

## Scotland the What?

Identity and politics in 2007



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## Comment

What is the Scottish character? People worry about dealing with lazy stereotypes, but Scottish identity matters. The jumping-off point for this issue of the Scottish Left Review was the scrapping of the 'Best Small Country in the World' slogan and the ranks of people who were ready to say that it wasn't how Scotland should have been presenting itself anyway. Some people thought it sounded like we were thinking 'small', others thought it was bordering on arrogant, some thought it lacked anything distinctive. Some of these criticisms may well have had more than an element of truth about them, but what was the better option? If this isn't how we want to present Scotland, what is? What is the Scottish national identity we want others to know us by? There is radical Scotland with a long history of campaigning and being active for social and political causes – everything from Red Clydeside through the anti-nuclear movement to the activism in communities to support asylum seekers. This is a big and important strand of 'communitarian' Scotland. Where is it now? How do we encourage more of it?

There is the open, friendly and welcoming Scotland. This perhaps traces back to days of clans and open doors. It lived through collective life in tenements and is perhaps now most visible in the warmth with which the Tartan Army is seen around the world. Is our reputation for friendliness over-hyped or is it the basis for creating a place on the world stage built on open-mindedness, compassion and tolerance? There is a modest, hard-working and stoic Scotland which has always been the antithesis of the 'glitz and celebrity' culture which is running wild in the UK. Can we buck the trend of international money-and-fame worship by reclaiming our more modest attitudes?

At the same time, there has been plenty in the Scottish character that we would probably want to dispose of. The aggressive and elitist element which lead Scots emigrants to form much of the racist, bigoted right-wing ideology of the southern states

of the US, the long-standing bigotry of the Orange Order and in return the violent reaction of parts of the 'Celtic-minded' population. The racism and suspicion of some others (including our closest neighbours...). The colonialism and the national drive for Big Profit (from the Darien Project to the current celebrity entrepreneurs that fill the pages of our newspapers). The drink-and-violence culture that perhaps reach a peak in late-1970s football hooliganism. How to we divest ourselves of these attitudes?

In Scotland there are many strands of identity we could draw out and emphasise, to ourselves and others. In this issue we ask a number of people to suggest what slogan they would choose to represent Scotland, and to tell us what this slogan should tell the world about us. In other articles, Jimmy Reid takes stock of where Scottish attitudes have reached today and Robin McAlpine explains just why national identity is so important anyway.

But if identity is really important to how a nation behaves, perhaps it is in another article again where we can find why. Scots are known for a canny nature, for a mistrust of ostentation and a high degree of aversion to wasting money. There could be some down sides to this – meanness or an aversion to risk-taking which can hold us back. But there are some clear-minded benefits. When a group of investors can put £1,000 into a public building project, borrow the rest risk-free and take out a profit of £50 million a few years later, a fair-minded, canny Scot would be horrified. And yet, Jim and Margaret Cuthbert show that this is exactly what has happened under some PFI deals.

Mindsets are important to politics. In this issue we hope that we might have explored a few mindsets which could take us in different directions. Let's hope we collectively choose the right ones.

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Printed by: DigitalQuill

16 Tern Brae, Livingston, EH54 6UQ

[www.digiquill.co.uk](http://www.digiquill.co.uk)

# Feedback

Edinburgh is the first Scottish City to introduce phone lie detectors to catch alleged benefit cheats in a pilot scheme. Edinburgh City Council has introduced a phone system which they claim "will detect changes in a caller's voice to indicate when they may be lying". Claimants will then be asked to provide extra information before they can rightly claim their benefits. The three-month pilots, funded by the Department of Work & Pensions (DWP), is to be rolled out across Scotland within months. The computerised monitoring of claimants' voices during telephone calls called "voice-stress analysis" which searches for changes in a person's voice that allegedly show when they are lying.

The TUC and the STUC have condemned this policy, pointing out that it "adds to the demonisation of claimants". The TUC have produced a paper entitled "Lies, damned lies & lie detectors" which found that there have been no scientific tests to measure the accuracy of voice-stress analysis. Its use by police in the United States led to two men being put on trial, who were later found innocent through DNA evidence. When one man sued the National Institute for Truth Verification – they settled out of court with an admission that their voice stress machine could NOT detect lies. Voice stress analysis relies on the assumption that someone telling a lie becomes anxious whilst doing so. But what about a practiced liar with no scruples? What about the naturally anxious claimant who is having a particularly stressful time because of an unwelcome change in their circumstances? This amounts to intimidation of the most vulnerable members of our society. The TUC predicts that innocent people will account for the majority of claims that are delayed, and this only adds to the impression that people on benefits are committing fraud.

Anti-poverty organisations throughout the UK will be campaigning vigorously against this. We must demand an end to the use of such devices. The people of Scotland should write to local MP's and MSP's demanding the withdrawal, of the use of such equipment.

*Richard Easson*

Please allow me to tell you a Scottish story. I don't recall the exact date, but it was some time in the mid '70's. I was serving my country on board the USS Nathan Hale, SSBN 623, stationed in Holy Loch, Scotland. Our submarine was tied up alongside a large submarine tender along with many others. The sub tender was much larger than our submarine so I had to walk down a long ladder (stairway) to get from the tender to our boat. As I was walking across the other boats to get to ours, I saw that our crew had one of the missile hatches open and I could just see the tip of the missile. What happened next was so memorable that it has stayed with me these thirty some years as if it had happened yesterday.

In my mind's eye I saw two little boys standing on the street corner. One says to the other: "I'm gonna pound you!" To which the other answers: "Well my big brother's gonna pound you! Immediately followed by: "Well I'm gonna hit your brother with this stick!" and a bigger stick and so on, ad infinitum...

But here is the profound insight that washed over my heart like ice water from that cold fiord: The argument doesn't go all the way to infinity; at some point, the sticks become so big they destroy both boys. Now don't get me wrong. I'm no Gandhi or Dr. King. I didn't immediately march into Dunoon and begin to make salt. After all I was still a fierce cold warrior and I truly believed that Ivan was out to conquer the world by force. And on that cold and windy day in Northern Scotland I could see no way to protect my homeland and its precious freedom other than by force of arms. It wasn't until many years later that I began to see that sticks cause more problems than they solve, but I know it was on that cold day that the chains fell away from my heart and I walked out of the cave into the glorious sunlight.

It might help you in your work as a peace activists to know that even though my political views have shifted light years to the left, my core values have changed very little. Please try to keep that in mind as you look into the eyes of the young sailors at Holy Loch and Faslane.

*Jim True, Renton, Washington USA*



# briefing

Responses from surveys in which people were given a blank sheet and asked to write whatever immediately came to mind as characteristics of Scottish people and English people. There were 220 people interviewed in Scotland and 162 in Birmingham in 1996/7). These are the descriptions that occurred most frequently:

## The View from Scotland

### Scots

Friendly/Warm/Kind-hearted	63%
Patriotic/Proud	29%
Humorous/Good Fun	17%
Direct/Down to Earth	12%
Low Self-Esteem	11%
Aggressive/Paranoid	10%

### English

Arrogant/ Snobbish	66%
Lager Louts/Hooligans	30%
Xenophobic/Racist	17%
Reserved/Unfriendly	15%
Tory/Rightwing	12%
Individualistic	10%

## The View from England

### Scots

Material symbols (kilts etc)	47%
Patriotic/Nationalistic	38%
References to accent	32%
Mean/Careful with money	30%
Aggressive/Tough/Hard	24%
Friendly	23%
Heavy Drinkers	21%
Anti-English	12%
Humorous	11%

### English

Reserved/stiff upper lip	41%
Arrogant/Snobbish	31%
Conservative/Set in ways	29%
Patriotic/Nationalistic	19%
Good/Better at sport	15%
Xenophobic/Racist	12%
Polite/Refined	12%
Drink anything/Lager louts	12%
Class conscious	10%

### Some Individual Comments:

#### *A fire-fighter (Birmingham):*

"The Scots like to drink. They're friendly individually but can be hostile in larger groups. National pride. Good friends, bad enemies. Excellent soldiers. Hard workers. Passionate. The English are stand-offish. Obstinate. Xenophobic. They don't panic. Large regional variations between North and South."

#### *A manager (Birmingham):*

"The Scots are aggressive, opinionated, rude, rural, tribal. The English are middle-of the road, conservative, elitist, hierarchical."

#### *College Student (Ayrshire)*

"Scots are friendly, unhealthy, overweight, down to earth, funny, unconfident, under-achievers. English are

inconsiderate, arrogant, thin, fit, no sense of humour, football hooligans, full of themselves but have no reason to be."

#### *Schoolgirl (Lanarkshire):*

"Scots are friendly, liked by other countries, not ignorant. English are big-headed, have no sense of humour, can't take losing, slag-off other countries."

**The Scots like to drink. They're friendly individually but can be hostile in larger groups. National pride. Good friends, bad enemies. Excellent soldiers. Hard workers. Passionate.**

**Undergraduate (Birmingham):**

“Scots are quick-tempered, quite funny, heavy drinking, anti-English, proud of their heritage. English are well-mannered, stiff upper lip, a bit arrogant, stuck in their ways, like tradition.”

**Journalist (Glasgow):**

“ Scots- pride, passion, insecurity, maudling tendency, self-pitying. English – arrogant, insular, smug, superior, Will Carlingish.”

**Undergraduate (Birmingham):**

“Scots – patriotic, introspective, friendly(if given respect), community-minded. English – patriotic, good sense of humour, competitive, self-interested.”

**And a final comment from someone who described himself as a writer (Birmingham):**

“**The Scots:** Very difficult to stereotype the Scots. Most of the things I can think of are contradictory. Solid and reliable business people and engineers(“the engines cannae take it captain”). Brave but fickle, plenty of aggression but no consistency (most Scottish football sides). Dour Presbyterians. Saturday night Glasgow piss-heads. Supposed to be divided along all sorts of lines (which theoretically account for the above inconsistencies). Highlands/Lowlands.

Protestant/Catholic. East Coast/West Coast, Rangers/Celtic. But a much stronger sense of nationalism than the Sassenachs though it seems to outsiders to be based on a sentimental view of history. Scots also seem to believe their own tourist brochures. In fact they are a sentimental bunch all round. This, and a sort of old-fashioned hospitality, help to counteract a couple of

popularly perceived negatives. They are mean (never seen this myself). They hate the English (Scots think the English talk too much, yet they get on well with the French and the Italians!) Nearly forgot Scottish food. Never mind the glens and the whisky – what expatriate Scots really miss is their stodgy, fat-laden, cardiac arresting food. Not easy to explain this one.

