for some peace activists the prospect of a nuclear-free Scotland would be reason enough to vote for independence. But following a vote for independence a Salmond-led government would be involved in complex and difficult negotiations with the UK government over how to divide up the UK national debt, oil and gas revenues and other joint assets and liabilities. It is unlikely that Scotland’s income will match its public spending commitments.

Finding a new site for Trident will be nigh on impossible for the UK government. Even if a site were found, new bases would be prohibitively expensive and would take at least 10 years to build. Under these circumstances MoD spokesmen have said that ministers would be likely to offer the Scottish government ‘whatever it takes’ to continue to base Trident at Faslane and Coulport for the next few years. The Trident bases, instead of being a drain on the Scottish economy, would become a crucial asset which could be milked for cash to support Scotland’s struggling economy at a difficult time for the new government.

A LEFT ALTERNATIVE

The aims of redistribution at a UK level and having devolved governments are not incompatible, but there are tensions in seeking to increase the economic powers of the Scottish Parliament on the one hand and a UK parliament that can re-distribute wealth across all the nations and regions. Our proposals therefore seek to balance these two legitimate sources of democratic pressure by enhancing economic and political democracy across the UK and Scotland.

This would be built on:

- support for full national parliaments and, for England, devolved institutions as democratically determined by people in England together with an overall federal parliament that would have charge of the monetary system, macro-economic policy, foreign affairs and defence
- the Barnett formula, or some form of needs-based redistribution
- the principle of raising income tax based on an adjustment to the block grant in order to allow the Scottish Parliament more flexibility to create a fair tax system both nationally and locally that improves public services and the pay and conditions of public servants
- the capacity to borrow for capital and revenue purposes well beyond the limits set out in the Scotland Bill to allow the Scottish Parliament to end its dependence on Public Private Partnerships/Private Finance Initiative (PPP/PFI) and Non-Profit Distributing (NPD) projects
- the demand of the ‘Claim of Right’, that the Scottish Parliament should have powers to take land, property and enterprises into public control and ownership without qualification
- the power of the Scottish parliament to form enterprises that are publicly owned with a view to rebuilding Scotland’s industrial base on green technology, renewable, and high value manufacturing thereby addressing unemployment black spots and creating a prosperous future for the people, especially the young people, of Scotland.

These measures would require a challenge to EU law and changes in UK Company law. However, with political will and a united Labour Movement this kind of devolved settlement is achievable and is what the left should be fighting for.

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POWER for SCOTLAND’S PEOPLE

A labour movement view

So far the ‘Independence’ debate has been a sterile argument between unionists and nationalists. Would independence impoverish Scotland and turn it into another Greece or Portugal on the periphery of Europe? Or would it make us a land of prosperity - a new Norway?

More importantly, for trade unionists and socialists, the debate so far misses the crucial dimensions of class politics and the redistribution of income and wealth. What constitutional settlement would best allow the people of Scotland to break the power of big business and neoliberal policies and promote social and economic justice?

And, as this folder agues, this has to be done in large part at British level because that is where the capital which controls Scotland’s economy is concentrated.

The STUC has played a leading role in the campaign for Home Rule and a Scottish Parliament since the 1930s. But it was always for a parliament with the powers to tackle the deep rooted challenges facing working people - poverty, poor housing, inadequate public services, unemployement and industrial closures. In other words, working people in Scotland needed a parliament to represent them which could work in unity with working people elsewhere in Britain to defend and advance their interests. Such a parliament is now more needed than ever.

Under this scheme, Scotland’s parliament could be part of a federal structure in which England, or the regions within it, could have some measure of self government while a federal government in London would have responsibility for the currency, corporate tax rates and a portion of income tax. A crucial component of this would be to maintain the principle of redistribution of income from the wealthy south-east and City of London (currently the Barnett formula) to poorer areas like Scotland. The Scottish Parliament, for its part, should have the power to take over failing companies, to hold key industries and utilities in public ownership and to invest in selected strategic industries such as renewable energy and life sciences through the public sector.

By contrast, ‘independence’ or ‘full fiscal autonomy’ would break the unity of workers and trade unionists across Britain. SNP policy is to lower taxes on corporate profits to attract business away from other parts of Britain. ‘Independence in Europe’ would deprive Scottish people of the very powers they would need to intervene in industry or borrow for strategic investment. Both would be in breach of EU competition law or the new EU ‘stability pact’. Moreover, ‘independence’ and ‘full fiscal autonomy’ would both dispense with the crucial principle of redistribution of income at UK level.

An ‘independent’ or ‘devo-max’ Scotland, without a high level of unity and working class mobilisation, would become a low tax, low wage economy which would struggle to maintain public spending and jobs at current levels. Only a Scottish Parliament with increased powers of intervention in the economy, which retained the principle of redistribution at British level, would promote the unity of trade unionists and working people throughout Britain. This would create the optimum conditions for democratic advance and socialism in Scotland and across Britain.
PROMOTING PEOPLE’S POWER

THE REALITIES OF POWER TODAY

BIG BUSINESS POWER IN SCOTLAND

The referendums have dominated the media’s coverage of Scotland, sometimes to the detriment of more pressing issues, such as the impact of cuts and the attack on pensions throughout the UK. Not surprisingly Alex Salmond and the SNP have tried to restrict the discussion to Independence v the Union. Even the “third option” Devo-Max has been shaped by the SNP. Introduced more recently is Devo-Plus and we now know the proposals that will form the Scottish Bill take the redistribution of wealth, greater equality or democratic control of the economy.

THE SCOTLAND BILL

Reform Scotland, a Market orientated think tank, argues Devo-Plus would take responsibility for all taxation except VAT and National Insurance, and for its own spending. The motivation is to constrain the Scottish government and remove the redistributive element of the Barnett formula which takes cash from wealthier areas of the UK. The redistribution is reduced with the implementation of this formula. Reform Scotland’s image of Scotland under Devo-Plus is a low tax and deregulated economy with reduced public spending.

DEVO-PLUS

Like Devo Plus this requires Scotland to have full fiscal autonomy. Reform Scotland take the position that this would allow Scotland to follow a different economic path. The fact of the matter is that much of Scotland’s wealth, as we will show later, is not actually controlled from here and will escape any attempt to redistribute it from company profits to individual needs.

INDEPENDENCE

The SNP’s model is for independence within the EU. The EU from its inception was designed to legally underpin, sustain, protect and develop capitalism in Europe. The three waves of legislation in Scotland and the UK are influenced by, or are a direct consequence of, European Directives. Scotland, if independent of the UK, would not be independent of the EU. Neither would Scotland be free from the neo-liberal globalised world of which the EU is an integral part. Scotland would still be at the mercy of transnational corporations, thus raising the fundamental point that political self-determination without economic self-determination is ultimately futile. Indeed an independent Scotland would see its ability to fight back against corporate power fatally weakened.

THE ECONOMY OF POWER TODAY

Economic development and Scotland as a nation

The SNP believe it would, and they do so by combining two arguments. One: people in Scotland are more social democratic and egalitarian than people in England. Two: in the era of globalisation small nations provide the best vehicle for economic development. An independent Scotland would, therefore, be both politically more progressive and economically more dynamic.

Devo-Plus is organised at British level. It would remain so. SNP independence would mean Scotland, if independent of the UK, would be able to pursue a policy of social justice and redistribution. The SNP argument is that this would be to the advantage of the nation. The SNP argue that under independence, the nation’s wealth would be redistributed to millions of Scots.

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