

After a decade of distraction it's time to focus on building an economy for the many

After a decade of distraction, it is time for a clear and determined focus on building an economy for the many, not the few.

It shows how utterly dire the SNP government's economic performance has become that ministers this week were celebrating GDP figures showing Scotland had narrowly avoided entering recession. Never has the bar for success seemed so low.

The reality is that for the past decade Scotland has been governed by Nationalist ministers more concerned with breaking up the UK than with breaking down barriers to enable people to get on in life with a secure job that pays a fair wage. They are more concerned with using their position in power to posture against the Tories than to alleviate the worst of Tory austerity.

Nearly 250,000 people in Scotland are working in low paid sectors without guaranteed hours or baseline employment rights. Almost one in five Scots are paid less than the living wage.

That is why Scottish Labour has published an industrial strategy that looks to unlock the potential of devolution to radically rebalance our economy.

On investment, we want to see a Scottish Investment Bank, established as part of a UK wide network of development banks to invest in the infrastructure our country needs.

We want greater investment in education, giving our people the skills they need to compete for the jobs of the future, tackling the skills shortages holding our economy back, and developing Scotland as a science, technology engineering and maths nation.

The pace of technological change and growth of automation is something no country can run away from or build a wall against. The challenge over the next ten to twenty years, as increasingly sophisticated algorithms replace jobs, isn't to bring old jobs back but to create high paying new ones instead. This is something that Kezia Dugdale has repeatedly identified as a key challenge for Scotland in the years to come.

That's why we want to see a software development and coding apprenticeship path developed to help Scotland's young people get the skills they need. Barriers for young people, especially girls, from entering science, technology, engineering and mathematics studies and careers, must be ripped down. More investment and more direction can inspire a new generation of world-leading scientists and innovators to give our country the skills we all

need to succeed. And we need to harness the potential of innovation to deepen and broaden exporting opportunities, especially to our small and medium-sized enterprise (SME) sector.

Despite improvements in recent years, businesses in Scotland still lag behind the OECD in terms of innovation – and almost half of research and development in Scotland is undertaken by just 10 companies. This is particularly concerning for the manufacturing sector, which has seen under-investment in modern equipment compared to overseas competitors. To help resolve this, the SNP government needs to do a better job of making businesses aware of the funding that is available for research and ensure that funding is properly used.

But it also needs to develop a strategy for linking Scotland's world-class university research with business. It is well-documented that Scotland's academic innovation is often utilised abroad rather than by firms here – and it clearly makes no sense to have research conducted in Scotland being used to give firms elsewhere a competitive advantage. Through Scotland's academic sector, there is huge, untapped potential to create a truly innovative, research driven economy that will help business flourish and lead the world.

A lack of innovation, research and development also hinders the ability of SMEs to grow their exports and expand their business. Around 60% of Scottish SMEs do no trade outside of Scotland. Scotland's exports are also highly concentrated – just 15 businesses account for 30% of all international exports, and 70 firms account for 50%. The SNP government needs to immediately act on these troubling figures. As is often the case with the SNP, Ministers had mooted creating a Manufacturing Institute, but to date no real progress has been made with this. These issues should be addressed as a matter of urgency.

The SNP government should be using the billions Scotland spends on procurement and public contracts to build a fairer economy. No business that engages in blacklisting or tax dodging should be rewarded with tax payer cash, instead they should be incentivised to pay better wages through public contracts.

We want to see a version of 'Macora Law' introduced in Scotland. This would allow workers to buy an enterprise when it is up for sale, and otherwise facing closure, giving more say to working people who want to see a company succeed.

Brexit represents a serious threat to the Scottish economy, but we should also seize the opportunity it presents.

Too many people experience long working hours, job monotony, management by stress and over-work.

The EU Working Time Directive, a measure aimed at limiting the length of the working week to 48 hours, is subject to a UK opt-out. As a result, across the UK there are 3.35 million people working over 48 hours per week – over a quarter of a million of these workers are in Scotland.

As we leave the EU, the UK and Scottish Governments should consult business to discuss how we can end the opt-out of the Working Time Directive as part of a managed reduction of working time to curb excessive hours, improve health and safety and boost productivity.

These plans could be driven by two new economy ministers. A dedicated Cities Minister and a dedicated Minister for Innovation.

These are just some of the ideas which could drive productivity and business growth, making Scotland an economic powerhouse once again – a new partnership between industry, government and employees. All we need now is a government with the vision and the will to implement them.

Jackie Baillie is Scottish Labour's Economy spokesperson. This article first appeared in the Scotsman on Saturday 8 July 2017