**The English:** The English are the most arrogant people in the world. Unlike other arrogant people, they don't even feel they need to show it. English culture, language, etc. are self-evidently superior. Which is weird as no two people would agree on what the culture is. English people are still divided along class lines just as fiercely as Commanches and Apaches. The problem with being English is that no-one is threatening your cultural identity. Therefore there is no need to define it. I think it's also true that the English are incredibly reserved by just about everyone else's standards (with the Scots it's just a front, with the English, it's real). English people can't learn foreign languages, understand foreign world views or digest foreign food. But they love animals, and seldom get sufficiently worked up about anything to get really nasty. If you are a political agitator or charismatic leader, they must be the worst people in the world to work on.”

References: 'Anglo-Scottish Stereotypes' Journal for the Study of British Cultures University of Tubingen, 2000, I.Lindsay

'The Uses and Abuses of National Stereotypes' Scottish Affairs 1997, I.Lindsay

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# not scared to be ourselves

The kind of Scotland we wish to be is linked both to our national politics and to our sense of national identity. Jimmy Reid looks at the next steps for Scotland's identity

Breathes there the man with soul so dead who never to himself has said, this is my own, my native land, wrote Walter Scott; a man I wrongfully scandalised with all the brashness of a fourteen year old, but came to revere, as one of the world's first great novelist, before my teens were out. Years later an old Welsh miner told me that a man who cannot love all that's good in the culture of his own nation is incapable of respect for all that's good in the cultures of other nations. In other words a healthy nationalism spawns a healthy internationalism.

This truth seemed to elude many on the British Left who tend to equate nationalism with chauvinism and to pose nationalist against internationalist. This is nonsense. 'Inter' means between and 'nationalist' a sense of your own national identity. Internationalism can therefore only exist as a kind of solidarity or a coming-togetherness of peoples from different nations. If there were no nations there would be no nationalists. If there were no nationalists there could be no internationalists.

In Britain, during its imperial phase, love of country became perverted into a menacing chauvinism that was simply a form of brainwashing to justify the enslavement of other nations and there allegedly inferior peoples; particularly in Africa and Asia. The origin of racism in Britain today is rooted in those evil days of Empire. The corruption of empire took a terrible ideological toll on the Labour Movement in Britain. Scotland's Labour Movement was not unscathed by this corruption although in our case the hallmark was religious and not racial. The Irish were White Europeans; but as England's first colony that didn't save them. The Irish famine was not an act of God but caused by the ruthlessness of British Colonialism.

When the starving Irish stumbled onto Scottish soil they were greeted with enmity by the Scottish working class and its trade unions. Mick McGahey President of the Scottish miners told me of his plan to produce a book about the life of Bob Smiley, one of the founders and charismatic leaders of the miners union in Scotland and a pioneer of the wider Scottish Labour Movement. After a few months I asked Mick how his project was going. He told me "Jimmy we can't publish it. Bob's speeches at the time were viciously anti Irish. Like the racist language currently

used by the National Front against Pakistanis today". Smiley had clearly feared that starving Irish workers could undercut the wages that his Union had struggled to achieve for their members over many years of struggle. That was obviously the strategic objective of the mine owners. I wanted Mick to publish. It was the truth from which lessons could be learned. But Mick saw this revelation as bringing shame to the Union he loved. It wasn't published.

Some years ago Andy Stewart was singing a song about the Scottish Soldier fighting "battles glorious, victorious, far from the Green Hills of home." I was writing a newspaper column at the time and in it asked Andy what the hell Scottish soldiers were doing fighting battles far from the Green Hills of Home.

Was it to enslave new lands and peoples for exploitation by the City of London? While they were so engaged were the Scottish landed aristocracy, throwing their families from their homes and holdings, in the Highland Clearances? Weren't the Scottish soldiers fighting the wrong people in the wrong places? Yes is my verdict. But aren't our Scottish soldiers in Iraq today fighting the wrong people in the wrong place? So what's changed?

For me the biggest mistake of the Scottish Labour movement in the second half of the 20th century was its almost complete failure to make any serious analysis of the National Question in Scotland. So cocooned was Scottish Labour in the UK status quo that it didn't think that Scottish Home rule was an issue. This was in

a world where colonialism was disintegrating and small nations were coming into their own. That Scotland would remain unaffected by this clamour for the right to self determination was an absurd presumption.

In 1966 or thereabouts I returned to Scotland after about ten years domiciled in England; convinced that the main task for the Scottish Left was to win the Scottish Labour Movement for a policy of Home Rule in the form of a Devolved or Independent Parliament for Scotland. I simply couldn't understand how it was possible to be for the right of self determination for all small countries in the world -- except your own.

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Scottish Labour is paying the price for this folly. The custodianship of Scotland's National aspirations literally fell into the hands of the Nationalists. They now govern Scotland with policies that objectively can only be described as Social Democratic. This puts them substantially to the Left of New Labour. On matters of policy and principles can Labour Lefties oppose Salmond's Government? The answer to that must surely be no.

In my lifetime many of the hitherto rigidities of Scottish politics have dissolved or are in the process of being dissolved. Where now is the Tory working class vote that was still significant in the early 1950s? It has gone like yesterday's foul vapours except for the Orange element among the Rangers support. Even there I get the impression that most of them come over from Ulster for the Club's home games. More recently we have seen the rapid erosion of the Tory Middle Class vote in Scotland. That too seems to be disappearing. I think the cruelties and vulgarities of Thatcherism might just have done it in. Anyway, as an electoral force the Tories are almost extinct up here.

But there is no need for incredulity about such phenomena. In their fervour members of political parties and movements tend to think that the object of their loyalty and sometimes reverence is somehow immortal. But like all phenomena, political parties come and go. The Mighty Communist Party of the Soviet Union has more or less gone. Like snaw aff a dyke; virtually without notice. Yet a few years ago it seemed omnipotent. The Conservative Party in Scotland is going the same way. When it goes under it will cause few ripples.

But what is the future of the Labour Party as Scotland inexorably moves to greater independence? As presently constituted it is organisationally and philosophically unfit to play a part in such a process. Politically it has officially abandoned its commitment to socialism through the dropping of Clause Four. Programmatically it has abandoned Social Democracy and social democratic reforms. It has continued to maintain Thatcher's opt out of those chapters of the EU Charter that guarantees the basic right of trade unions. This makes our trade unions the least free in Europe. And yet New Labour continues to be funded by our trade unions. This to me seems more like masochism than trade unionism. Trade union political funds, as was always intended, should go to help political parties that further trade union interests and policies. New Labour is not in that category. The Left cannot run away from these issues.



*Jimmy Reid is a prominent left activist and founder of the Scottish Left Review*



**Campaigning for the return of rail to the public sector**

**Campaigning to keep Caledonian MacBrayne's lifeline ferry services in public hands**

**Let's put the public back in public transport**

**Bob Crow, General Secretary**

**John Leach, President**



# policies have personalities

**Robin McAlpine asks do policies have personalities and if they do what kind of national identity do we want to promote for Scotland and does the election in May change anything?**

What gets to have a personality? Where are the limits of 'identity' and can we just put them anywhere? If you are going to sell a new face cream as 'masculine', can you take the old face cream, put it in a different container and claim a different persona for it? Can we impose arbitrary characteristics on anything we choose to? And was Scotland ever the 'best small country in the world'?

The argument about what can have a personality and what can't is one that seems to be increasing in occurrence in Scotland. The election of a Nationalist Government seems to have prompted many of those bar room discussions about whether Scotland is actually any different than England other than where it is and some cultural baggage. The question is about the debatable lands between 'national identity' and 'stereotype'. If we're going to choose to promote some sort of identity for Scotland, we might as well start off with what 'Scotland' is.

This is actually an important point. Countries are in their very nature stereotypes. The most widely-accepted analysis of nationalism is that nations are in fact 'imagined communities'. A real community is defined by contact and (to varying degrees) shared experience. A real community almost certainly lives in one tightly-defined geographical space and will face the same calamities and successes together, while tending to see the world in a certain way for the very good reason that they are largely looking from the same place. A village involves people who know each other, who are hit more-or-less equally by the electricity cut that hits the village, that shops in the same shops and makes the same jokes about the neighbouring village. A country is different. A country is too big for those communal experiences. In fact, quite quickly it is easy to point out that almost any given person from any given country could be matched more closely with someone from another country than from his or her own. It is very easy to demonstrate that in fact the membership of a nation is far too diverse for the nation to be defined by the people.

Which is a problem, because if a nation is nothing more than an administrative geography then it isn't a nation. If people don't believe themselves to be part of a nation then it is something else, more akin to a kingdom. But the thing about nations is that people do think they are part of that greater whole, even if an objective assessment suggests otherwise. They behave like communities without the attributes of communities. They are imagined communities.

What holds nations together is a set of what are in effect self-imposed stereotypes (or if not self-imposed, at least externally encouraged and broadly accepted) along with a number of nation-specific cultural references. The Scotland of today is how it is in large part because we have accepted the stereotype of what we are – the welcoming underdog with a natural sense of fair play. There are good historical precedents for these beliefs, everything from an education system rooted in the

Reformation to a decade of sporting embarrassment (or, let's face it, humiliation). But these beliefs are not intrinsic – we adopt them as we go along.

OK, this is all fairly basic theory, but it is important to accept that personalities do exist beyond the individual. We have to do that if we wish to make any attempt to create a collective understanding of the kind of Scotland we want to be. Not a list of the kind of things we want to do (no more manifestos for now, thanks) but an idea of what kind of way we wish to carry ourselves, what impression we wish to leave on the world, how our imagined community wants to be seen. Perhaps it is worth at this point jumping to some defence of the poor, maligned 'Best Small Country in the World' slogan. Let us give credit to Jack McConnell for having the courage to try to define the kind of Scotland we wish others to see us as. It is a brave thing to try to define or capture the nature of a country in a slogan. Can you imagine such a thing being done for the UK? 'Britain – half as powerful but still as dangerous'. Is there anyone who doesn't blanch when the US rolls out its own unthinking slogans – 'The greatest country on earth' or 'Home of the free'? So it was a brave and in my opinion worthy attempt to say something about the Scotland we hope for. And while it might be a slightly obvious choice to go for a simple superlative like 'best', it at least seems to say something about real values. (I simply don't hold with those who took exception to the use of 'small' – not a statement of intent but a description of reality, but more later). The problem with the slogan was that it managed to convert aspiration into delusion – Scotland just isn't the best small country in the world if you accept concepts such as 'indicators' or 'benchmarking'.

So does Scotland have a personality and where would we find it? It is sometimes disparagingly suggested that Scotland is plagued by a romanticised working-class culture. A comparison with England might demonstrate that the alternative – a romanticised upper-class culture – is much worse. As a little illustration you can think about the difference in portrayal of the working classes in the pre-eminent television programmes on the subject on either side of the border. The Royle Family was a wonderfully written, wonderfully acted and very moving comedy drama. But the characters were defined by their passivity and their stupidity – it was about sitting on couches, watching dumb TV, getting things wrong. By comparison Rab C Nesbit was a wonderfully written, wonderfully acted and often very moving comedy drama in which the working class characters all had an incisive intelligence and were often suppressed but never passive. England watched itself watching blankly, Scotland watched itself kicking back in anger. When people in Scotland claim we're obsessed with our outmoded working class image of ourselves what they really mean is that we should stop taking an interest in the real lives of Scottish people in favour of aspirational tales of the well-off few.



