

# Scottish **Left** Review

Issue 73 November/December 2012 £2.00



**INDEPENDENCE...**  
the **red herring** of the left?

# GMB

SCOTLAND

# CARILLION MUST COMPENSATE BLACKLISTED WORKERS

Carillion blacklisted eight workers in Scotland—one each in Dundee, Glasgow and Irvine, two in Edinburgh and three in Livingston. They were part of 224 workers blacklisted by Carillion across the UK.

Only 198 of the 3,213 on the blacklist used by 40 companies uncovered in 2009 know they are on it leaving 3,015 not aware that they are on the list.

“It has taken years of campaigning to get companies like Carillion to drop their denials and cover up.” says GMB

Richard Howson, Carillion Chief Executive, told Building magazine in Oct 2012 that ‘Carillion is led by strong values and we take our commitment to transparency and openness extremely seriously which is why we are sorry that one of our former subsidiary businesses, Crown House Engineering, used the Consulting Association’s database to reference individuals. This was not consistent with the high standards of behaviour that we set for ourselves, based on our core values.’

Paul Kenny, GMB General Secretary said “This apology is an important first step in recognition of the disgraceful and immoral behaviour of Carillion and many other construction companies. This first step now needs to be followed up quickly by an acceptance by these companies of their responsibilities towards the people whose lives they blighted and damaged.”

**Please demand that Carillion Plc follow up this apology with compensation for the 224 workers they blacklisted. 70% of the company’s work is paid for from public funds.**

Keep up to date with GMB’s campaign and download the GMB report ‘BLACKLISTING – illegal corporate bullying: endemic, systemic and deep-rooted in Carillion and other companies’ from the ‘What’s New’ section on the Home Page of [www.gmb.org.uk](http://www.gmb.org.uk)

Contact Justin Bowden, GMB National Officer at [justin.bowden@gmb.org.uk](mailto:justin.bowden@gmb.org.uk) or 07710 631351 or Richard Leonard, GMB Organiser at [richard.leonard@gmb.org.uk](mailto:richard.leonard@gmb.org.uk) or 0141 332 8641.



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# Scottish Left Review

Issue 73 November/December 2012

In this issue of the Scottish Left Review the Editorial Board has handed over editorial control of the magazine to two groups on the Scottish left. The organisers of the Radical Independence Conference are convinced that independence is the best route to a socialist Scotland. The Red Paper Collective is not. We have divided the magazine in half which you can read from either direction (just flip it over and turn it upside down). We hope this will help to inform the constitutional debate in all parts of the Scottish left.

Please note that the placement of adverts in this issue does not in any way imply advertisers' association with the views expressed in either half.

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The **Red Paper Collective** is a group of Labour Movement activists. Drawn from trade unions, politics and academia the Red Paper Collective rejects the SNP's version of independence and the policies of those who are content with the status quo. They believe that the referendum offers an opportunity to ask more far reaching questions about the future of Scotland and what type of society we want to live in

## The Question Isn't Yes or No

The Red Paper Collective outline why they aren't rushing to endorse either of the constitutional options on offer

The Red Paper Collective's aim is to get beyond the sterile clash of nationalisms, Scottish and British, dominating the debate on Scotland's future. Our concern, in stark contrast to the Yes to Independence campaign and its Better Together mirror image, is on social change. The worth, or otherwise, of constitutional change is measured by what contribution it will make to advancing the interests of working people.

Therefore, the Red Paper argues it is paramount that any constitutional change is measured against its *potential* to challenge the power of capitalism and bring markets under democratic control. The purpose of achieving democratic control would be, firstly to enable a variety of forms of public ownership to build a sustainable and secure economy and secondly to redistribute wealth from the super rich to the rest of the population and geographically, from

areas of greater wealth to areas of need.

Our starting point is the Scotland we live in. As the Christie Commission put it; "This country is a paradoxical tapestry of rich resources, inventive humanity, gross inequalities, and persistent levels of poor health and deprivation". Independence, enhanced devolution, or any other constitutional change (or no change) will not by itself resolve this situation. But, it is the eradication of these and other social ills that should be the chief concern of socialists.

This approach by no means precludes support for independence – but it does mean that our scrutiny has to be of the independence that will actually be on offer, namely the version of independence being proposed by the SNP. A version which, let us be clear, will be initially predominant in an independent Scotland and within any consequent written constitution.

Any number of alternative independent Scotland's can be imagined including socialist ones, but these are not what are on offer from the SNP. It is not good enough to say that independence could allow good things to happen, especially when all the evidence suggests that it simply won't happen. Having political powers is very different from having the willingness to put those powers to use and to purposefully challenge the power of capital.

So to that extent constitutional issues are, for us, secondary and instrumental. Our concern in a constitutional debate is what will best build the capacity of workers to improve their lot and where might countervailing influences to the class power of capital most effectively be made? In this regard an examination of the Scottish economy is crucial. External institutional investors are dominant and the lines of accountability run outside Scotland. The

importance of this pattern of ownership to any democratic socialist is that it first illuminates, then determines, the level we need to intervene at.

Economic power does not lie in Scotland. It still predominantly lies at a UK level.

Of the top twenty companies in Scotland by turnover and profit – with the exception of the drinks giant William Grant & Sons which is family owned, and Scottish Water, which is publicly owned (albeit much of their operations is contracted to huge TNCs) - all the rest are public limited companies listed on the London Stock Exchange. Eleven out of the top twenty are wholly owned subsidiaries. The most recent figures show that amongst larger enterprises (defined as those employing 250 people or more) 64 per cent of employment and 78 per cent of turnover is in enterprises with ultimate ownership outside Scotland. This compares to 54 per cent of employment and 69 per cent of turnover as recently as 2002. There are, in addition, large companies such as supermarkets Asda and Tesco which are not registered in Scotland but employ many people. Scottish Government figures also show Scotland has a trade deficit with the rest of the UK of £10 billion.

