination and inequality in all its forms. The Scottish and UK Governments must work together to:

- Eradicate the disability employment and pay gap and the race and gender pay gaps.
- Ensure a day one right to flexible working for all workers.
- Ensure 10% of all apprenticeships go to disabled workers.
- Resolve all outstanding equal pay claims across the public sector in Scotland.
- Create a zero-tolerance approach to racism, sexism, homophobia, transphobia and other forms of discrimination and harassment in the workplace.
- Devolve equality law.

A Real Safety Net

Everyone needs a strong safety net and our social security system should protect against poverty rather than create it. We urgently need an economy where everyone is protected and supported throughout their lives. The Scottish and UK Governments must work together to:

- End universal credit, while protecting the incomes of those already receiving the benefit.
- End all benefit caps including the two-child limit on child benefit.
- End benefit sanctions.

- Replace Work Capability Assessment with medical assessments run by the NHS.
- End DWP's target based culture and the outsourcing of contracts to the private sector and provide a person-centred approach to social security provision.
- Raise the weekly level of statutory sick pay to £320 a week and removing the lower earnings limit.
- Enshrine in law a right to access healthy, affordable and nutritious food and properly fund public services to do this.

Rebuilding public services and renewing public ownership

As we emerge from the crisis, government must not only ensure we recover from the pandemic, and reward those workers who cared for us, but also undo the damage of a decade of austerity. It is also time to recognise the role that public ownership can play in rebuilding and renewing our economy and all public services should be in public hands. The Scottish and UK Governments must work together to:

- Deliver a pay rise for all key workers.
- End outsourcing across public services.
- Properly fund public services including health, education, emergency services and central and local government recognising their essential role supporting a wellbeing economy.
- Commit to public delivery of social care and early years education.
- Provide funding to local authorities to set-up municipally owned bus companies.
- Renationalise our railways.

A Just Transition

Planning for net zero carbon and a just transition for workers across the economy is essential and supports the rebuilding of our industrial capacity. Scotland has extensive natural resources but at the same time, the collapse in the price of oil threatens the livelihoods of thousands of workers in the North Sea and associated supply chains. We risk losing thousands of highly productive workers whose skills are crucial to transitioning to a low-carbon economy. The Scottish and UK Governments should work together to:

- Fund emergency infrastructure stimulus to support Scotland's economic recovery.

- Introduce a comprehensive housing programme to improve the energy efficiency of homes to tackle fuel poverty and climate change.
- Set up a national construction and infrastructure company to drive forward change and support high quality employment.
- Develop a clear strategy for infrastructure procurement increasing the requirement for local content in government contracts, shortening supply chains and providing manufacturing jobs in Scotland.
- Ensure all large-scale projects require adherence to collective agreements and develop a strong dispute resolution process to protect workers' rights and improve health and safety.

Rebuilding Industrial Democracy and Empowering Communities

Strong communities are central to delivering social justice. Everyone should have a say in how their community is run and local services are delivered, through effective local democracy and well-resourced local government. We must also reinvigorate industrial democracy and ensure workers can shape their workplace. The Scottish and UK Governments must work together to:

- Lead a national conversation on communities – including with trade unions, civil society, business and local government – to renew the democratic settlement at a local level and build stronger communities.
- Expand the use of community wealth building (rooted in a commitment to public ownership) and genuine participative budgeting, giving weight to local priorities and space for locally rooted solutions.
- Create a Scotland wide Highstreet Taskforce to regenerate towns, protect jobs and improve shared community space.
- In the medium term seek to shift the focus of the Job Retention Scheme from employers to workers, guaranteeing workers their previous salary while they seek new employment opportunities, upskill and retrain.
- Support workers to get new jobs, with a jobs guarantee scheme and a funded right to retrain.
- Support Scottish Union Learning to expand its remit to provide training for unemployed workers.
- Support the introduction of a 4-day week while protecting living standards.

Annex A

Response to the Economic Recovery Group Consultation Questions

Significant macroeconomic and fiscal implications will change the economic context for the foreseeable future. What will be the shape and form of the recovery from the crisis and the what will be the implications for the future growth and structure of the economy?