This is what has happened in England. It is not that England has a lack of radical past or radical identity, it's just that England has allowed the upper-classes to define its identity. Much has been written on this – the obsession with long-past military victories and the force-feeding of monarchy stories over the stories of the birth of trades unions, popular democracy, co-operatives and gender equality legislation (for example). England has allowed its identity to be manufactured by the elites (especially the Tories, the press and the military) and thus England seems to see itself as if it was Jane Austen rather than Charles Dickens, even though the latter is much closer to the truth.

In Scotland it is different. We are in the early stages of saving the legacy of Scottish working-class identity, and it matters. Naturally Scotland is losing the battle against the avarice-inducing lifestyle marketing corporations and it seems to me that the WAG culture of England is not much worse than here. But there are differences and it is worth clinging on to these. There is insufficient space to consider what makes up our identity and how it is changing, but it is worth picking up two examples. The first is the Americanisation of our language which has altered the meaning of 'smart'.

When I was a child, if my granny called me 'smart' it wasn't a compliment. Rather it meant that I was trying to use intelligence for venal reasons or to demean others. Contrary to the fashion, I don't see this as discouraging intelligence and I can think of on-one who would have been quicker to support someone's desire to learn more. It didn't mean 'stop being intelligent' it meant 'being intelligent is no excuse to be selfish, unpleasant or arrogant'. That was what 'smart' meant to me – the difference between being clever and being kind. Unfortunately, smart is now a Scottish Government objective and this hasn't changed with an SNP administration. Another is 'confidence'. Confidence is value-free – it is an attribute which says nothing about the means to which it is applied (like powerful or strong or successful). And yet Scotland is full of chancers making a career out of lecturing us about confidence and persuading us it's our national failure. Well, I'm not sure I like

confident countries just like I'm not sure I'm desperately keen on confident people. Do we really want to be the international equivalent of the confident, privately-educated upper-middle-class guy pushing into the queue in front of you because he's been trained to do such things with total confidence? Is a confident nation something we should really want to be? Nazi Germany was enormously successful because of its confidence. The same goes (with no comparison intended) with the current US rejection of Kyoto. In Scotland, confidence without compassion was traditionally mistrusted. The description my gran would have used was 'full of themselves'. So long may our diffidence to cockyness continue and may we please soon see the end of government-funded 'Full of Yourself' training, especially in our schools but also in self-promoting Centres of Full-of-Yourselfness.

**In Scotland it is different. We are in the early stages of saving the legacy of Scottish working-class identity. Scotland is losing the battle against the avarice-inducing lifestyle marketing corporations and the WAG culture of England is not much worse than here. But there are differences and it is worth clinging on to these.**

Does it matter? Yes it does. Personality is an inherent trait, something intangible, but it drives action. The things we do are motivated by our personality. We wait in the queue or help someone who has fallen or shrug off being splashed by a car according to our patience, compassion and good-humour. Without them we shout at the person behind the counter, walk past the fallen person and throw things at a car whose driver doesn't realise what she has done. Our personalities make us behave in specific ways. And this is the crux of the matter – personality is political, because it drives our political decisions just as much as our personal decisions. If you care about policy, you should care about identity. The example of an American policy towards climate change which is a direct result of a national mentality of supremacy has been used. But let's have a look at the personalities behind some policies in Britain today.

Britain still maintains a whole range of personality disorders which have survived the fall of empire. We remain bizarrely proud of our virility, as measured by our ability to kill. Britons are quite blithe about the killing power of our army. And the

righteousness of our nation, despite all the evidence to the contrary. In the Blair years there was no let-up in the militaristic rhetoric but there was an marked increase in the belief in our inherent benevolence and wisdom. Blair used the phrase 'right thing to do' with alarming regularity, demonstrating both that he believed that we had a superior access to knowing what was right and what wrong and that our actions were bound to be benign. The more we believed it, the more we parroted it to ourselves, the more we took on the identity of a wise-old bully who was in it for the greater good, the more we invaded, bombed and killed. Blair turned Britain into the 'good old bastards' that presumably taught him the ways of the world with a firm beating and a wise word or two in his time at an elite private boarding school. Our policy followed.

Likewise, the Anglo-Saxon obsession with size seems to influence everything we do. There is no rational reason why in Britain we greatly favour one business with a £5 million turnover over ten with a £500,000 turnover. Any economist would tell you that in most cases the latter will employ more people, generate more economic activity and probably behave better as well (they can't usually afford the lawyers and accountants that enable them to behave badly). But economic policy in the UK sees micro-industries as a disposable luxury and glorifies profitable mediocrity over all things. An economist recently told me that there should be no government support for artisan jewellery making in the UK because there was no way to make it sufficiently profitable. Follow through all the implications of that statement and imagine the consequences.

What about our abiding communitarian myths? Good-old rural England, land of true-blood Saxons. Resolute and together, stood against the Germans and didn't get invaded. Fine Dunkirk spirit etc. All myths – the Normans made sure there is little Saxon blood left (and few Saxon names), England is the home of the industrial city, the Germans didn't invade us because, unlike France, we're an island and Dunkirk was a panicked retreat. But you know that Daily Mail vision of Britain. And you know how that personality type defines immigration policy. Finally, there remains a pretty endemic hierarchical element to British identity. We can claim that the class system has come to an end, but we remain surprisingly deferent to those 'above us'. In other countries if those in power say 'look, you simply must believe us that this pain is necessary because we know things you don't there would be protest. We tend to acquiesce, and hence the decline of our civil liberties. But the love of hierarchy and its twin, the belief in elites, is still buried deep in the English education system (less so ours) with its tendency back towards selection and streaming.

So even in a very quick run through some public policy positions it is quite easy to find correlations between identity and political position. This is something we should take very seriously, because others do. Identity is not inherent but rather is manufactured. Who we are collectively is being changed at all times by the things that surround us. Examples have been explored above – creeping Americanisation, over-promotion of confidence and thrusting entrepreneurialism, the encouragement to cringe at our collective past – but there are many, many more. We are told almost every day about who we really are. We don't really get to choose priorities because these have been decided for us – they are health, education and law and order. End of story. The fact that all three of these are seen as managerial and therefore not really political has been commented on by many people. Our political priorities are not political. We are defined ever-more by what we own, what we buy, where we spend. But the things we own and the places we spend are not our own space, rather the reflection of an advertising wonderland showing us topsy-turvy distorting mirror images of ourselves as others would like us to see ourselves.

A fight for our identity is basically already underway – always has been – and we need to wake up to it. People are slowly starting to absorb new elements of identity. This is being written on the eve of the Scotland-Italy match (which I fear by now you wish you hadn't been reminded of). We're encouraged to support Scotland. But now we're encouraged not to support whomever is playing England. Rivalry is to be taken out of our national identity because it is seen as especially dangerous by those with a unionist political perspective. But why only in Scotland? I

have written this before, but I will jovially support England when English fans jovially support Argentina and Germany. Oh, and when children stop booing the villain at pantomimes. Don't accept the suggestion that Scotland is the only footballing nation in the world which isn't allowed to have sporting rivalries. It's intended to make you feel less Scottish and more British. Which you are free to do, but only if you choose and not because someone else has decided it for you.

So let's think more clearly about our national cultural and political personality. However our personality changes, so we'll follow different paths. We can become more individualistic, less communal, more venal, less moral, more resentful, less content. But to do so will make us behave in different ways. For my money, choosing to try to be the best small country in the world was no bad thing, so long as we were ready to define 'best' quite carefully. But more than that, let's try to be a better country by trying to work out what bits of our personality we like best and building our outlook on those. With a little luck, we'd end up with a political programme which made us feel better about ourselves.

Personalities change, and we can change them. In case anyone is wondering what slogan I might choose as a replacement, I think I might be tempted to pick some of the elements of Scottish identity I like most. I like the welcoming side of Scots, always keen to persuade visitors that we're a great country full of friendly people and always ready to go to the extra trouble to prove it.

I like the modest side of Scotland, self-effacing, modest and as unlike Tony-Blair-and-Victoria-Beckham as is possible. I like the bit of Scotland that feels it is wrong to pick a fight for no good reason, just because we could. I like the Scotland of the Tartan Army, which transformed itself in 20 years from the arrogant, violent drunk to the friendly, funny drunk. I want to invade other countries joyously with flags and smiles. I want to work collectively to look after the good of the whole. I want nothing to be too much trouble to help someone.

So my slogan? I don't know, it seems so hard to encapsulate. But perhaps, for me:

"Scotland – Nae Bother"



*Robin McAlpine is editor of the Scottish Left Review*

# a slogan for Scotland

Scottish Left Review asked a range of leading figures in Scottish society what slogan they think must sum up the kind of place Scotland is and to explain why they think this

## **'We're all worth the same**

This is a line from the chorus of the The Proclaimers' song "Scotland's Story" which celebrates the occasionally overlooked multicultural nature of Scotland and the huge number of nationalities that have and continue to make up Scotland; "We're all Scotland's story and we're all worth the same". To me it suggests the idea that Scottishness isn't necessarily a matter of common genetics but more about shared identity and beliefs; the idea that "it's not so much where you're from but where you're at". As a blatantly English public school boy who's lived and worked in Scotland I often expected hostility, but very rarely found it. Scotland always seems happy to embrace those who have chosen to embrace it, whether they be actors, writers, musicians, teachers, medical professionals or students. The greatest compliment I've ever been paid was when Frankie Boyle told me "You might be from England, but you're a Scottish comedian".

*Miles Jupp, Actor, writer and comedian.*

## **"Scotland - serious about saving the planet!"**

Scotland has the natural resources and world leading expertise in virtually every renewable energy technology known to man. We also now have a government with real foresight which recognises that to stay safe, we must quickly adopt the international carbon rationing framework "Contraction and Convergence". Scottish innovation has shaped the world in the past, its now time to do it again for the survival of our species. There has never been a more critical defining moment in time for us to lead the way again... so let's just DO IT!

*John Riley Chairman of Scottish Action on Climate Change*

## **"Scotland (soon to be no longer part of a militaristic state with delusions of imperial grandeur) Welcomes You"**

This is a slogan that should go down very well with most of our overseas visitors and also with a substantial number of those from England. The imperial past and the current enthusiasm for the role as the US's little military helper has resulted in attitudes towards 'Great' Britain that range from ambivalent to hostile in much of the world. There are also many in England who dislike the UK government's policies. It plays to Scotland's 'cheeky' and friendly image and gives us the chance to distance ourselves from the negatives in the British tradition. This may be a bit unfair since Scotland was up to her neck in Empire but redemption is on hand if we choose a different future path.