Most tellingly, we export almost twice as much to England, Wales and Northern Ireland as we do to the whole of the rest of the world put together. Bearing in mind the fiscal relationship between Scotland and the rest of the UK, and the fact that Scotland is part of a single currency area too, and will be, even after independence; questions then arise about what precisely ‘independence’ would mean economically and industrially. Where is the benefit of Scottish elected representatives giving up a direct vote on the fiscal and monetary policy framework of Scotland’s largest market, its biggest economic area and the level where corporate power rests? Of course it can be done, but what would be the advantage?

The same question has also to be asked over nationalist plans to enter in corporation tax policy. The idea that what Scotland needs now is a ‘fiscal edge’ i.e. a lower tax rate for external big business is music to Rupert Murdoch’s ears but the left cannot be sanguine about such plans

Whilst for nationalists more powers for Holyrood are axiomatically a good thing, this can’t be an automatic

assumption by socialists. One function of the UK is ensuring a flow of resources throughout the UK. Scotland has benefitted from this in the past - and may do again in the future. The Devo-Max slogan that “all the money raised in Scotland stays in Scotland” is perhaps suited to particularly egregious charity appeals - it’s not one that the left should rush to endorse. The principle of resources going to where they are needed is one that socialists should support.

That Scottish independence could be a force not for cross border radicalism but the opposite is a real concern. The British Social Attitude Survey shows Scotland as being a bit more social democratic in outlook than England as a whole - but not hugely so. (And once England is looked at on a regional basis, Scotland looks markedly less exceptional.) But, like in England, the extent to which people identify with those values has been declining in recent years.

Attitudes can and do change. Sixty years ago a majority of Scots voted Conservative. Go back a further fifty years to the early days of the ILP, we find that Keir Hardie had to move to London to get elected. In Scotland as elsewhere, progressive values did not come easily. They had to be fought for – and were/are reversible.

In current circumstances, the *process* of negotiating independence would itself tend to shift attitudes away from those of class solidarity. There would be immediate conflicts over the allocation of resources and debt. The SNP’s economic policy is based on attracting investment away from other parts of Britain. Given the complete control of Scotland’s press and media by external big business, the potential for the erosion of progressive and socialist class values would be considerable.

The Red Paper argues the radical potential of independence has been massively oversold; particularly as Scotland would still be subject to the

neoliberal discipline of the EU. We do however acknowledge that constitutional change offers scope for advance. Dave Watson here and in previous Red Paper publications outlines changes to taxation and borrowing which would serve to both expand the powers of the Scottish Parliament and provide a platform for improving people’s lives. Jackson Cullinane proposes the devolution of control of the HSE to deal with the

specific industrial make up of Scotland. But the progressive potential of these proposals would remain unrealised unless there were political actors and agents willing to deploy them, to borrow to invest, to energise a Scottish HSE etc.

Developing forces capable of ensuring that these and similar proposals of the sort Red Paper members suggest here and elsewhere have suggested would surely be a better

use of the a labour movement’s time and resources than signing up to be foot-soldiers in one or other of the bourgeois campaigns currently vying for attention.

The Better Together campaign offers only a blind Unionism - as nationalist in its way as the equally sightless, Yes campaign (with its contention that “fairness” is a Scottish virtue and in the same breath citing support from tax dodging millionaire Jim McColl). Neither of these campaigns, we would argue, deserves encouragement or endorsement from socialists.

In an era of crisis, misty eyed patriotism of any stripe is a diversion that the labour movement cannot afford. Our task is to apply ourselves to advancing the cause of working people. In doing that the most urgent question facing us is not the flag- and identity-based one of “Yes or No”. It is the class based one “How can working people gain economic power?”. ■

**Neither the Yes or No campaigns deserves encouragement or endorsement from socialists. The question facing us is not the flag- and identity-based one of “Yes or No”. It is the class based one “How can working people gain economic power?”.**

**The Red Paper Collective**  
[www.redpaper.net](http://www.redpaper.net)

# Power to the Workers

Elaine Smith outlines the challenge for socialists and explains why she will be voting No in the referendum

In 1972 Jimmy Jack, STUC general secretary, said he was in favour of a Scottish Parliament because “there is not the slightest shadow of doubt that it will be a workers’ Parliament.” Nearly a decade later, George Foulkes proclaimed “there is an inherent socialist bias in devolution.”

The early advocates of Home Rule, like Kier Hardie, no doubt held similar hopes for devolution. Unfortunately, this has not been the reality with our Scottish Parliament: since 1999 successive governments have simply been putting sticking plasters on broken limbs. So is it time for socialists in Scotland to support taking the leap from devolution to independence?

Personally, if I thought that such a risky move would result in a Scottish socialist republic then I might be more sympathetic to the notion. Indeed, at one time although not a proponent, I was fairly relaxed about independence. However, my experience in the Scottish Parliament over the past 13 years means that I will be unequivocally voting No in the referendum in 2014.

It’s being argued that socialists shouldn’t worry that the SNP are proposing to keep the Monarchy, lower corporation tax, stay in NATO etc. since this can all be changed afterwards. However, that line fails to recognise that the settlement will be based on a written constitution which will be extremely difficult to alter afterwards, even if the political will was there to do so.