In Scotland, the Government predicts GDP to fall by a third during lockdown, with long-lasting impacts due to changes in habits.¹ Even pre-coronavirus, and despite record-low interest rates, the UK had seen a decade of limited growth. Many economists were predicting this 'secular stagnation' was likely to continue across the Western world,² and there was a trend to moving beyond growth as a goal of economic policy.³

The potential for ongoing social distancing, disrupted supply chains, reduced tourism and international trade and changes in consumer behaviour make the idea of a return to growth even less likely. This could limit the potential of an approach based on inward investment, growing the economy, and sharing the rewards. Conversely, it is likely to make decisions about what economic activities we value – and how we share the existing distribution of rewards – more important. In economic policy terms, it is likely to make concepts such as community wealth building, the circular economy, and the need to build well-resourced public services and resilient local supply chains, more important.

However, the shape and structure of the economy post-covid is still far from clear. There is a need therefore for ongoing engagement and oversight from trade unions and workers into the form and structure of the economy at a national and a local level.

Specifically, there is a need for greater transparency and engagement in the following areas.

1. Supply Chains

In industries from renewables manufacturers to food and drinks production, workers understand that gaps in the supply chain hamper the success of those industries and the benefits that a domestic supply

¹ <https://www.gov.scot/news/covid-19-impact-on-scotlands-economy/>

² <https://theconversation.com/secular-stagnation-its-time-to-admit-that-larry-summers-was-right-about-this-global-economic-growth-trap-112977>

³ From the liberal-left this came in a push for a wellbeing economy and from the populist-right this often came in arguments for greater sovereignty.

chain would bring for them, their development and their communities. The post-recovery situation will affect supply chains and may provide opportunities for gaps to be filled domestically. Alongside jobs and skills benefits, domestic supply chains increase security both in terms of stability of production and of prices and therefore competitiveness on an open, global market.

2. Changing Labour Supply and Demand

Globalisation and changing migration trends will impact on the supply of labour in Scotland. This will bring consequences for workers and employers and may create labour shortages in certain industries. Changing trade will also affect what labour is demanded in the medium to long term. Increasing sectoral bargaining and improving workers voice across all areas of the economy, supported by better enforcement of labour market protections and employment standards will help to support high quality employment and prevent labour shortages.

3. Taxation and regulation

In the post-crisis period, there will be pressure in some industries to lower taxes and regulation to support struggling businesses. The impact of these changes should be properly monitored and reviewed to ensure any support given underpins other economic priorities and supports high quality employment and Fair Work outcomes. For instance, food production could be regulated to stimulate regional production and distribution, which links to consumption needs and encourages new consumption habits, rather than food production that is centralised and export-focused without bringing benefits to local economies.

4. Support Fair Work Internationally

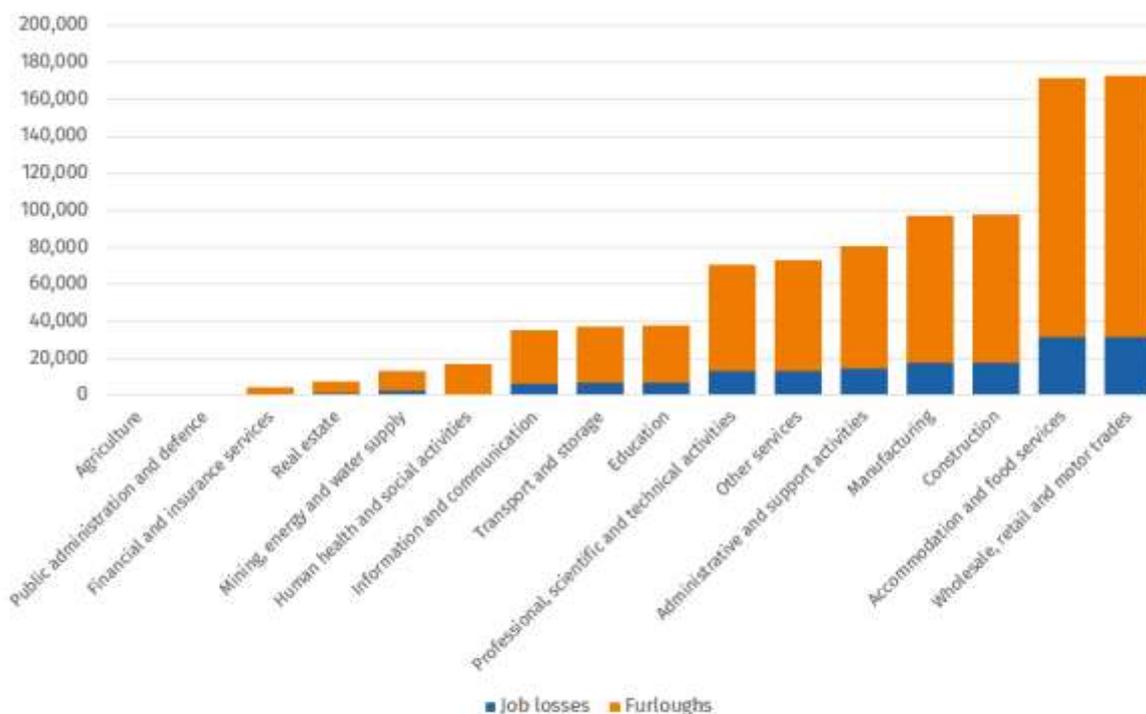
Our economy is truly global in nature. The rules that govern our international systems for trade and finance often act to damage the interests of poorer countries and make it harder for working people across the world to be paid fairly for their labour, driving down regulatory standards and working conditions. Workers in the global south whose livelihoods and often lives depend on the behaviour of large multinational companies are let down by the lack of global rules on workers' rights and social protections, and the low levels of trade union coverage. Those that face discrimination, including minority ethnic and migrant workers have often paid the greatest price.