*Isobel Lindsay, Lecturer in Sociology at Strathclyde University*

## **"Scotland - Matured for a 1000 Years. Enjoy."**

Scotland needs to play to her strengths and one of her great strengths is a long and interesting history that is expressed in both the built and in much of the 'natural' environment. It is also reflected in a rich historical and contemporary culture. These are the things that attract the large numbers of tourists who are not looking for sun and sand. The slogan also hints at one of our best known products and this gives an added layer of meaning.

*Professor Arthur Mclvor, History Department, Strathclyde University*

## **"Scotland working for Peace, Justice & Socialism"**

This is obviously aspirational! Prior to the inception of the Scottish Parliament there was a general view that devolution would bring with it an inherent socialist bias. Unfortunately neither the Labour/Liberal coalition nor the SNP have moved away from prioritising the business agenda thus far. To achieve a fairer, peaceful and socially just Scotland means exposing the lies of 21st century neo-liberalism and implementing policies with accompanying spending commitments to advance socialist principles. An overarching socialist vision would give Scotland a clear, consistent strategy for achieving social justice, ridding our shores of Trident and delivering equality for all our people. This slogan would help motivate us, provide a positive message to visitors and reflect the aspirations of the many not the few.

*Elaine Smith, Labour MSP for Coatbridge and Chryston and Convener of Labour's Campaign for Socialism in Scotland*

## **"Scotland: Rights 'R' Us"**

I noticed recently that in Sweden Toys'R'Us is fully unionised and its workers' terms and conditions subject to collective bargaining. What struck me was that this kind of private service sector company in most other countries would be non-union (read anti-union). In Sweden, this isn't the case because of the wider panoply of the regulation of the market and employers. This suggests to me that a vision for a fairer, decent Scotland must be a wide and encompassing one where there is regulation at not just the level of the workplace but also of the economy and society too. In such a situation of 'rights 4 us', Scotland could be projected as the country of 'rights'.

*Gregor Gall, Professor of industrial relations at the University of Hertfordshire*

## **Scotland - Fairer, Greener, Happier.**

'All power to the soviets' is snappier, but we need to take into account the conditions we are in. Scottish politics - with added SNP - has produced improved government. But the contradictions of neo-liberalism with a social democratic

face may yet de-rail Salmond's project. We need a politics that goes beyond Holyrood. One that addresses the global and local context. Equality, diversity; redistribution and recognition matter. As does the world we live in and the way we live our lives. The participative needs to impact the representative; individual aspirations reflected in the collective. Changing reality will take more than a hundred words.

*Stuart Fairweather, Convener, Democratic Left Scotland.*

### **"Scotland - where people are welcomed and where people matter most"**

The slogan is meant to capture the democratic, republican, socialist and outward-looking country that Scotland might become if it breaks free from the unionist shackles of monarchy, class, conservatism, racism and capitalism. Democracy should mean popular control; that is why people matter. Where the people come from doesn't matter at all. That is why we should be welcoming to all people - wherever they come from - who choose to come and participate in our democratic experiment.

*John McAllion, Former MP and MSP for Dundee East*

### **"Scotland's Disabled need to help"**

Believe it or not I have benefited from being disabled. Never before have I been treated to such general kindness. Whether in a wheelchair chair or on my 'rollator' people have demonstrated helpfulness. It was not always thus. My first attempt at walking with a stick some years ago was marked by having it kicked from under me by a youth. Instead of being angry, I felt humiliated and frightened. Who says legislation doesn't change attitudes? We have come a long way in our attitude towards disability but there is still a long way to go. Public places, transport, hotels are now generally user friendly as are shoppers, supermarket assistants and the availability of wheelchairs. The worst offenders would surprise you. Mainly sited in old buildings. I have been precluded from giving assistance to Childline because they have their Scottish HQ five storeys up in Albion street Glasgow. Fire regulations I understand, but why is an organisation so tailor-made for those of us who are sedentary located in an inaccessible office? The disabled want to help others too.

*Anna Mccurley, Former Tory MP, now an active member of the Scottish Liberal Democrats. She is registered disabled.*

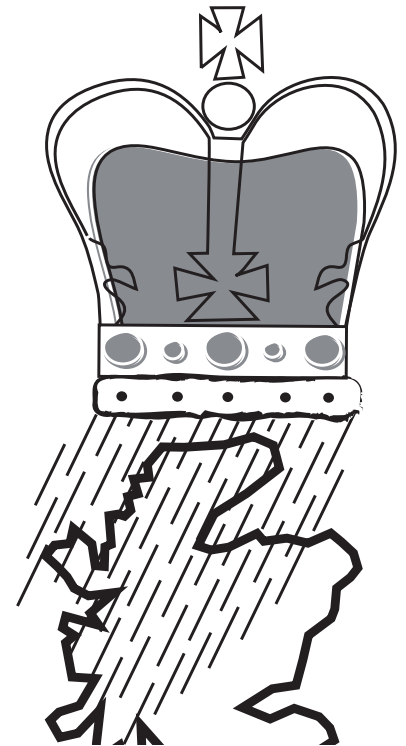
### **"Scotland kens that from Kirkwall to Kelso - public servants deliver"**

The Scottish people time and again have shown strong support for public services, yet we are regularly lambasted with negative media portrayals, sponsored by business interests, claiming that the public sector is crowding out Scotland's economy with too much bureaucracy and red tape. The UK government has cut 60,000 civil service jobs since 2004. Local services are deteriorating - rural Post Offices and jobcentres are closing. No one believes that the private sector is somehow more efficient, or that low paid public sector workers are creaming a good living off the state. It is high time we had a confident popular campaign countering such rightwing nonsense.

*Lynn Henderson, Political Officer, PCS Scotland*

### **"Scotland - It's still reigning here"**

Today, 6 November, is the state opening of 'the Mother of all Parliaments'. Our army is fighting overseas to instil this 'democratic' spirit in others. But how many other countries want their democratically elected Parliament opened by, and all its laws subject to, the assent of, a monarch? In our oft-declared 'new Scotland', the same 'democratic traditions' apply. Our new 'Scottish Government' insists each Parliamentary session is officially opened by this feudal relic. Our new First Minister considers the Act of Union of 1707 as outmoded but the Union of the Crowns of 1603, which bestows a unified monarch on Scotland, as fresh as a daisy! Scots like to think of themselves as liberated citizens. We're not. We're legally 'subjects of Her Majesty' and all that entails. She 'reigns' over us even though a majority of us favour a modern democratic republic.



*Colin Fox, Former MSP and current leader, Scottish Socialist Party*

### **"Aiming to become the friendliest small country in the world"**

A country should be judged on how it treats refugees and migrant workers and not just on what it offers to tourists. The re-ignition of immigration in Britain as a political football is profoundly depressing as is the failure of the Westminster Government to take a progressive lead. No one should be complacent about racism in Scotland but we have much to offer, and much to gain, from encouraging ongoing in-migration. The Scottish Government has a range of levers available to promote quality employment, based on living wages and quality training. These must be used to ensure a better in-work experience for migrants and non-migrants alike.

*Dave Moxham, Deputy General Secretary, STUC*

### **"Scotland: A Nation For The World"**

I'm not opposed to national re-branding exercises as such - I think it can be an important ideological opportunity. The first thing that popped into my head was the Macdiarmid line, as a riposte to McConnell's pathetic slogan: 'Scotland small? Our infinite, multiform Scotland small?' Then this positive phrase came along. For me as an independista, it makes clear my desired endpoint - Scotland as a globally-recognised nation-state. But the implication is also that Scotland is 'for' the world - open-minded, open-bordered, welcoming all those from whatever ethnicity or background who want to make the

country a better place. It also implies that we should have a global ethic, anxious that by progressing our own condition, we progress peace and prosperity among the less fortunate as well. But remember that 'branding' means the sizzle of iron on purchased flesh, so let's not take this too seriously...

*Pat Kane, Musician, writer and commentator*

### **"An engaged Scotland"**

The impact of devolution on Scotland has had an effect that I really didn't expect. Rather than the renewal of Scottish democracy, the Scottish Parliament has been seen by many of Scotland's people as a condemnation of democracy. The failures of Scotland's politicians have been highlighted, while their achievements have been elided over. This must stop. The exciting prospect of a participatory democracy awaits a Scotland that takes responsibility for understanding its own politics. For too long, Scottish democracy has been undermined by the tabloids and the Scotsman's obsession with expenses and other triviality. It's surely not too much to ask our media to pay the same level of attention to Scottish politics as to Westminster. Developing a mature relationship with the Parliament will allow the people of Scotland to discuss, agree and implement a new Scotland.

*Peter McColl, Green Activist*

### **"Confident Scotland – bigots not welcome"**

This year we have witnessed a new wave of patriotism streaking across the nation: the newspaper web forums are full of comments about 'throwing off the shackles of England' and 'seizing control from the English'. This particular form of nationalism breeds on self-glorification and the demonisation of 'an enemy'. A natural consequence of this behaviour is the cultivation of bigotry and xenophobia in our society. My kind of Scotland is one that rejects all forms of bigotry and racism and finds confidence in itself without resorting to the denigration of any race or culture.

*Gavin Yate, Journalist and Campaigner.*



### **"Welcome to Fair Scotland"**

Scotland is, in the main, a welcoming country, to visitors and immigrants. As well as being a beautiful country, it is a fairer society, the majority believe in egalitarian principles of good public services, educational opportunities for all and a fair

division of income and wealth. If we are to maintain this fairness we must campaign against the application in Scotland of neo-liberal global economics and argue for people-centred policies. To be more welcoming to visitors, we have to ensure that our hospitality and tourist industry provides proper training, offers career opportunities, pays decent wages with reasonable working conditions.

*Bob Thomson, Former trade union and Labour Party official.*

### **"Scotland: demonstrating a just, low carbon economy"**

Scotland is uniquely placed to demonstrate a just, low carbon economy. We have a quarter of Europe's wind and one fifth of its tide, top research universities, and an educated population. Decentralise our energy supply through district combined heat and power schemes. This will cut our emissions enormously while returning the means of energy production to our communities. Add wind and marine power and we can supply much of our non-transport energy. Introduce Personal Carbon Allowances to cut emissions and redistribute energy wealth. Collectivise and improve public transport and the young and poor will gain from increased mobility. Scotland demonstrate a just, low carbon economy.

*Adam Ramsay*

### **"Let the People Decide"**

'Freedom is a noble thing' wrote John Barbour in the fourteenth century. This noble slogan encapsulates all that is best in Scotland's past, present and future. The ideas of popular governance, democratic accountability and the concept of political freedom are the greatest exports that Scotland has given the world. We should celebrate them. Scotland's democratic traditions go back to the 1320 Declaration of Arbroath. This slogan signifies the historical juncture of where Scotland is at today. And where a vigilant Scotland must always be. It is thoroughly internationalist in that it connects us to the other stateless nations of Europe who also use it at the forefront of their own fight for freedom. It would serve to remind visitors to Scotland that they are arriving at the ancestral home of modern democracy.