So, we must judge independence on whether or not under current proposals it would make any difference to the left’s aspiration for a socialist system. The

push towards it in some circles seems to be based on a reaction to government policies rather than an argument around national identity.

I believe that for socialists the struggle for the rights of workers, and the socialist system that would empower them, must always be our top priority and our motivation for change. For nationalists, that is not the case and everything else comes second to the national question. Or as Alex Neil put it “So the challenge for nationalists isn’t just to persuade many more people of the case for independence but to get them to realise that it should be their number one priority.”

I’ve never been particularly clear about the definition of what it is to be Scottish rather than British. It’s not based on language, since we have several and the main one we share with the rest of

Britain. If we try to then base it on lines on the map, those can change over time. Regions can fragment into localities and even those can have separate settlements.

There can be ‘tribalism’ where people in one town or community openly dislike and distrust those from another or see themselves as different. Class distinctions also separate people living in Scotland just as they do elsewhere in Britain. There are major complexities and contradictions amongst the Scottish people and national identity is a multi-dimensional concept which I don’t believe provides a

satisfactory blueprint for Scotland’s future.

From a labour movement perspective, both the STUC and the Labour Party have home rule policies but neither has promoted independence,

preferring to battle for the working class as part of a Britain wide struggle.

In that regard, one major period of advancement was the election of Attlee’s 1945 Labour Government. They instigated social change that benefitted the working class right across Britain with the NHS, a massive council house building programme and the nationalisation of key industries. For socialists, the debate now must focus on the kind of Scotland we want to achieve rather than narrow nationalism.

The Scottish Parliament has never used its existing powers to the full to fundamentally shift Scotland towards an economic system that benefits the many not the few, with the eradication of poverty at its heart. This is despite having self-proclaimed left of centre governments since its inception.

Therefore, in what way would an independent Scotland be any different, particularly when one of the main policy changes would likely be a race to the bottom on corporation tax?

These themes and others will be explored by my comrades from the Red Paper Collective in their contributions. Further powers within the existing settlement would allow the opportunity for a future Scottish Government to pursue a socialist system. However, based on past form, there doesn’t seem to be any indication of a move away from a neo-liberal agenda in the near future. Forcing that to change is where the efforts of socialists should be focused; not on arguing with each other about national identity.

Our number one priority must be the class struggle, not nationalism. Or, in the words of Nye Bevan in 1952, “Where does power lie in this particular State of Great Britain and how can it be attained by the workers?” ■

**The Scottish Parliament has never used its existing powers to the full to fundamentally shift Scotland towards an economic system that benefits the many not the few. In what way would an independent Scotland be any different?**

*Elaine Smith is Labour MSP for Coatbridge & Chryston and is currently Deputy Presiding Officer. She is Convener of Scottish Labour’s Campaign for Socialism, is on the board of the Scottish Left Review and the Scottish Organising Committee of the People’s Charter.*

# Maybe - Make a Choice

Stephen Smellie argues that neither the Yes nor No campaigns have given the left a compelling reason for their support

Either an independent Scotland with a low Corporation tax to attract low wage jobs from the north of England and Ireland, Council Tax frozen to benefit the middle classes and mansion dwellers, where Donald Trump can build golf courses wherever he chooses and the Queen visits each year as Head of State.

Or Scotland “better together” with the Tories in a state that refuses to interfere with the rights of bankers to get their bonuses for speculatively gambling with other people’s money, bigots determine immigration policy through the Daily Mail, taxation remains resolutely regressive, public policy is to privatise and hope market forces can be tamed by wishful thinking and bosses can be persuaded to pay better wages. The Queen remains Head of a Trident obsessed State.

In both options the economy is controlled by the City of London, US and other foreign corporations, the European Union’s neoliberal policies prevent the state interfering in the market by regulation or nationalisation and due to membership of NATO we remain committed to the preparation for and participation in foreign wars for US interests.

Here is your ballot paper. Please mark a cross and put your paper in the box. No, there are no other options.

Such is the likely choice come the referendum and neither option is worth getting out of bed for. Certainly we will not have a choice between a Scottish socialist republic, on the one hand and, on the other, a Red Paper vision of a devolved United Kingdom determined to challenge the neoliberal policies of the EU and the power of big business to achieve significant redistribution of wealth.

We therefore have people of the left arguing for a Yes or a No vote not on the basis of what will be on offer but what, crystal ball gazing, might be able to be achieved in future. The left Yes people promise we will be able to swing the SNP to the left, maybe even see a re-invigorated Labour Party, which will create a socially just Scotland. The left No people argue that winning the

struggle to reclaim the Labour Party will lead to a strong Labour Government in Westminster that will transform society and challenge the European and City of London vested interests.

From where we sit now, two years from a referendum, neither left options look particularly credible. The left Yes argument presumes a huge turnaround in SNP economic policy immediately after a huge endorsement of that policy in the referendum. The left No argument has the weakness that the battle to regain the Labour Party has made no discernible progress in a long time and, with Johan Lamont’s review of universal services, looks like being lost even in Scotland.

Where does that leave the rest of us who share the vision of a fairer and just Scotland but are unconvinced either way? If none of our preferred options are on offer do we put aside our prejudices (our antipathy to petty Scottish nationalism and/or British jingoism for example), hold our nose and decide what the least bad option is?

When we debate ‘left perspectives on the constitution’ I believe the priority is to develop the ‘left perspective’ not any one constitutional arrangement. Class issues should take precedence. The best outcome in the referendum would be the option that gives the left the best chance of succeeding in shifting wealth and power to our class. That is, the option that gives the best chance

of building a strong left movement in opposition to the political establishment either in the UK or an independent Scotland. Now, a lot of us have been voting for the least bad option in elections for years so it shouldn’t be such a big issue to consider the question now.