These rules have benefited the multinational companies that benefit from cheap labour, but have been promoted by the multi-lateral institutions, such as the World Bank, IMF and World Trade Organisation,

that should be standing up for workers' rights. Reform of international rules and institutions is urgent, and in building back a better country, we must also play our part in building back a better world. Trade unions across the world are pushing for a new social contract with fair and decent work at its heart. Now is the time for countries to come together to build it.

Different sectors and businesses will be impacted in different ways. What are the medium- to long-term consequences of the lockdown on businesses, including loss of employees, debt overhang, loss of markets, reduced investment and unemployment?

More than 110,000 Universal Credit claims were made in Scotland in the five weeks to April 7.⁴ It is also estimated that 750,000 people in Scotland could be furloughed this quarter, and a further 150,000 jobs could be lost as a result of the Covid-19 crisis.⁵ This would amount to 900,000 people, or one in three of workers in Scotland. The impact is different by sector as illustrated in the table below.



Notes: IPPR analysis. Total figures for job losses based on UK OBR estimate of job losses apportioned to Scotland based on ratio of Scotland unemployment to UK unemployment. Total figures for furlough based on OBR estimate of 30 per cent of employees expected to be furloughed. Job loss figures apportioned to different sectors by multiplying job numbers in Scotland by sector with forecasted UK percentage output changes, and then scaling to total number of job losses – with different assumptions used in Public Admin, Education and Health to reflect expected differing relationship between output and job losses as large public sector employers. Furlough figures are a constant multiple of job losses in each sector such that total furloughs are equal to the overall Scotland estimate, with the exception of health where we assume 10 per cent of private sector health workers will be furloughed. Estimates relate to the next quarter.

⁴⁴ <https://www.gov.scot/news/additional-110-000-universal-credit-claims-since-coronavirus-outbreak/>

⁵ <https://www.ippr.org/news-and-media/press-releases/revealed-one-in-three-people-in-scotland-s-workforce-could-be-furloughed-or-made-unemployed-over-coming-months>

As the furlough scheme is wound down there will undoubtedly be long-lasting impacts on the labour market. There is likely to be a significant spike in unemployment, particularly for certain sectors such as hospitality and non-essential retail.

However, alongside a rise in unemployment, an equally if not more important trend may be reductions in average working hours. This is likely to take the form of underemployment – people working part-time who would like to work more hours. However, it may also take the form of workers choosing to work less hours. Workers who have been working from home may, for example, wish to spend more time with their family. This would correspond with existing trends in working hours, with average hours having fallen over the last fifteen years despite near full employment.⁶

In this context, we should consider the following measures:

1. Measures to share the number of hours worked across the economy

This would include reducing working time for some, for example through a 4-day week,⁷ but increasing security of working time for others, for example through banning zero-hour contracts and giving workers greater control of shifts patterns. Not only would this create a fairer distribution of working hours but, coupled with worker-led flexibility, it would positively impact on productivity. Sectoral bargaining mechanisms, for example in care, are needed to help facilitate changes to working time.⁸

2. A jobs guarantee and local public works programmes

Given the potential spike in unemployment there is a need for a Jobs Guarantee offering a minimum six-month job with accredited training, paid at least at the real living wage (or the union negotiated rate for the job). This should be nationally funded but locally delivered and based in part on the Future Jobs Fund introduced in 2009.⁹

However, a jobs guarantee also needs to be shaped in a way that can democratically redesign local economies. That is likely to require public

⁶ <https://fraserofallander.org/scottish-economy/labour-market/changes-in-working-hours-causes-and-implications-an-introduction-to-our-new-project/>

⁷ The First Minister indicated her support for a 4-day week when outlining her routemap for ending lockdown <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12652&i=114468>.