*Kevin Williamson, writer, author, poet, radical publisher, founder of Rebel Inc, and currently co-editor of Bella Caledonia newspaper.*





# lifting the lid on PFI

**Jim and Margaret Cuthbert look at why PFI is bad for everyone, especially tax payers and conclude that there is an urgent need for an inquiry into the operation of PFI and it's impact in delivering vital public services**

This article explains the basics of why the Private Finance Initiative, (PFI), is a bad deal for the taxpayer. We describe here some of the major PFI errors which can now be identified, and we quantify the effects. The results, in terms of the burden being placed on each and everyone of us, are staggering: as we shall see, PFI can well be described as "one for the price of two". There is now an urgent need for a full public inquiry into the way PFI has operated: there should be a moratorium on the signing of any future PFI deals until required changes have been made: and any past PFI deals shown to involve excessive and unreasonable profits should be reopened.

Although introduced by the last UK Conservative government, PFI was enthusiastically taken on by Labour. It involves private sector suppliers not only designing and building, but also maintaining and operating, major items of public sector infrastructure like schools, hospitals and roads over a large number of years. Instead of the public sector itself borrowing money to pay for the capital expenditure, what the public sector pays is an annual unitary charge for the use of the facility over its lifetime. All of the individual costs borne by the PFI supplier, such as capital repayment and interest charges, maintenance, and service provision, together with supplier profit, are bundled up into the single unitary charge.

The scale of PFI is huge. In Scotland alone, PFI deals in operation or signed cover capital expenditure of £5.1 billion, almost all under Labour. A further £1.7 billion future deals are in preparation.

Serious concerns about PFI emerged very quickly. One concern, for example, was whether risk was actually transferred to the private sector. Another concern was that the PFI approach also seemed to have an effect on the type of project being undertaken: there have been many examples where a public authority has started off with plans for a fairly modest refurbishment, but has ended up having been convinced that what was actually required was a much more expensive new build project. Yet another concern was with the scale of PFI projects: many projects are so large and complex that the degree of competition has been limited. As one supplier noted, an advantage of PFI from the supplier's point of view was that "tender costs and complexity reduce competition".

But the major worries about PFI have related to cost. For example, it became clear that many new hospitals were having to be planned on the basis of reduced bed numbers, in order to make the forecast unitary charge payments affordable: (for example, to make the New Royal Infirmary of Edinburgh PFI scheme affordable, a 24 per cent reduction in acute bed numbers was required across the Lothian Health Board area.) Suspicions really started to crystallise when several

PFI suppliers were able to extract large capital gains from their PFI projects, at an early stage in the life of the project, effectively by capitalising their anticipated future profit streams. In several cases, the capital gains extracted were several times the original inputs of capital by the PFI contractor.

Concerns such as the above have been articulated by a number of critics, notable among these being Allyson Pollock, now at Edinburgh University, and her colleagues. The Government, however, (both at Westminster, and the previous administration at Holyrood), have countered criticism by their usual technique of unsubstantiated assertion: and they were greatly helped in this because the required detail about projected costs and finances was hidden away under the cloak of commerciality in confidence.

Recently the situation has radically changed: what has happened is that detailed financial projections for the operation

of PFI schemes have started to become available, because of the operation of the Freedom of Information Act, (FoI). These are the actual financial projections produced by the consortia running the PFI schemes: and are normally included as confidential annexes to the Final Business Cases of projects. Unison has recently mounted a concerted campaign using FoI to





request copies of large numbers of full Final Business Cases. Most of the responses still contain large blanks where the financial information has been removed: however, the vital financial detail has been provided for a number of important PFI projects. This has allowed us to analyse a number of the financial projections, and this provides the basis for the key findings on which we report below.

Before moving on to the detail however, we should record our appreciation both of Unison and the Fol Act which has enabled this information to be brought into the open.

As noted above, the PFI consortium charges an annual unitary charge to the public sector client. This unitary charge has to pay for all the costs incurred by the provider, and yield a profit. Typically, to finance the initial construction, the PFI consortium will borrow the necessary capital. Most of the finance has tended to come from banks at a "competitive" rate. The remainder is usually made up of a mixture of what is called subordinate debt, that is money lent by the members of the consortium itself at a higher rate of interest, and of equity, where members of the consortium put share capital into the venture. Usually, the amount put in by the consortium by way of subordinate debt and share capital would be around 10 per cent of the capital value of the project.

Our examination of detailed financial projections for a number of PFI projects confirms just how hugely profitable PFI can be for the private sector consortia. But the important thing which our work suggests is that a large part of this profitability stems from two elementary mistakes made by the public sector in their negotiation of PFI contracts. We will start by looking at the nature of these mistakes first, and then consider their financial implications. Further details of some of the work reported on here can be found on our website, at [www.cuthbert1.pwp.blueyonder.co.uk](http://www.cuthbert1.pwp.blueyonder.co.uk)

The first key mistake we uncovered related to the way in which the unitary charge payment to the PFI provider is uprated, or indexed, through time. Normally, some simple uprate rule is applied to the unitary charge, whether as a whole or to each of its constituent parts, so that they increase in line with inflation, or some fraction of inflation. However, using a simple uprate rule like this neglects the fact that a major part of the supplier's financing costs, namely, debt charges, will not be increasing, but will be declining through time: this is because, as debt is repaid, the payment of interest each year will decline. The difference, between that increasing element of the unitary charge which covers financing costs and profit, and the declining cost of servicing debt, is available as a large profit: a profit which has not been earned through excellent performance, but through what amounts to financial sleight of hand.

This, however, is where we come to the second major mistake the public sector has made in the way it considers PFI projects. One of the key measures which the public sector uses in assessing the profits made by PFI providers is what is called the Internal Rate of Return, (or IRR), on the finance put into

the project by the consortium. This is called the IRR on equity, (though here "equity" is interpreted as provision of finance by the consortium by means both of subordinate debt and equity proper.) The IRR is, effectively, the projected rate of interest earned on the consortium's initial financial input to the project. The public sector regularly quotes the IRR on equity for individual PFI projects, usually as a justification for the reasonable rate of return being earned by the operating consortium. The big mistake is that IRRs are typically quoted on their own: but in fact the definition of IRR implies that there is a notional outstanding debt, on which this IRR is being earned. IRRs on their own are meaningless: the average debt on which this rate of return is actually being earned must also be quoted. A little thought tells us that, if the consortium is earning an IRR of 15 per cent to 20 per cent per annum on equity, (which the Treasury seems to regard as reasonable), but postpones taking dividend payments until near the end of the project, then the outstanding debt on which the IRR is being earned will rapidly snowball: so the actual financial return to the consortium, which is determined by the IRR and the average outstanding debt, can only be calculated if both the IRR and the average outstanding debt are quoted together.

So what does the data tell us about the size of the profits earned? Let us start with one example, a hospital project in England with a capital cost of just under £70 million. To finance the building the consortium borrowed over £60m from banks,

at an interest rate of just over 6 per cent: the consortium itself provided almost £10m subordinate debt for the project, for which it received a more generous 15 per cent, and the consortium also put in an equity stake of £1,000: (no, we have not misread the decimal point: we genuinely mean one thousand pounds). The project shows the classic signs of inappropriate indexation, with the senior debt being paid off quickly, and hence senior debt charges declining rapidly - but with the whole unitary charge being indexed over the full thirty year life of the project at 3 per cent per annum. As a result, the projected returns to the consortium are eye-watering: the £1,000 equity input

is projected to earn dividends totalling to more than £50m. Taking account of projected undistributed reserves at the end of the project, the consortium's own financial projections indicate that the consortium is expecting to reap a cash return of more than £90m in total on its investment, (by way of subordinate debt and equity), of less than £10m.

Cash returns on this scale are staggering. But simply aggregating cash returns accruing over a long time period is misleading, since a given amount of cash today can be invested, and is therefore worth more than the same amount of cash at a future date. It is also useful to have a standard approach to looking at different PFI financial projections - all of which are slightly different in detail. To get round these two problems, we developed two standard summary measures for comparing different PFI schemes.

**The projected returns to the consortium are eye-watering: the £1,000 equity input is projected to earn dividends totalling to more than £50m. The consortium's own financial projections indicate that the consortium is expecting to reap a cash return of more than £90m in total on its investment**

First, we split the projected sequence of unitary charge payments for a PFI scheme into its service element, (that is, that part covering operations and maintenance), and what we have called the non-service element, (that is, covering interest and repayment of principal on senior and subordinate debt, taxation, and profit). We then discounted the non-service element of the unitary charge by an appropriate discount rate to give the Net Present Value (NPV) at the start of the project: and we compared this NPV with the original capital cost of the building and equipment. The discount rate we chose was the interest rate which the public sector would have paid if it had borrowed the resources itself: so the comparison of the NPV with the capital cost gives us an indication of how much more the public sector is paying for the building and equipment under PFI than if it had been able to go out and purchase these directly.

For the English hospital example discussed above, the NPV of the non-service element of the unitary charge is, in fact, almost double the original capital cost of the hospital. In other words, for this hospital, it could truly be said that the taxpayer has got "one for the price of two" through using PFI. But this is by no means a unique example. We have analysed in detail three Scottish projects. For one of these, a PFI funded major educational establishment, the NPV of the non-service element of the unitary charge was more than double the capital cost - so this example is actually marginally worse than the English hospital example. For a recent significant schools project, the NPV of the non-service element of the unitary charge was more than 50% above the capital cost.

The second standard summary measure we developed relates to the internal rate of return (IRR). For each of the projects we have examined in detail, we calculated the pre-tax IRR on equity: (that is, on equity broadly defined as subordinate debt plus equity proper). But in addition, we also calculated the average notional outstanding debt on which this return was earned. In all of the three cases considered above, the pre-tax return on equity was just above 20 per cent: (which would correspond to a net post-tax return in the mid-teens, which the Treasury would probably regard as acceptable). However, the really significant point is that, in each case, the average debt on which this IRR was earned was very much larger than the actual input of capital via subordinate debt and equity: in the most extreme case, the average debt was more than 2.5 times the initial input of subordinate debt plus equity: in another case, more than twice: and in another case 1.5 times. This confirms that the IRR alone, (generous as it may seem), in fact grossly underestimates the true scale of return accruing to the operating consortia in some PFI projects.

Our analysis confirms therefore, that the returns arising from inappropriate indexation are enormous - as we have seen "one for the price of two" is an appropriate designation of some PFI schemes.

What we have described so far in this article are definite errors and mistakes we have uncovered in the practice of PFI. It would be wrong, however, for us to give the impression that we understand everything that is wrong with PFI - far from it. Our detailed examination of PFI financial projections indicates that there are other important aspects of the process which require much closer investigation. For example, once the construction stage of the project is completed, there is often projected to

be a significant financial reserve left from the original project finance, which is then paid into reserve accounts to earn interest for the operating consortium. At its worst, this could mean that the public sector is paying, via its expensive unitary charge payment, to fund the consortium to borrow money which the consortium then pays into an interest bearing account for its own ultimate benefit. There needs to be a much more detailed accounting for the cost elements which are actually contributing to the cost basis of the unitary charge.