But what is the least bad option?

UNISON, other trade unions and the STUC are seeking to influence the debate through engagement with members and campaigning publicly. The aim is that issues of social and economic justice, addressing inequality and distribution of wealth, public services for public good not private profit, for shifting resources from military to peaceful purposes, are central to the debate. So that politicians selling any constitutional option are forced to answer the question of what they will do with the powers they seek, or want to keep, in order to achieve a fairer, more just Scotland.

How will they control the banks? Will they bring back into public ownership the railways and prevent more of our services, like water, being

privatised? How will they respond to the control that the EU has over economic and labour policy that currently would prevent either the UK or Scotland from carrying out policies to control finance, nationalise rail, enforce the Living Wage through procurement and block European companies winning contracts by undercutting labour costs? Will they repeal the anti-trade union laws? Will they defend universal services as part of a drive to create a more equal society? Will they ensure Trident is scrapped and we no longer waste billions and the

lives of many service personnel in wars for imperialist causes?

Do they have the will to undertake these progressive policies and will their preferred constitutional settlement actually have the powers to achieve these aims?

**If the Yes and No campaigns are successful in shifting the debate we will be better able to decide what option is likely to offer the best vehicle to get us to the Scotland we want. The left could usefully spend its time asking these questions.**

If these campaigns are successful in shifting the debate we will be better able to decide what option is likely to offer the best vehicle to get us to the Scotland we want. The left could usefully spend its time asking these questions and, from

their perspective in the Yes/No debate, giving us credible answers that are neither 'that is for the people of Scotland to decide' nor 'we are better together addressing these issues'.

Until then the best left position should be "maybes ye, maybes naw." ■

**Stephen Smellie is Depute-Convenor of UNISON Scotland**

# Taxation, redistribution and solidarity

Dave Watson looks at how constitutional change could deliver a more progressive tax system to fund greater social justice

In this article I will consider what constitutional changes might achieve a more progressive socialist approach to taxation and redistribution.

The new status quo as set out in the Scotland Act 2012 does provide for a Scottish income tax to replace part of the UK income tax although without the ability to vary rates between bands. While it is an improvement on the current position and does give the option of increasing taxation, it still places significant constraints on developing a more progressive system. I would therefore argue that we do need to consider constitutional change through either independence or extended devolution.

## INDEPENDENCE

Independence does of course offer the opportunity to introduce a progressive tax system. However, it is not what could be introduced post-independence that matters, but what those advocating it will do and how they will achieve it. The problem for the Radical Independence position is that it's firmly in the 'could' camp. The political parties involved, with the very modest exception of the Greens, have no MSPs and virtually no elected representatives of any description.

So the real world of independence is that defined by the SNP and while I accept they have a positive line on social policy, their economic policy, including taxation, is firmly of the political right. Their plan is to keep the pound within a Sterling zone, together with various business friendly polices including a Corporation Tax cut to give Scotland a 'fiscal edge'.

Handing over monetary policy to

the rest of the UK limits the scope of fiscal policy, including a more progressive taxation system, even if there was the political will. If the key economic levers are controlled by another country, then there is less influence on monetary, and fiscal, policy than under devolution. In any event a Corporation Tax cut to give Scotland a 'fiscal edge' is pure right wing Laffer curve economics. It simply doesn't stack up as other small countries like Denmark, Norway, Sweden, Finland all have higher Corporation Tax and better performing economies. Multi-national corporations are not interested in even halving Corporation Tax; they want to pay no tax, as many currently do through the use of tax havens.

With this 'business friendly' approach we do have to seriously question if an independent Scotland would tackle the evil of tax dodging. We will be able to test this next year when we see the Scottish Government's response to proposals by UNISON and others to take aggressive tax avoidance into account in public procurement. We have also heard very little about the SNP's position on progressive personal taxation.

If the same Laffer curve economics are to be applied, then watch out for the Flat Tax.

## EXTENDED DEVOLUTION

If we look at other European countries that devolve fiscal powers, taxes on income are the most popular, followed by property and then taxes on consumption.

In the latest Red Paper pamphlet I have argued that fiscal devolution might support a more radical social and economic strategy. Property based taxes will largely be devolved after the Scotland Act 2012 is implemented. To this I would fully devolve Income Tax and National Insurance to enable a banding system that better reflects Scottish income distribution and progressive policy direction. Business

taxes should remain at UK level because tax competition simply encourages a race to the bottom. Consumption taxes (primarily VAT) again largely at UK level as EU rules don't allow variable rates in the same state. Finally, there should be full prudential borrowing powers including bond issuance.

I accept that the issue of political will is just as relevant here, as Scottish Labour has not yet developed a narrative

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on devolution if Scotland rejects independence.

### SOLIDARITY

With the focus of debate on independence and extended devolution we should not lose sight of the value of fiscal solidarity across the UK. Poverty with a kilt on is still poverty. Allocating resources on the basis of need happens in other European countries using mechanisms like shared taxation, hypothecated spending and equalisation mechanisms. Greater fiscal autonomy must still allow for resource transfer

to areas of need across the UK. In particular we need to recognise where real economic power lies and even under independence, it isn't here in Scotland.

For all the debate around fiscal powers we need to return to the question of what we want these powers for. Fiscal policy should support the creation of a more equal society that allocates resources to tackle poverty through progressive taxation and welfare support. The role of business is to pay taxes, provide decent jobs and social sustainability in return for state support. The state then promotes

collective ownership and management of the means of production.

