



The Scottish Parliament
Pàrlamaid na h-Alba

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Rt. Hon. Nicola Sturgeon MSP
First Minister
Scottish Government
St Andrew's House
Regent Road
EDINBURGH
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Our Reference: FPWR-JR

Green Freeports (Workers' Rights)

Dear First Minister,

I am writing regarding the announcement that two "green freeports" are to be established in Scotland following negotiations with the UK Government. I have several pressing concerns about the ramifications of the Scottish Government signing up to this project, spearheaded by the Tories with the apparent intention of "levelling up" left behind areas, and wanted to seek assurances on the supposed protections that will be in place for workers.

I am unsurprised by the UK Government's enthusiasm for rolling out freeports across the UK, given Prime Minister and Chancellor's misplaced belief in discredited Thatcherite economics, but it is alarming to see the Scottish Government abandon its previous opposition. The objective of freeports is well established: place an area outside of its customs border to create a low tax, laissez-faire environment where businesses can theoretically thrive, leading to job creation and economic growth. However, as [noted by trade experts](#) at Sussex University's Trade Policy Observatory, there is "limited evidence on net job creation", with workers merely relocating from elsewhere.

The reality is that these zones provide tax relief to multinationals, which often already have a reputation for tax avoidance, and which will ultimately get away with not paying for the benefits of public spending, from local transport systems to the workforce itself. Furthermore, the European Parliamentary Research Service released a [48-page report in 2018](#) which found these deregulated zones were a hotspot for money laundering and tax evasion and avoidance. Time and again, the evidence suggest the role played by corporations in these zones are parasitic rather than regenerative.

Business Minister Ivan McKee has himself described freeports as a "tarnished" idea that erodes workers rights and environment protections. The Scottish Government has now U-turned on this because it believes freeports can be "adapted to Scotland's specific needs". I am curious to hear what unique properties Scotland possesses in which workers' rights would not be exploited, as has been the case everywhere else. However, taking the Scottish Government's commitments here at face value, I fear that you are being naïve to the reality



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of the situation.

The Scottish Government's announcement states: "...applicants in Scotland are required to set out how they will support high-quality employment opportunities that offer good salaries and conditions, and how fair work practices will be embedded in the green freeport area." However, the Scottish Government's fair work guidance is exactly that – guidance. There is no legal obligation on employers to pay the real living wage. There is no legal obligation for employers not to use zero-hour contracts. There is no legal obligation on employers to commit to fair work practices whatsoever. How will the Scottish Government enforce this guidance?

Regardless, even the fair work guidelines themselves are vague. They state that employers should "appropriate channels for effective voice, such as trade union recognition" should be in place, but that "alternative arrangements" are permitted in the absence of a recognised trade union. There are no alternative arrangements that are a substitute for a trade union. The obligation of human resources, for example, is ultimately to the employer and protecting their interests. Which sufficient alternative arrangements can the Scottish Government outline? Why is such a caveat even necessary? Will this framework apply to freeports? The guidance also states that there should be "no inappropriate use of zero-hour contracts", but that their use may align with the "needs of an organisation or sector with the needs of particular workers". Would this be the case in freeports? Will zero-hour contracts be permitted in these areas?

It is clear that this guidance is woefully insufficient as a means to deterring bad employers. In recent years, Scottish Government contracts have been handed out to the likes of Amazon, which has been condemned by Amnesty International for anti-trade union practices. The Scottish Government must learn from such procurement debacles and ensure the right lessons are learned. By signing up to this freeports proposal, it appears that the Scottish Government is doing the opposite.

Taxpayers have the right to expect that the public purse is used to support green jobs that are well paid. The flimsy protections in place will do nothing to deter multinationals from cutting costs and exploiting workers. I would urge the Scottish Government to rethink its freeports proposal, which amounts to nothing more than corporate welfare, but as a bare minimum I would like assurances on what firm obligations will be put in place to ensure large corporations pay the real living wage, provide permanent contracts with strong terms and conditions, recognise trade unions and uphold best health and safety practices. I would also encourage you to meet with the Scottish Trades Union Congress to discuss this further.

I look forward to hearing your response.

Yours sincerely,

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West Scotland Region