What we have shown in this article is that, once PFI is examined in the light of the facts which are now becoming available because of the Freedom of Information Act, it can be seen to be nothing short of a disaster. The effects, however, go beyond the question of costs alone - even though no country, whether it be Scotland or the UK as a whole, could long support buying its capital assets on a "one for two" basis. But in addition, PFI has also had a marked, and negative effect on the industrial structure of Scotland. Given the large size of PFI projects, local firms have great difficulty in competing. The effect, in the Scottish context, is that local firms have either been squeezed out, or, (if they did get a foothold in the PFI world), are more susceptible to being taken over by international players attracted by large PFI profits. So not only are we paying excessively for PFI services: at the same time PFI contributes to our losing control of our own economy.

So what needs to be done: we suggest that a number of actions are required. Firstly much more needs to be done to improve the availability of information. The detailed financial projections should be published for all past schemes, and also for any future schemes. In addition, standard indicators should be published for all schemes. In the light of our own work, we suggest such indicators should include the Net Present Value of the non-service element of the unitary charge, in comparison with the capital value: and also the projected internal rate of return on equity, together with the corresponding average notional outstanding debt on which the IRR will be earned.

Secondly, any future PFI projects should be unbundled into smaller projects as far as feasibly possible, so that a genuinely competitive market has the chance to become established, and to allow local firms to compete.

Thirdly there has clearly been a systemic failure in the existing mechanisms designed to secure value for money from PFI schemes. There needs to be a full and detailed inquiry to establish exactly why the reality of PFI as it is now emerging is so different from the utopian view presented by PFI adherents like Partnerships UK.

In our view the problems with PFI are so grave that tinkering is not the appropriate approach at this stage. We would seriously suggest that there should be a moratorium on all future PFI projects, until the full facts of what has gone wrong, and why, have been established: preferably this should be done through a public enquiry. Moreover, if it is established that excessive and unreasonable profits have resulted from past PFI schemes, then efforts should be made to re-open them.



*Margaret Cuthbert is an economist. Jim Cuthbert was formerly Chief Statistician at the Scottish Office*

# this is the Scottish programme!

Henry McCubbin looks at the history of public broadcasting in the UK and asks what the future holds for the BBC

During a management/union meeting with the then chief executive of Grampian TV, I remember we, the ACTT (now BECTU) trade union delegation, raised the topic of increasing ITV's proportion of new programmes which our members had wanted us to discuss with the management. It had been felt that our output was becoming jaded. "Not so." responded an indignant CEO, the results of his focus groups and audience response surveys clearly indicated that our viewers wanted "more of the same".

Almost two decades later and after ten open public meetings across Scotland, six specialist consultative meetings, a major Quantitative Research Survey and a number of Qualitative Research Studies (focus groups) BBC Scotland's Journalism Review 2003 concluded that

"People were not, on balance, persuaded of the need for change. It did not emerge spontaneously as a strong front of-mind issue. In discussion, most people found it difficult to understand why such a change would be made."

Birtspcak was obviously still alive and well at Queen Margaret Drive. All that they needed to say, like the Grampian CEO, was that people wanted "more of the same." But after all of that scientific surveying they had to somehow justify the expense even if was just with consultants' gobbledegook. Their findings came as absolutely no surprise to me. I remember and elderly BBC radio producer trying to define what the essence of his task was and he came up with the following statement. He said that his job was to produce programmes in forms and on subjects in such a way that the audience would only realise their interest in the topic as they listened to it. In other words the product had to be created not manufactured.

We can only be thankful that cavemen did not use focus groups or surveys otherwise we would still be living in caves. It is all too easy to forget that broadcasting is a very new industry. When I moved back to BBC Scotland in the 1960s, from working in the BBC's television studios in London, the BBC Controller Scotland was Andrew Stewart, one of the original programme makers in 5SC which started broadcasting on the 6th March 1923.

"This is the Scottish Programme!" was the announcement used by the same Andrew Stewart on BBC radio Scotland in the 1930's, an age when radio output was truly regionalised as the coverage of the transmitter geographically delimited the audience of the radio company. It was the ability to relay

programme material across the UK that brought the arrival of networked output from the, as then, monopoly broadcaster. At some point in this development effective power transferred to the centre and the familiar, and at time of war, the gravitas of the comforting announcement "This is London Calling" displaced the Scottish emphasis.

The nature of the control of the growth of broadcasting gives us an indication of how important this cultural and information medium was in the eyes of the ruling classes in Britain. New Labour's attempt to increase the marketisation of public sector broadcasting, as illustrated through their Charter Review process, starts from the flawed idea that the BBC has been preserved in aspic since the days of John Reith and May 1997 was the equivalent of Pol Pot's year zero. Not so, since it started transmitting on 12th November 1922 the BBC has had up to 20 substantial Royal Commissions, Charter Renewals or Broadcasting acts modifying its powers and income through the licence fee.

To put today's travails in perspective we should look at the nature of its previous statutory changes in chronological order and where Scotland fitted in to this jigsaw. The membership

and agenda of these commissions will I hope through some light on the one off changes and continuous themes running through broadcasting regulation thus instructing us into how we have arrived at where we are today.

The Post Office invited the leading wireless manufacturers to form a broadcasting syndicate due to the scarcity of frequencies. Negotiations between the competing manufacturers (leading role played by the Marconi company), the Post Office and the Armed Services Committee led to the formation of the British Broadcasting Company, which began transmissions on 14 November 1922.

The Postmaster General appointed a committee under Major General Sir Frederick Sykes to consider broadcasting in all its aspects, and the future uses it might be put to. The

Sykes Committee defined broadcasting as 'public utility', made only short term recommendations about the development of broadcasting and granted the Company a licence to broadcast for only two more years.

The Crawford Committee was set up to establish guidelines for the future of broadcasting on a more long-term basis. The Committee endorsed Reith's views on broadcasting as a public service utility with mission to inform, educate and entertain.

The Crawford Committee's main recommendation was that the BBC became a public corporation.

British Broadcasting Company became the British Broadcasting Corporation by Royal Charter, with a Board of Governors and a Director General, John Reith.

At this point it would be worthwhile to reflect on how this regulatory input imposed itself on outputs. During the previous decade the main Glasgow Station, known by its station 'ident' 5SC, opened on 6th March 1923, followed by 2BD Aberdeen on 10th October, 2EH Edinburgh on 1st May 1924 and 2DE Dundee on 12th November. Another innovation, simultaneous broadcasting, was introduced allowing the distribution of programmes between London and 'the provinces'. Until then the programmes originated from the local station to its transmitter area was a matter of some tens of miles radius at best. On the 1st October 1929 the BBC regional scheme began.

On 12th June 1932 Westerglen high powered transmitter opened in Scotland and, as was to be the pattern of these advances, technology combined with political and managerial decisions dictated that the local stations based in Glasgow, Edinburgh and Dundee closed and on 25th September and what was called at that time regional and national programmes were transmitted to the Scottish audience from Westerglen. By 12th October 1936 Burghead transmitter opened extending national coverage to the North East of Scotland. By the 9th September 1938 Aberdeen station closed following the logic adopted for the central belt.

On 2 November 1936, the BBC transmitted the first regularly scheduled television programme service in the world from its London Television Station. To viewers within twenty five miles of its production centre in Alexandra Palace, it offered broadcasts six days a week for one hour in the afternoon and one hour in the evening.

In 1944 William Haley became Director General and the Hankey Television Committee published its report. This was during a power struggle within the BBC between radio and the young upstart television which took until beyond the Beveridge committee to resolve. The Scottish Home Service restarted and on 1st January 1947 in line with the BBC's 3rd Royal Charter the Scottish Regional Advisory Council was formed and later in that year the Scottish Schools Broadcasting Council. A significant development at this time was the allocation of frequencies under the Copenhagen plan which in time provided for the expansion of local radio and addition terrestrial channels. The delay in this medium powered transmitter expansion was down to the costs of rearmament with the Korean War on the horizon.

The central concern of the Beveridge Committee was the question of the monopoly of the BBC. Proposals for competitive broadcasting were rejected on the grounds that the quality of programmes would deteriorate.

Beveridge also had to consider a more overt political debate on broadcasting. The Labour Party submission said that "Regions must have a wider measure of control over their own affairs, the right to choose their own staff, a bigger share of the license income more studio space of their own, more and better equipment and a greater sense (sic) of independence." SNP complained that Scotland was being treated as a region and not a nation, and that the Broadcasting Council was to be

advisory and not executive. In contrast Patrick Gordon Walker said that TV should be centralized not regionalized (sic). This is the first time that the centralization of decision making in the BBC has been officially challenged.

By 1952 the BBC opened its Kirk o'Shotts transmitter in time, if I remember correctly, for the Royal funeral. Repeater transmitters then opened apace throughout Scotland. By 1st January 1953 the BBC Scottish Broadcasting Council was established.

Commercial Television, ITV, was established under Independent Television Authority (ITA) regulation. The terms under which commercial broadcasting was established made it regulated as part of public service broadcasting.

This little Act virtually ditched the Beveridge Report.

On 30th August 1957 the BBC Scotland transmitted its first television news bulletin. Why this day? Well if I tell you that the next day 31st August was the day chosen by STV to start transmissions perhaps that will give you a clue. It may also give us a clue as to why the BBC of today does not feel inclined to provide a Scotland at Six since STV in its emaciated state is in no shape to offer any competition.

The Pilkington Committee was set up to examine the impact of commercial television and to compare its programme service with that of the BBC. The main concerns were the programme standards and the threat of 'triviality'. The ITA was criticised for its inability to ensure quality and PSB programming. The Report was published in 1962 and favoured BBC.

A third television channel was awarded to the BBC. BBC2 was launched on 20 April 1964. BBC2 was not expected to compete for the largest audiences, it could broadcast programmes that had a greater cultural content and were more demanding on audience attention. BBC2 was a 'test-bed' for new technologies. It was the first European channel to transmit in colour in 1967.

ITA became IBA (Independent Broadcasting Authority).

During this period technological changes, which are now taken for granted, were introduced. The ability to synchronize several video sources not only improved multi camera sports coverage, it provided the ability to produce programmes like Nationwide where the producer could cut between several sources and make the nation (UK) appear as one. There has been some discourse on the topic as to why that particular programme format was introduced at that time, the rise of nationalism in Scotland frequently being cited as a possible reason.

The construction of Nationwide ensured that the dominance of London was the controlling factor that never raised its voice. In a BFI Monograph, "Everyday Television: 'Nationwide'" Brundon and Morley state that "The input of 'regional stories' - material drawn from the 'life of the region' - is subordinate to this 'national with regional effects' input; the regional variations are orchestrated from the central London studio base. London is the 'absent' region, the invisible bearer of national unity. It is both technologically and ideologically the heart of the programme."