⁸ In Germany in 2018, IG Metal and the employer's federation negotiated a deal which gave 900,000 workers in the metals and electrical industries the right to a 28-hour working week and 4.3% pay rise.

⁹ <https://www.tuc.org.uk/research-analysis/reports/new-plan-jobs-why-we-need-new-jobs-guarantee>

works programmes and local democratic structures which enable the voice of workers, businesses and community stakeholders to input and shape economic development.

Lessons can be learned from the community wealth building approach undertaken in Preston and being pursued in North Ayrshire¹⁰ and with appropriate planning and delivery these public works programmes could help build the local infrastructure needed to tackle the climate emergency.

Funding through the Scottish National Investment Bank could be important in leveraging in private investment, in a similar manner to the original New Deal in the USA.¹¹ Workers' pensions funds, including public sector pension funds, could also be utilised.

3. An improved social security system

The last ten years has seen an increase in destitution and a surge in foodbank use, in part due to gaps in our social safety net. The spike in universal credit applications since the coronavirus crisis mean this will undoubtedly increase.

While a number of proponents have suggested this makes the case for a universal basic income, a number of questions remain: What level would it be set at? How would it be funded? What are the accompanying tax proposals that make a UBI progressive? How are additional living costs for disabled people and renters met? Is a UBI a better use of money than greater investment in public services?

It may make more sense in the short term to consider measures to provide an income floor for all working age adults, through some form of a minimum income guarantee (MIG).¹² Consideration should also be given to social security reform based on the German and Nordic income replacement model. For example, the Job Retention scheme could be re-modelled as we exit lockdown – with workers who are made unemployed, rather than employers – receiving 80% of their previous income.

¹⁰ <https://www.scottishhousingnews.com/article/north-ayrshire-council-takes-radical-economic-approach-with-community-wealth-building-strategy>

¹¹ <https://www.theatlantic.com/ideas/archive/2019/03/surprising-truth-about-roosevelts-new-deal/584209/>

¹² <https://neweconomics.org/2020/03/building-a-minimum-income-protection>

The crisis will impact differently on different groups in society, and on different parts of the labour market; and, has already revealed some thorny issues about relative wages across key occupations. What will the implications of the recovery be for different groups, unemployment and on the nature of work? How is the recovery likely to impact on socio-economic inequality as a whole?

Coronavirus has highlighted the clear disjoint between the real value of keyworkers, and what they are paid in wages. In total a third of keyworkers earn £10 an hour or less.¹³ ONS data for Scotland shows the following average hourly pay.

- Bus and coach drivers - £10.70. Women hold 9% of these jobs.
- Refuse and salvage occupations - £10.51. Employment split not available.
- Packers, bottlers, canners and fillers – £10.09. Women hold 46% of these jobs.
- Care workers and home carers - £10.03. Women hold 82% of these jobs.
- Educational support assistants - £9.96. Women hold 89% of these jobs.
- Hospital porters - £9.70. Employment split not available.
- Childminders and related occupations - £9.62. Women hold 92% of these jobs.
- Van drivers - £9.58. Women hold 7% of these jobs.
- Food, drink and tobacco process operatives – £9.50. Women hold 33% of these jobs.
- Farm workers - £9.28. Women hold 22% of these jobs.
- Cleaners and domestics - £8.94. Women hold 77% of these jobs.
- Shelf fillers - £8.87. Women hold 50% of these jobs.
- Call and contact centre occupations - £8.85. Women hold 58% of these jobs.
- Retail cashiers and check-out operators - £8.72. Women hold 76% of these jobs.
- Sales and retail assistants - £8.70. Women hold 64% of these jobs.
- Kitchen and catering assistants - £8.47. Women hold 64% of these jobs.