In conclusion, I would argue Scotland needs and wants high quality, generally universal public services, funded by progressive taxation and businesses that pay their taxes. However, you can't have Scandinavian services on US tax rates. 'Scandimerica' is fantasy economics. ■

**Dave Watson is the Head of Bargaining and Campaigns at UNISON Scotland**

# The Role of International Organisations

Any attempt to move to the left requires a strategy for dealing with the forces of global capitalism argues Vince Mills

There is a general consensus that Scotland could survive as an independent state. The question facing us from a left wing perspective is what kind of state would that be? Would it advance the prospects of transfer of wealth from the rich to the poor? Would it facilitate or impede the majority of the population owning the means of generating wealth, including democratic ownership of the financial institutions that have served us so poorly in the recent past. Would it allow us to switch resources away from the 'financialisation' of the economy to the productive economy? And would it allow us to restore union rights so that we could fight for all of the preceding measures?

Scotland's ability to do these things is heavily predicated on the international context and in particular its relationship to the key international institutions that police the actions of states to ensure the dominance of global capitalism and more precisely the principles of neoliberalism. These bodies make no secret about this. The World Trade Organisation with 157 member states says very clearly:

"The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade

barriers, and to open and keep open services markets."

According to the World

Development Movement it was pressure from the IMF, World Bank and WTO on Latin America and Africa to liberalise trade in the 1980s and 1990s that saw their economies stagnate and poverty increase. If the stance of the WTO seems restrictive or indeed intrusive, it pales into insignificance when the EU is considered.

Why should the left view the EU with suspicion? The answer is straight forward according to the Marxist writer Stephen Gill; "economic and monetary union has, since the early 1990s, constitutionalized neoliberal discipline within the EU and contributed to the formation of a... 'transnational historical bloc', which socially and politically embeds neoliberalism."

In concrete terms, EU commitment to neoliberalism has meant the imposition of the politics

of austerity and global initiatives like the Mode 4 Policy. Its inclusion in the international trade agenda allows transnational corporations (TNCs) to profit from the cross border wage differentials, national insurance exemptions, tax juggling etc. and to

stop workers unionising.

This is only the most recent in a long list of anti trade union actions. Consider European Court of Justice decisions on the Laval/Viking/Ruffert/Luxemburg cases, all of which have undermined workers' capacity to defend wages and conditions

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and indeed the very notion of a 'Social Europe' by giving clear precedence to



freedom to make profit over fundamental trade union rights. What was left of the Social Europe aspiration was furthered bludgeoned by the 2012 Treaty for Stability Coordination and Governance under which the European Stability Mechanism (ESM) assistance is disbursed.

States receiving ESM funding are required to introduce reform measures as stipulated by the EU Commission. This applies to Greece and Portugal - and would apply to Italy and Spain if they seek such funding. The Treaty also reduces the maximum annual deficit for all states to 0.5 per cent and requires all states to write its provisions into their constitutions. Indeed Berlin is now advocating that the EU's 27 countries consider pooling more economic sovereignty. What freedom would an independent Scotland have to advance a socialist or even social democratic project under those arrangements? And that is without even considering what Scotland would have to include in its constitution

if it had to join the EU as a new state, requiring among other things, the inclusion of the terms of the 2012 treaty.

It is important to make the point here that the EU is not open to the democratic pressure you would associate with campaigns against governmental actions in Britain. The EU is not a state. Rather, in the words of Mathew MacDonald, it is a "vehicle for the collective interests of its member states". Whose decisions are agreed out-with the democratic processes of the member states concerned, and which increasingly seek to impose fiscal and policy positions on peoples who, as the Greeks and Spanish working class movements have shown on the streets, are not an expression of the will of those peoples.

We have to question, then, whether it is likely, or even possible for Scotland to survive as a genuinely independent country with a political agenda that is hostile to the supra national institutions insistent on the necessity of neoliberalism.

Its heavily externally-owned economy, its very openness (itself a consequence of the British neoliberal project) the likely continued dominance of the power of financial capital in London (the less likely to see a political challenge because of Scottish secession); all of this suggests that it is only by resurrecting the spirit of 1945, not 1745, that we are likely to create conditions for a challenge to capital that can fend off the global capitalist predators.

I write this without the slightest doubt that that project - winning Britain to a radical anti-neoliberal project - is also monumental, but the proposals in the Red Paper set out a feasible strategy of how the combined political and economic strength of the British working class can be used to forge a social and economic alternative capable of challenging the global might of capital. ■

**Vince Mills is Chair of the Campaign for Socialism**

# Trident, Scotland and the Referendum

The apparent power of Scottish independence to disarm Trident must face serious scrutiny argues Alan Mackinnon

In the event of Scotland voting for independence, finding a new site for Trident would be extremely difficult and prohibitively expensive. That could tip the balance against a Trident project which is already deeply unpopular. But a more likely response from a UK government, which had already lost around one third of its territory and around a tenth of its population, could be its determination to ensure that its global 'status' would not be further eroded by being forced to abandon its nuclear weapons.

After a vote in favor of independence, the Scottish government would be involved in discussions on a range of difficult issues to determine the terms of separation and the share that Scotland would assume of UK assets and liabilities. A Scottish government, which was reducing corporation tax to attract inward investment, would struggle

to maintain the current level of public spending that sustains much of Scotland's workforce and services.