The Annan Report found both the BBC and ITV wanting. The old monopoly had given way to a cosy 'duopoly' between the



BBC and ITV, who had both come to terms with competition by providing a broadly similar service with a roughly equal share of the audience. The Committee recommended the creation of a Fourth Channel to ensure pluralism, an independent Open Broadcasting Authority (OBA) to ensure pluralism in the output of the BBC, ITV and a new Fourth Channel.

The 1980 Broadcasting Act was supported by both the Conservative and Labour parties. The Channel Four Company was incorporated as a wholly owned subsidiary of the IBA with a legislative requirement to experiment, to innovate, and to complement the service offered by the existing commercial television channel. Wales got its Welsh language channel.

Channel 4 went on air on 2 November 1982. Channel 4 was a 'publisher' rather than a producer. It commissioned its programmes from independent production companies. It did not compete for advertising funding, but received an agreed amount from the Independent Television companies. The Peacock Committee advocated the end of public service broadcasting and favoured a broadcasting system based on market forces and consumer choice. Truly Thatcher's legacy.

1990 Key changes: 1) The IBA to be replaced by an Independent Television Commission (ITC) which would provide 'lighter touch' regulation. 2) 25 per cent independent production quota (except news output). 3) ITV franchises to be decided by auction. 4) Channel Four's remit to be preserved, but its advertising won't be received by ITV anymore. C4 has to compete for advertising, its main source of income. 5) New commercial channel, Channel 5, not required to show regional programmes. 6) Transmissions networks were privatised and transferred to new company National Telecommunications Ltd (NTL). 7) Broadcasting Standards Council (BSC) to ensure standards of taste and decency, to monitor programmes and examine complaints.

Terrestrial Channel set up as another commercial competitor. It aimed to be a popular channel and introduced a form of scheduling known as 'stripping', offering the same strand of programming every day, every week.

The 2000 Government White Paper 'A New Future for Communications' radically reshaped the broadcasting policy, it went beyond broadcasting and the regulations proposed encompassed the whole spectrum of communications. A new regulatory body was proposed to take over from existing regulatory bodies, Office of Communications (Ofcom).

The Communications Bill became law on 17 July 2003. As well as replacing the existing broadcast regulators - the ITC, the Radio Authority and the BSC - Ofcom would also incorporate the telecommunications work of Oftel and the Radiocommunications Agency. Although the BBC governors would retain most of their role, Ofcom would have power to fine the BBC for breaches of standards.

Phase One of Ofcom's review of PSB published. Questioned the role of the BBC as PSB and the sustainability of the licence fee. Phase Two of Ofcom's review of PSB in the digital age published. BBC should continue to be fully funded by the licence fee. A new Public Service Publisher (PSP) is recommended. Phase Three of Ofcom's review of PSB published. BBC still 'cornerstone' of PSB.

DCMS publishes Green Paper on plans for BBC's charter

renewal. Proposals: 1) The abolition of the board of Governors of the BBC. 2) A 'transparent and accountable' BBC Trust to oversee the corporation. 3) The BBC continues to be established by a Royal Charter for another 10 years. 4) Continuation of the licence fee. 5) A review of other methods of funding (particularly subscription) the BBC before the end of the next Charter period.

From the above what is discernable is a change from an independent Commission held at regular intervals, usually ten years, followed by a White Paper and then a Bill. The outcome need not follow the report of the Commission but there was always structure to the debate and the ability to follow it and contribute. What is now happening is nothing short of an administrative shambles but with one constant trajectory and that is towards privatisation of the broadcasting assets of the BBC and the casualisation of its greatest asset, its creative and technical staff. The change can be seen from Peacock to Jowell a political bloodline from Thatcher to Blair.

When I worked for the BBC it ran four national radio channels, two television channels, had three classical orchestras two choirs, regional and national broadcasting studios, several new local radio stations and two dance bands all paid for by a license fee that was less than half the turnover of ITV which at that time provided just one TV channel. It could even afford to provide its staff with a final salary pension. It owned its property and produced by far the majority of its own programmes. The review into Scottish Broadcasting called for by the Scottish Government is a welcome intervention just prior to the announcement of BBC Director-General's Mark

We at SLR hope to contribute to this debate and this is the first part of that contribution by putting Public Sector Broadcasting in its regulatory and historical context where we can argue that the BBC has been steered more and more with an ideologically driven hand on the tiller. Where new technology has been introduced it has been used further these ideological ends with regards to regionalism and where to place PSB under the control of Ofcom, whose task is to apply market solutions to the communications industry, is to fail to grasp one major fact. Handing the control of a national treasure such as PSB to deregulated markets does not free our PSB sector from regulation but takes it away from democratic control and places it under the control of private corporations whose legal regulation generally means the maximization of the wealth of its shareholders which takes priority over corporate social responsibility when these two concepts are in conflict. ■

***Henry McCubbin is a former BBC employee and MEP***

# prison works

Gary Fraser looks at the role of incarceration in British society and asks what the UK's fascination is with young people and jail

The French philosopher Michel Foucault, reflecting on the history of penal reform and prison in Western Europe made the remark that 'failure never matters'. It was an acute observation. Despite masses of empirical evidence that prison is expensive and in regards to recidivism, counter-productive, the British government continues to incarcerate, both the adult population, and for the purpose of this article, young people, at an alarming rate. Labour, after ten years in power has continued to promote the political chimera, which has become a shibboleth of modern government, that 'prison works'. Surely it is time to question this orthodoxy and ask why, that under a Labour government, which talks a great deal about social inclusion, are so many of our young people are being incarcerated? To understand the origins of Labour's fixation with incarceration it is necessary to turn the clock back to the 1990s and the dying days of Conservative Britain, when the architects of New Labour positioned the party as being 'tough on crime'.

The context of mainstream political life in 1990s Britain was one in which law and order issues rose to the top of the political agenda. Right wing thinking on crime became hegemonic and the left was routinely described as being 'soft' on law and order. In any opinion poll regarding political priorities, crime was never too far behind traditional concerns such as health, education and the economy. In the early 1990s, public debate and opinion was undoubtedly drifting towards the right. This in part, reflected the ascendancy of the view promoted by the Tories and the mainstream media, and echoed by Labour, that British society was in the grip of a moral crisis. This moral crisis, according to the right, had been caused and exacerbated by the welfare state which had fostered a dependency culture.

Right wing sociologists theorised that a new 'underclass' had emerged in society. The 'underclass' were portrayed as an infectious and dangerous sub-group that lived on welfare benefits. It was an extremely gendered discourse. The 'male' was constructed as violent, predatory and habitually criminal. The 'female' was sexually promiscuous, bore children out of wedlock and in the main was responsible for nurturing a new and dangerous generation of youths, particularly young men. In the race to demonise young people the tabloid press quickly picked up the baton; stories of joyriders and inner city gangs wreaking havoc in housing estates became commonplace. For the tabloids, moral panics, once the unintended outcome of journalistic endeavour now seemed to have become a goal.

The outcome of moral panics was a return to an authoritarian populism and the creation of a climate in which public pressure

to make children accountable for wrong doing increased. Moreover, there was a growing concentration on the needs of the victims, prejudiced by the unsubstantiated claim, repeated like a mantra by populist politicians and the press, that the rights of the criminal had superseded the rights of the victim. The political and social consequences of this tough law and order discourse, was to shift the public focus from the welfare of the child to offending behaviour and its consequences.

In the midst of this climate the Liverpool toddler Jamie Bulger was murdered by two ten year old boys. The Bulger killing sent the tabloid press into a feeding frenzy and they realised quickly that child killings and abductions could sell newspapers. In the aftermath of the murder, the press encouraged a demonisation of two small children who they held up as 'evil'. Chased as they went into court by a lynch mob baying for blood and revenge, Robert Thomson and Jon Venables, both aged ten, were tried in an adult court, without recourse to psychological support and counselling, with little concession given to their status as children. This case, albeit an extreme example, highlighted just how far welfarism and the rights and well being of the child had slipped off the political agenda.

**Despite masses of empirical evidence that prison is expensive and in regards to recidivism, counter-productive, the British government continues to incarcerate, both the adult population, and for the purpose of this article, young people, at an alarming rate.**

The Labour party has at times perfected the art of studying and manipulating public opinion. The architects of New Labour (Tony Blair, who before the death of John Smith in 1994 was Shadow Home Secretary) recognised that a drift to the right regarding law and order was taking place. Moreover, Labour were not just interested in pandering to the tabloids, or the readership of the Daily Mail and so called 'Middle England', they were also keen to respond to their heartland vote which was to be found in working class housing estates. The 1998 British Crime Survey revealed that three out of every four respondents believed

that the police and the courts were too lenient on juveniles. Research has indicated that forty per cent of recorded crime takes place in just ten per cent of areas, the majority of which are poor. Furthermore, more than half of the people who show up in official statistics as victims of crime are repeat victims; the majority are from poor backgrounds. This means that the poor as a proportion of the population face a disproportionate amount of crime (Hughes, et al, 2002).

In the midst of decaying housing estates and the fragmentation and dislocation of the nuclear family compounded by generational unemployment, communities turned inwards upon themselves. In this context, public opinion moved to the right. Fear is deliberately manufactured and then politically



exploited, which Labour performed to perfection. Once the political project became that of responding to offering various gestures of popular vengeance, a return to incarceration was inevitable.

New Labours slogan in the 1990s was education, education, education; in terms of crime and justice it could have been jail, jail, jail! Although Labours reforms have introduced a mixed economy of criminal justice, the government has presided over an increase in the number of young people being locked up. Believe it or not, during the Tory years, the incarceration of young people actually fell. The fear on the left and by concerned practitioners who worked with vulnerable young people, that the coming to power of Thatcher, who fought the 1979 election campaign on a strong law and order and anti-youth ticket, would lead to child incarceration spiralling out of control was never realised. The primary reason for a decrease in confinement was a commitment by the Treasury to reduce public expenditure. It was in this context that punishment in the community and alternatives to court and custody began to emerge. However, as we have seen in the nineties when the law and order pendulum swung towards the right, the rate of youth incarceration shot upwards. In 1993, the number of 15-17 year olds held in young offender institutions in England and Wales was 769; by 2002 it was 2,089 (Muncie, et al, 2002).

Labours drive towards incarceration has been exacerbated by two major developments, namely the 1998 Crime and Disorder Act (CDA Act), the central piece of their legislative crime agenda, and the implementation of polices under the ubiquitous term anti-social behaviour. The CDA Act enabled the courts to have power to lock up children between the ages of twelve and seventeen for 'non-grave offences' (Muncie, et al, 2002). The act also introduced parenting and anti-social behaviour orders and curfews. By 2000, as a consequence of the CDA Act, Britain was sending a greater proportion of its young people to prison than any other European Union state. Anti-social behaviour (ASBO) legislation has contributed towards an increase in child incarceration; breach of an ASBO can lead to prison even when the original offence was non-prisonable. According to the organisation Statewatch, 42% of ASBOS are breached and 46% of those breaches result in a custodial sentence. As a consequence of anti-social behaviour legislation, fifty children a month are being incarcerated in the UK.