¹³ <https://www.ifs.org.uk/publications/14819>

The coronavirus has also highlighted that: low-paid workers are less able to work from home;¹⁴ women are twice as likely than men to be keyworkers facing the biggest health risks dealing with coronavirus;¹⁵ disabled workers are more likely to have underlying health conditions and be at greater risk of catching the virus and anxiety and stress;¹⁶ and, while there is a lack of data in Scotland, black and minority ethnic workers are more likely to have died from coronavirus across the UK.¹⁷

Without intervention from Government, these and other inequality trends will worsen. The first aspect of this should be all keyworkers being paid £2 more an hour. While this would be a sizeable investment, a large proportion of it would be clawed back in the form of tax revenue, and given keyworkers are more likely to be low-paid, they are more likely to spend additional money they receive in the local economy. If ever there was an argument or a policy for 'inclusive growth', this is it.

Besides creating a fairer labour market in terms of wages, we must also recognise that young workers have been disproportionately furloughed or made redundant.¹⁸ Experience of previous recessions tells us that youth unemployment is a particular and prolonged problem.¹⁹ Anton Muscatelli has emphasised that the labour market may be 'scarred' and 'our young people [will] enter what is going to be a precarious labour market'.²⁰

A jobs guarantee could support young people.²¹ However, there is a need for young people to be informed about the kinds of working conditions that prevail in different sectors of the economy, particularly where they are more likely to work. Given the Scottish Government's broad commitment to Fair Work and ending precarity, business support should have conditions attached that require a commitment to security and a recognised union voice for workers. This must be accompanied by sectoral oversight of conditions and increasing collective bargaining coverage. There is an urgent need to consider the nature of quality of work in a range of sectors where young workers are concentrated

¹⁴ <https://yougov.co.uk/topics/economy/articles-reports/2020/05/13/most-middle-class-workers-are-working-home-full-ti>

¹⁵ <https://www.resolutionfoundation.org/publications/risky-business/>

¹⁶ https://www.ucu.org.uk/media/10838/Coronavirus-and-disability/pdf/ucu_main_v41.pdf

¹⁷ <http://www.stuc.org.uk/media-centre/news/1447/stuc-black-workers-committee-open-letter>

¹⁸ <https://www.resolutionfoundation.org/publications/young-workers-in-the-coronavirus-crisis/>

¹⁹ <https://www.tuc.org.uk/sites/default/files/graphjr3.JPG>

²⁰ <https://policyscotland.gla.ac.uk/universities-hold-the-key-to-economic-recovery-but-must-be-no-return-to-austerity/>

²¹ <https://www.tuc.org.uk/research-analysis/reports/new-plan-jobs-why-we-need-new-jobs-guarantee>

including hospitality, tourism and the gig economy. Sectoral agreements would correct the systematic undervaluing of labour in a range of sectors and help correct the low road economic model that sees the normalisation of precarious work.

What can be done now to ensure the transition to a wellbeing-oriented, inclusive economy on a transition to net zero. How can the wellbeing of the people of Scotland flourish and what are the environmental implications of the crisis?

A number of commentators have drawn parallels between coronavirus and the climate crisis.²² Death rates are significantly higher in areas with worse air pollution levels, impacts are worse on black and minority ethnic populations, and the market is clearly incapable of tackling either without large-scale Government intervention.

At the same time, the collapse in the price of oil and exposure to corporate debt,²³ threatens the livelihoods of thousands of workers in the North Sea and associated supply chains. We risk losing thousands of highly productive workers whose skills are crucial to transitioning to a low-carbon economy. Serious Just Transition plans and significant Government intervention and investment is needed. This investment must be conditional on safeguarding jobs, taking a stake in companies, and rebuilding an industry fit for a low-carbon future.

Consultants commissioned by the STUC to map green jobs in Scotland, have undertaken an initial, provisional assessment of projects that could form part of a green stimulus package.²⁴ A two year emergency £13 billion infrastructure stimulus to support Scotland's economic recovery from the Covid-19 crisis could create almost 150,000 jobs in the immediate term, reabsorbing workers who have lost employment due to the Covid crisis. Ranking of 23 different clean infrastructure projects according to a set of 11 World Bank-derived criteria and investment and employment modelling shows the potential to create over 360,000 job years, most of which would take place in the immediate two years.