The UK government strategy would be to play for time. It would be likely to offer Scottish government generous inducements to retain Faslane and Coulport as bases for the Trident fleet for a limited period in the hope that a new Scottish government would be elected which would agree to keep it long term. According to a report in the Telegraph in January 2012, MoD officials believe that ministers in London would have no choice but to "pay Salmond any price to ensure we kept access to (the Clyde bases)". A UK government could offer up to £2bn a year as rental for basing Trident - money which could be invested in health and education at a time of austerity.

As Professor Malcolm Chalmers has argued,

"I don't think the SNP would have to agree to keep Trident forever. But if they want a post-referendum agreement with the UK, then they would probably need to agree to allow London enough time to plan and build alternative facilities."

And that could take 10 years. Perhaps that is what Angus Robertson means when he talks about negotiating "the speediest safe transition of the nuclear fleet from Faslane". Such an arrangement could be sold to the Scottish public as a good deal for Scotland and only necessary for a limited period; but it would meet with fierce opposition from the peace movement.

Additional pressure would come from the United States, which has long considered Britain's four Trident submarines as a direct extension of its own strategic submarine force of 14 Trident vessels. It would be unlikely

to give up such an asset without using every point of leverage at its command - diplomatic, political and economic.

More pressure could come from Europe. Britain's Trident strike force, unlike the French 'Force de Frappe', is assigned to NATO and is the core part of the alliance's nuclear policy. A Scottish Government that wanted to remain a member of NATO would be in a weak bargaining position. It is true that new NATO members are not forced to host nuclear weapons on their soil. But here the issue would be entirely different - a newly independent part of an existing member state which happens to host the deployment sites for the alliance's strategic nuclear weapons strike force. An independent Scotland which wanted rid of Trident could thus wipe out a 'core element' of NATO's strategic concept. Right on, you might say. But it is hardly likely that the NATO civilian and military leaders would stand by and watch that happen without using every means at their command to stop it, far less welcome Scotland into the NATO fold under these circumstances.

Having an independent foreign policy would be difficult as an EU member, but as a member of NATO it would be quite impossible. NATO is often described by its critics as a 'relic of the Cold War', but sadly it is far more sinister. Its steady expansion eastwards and southwards more than twenty years after the end of the Cold War reveals its true purpose. It is not about countering any perceived threat to Europe or North America. NATO's Strategic Concept admits the risk of this is 'low'. It is a

vehicle for binding member countries into support for US foreign policy and for global intervention. It recently reaffirmed the concept of nuclear 'deterrence' and the first use of nuclear weapons.

NATO is also committed to building a new and destabilising missile defence system to cover the continent of Europe despite the lack of any significant external threat. Its member states continue to be embroiled in the bloody war and occupation of Afghanistan. The calls from three member states - Germany, Holland and Belgium - to have US tactical nuclear weapons removed from their soil are ignored. Why should the reaction to an independent Scotland's request to join NATO but get rid of NATO's strategic nuclear strike force be any different? The truth is that membership of NATO would place new and formidable obstacles in the way of an independent Scotland divesting itself of nuclear weapons.

Remember that opinion polls across Britain continue to show a clear majority of the population opposed to replacing Trident. In the countdown to 2014 there are dangers in us becoming mesmerised

by the referendum and adopting a 'wait for independence' attitude which could

**Having an independent foreign policy would be difficult as an EU member, but as a member of NATO it would be quite impossible. NATO is a vehicle for binding member countries into support for US foreign policy and for global intervention.**

disarm the peace movement and prevent us from building alliances at a time when the coalition government is deeply divided on Trident. Nor should we be diverted from attempting to shift the position of the Labour leadership at British and Scottish levels to an anti-Trident position before the next General Election in 2015 and consolidating

the opposition of the Liberal Democrats to Trident.

The ultimate decision about Trident will be taken by a Westminster government and so it would be very unwise to lose the focus of the campaign on that body. An independent Scottish Government which demanded the removal of these weapons from Scotland could, of course, play a big part in the process. But we cannot assume that such a government will resist the immense political and economic pressures which would be applied from the UK, the US and NATO. ■

**Alan Mackinnon is a former chairman of Scottish CND**

# Unions and the Constitution

**A trade unionist never signs a deal until they have looked at the detail argues Jackson Cullinane. The same is true of the referendum.**

Based on the views expressed in the STUC's series of consultation meetings and in similar consultations organised by individual unions, there are a diverse range of opinions being expressed among trade unionists in relation to the question of Scotland's constitutional future.

The majority however currently appear to favour options short of independence but distinct from a

'unionist' standpoint. Within Unite, whilst a definitive position will not be reached until we know the final form of the question(s) to be posed in the referendum, polls of our members recorded almost 60 per cent favouring the inclusion of a question on more devolution (although not necessarily the SNP's version of 'devo max' with only 22% declaring support for the devolution of everything except defence and foreign

affairs).

This pro-devolution but not 'nationalist' standpoint (only around 10 per cent of the members polled indicated firm support for independence) is in line with a pro-Home Rule current in the Labour and Trade Union movement stretching back to Keir Hardie and the ILP, through the STUC's convening of the first Scottish Assembly on the back of the UCS work-in, to the pivotal role

played by trade unionists in the delivery of the Scottish Parliament.

It should be no surprise that trade unionists are unconvinced by the case for independence as promoted by the Scottish Government against the backdrop of our immediate priorities of resisting cuts in wages, jobs and services. In response to questions around what share of the UK public finances will be available to Scotland for investment in jobs and services, we are often told that such issues will be “subject to negotiation post independence”.