The increased incarceration of young people is an issue which needs to be addressed by the left and all those concerned with the welfare of the child. Despite all the available evidence that prison does not work, Labour continues to lock up young people at an alarming rate. In England and Wales, the incarceration of young people, is at a higher rate per one hundred thousand of the population, than any other country in Europe. In 2002, the United Nations Committee on the Rights of the Child expressed 'deep concern' at the number of children in custody in England and Wales'.

The 'prison works' manta of Labour and neo-liberal governments alike is one which the left needs to challenge. Prison does not impact on the overall crime rate, nor does it reduce the likelihood of re-offending, and neither does it decrease the public's fear of crime. Instead of rehabilitating people, prison actually manufactures criminals. Contemporary discussion on a 'crisis in prison', and 'over-crowding' amidst reports of jails 'bursting at the seams' will not stop the flow of people entering

detention. Instead the response of the government will be to build more jails and detention centres; the development of Private Finance Initiative prisons means that the private sector can make a profit out of jail.

All of the empirical evidence points to the fact the prison is the first step on the road to a life in criminality. Re-conviction rates of young people discharged from custody are high. Regular reports, like those produced by the Children's Society reveal that the great majority of young people in custody, often for non-violent offences, posed no serious risk to the community prior to incarceration, but became a significant danger on their release. Custody, according to Muncie, et al, leads to broken links with family, friends, education, work and leisure. Moreover, incarceration causes stigmatisation and labelling, which in turn reduced the chances of employment and results in increased alienation amongst young people. Consequently the risk of offending is increased.

Labours talk of 'early intervention' is window dressed in progressive jargon. Scratch beneath the surface and you find something more sinister. 'Early intervention' has resulted in a 'net widening' of the criminal justice system and has drawn traditional welfare orientated sites such as education, health and social work into the business of crime control. Moreover, early intervention has brought about a new penal realm whereby 'guilt' is no longer the founding principal of justice, which has resulted in 'interventions' being made into the lives of children and young people without the necessity of offence behaviour.

In terms of penal reform, Britain, as in so many other areas, the most obvious being foreign policy, continues to follow a pan-American model. When you compare the UK with Scandinavian countries the difference is striking. Finland, for example, has reduced its young offender population by 90% since 1960 without any consequent rise in offending. This was achieved by suspending imprisonment on the condition that a period of probation was successfully completed. Consequently, immediate 'unconditional' sentencing to custody is now a rarity. It is also important to note that Finland has not pursued rigorous neo-liberal winner takes all policies like the US and the UK. In the main, the Finish experience has been successful because they have long recognised that social development policy is also the best crime reduction policy. Britain on the other hand continues with the tried and tested mantra of 'prison works'. The question in terms of the Labour government is obvious: why given the contemporary emphasis on 'evidence based', 'what works' and 'best value' policies does the state continue with incarceration. The answer is that prison has long been based on political expediency rather than pragmatism. British society is being placed under tightened surveillance, control and fear. Prison is a necessary component of this system and since the eighteenth century has been the states legitimised form of punishment. The continued presence of prison in our society is based on symbolism rather than on any actual usefulness. Prison is a reminder of the states brutality and need for control. The fact that prison does not reduce crime or recidivism is irrelevant; because as Foucault observed, when it comes to the history of prison, 'failure never matters'.

***Gary Fraser has recently completed a Masters in Social Policy and Criminology and is a member of Solidarity.***

# web review

Henry McCubbin

One might think that following up significant events in broadcasting history would be easy having regard to the fortune spent by the BBC on its web sites. Unfortunately presentation sometimes fogs the route to the essentials. TV ARK however provides an entertaining view in that it provides the surfer with archived excerpts at [www2.tv-ark.org.uk/bbcnews/bbcnationalnewsevening.html](http://www2.tv-ark.org.uk/bbcnews/bbcnationalnewsevening.html) or you can try [www.tvradiobits.co.uk/idents/](http://www.tvradiobits.co.uk/idents/) .

On the more serious side of the industry is the file of the BBC Scotland Journalism Review at [www.bbc.co.uk/scotland/aboutus/journalism/review.pdf](http://www.bbc.co.uk/scotland/aboutus/journalism/review.pdf) . You don't have to read far in before the contradictions appear. Further information on committees of enquiry and their composition can be found at [www.bbc.co.uk/heritage/more/pdfs/committees\\_of\\_enquiry.pdf](http://www.bbc.co.uk/heritage/more/pdfs/committees_of_enquiry.pdf) .

Davies Committee in to The Future Funding of the BBC contained Lord Lipsey who had been placed on to the Sutherland Report on care for the elderly by Gordon Brown with the sole intent of scuppering it. After successfully doing this with regards to England and Wales he was duly ennobled.

A visit to the home page of the BBC's Heritage site at [www.bbc.co.uk/heritage/story/index.shtml](http://www.bbc.co.uk/heritage/story/index.shtml) provides useful background material on the past Chairmen and Directors General and a resume of charter renewals.

The furore over Scotland at Six can best be found in Lindsay Paterson's article in the Scotsman to be found at [www.alba.org.uk/scotching/scottish6b.html](http://www.alba.org.uk/scotching/scottish6b.html) . Here he lays bare the limp excuses from BBC Scotland and the indifference of The BBC's central management. ■



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# Kick Up The Tabloids

## SLOGAN SHOCKER

Elsewhere in this edition, you will have read that the Government no longer consider Scotland to be The Best Small Country in the World. While the slogan was inspiring, I always thought visitors from Monaco must have found it faintly hilarious. You can hardly imagine some guy sitting in his yacht in Monte Carlo harbour thinking "Oh, I tire of this millionaire jet-set lifestyle, I think I'll relocate to Greenock and apply for a crisis loan"

For what it's worth, here are a couple of new alternatives. Welcome to Scotland: It May Be Shite But At Least It's Not England or Welcome to Scotland: Unless You're A Smoker

While Scotland may no longer consider itself be the best small country in the world, Shetland is now officially The Third Best Small Island in the World. In a recent poll in National Geographic Traveller Magazine to find the world's most perfect island idyll, Shetland beat off competition from more traditional paradises such as Bermuda and The Seychelles to be voted third. Before the people of Lerwick get too carried away and start cracking open the champagne, it should be pointed out that The Faroe Islands came out top in the poll. It would therefore appear that the criteria required to qualify as an island idyll are a lack of winter daylight, baltic cold temperatures, constant rain and wind. Plus the opportunity to go on endless guided tours of fish-processing factories

Following the 2007 Scottish Election fiasco, which as we all know was caused by the greed and incompetence of the previous government, we have had the enquiry into the 2007 Scottish Election Fiasco. This came up with the shocking conclusion that the 2007 Scottish Election was a fiasco, for which the previous government was to blame, due to their incompetence and greed.

"Welcome to Scotland: We Can't Organise an Election"

The UK Parliament opened in November with the Queen's speech, in which the Queen (otherwise known as Gordon Brown) promised increased security measures to see off al Qaeda and to raise the school-leaving age in England to eighteen.

It appears that al Qaeda are recruiting children as young as fifteen and training them to be terrorists. At the same time, children are leaving our schools at sixteen without basic skills, and with little option other than to become troublemakers.

If al Qaeda are so good at training young people, a solution to both problems may be to let a Qaeda run our schools. At least there would be no problem with discipline in the classroom.

On the subject of security, Metropolitan Police Commissioner Sir Ian Blair has refused to resign despite a vote of no confidence from the London Assembly, and the damning verdict of an inquiry into the shooting of Jean Charles de Menezes. In case you may be confusing him with Tony Blair, Ian Blair is responsible for the illegal death of one innocent person. Tony Blair, on the other hand...

However, Sir Ian has become such an embarrassment to the police authorities, it surely only is a matter of time before he leaves office, one way or another. Perhaps one course of action open to the Met is to mistake him for a terrorist and shoot him.

Back home, no sooner had the dust settled on the Inquiry into the Fiasco of the 2007 Election than Parliament hosted the Fiasco of the CIS Cup Semi-Final draw. Presiding Officer Alex Ferguson, or as most people know him "No-not-that-Alex-Ferguson-some-Tory-bloke-nobody-had-ever-heard-of-until-this-May" managed to pull off one of the greatest feats of both sporting and political ineptitude in living memory.

Faced with the daunting task of matching up the names of four football teams, listed in alphabetical order to four numbered balls which corresponded to those teams in numerical order he managed to get every single one of them wrong. Perhaps the school-leaving age should be raised to well over eighteen. Perhaps our nation's new slogan should read "Welcome to Scotland: We Cannae Even Run A Raffle".

On the same day as the opening of parliament, we also saw the official opening of the new rapid rail link to the Channel Tunnel from London St Pancras. When I lived in The Smoke, I always used to wonder who St Pancras actually was. Has anyone ever known anyone else called Pancras? According to the internet, St Pancras is amongst other things patron saint of cramps, headaches and oaths. A fairly appropriate person to name a railway station after. The new link will reduce the journey time from Paris to London in two and a quarter hours. The minimum journey time from London to Edinburgh will remain, for the foreseeable future at four and a half hours. Which pretty much sums up Westminster's attitude to Scotland.

Perhaps that slogan should read "Welcome to Scotland: Twice As Far Away As France"



# Reclaiming the

# ECONOMY

Alternatives to Market Fundamentalism  
in Scotland and beyond

edited by **Andy Cumbers and Geoff Whittam**

The takeover of the economic policy agenda by business corporations and their supporters in the political mainstream is one of the defining characteristics of the age. The 'free' market, trade liberalisation, privatisation and the protection of property rights now dominate the concerns of our political classes and the opinion formers who influence them, with only lip service paid to labour rights, social inequality and the environment. Challenging the dominant policy agenda, the contributors to this book argue for the construction of a more humane and sustainable economy.

The book develops a set of alternative visions, which both de-couple discussions of the economy from vested corporate interests and ask more fundamental questions about what an economy should be for and who it should serve. Departing from mainstream policy and economics orthodoxy, it is geared towards building a radical left agenda, yet, at the same time, one that is grounded in a practical politics. This book emerges from a particular initiative within Scotland, the Alternative Economic Strategy Network, bringing together progressive academics, trade unionists and activists to debate and explore alternatives to neo-liberalism and mainstream economics.

Reflecting this 'local' context, some of the papers develop critiques and policies directed at the Scottish public policy agenda, whilst others have a more general application. But all seek to contribute to a broader global vision challenging the free market fundamentalism of our time.

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