

# Making Devolution Work

## Proposals for Prosperity

Executive Summary April 2011

The launch of the 'Making Devolution Work' document by Unite Scotland at the STUC Annual Congress in Apr 2011 is designed to stimulate a discussion about the existing collective bargaining arrangements and the type of economy we wish to create in Scotland.

New imaginative and innovative ways must be found to promote economic and sustainable wage growth. Due to the diminishing reliance on collective bargaining for wages, the levels of pay inequality have not been effectively addressed and there has been an increasing reliance on the role of the minimum wage. It is clear that Scotland cannot afford to have the statutory minimum wage as almost the only wage policy tool.

The Scottish Government has an opportunity to take the lead in the establishment of bi-partite or tri-partite sector forums throughout the economy which would help to combat inequality and assist in improving workers' purchasing power. The forums would do so by the promotion and active co-ordination of wage agreements in all areas of the Scottish economy, particularly as 77 per cent of all jobs in Scotland are outside the public sector.

In the first instance it would be desirable to establish sectoral forums on a voluntary basis with the active support and encouragement of the Scottish Government, with sectoral agreements to have the same status as other collective agreements.

Forums would also play an important part in dealing with a number of other issues that currently blight the workplace, including the exploitation of vulnerable workers, the question of diversity and the gender pay gap, the misuse of agency workers, the implications of the Posted Workers' Directive, and, the problem of health and safety in the workplace.

The document states:

1. Sector forums (along with other initiatives) are necessary to revitalise the Scottish economy, by helping to improve the spending power of Scottish workers, in the interest of everyone.
2. Sector forums could be piloted in the voluntary, road haulage, renewables industries and tourism sectors.
3. Sector forums would allow Scotland to address some of the structural problems of the economy, by bringing together those who know best, to deal with concerns about productivity, competitiveness, learning and skills, and adjustment to change.
4. The proposal reflects the best practice of almost all the other EU15 Member States where collective voice arrangements are widely recognised as being in the public interest.

Countries with stronger collective bargaining coverage, greater degrees of economic balance and greater degrees of regulation in the labour market have arguably been able to mitigate the effects of the global recession to a greater degree than those countries with less strength in these factors. Hence, it is not a matter of economics it is a matter of political will and the type of society we wish to create.