²² <https://www.bbc.co.uk/news/science-environment-52485712>

²³ <https://www.ft.com/content/4455735a-63bc-11ea-b3f3-fe4680ea68b5>

²⁴ The projects are based on a literature review of existing proposals, including the National Infrastructure Commission's most recent 'National Infrastructure Assessment' (2018) and more recent proposals, policies suggested in Grantham Institute and Smith School recovery package analyses in 2008 and 2020, and proposals voiced by the Committee on Climate Change and MP. The criteria were selected on the basis of World Bank guidance for policy-makers on COVID-19 recovery measures, and the Grantham Institute's 'An outline of the case for a 'green' stimulus' (2009) adapting for the UK and Scottish context. Employment multipliers are sourced from the Scottish Government where available, and otherwise ONS and other government sources.

Some can be initiated by local authorities (e.g. flood defences, reforestation, district heating, retrofitting, constructing bike lanes and accelerating installation of electric charging points). However, the looming shortfall in Local Authority revenues makes a national emergency infrastructure stimulus essential.

This is a draft assessment that has not yet been cross-referenced with current data on expected job losses in Scotland, and the potential labour force available in Scotland. It also focuses on physical infrastructure, and does not include everything that should be included in a Recovery Package (e.g. increased funding for care work and the NHS, or a Climate Apprenticeship programme).

Project	Score	Scotland jobs multiplier (direct & supply chain, jobs / £ million invested)	Public Investment (£ billion)	Job-years in Scotland	Avg jobs over stimulus period
Digital					
Broadband upgrade	15	15.13	0.60	18,156	7,263
Manufacturing					
R&D for decarbonising heavy industry - experimental technology (e.g. cement, petrochemicals, CCS demonstration, hydrogen)	17	15.90	1.00	23,850	9,540
Transport					
Expanding bus network (buying new electric buses from domestic manufacturers)	17	13.20	0.10	1,320	528
Expand rail network (incl for freight)	16	17.13	2.00	34,258	13,703

Commission new electric ferries for island travel	17	15.96	0.20	3,192	1,277
Invest into construction of a battery factory for EVs	18	16.00	0.17	7,968	3,187
Electric car charging points (rural)	15	15.57	0.20	6,227	2,491
Construction of cycle lanes & pedestrianisation	18	24.99	1.78	44,474	17,790
Road building	9	19.52			
Waste					
Build plastics recycling plants	16	14.10	0.08	3,526	1,410
Buildings					
Social House-building programme (using domestic offsite manufacture)	14	22.59	0.15	8,201	3,280
Low income Residential retrofits programme	21	28.98	2.93	85,011	34,005
Residential retrofits programme	20	28.98	0.42	36,219	14,488
EPCs and Building Renovation Passport for all homes	17	33.00	0.54	17,752	7,101
Public retrofits programme	22	28.28	0.20	5,656	2,263
Energy					
Upgrade ports and shipyards for offshore wind supply chain	15	22.24	0.33	14,456	5,782
Build manufacturing facilities for offshore (including floating) wind turbines	15	16.00	0.10	3,312	1,325

Solar generation (on schools, commercial roofs, private roofs)	9	10.49	0.10	3,146	1,259
District Heating	15	20.89	0.06	5,012	2,005
Land					
Reforestation schemes	17	20.29	1.80	36,529	14,612
Environmental Restoration (incl flood defences)	16	13.97	0.08	1,173	469
national water transfer network	15	24.89	0.00		
Support farmers to switch to Organic Agriculture	18	13.64	0.17	2,344	938
Total			13.01	361,784	144,713

As well as consideration of the ‘what’ in terms of the type of project, consideration also needs to give to the ‘how’, specifically the mechanisms that need to be put in place to ensure good quality jobs are created. For example, low interest rates may make offshore wind a more attractive proposition for energy firms.²⁵ Yet, reports have emerged that SSE will contract the work for the £5.7 billion Seagreen offshore wind project overseas, rather than using Scottish manufacturers such as Bifab.²⁶ Rather than repeating the mistakes of the past, Scotland’s renewable resources should be held in common through a publicly owned energy company and a national infrastructure company investing in renewable generation and the Scottish supply chain; planning consents and subsidies should only be granted on condition of developers providing work locally; and workers must have a direct voice in holding corporations and Government to account through widespread collective bargaining.

There will be big changes in the form, nature and interactions between different institutions. How will the crisis change the role and relationships between the UKG/SG/LAs, business and other institutions?