Trade Union members, used to scrutinising ‘the deal’ before decision, will always be uncomfortable with a leap of faith into the unknown. A shift rightwards by the SNP Government, as evidenced by their growing closeness to millionaires, recent commitments to ‘cutting red tape’, the dropping of commitments to the Scottish Living Wage and training standards from proposals on public procurement, an economic policy predicated on cash incentives for businesses and cuts in corporation tax and the announcement of derisory ‘offers’ on public sector pay, post pay freeze, will make our members less convinced. They should also be concerned by a commitment to seek

**Trade union activists are also unlikely to be inspired by a “no” coalition involving the Tories and perceived as favouring the “status quo”. Labour, as the party of devolution, historically rooted in the trade union movement, needs to present a more distinct pro-progressive change position.**

Scottish membership of the European Union, given the anti-trade union line of the Viking and Laval judgements, the so-called Monti II proposals and the EU’s promotion of competition and privatisation.

However, trade union activists are also unlikely to be inspired by a “no” coalition involving the Tories and perceived as favouring the “status quo”. Labour, as the party of devolution, historically rooted in the trade union movement, needs to

present a more distinct pro-progressive change position. There is ample scope for considering additional powers that could enhance employment rights, such as devolving more control over health and safety enforcement given the fact that Scotland has more workplace fatalities, more serious injuries and fewer prosecutions of negligent employers than any other area of the UK. Such a move would also counter the savage cuts being enacted in the UK-wide HSE involving the removal of inspections in Scotland’s most dangerous industries such as agriculture and construction. Similarly, there is an anomaly that Scotland has its own judicial system but not full control of employment tribunals, a power which could develop a fairer system free from the lodging fees, compensation caps

and other restrictions introduced at Westminster.

An examination of what further powers could be devolved would necessitate a consideration of how the existing powers are utilised and how power could be further devolved to local community and workplace level. Proposals on public procurement could include measures to prevent public contracts going to companies who operate blacklists against trade unionists. Local Government could be given powers to administer the re-regulation of bus services. Co-operative ownership could be encouraged as an alternative to profit driven private ownership, with workers trained and supported to apply a form of workers control. Further land reform could provide communities with a genuine right to own and direct local economic development.

The historical support of the trade union movement for Home Rule was based on a class position, recognising the need to build unity with comrades elsewhere in the UK (and internationally) whilst decentralising and re-distributing power. There can be little progress for the working class if the outcome of the constitutional debate is a Scotland where big business, exercising control from outwith Scotland, is enticed by tax breaks and de-regulation. Whilst in the rest of the UK, unaccountable executive government, the House of Lords and an increased Tory majority prevails.

As Keir Hardie said, “to the Socialist the state is the people”. To what extent power is shifted in favour of our class should be the criteria that trade unionists apply in considering the options for change in Scotland. ■

**Jackson Cullinane is Political Officer of Unite Scotland, writing in a personal capacity**

## The Possible Other World

With widespread discontent and an economy in crisis now is the time for fundamental change argues Richard Leonard

There is widespread discontent in society and a crisis in the functioning of our economy.

That is why fundamental change

is needed and trade unions, not least as the best organised force in the wider movement for social justice as well as the voice of workers in and against the

current economic order, have a critical role to play. Unions are, after all, at their best when not simply getting the best deal for their members from the current

economic and social system, but striving for its radical and irrevocable change.

We know that work itself brings not only exploitation but alienation too, so our goal is a humanisation of the economy. That means liberation at work with more democracy in the workplace and a shift in power from those who happen to own the economy to those who work in it. In short a rebalancing from capital to labour. This is not to be depicted as anti business, but anti the accumulation of great private wealth and power.

That will require us to challenge the centralised private ownership of the means of production and realise the full potential of public and social ownership.

Take larger companies which are registered in Scotland (that is those employing 250 or more employees). Whilst they only make up 1.5 per cent of all enterprises, they employ as much as half of the workforce in Scotland's private sector and generate almost two-thirds of turnover. Significantly too 82 per cent of them are owned outside of Scotland.

Allowing the control of the means of production and distribution to remain in minority hands has given us dominant corporations, most of whom are run via the London Stock Exchange and increasingly directed by overseas boardrooms. This is not free enterprise but monopolistic capital and a cause of inequality which needs to be tackled at its root. As the root lies outside Scotland, political independence would hinder not help our ambitions.

So what's our vision of the future and what do we need to do to secure it?

In the public sector, most obviously in local government and public bodies like Scottish Water, we need to replace out-sourcing and contractorisation with in house delivery. We need to extend common ownership; not in the direction of an

old centralised command economy but a new co-operative commonwealth.

Energy including renewable energy and transport, most obviously the railways, which run in any case on huge public subsidy should be placed under democratic socialised ownership.

The role of the state should be to protect society against domination by big capital, yet we seldom see it.

The pharmaceutical industry (for the first time over a £1 billion was spent on prescribed drugs in Scotland in 2011/12), the military industrial complex (UK defence spending at 2.6 per cent of GDP is the fourth biggest in the world behind the USA, China and France), even agri-businesses and big landowners (in the decade from 1999 to 2009 Scottish based recipients netted five billion euros of EU farm subsidies under the Common Agricultural Policy)

are all feeding from the life-spring of public expenditure.

And then, of course, there are the banks, bailed out at a cost of billions in the protection of toxic assets (£497 billion of them from the RBS and HBOS Legacy Lending Book alone!) . It's time that we had the confidence to use the power we have. We should for example take control of the banks we own, strip out the speculators and run them for the common good.

In Italy the Marcora Law gives workers the statutory right to bid for their place of work if it is facing closure. In Scotland the Land Reform Act gives communities the right to bid for land when it is put up for sale.

