The bachelor thesis "Devolution and Labour Party in Scotland" addresses the issue of the relationship between state decentralization and the inner decentralization of political parties. The adoption of devolution has significantly changed the institutional environment in which the British parties operate and thus they were confronted with fundamental question of adapting to this new arrangement. This thesis examines the development of policies and organisation of the Scottish Labour Party after devolution, and aims to evaluate whether the creation of the Scottish Parliament brought for the Scottish Labour Party greater autonomy from the central leadership of the party. The first part of the thesis establishes the theoretical framework for examining the impact of decentralization of the state on organisation and functioning of political parties. It is followed by description of evolution of the Labour Party and its regional branch in Scotland prior to the devolution. This part forms the basis for comparison of the changes in policies and organisation of the Scottish Labour Party after the establishment of the autonomous institutions. The research itself focuses on development of policy in the Scottish Labour Party after devolution, formulation of party policies and electoral programmes. It also examines the relationship between the centre and the region in the selection of candidates, the election of Scottish Labour Party leadership, financing and administration. The thesis concludes that the Scottish Labour Party has gained higher level of autonomy in numerous areas, yet the central leadership of the British party maintained strong influence in the regional party through informal structures and party loyalty.