²⁵ Thina Margrethe Saltvedt, Nordea Chief Analyst, presentation for ITUC, 14 May 2020

²⁶ Sunday Times, 17 May 2020

In many industries, the crisis will change the relationship between Government and business and require Government intervention. Alongside the need for social distancing in the short-medium term, large sections of industry may have to 'price in' epidemics in the longer term. That means things getting a whole lot more expensive and could fundamentally change the business model in many sectors. Public facing but capital-intensive industry such as public transport and aviation, are likely to be under financial pressure. The business model for social care homes is also under strain, based as it is on high occupancy rates.

The fact that up to 10 May, 57% of covid deaths were in Scotland's care homes,²⁷ also points to the failings of our privatised, fragmented and underfunded social care system.²⁸ The majority of care homes in Scotland are private for-profit (59%), with the third sector accounting for 27%, and local authority or Health Board provision only 14%.²⁹ There have been warnings of collapse without greater Government funding.³⁰ Yet while more money is needed, in itself this will not resolve all the problems, when 15% of income leaks out in the form of profits.³¹ Addressing this will require Government intervention and public ownership models. There is also a need for sectoral collective bargaining so that we no longer have situations where care workers are not paid a living wage or adequate sick pay.

The crisis also emphasises the important of local capacity. The economic impacts in terms of unemployment will be felt locally and require a local response. Yet workers have very little oversight of regional economies and sectors within them unless there are collective bargaining arrangements in place. It is important that we continue to build democratic institutions and genuine empowerment within the workplace and in local communities. Community wealth building approaches and genuine participative budgeting, rooted in public ownership of public services, can strengthen a sense of control and buy-in within the economy and achieve better outcomes for communities. Equally ensuring trade union seats on boards within workplaces and in key economic development agencies is essential to changing the shape

²⁷ <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/vital-events/general-publications/weekly-and-monthly-data-on-births-and-deaths/deaths-involving-coronavirus-covid-19-in-scotland>

²⁸ http://www.stuc.org.uk/files/Policy/Reasearch_Briefings/Scotland%27s%20Care%20Crisis.pdf

²⁹ <https://www.scottishleftreview.scot/coronavirus-crisis-underfunding-restructuring-privatisation-and-fragmentation-at-the-heart-of-the-crisis-in-holyrood-and-westminster/>

³⁰ <https://www.ft.com/content/517f1248-5d8c-47a7-8098-763927c7e3d5>

³¹ <https://chpi.org.uk/papers/reports/plugging-the-leaks-in-the-uk-care-home-industry/>

and nature of the economy over the long term and achieving high road business models which support Fair Work outcomes.

The pandemic is a shock which will provide insights and data across a range of areas. How do we ensure that we learn from the impact of the crisis and respond accordingly?

The crisis is likely to intensify the digitalisation of behavioural data. It is noticeable that Google has produced some of the best real-time data available during lockdown – including peoples shopping and travelling habits.³² While this big data is incredibly useful, it potentially concentrates power and information into a small number of monopolies. Equally unequal access to data and information, even when held in public hands can cause a risk to workers and citizens.

There is a need for new ‘digital rights’ as well as models which allow for the collective ownership of data.³³ For workers to input and influence economic development requires access to data. It also requires careful regulation and an ethical foundation to the collection of data and the application of new technologies, particularly in public services.

The crisis is likely to have increased the use of new technologies across the economy. This is likely to have both positive and negative impacts on the shape and nature of work. Homeworking is likely to be increased and more highly embedded within the workplace in the future. This may be a positive change for many workers, particularly women who often carry a greater burden when it comes to balancing work and care. However, elements of this change could also have a negative impact on the wellbeing of workers, for example by increasing working hours and blurring the lines between work and home life. Greater remote or homeworking may also increase feelings of isolation in the workplace. Finding a new balance in workplace cultures is essential to ensure that the quality of work is positively impacted by technological change.

Understanding the wider impact of the pandemic on the shape and nature of work is also essential. The impact of job losses and the sectors most severely affected are likely to vary by region and sector and may have a disproportionate impact on protected groups. Understanding the long-term impact of these changes is likely to require good quality data

³² <https://fraserofallander.org/covid/what-do-the-latest-indicators-tell-us-about-the-impact-of-the-coronavirus-on-the-scottish-economy/>

³³ <https://www.common-wealth.co.uk/reports/ownership-futures-towards-democratic-public-ownership-in-the-twenty-first-century>

disaggregated by protected characteristics. Too often labour market data of this nature is limited in Scotland, something that should be addressed to support improved policy making.