Why not give workers and communities the statutory right to bid for their place of work when it is put up for sale, facing closure or asset stripping?

In the private sector we need a dose of democratic accountability and new limitations on the tyranny of the few over the many. These limits, to be enforced directly by active government intervention, but also through permissive reforms, bestow new rights for workers and their unions. This should include the

democratisation of pension and insurance funds through which working people own but don't control many of those commanding heights. But it also means ending the master/servant relationship, which still underpins our employment laws and rethinking ways of growing workers control as a means of extending democracy.

Pension Funds, trade unions, the currency, even the commanding heights of the Scottish economy these are all principally organised at a UK level. So political independence, whilst of course possible, would not bring economic democracy nearer, quite the opposite. By withdrawing from the level where economic power lies we would be abandoning our overarching aim which is to bring about a radical change to economic and so power relations.

The vision we need is of a democratic socialist future, built on a decentralisation of power, based on the principle of community, co-operative ownership of the productive base, the subordination of the economy to social, ecological and ethical ends. A society built on peace not war, the advancement of knowledge and education, international co-operation and an end to inequality and poverty.

This other world is possible. It is also absolutely necessary. ■

**Richard Leonard is GMB Scotland's Political Officer, a former chairperson of the Scottish Labour Party, he was Scottish Labour's candidate for Carrick, Cumnock & Doon Valley in the 2011 Scottish Parliament Elections**

**We know that work itself brings not only exploitation but alienation too, so our goal is a humanisation of the economy. That means liberation at work with more democracy in the workplace and a shift in power from those who happen to own the economy to those who work in it.**

# A Federal Answer to Britain

A federal constitution for the UK can turn diversity into a means of strengthening the power of working people argues Pauline Bryan

A radical alternative for Scotland should start from the premise that the power of capitalism and the use of markets can be brought under democratic control. The purpose of achieving democratic control would be to enable a variety of forms of public ownership, to build a sustainable and secure economy and to redistribute wealth from the super rich to the rest of the population and geographically, from areas of greater wealth to areas of need. Neither an independent Scotland nor the status quo can deliver this. It will require a fundamental transformation of our democratic structures.

The devolution of power to Scotland, Wales and Northern Ireland Assembly has broken the centralised grip of Westminster on UK policies, but we may be faced, instead, with four neo-liberal economies vying with each other to be the lowest taxed and the lowest paid. We need to turn the diversity into a means of strengthening the power of working people.

The early pioneers in the STUC and the Labour Party in Scotland adopted internationalism as their ideal, but wanted to devolve some of Westminster's powers by creating a democratic federal Britain. The Labour Movement's position, unlike the nationalist one, acknowledged the bonds the British working class had forged in more than a century's political struggle and recognised shared class interests over and above the shared interest of living in Scotland. Far from wanting to separate from the English they wanted to join with working people across the Islands in creating a socialist alternative.

Now that we have the Scottish Parliament, Welsh and Northern Irish Assemblies we have the basis for a federal arrangement with power devolved within the UK, but with the strength of a single Parliament dealing with macro economic issues and international relations. This dual approach will allow variations in policy within the constituent parts, but retain the combined strength to operate within the global economy.

What might a democratic federalist arrangement mean for Scotland? For a

start it would resolve the West Lothian question. Scottish representatives would have the right to vote on issues that impacted on the UK as a whole and on Scotland in particular. They would not have the right to vote on issues that relate only to England or other parts of the UK. It would however safeguard the ability to redistribute wealth within the UK and allow the labour movements in the whole UK to collaborate in resisting attacks on working people. It would lessen the likelihood of a race to the bottom in making Scotland a low pay, low corporation tax economy. It would reduce the extent of the London-centric nature of the Westminster Parliament which is as damaging to Lancashire as it is to Lanarkshire.

Fiscal devolution would allow a progressive approach to taxation giving the Scottish Government powers to redistribute wealth within Scotland, but also allow for redistribution within the UK. The power held by the Scottish Parliament could be used more flexibly to create a fairer tax system both nationally and locally that can improve public services and the pay and conditions of public employees and make requirements on private sector employers to pay a living wage.

The capacity to borrow for capital and revenue purposes must go well beyond the limits set out in the Scotland Act and should be used to end the Scottish Parliament's dependence on PPP, PFI or the Non-profit Distributing Projects of the present Scottish Government. Subsidies to

private corporations must come with the right to a say in those organisations. A Scottish Parliament should, in appropriate situations, have the right to take land and enterprises into public control. These rights could be used to

safeguard jobs and industries or where the best interests of those dependent on the land or the enterprise are in jeopardy.

A Scottish Government should be able to create publicly owned enterprises to rebuild Scotland's industrial base on green technology, renewable and high value manufacturing; addressing unemployment black-spots and creating a more prosperous future for the people, especially the young people, of Scotland.

Since the establishment of the

Scottish Parliament and greater powers going to the Welsh Assembly there must inevitably be change at Westminster. The Tories are dodging the West Lothian Question, but it will not go away. Carwyn Jones, leader of the Welsh Assembly, has called for a Constitutional Convention for the UK. He states, "... for me, devolution is not about how each of Wales, Scotland and Northern Ireland are separately governed. Rather it is about how the UK is governed, not by one but by four administrations, and which are not in a hierarchical relationship one to another". He also states "representatives of all the states should come together and agree amongst themselves what limited range of powers should be conferred "upwards" on the federal authority. ■

■ Pauline Bryan is Editor of *The Citizen*

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