CHAPTER TEN
NEOLIBERAL POLITICS
IN A DEVOLVED SCOTLAND

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Introduction

Ideologists of the free market have always been ambivalent towards nationalism. In a book first published in 1919, the leading Austrian neoclassical thinker Ludwig von Mises argued that it was natural for human groups, particularly those who shared a common language, to adopt national identities; although, as the example of German speakers showed, these need not be coterminous with state boundaries. Given the practical difficulties of establishing a world state to oversee the capitalist system, Mises thought that nation-states were the most effective basis for establishing the necessary legal framework for markets to operate. However, where nationalism was used to mobilise popular support for state activities which impeded competition, then it became a danger to economic rationality, at least as defined by representatives of the neoclassical school. Nationalism as the mobilising principle with which to establish and maintain a market economy was acceptable to them; nationalism as an obstacle to or collective interference with a market economy was not. Indeed, Fredrick von Hayek claimed that collectivism in any form would inevitably involve the most militant forms of nationalism in order to unify an atomised population and provide it with a race or class enemy upon which to focus resentment and discontent.

1 This chapter was written with the support of Economic and Social Research Council Grant RES-063-27-0174.
2 Mises, Nation, State and Economy.
3 Hayek, The Road to Serfdom, 103-107. Hayek seems to have been the first person to use the term “classism” to describe discriminatory behaviour towards a group on the basis of their class. See ibid, 104.
Neoliberalism follows neoclassicism in relation to nationalism, as in so much else. Turn to any of the contemporary works which extol the benefits of capitalist globalisation and we find nationalism indicted for an extensive litany of crimes, which include making militarist threats to peace, erecting protectionist barriers to free trade and expressing racist hostility to migrants. The movement for an alternative globalisation which emerged in Seattle during the 1999 demonstrations against the World Trade Organisation is routinely accused of wanting to prevent third world development for selfish nationalist reasons. Yet if we look beyond the rhetoric of neoliberal ideologues to the actual behaviour of the capitalists, politicians and state managers responsible for imposing the neoliberal order we find a different attitude towards nationalism, one which sees it as being quite compatible with free market beliefs. Enoch Powell, in many ways the founding father of British neoliberalism, once wrote:

The collective wisdom and collective will of the nation resides not in any little Whitehall clique but in the whole mass of the people—expressing [itself] through the complex nervous systems of the market.5

In other words, it is not simply that neoliberalism needs the state, but as David Harvey has noted, the neoliberal state itself “needs nationalism of a certain sort to survive”.6 Why?

The neoliberal organisation of capitalism heightens three existing tendencies: the transformation of human relationships to market transactions, the reduction of human capacities to mere factors of production and the self-identification of human beings primarily as consumers. The result is to raise levels of atomisation and alienation to a previously unimaginable extent, with potentially dangerous consequences for capital, which still has to achieve the tacit acceptance, and preferably the active support, of the working class in the process of its own exploitation. Otherwise, the system is potentially threatened, either by social breakdown, as individualised consumers transfer the competitiveness of the market to all other areas of life, or by social conflict, as workers begin to discover or rediscover their class-consciousness and mobilise in their collective interest. Nationalism can help prevent the occurrence of these outcomes, not only by recreating at the political level the cohesion which is being lost at the social, but also

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4 See, for example, Wolf, Why Globalization Works, 36-38, 98-99, 122-126,
5 Viner, Thatcher’s Britain, 51-52.
6 Harvey, A Brief History of Neoliberalism, 84
7 See Davidson, Chapter 1, section 4.3, in this volume.
by providing a type of psychic compensation for the direct producers unobtainable from the mere consumption of commodities. Nationalism also has what might be called an “external” function for capital. Contrary to the ideology of globalisation (which deliberately exaggerates the extent to which economic activity has broken out of territorial boundaries), capitalist states are still involved in what Edward Luttwak calls “geo-economics”, or economic competition with other states. Nationalism mobilises populations behind the performance of national capitals against their competitors and rivals. But although neoliberalism requires nations, it does not require particular nations. And invoking nationalism as a counterweight to neoliberal social and economic policy can involve a different set of problems for individual ruling classes; not problems of the order of class war or the war of each against all, but those involving the uncertainties and inconveniences caused by the potential fragmentation of the nation-state. This outcome is generally only possible where an alternative national consciousness is available and associated with a distinct territory within the state. Such a consciousness clearly exists in Scotland and raises two questions. First, what is the attitude of representatives of neoliberal capitalism to the break-up of Britain through Scottish independence? Second, has neoliberalism politicised Scottish national consciousness sufficiently to create a mass movement which might lead to this outcome?

1. **How neoliberalism answered the Scottish national question**

One of the claims regularly asserted on the Scottish radical left is that the capitalist class is opposed to Scottish independence and the consequent break-up of the British state. Alan McCombes claims: “Big business itself, on both sides of the border, is fanatically pro-union.” As a result: “Any move towards independence will inevitably bring the independence movement into collision with big business and the rich.” But why should the international capitalist class be concerned by the prospect of Scottish independence? They are interested in maintaining their class power—the national context through which they do so is less important to them. This does not mean that it would be their first choice; capitalists are generally...

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9 McCombes, *Two Worlds Collide*, 55.
conservative and prefer to remain with established constitutional arrangements rather than embrace novelties. But neither would it involve a major problem for them. Claims that globalisation is reducing the autonomy of states are undoubtedly exaggerated, but not completely false and in this respect globalisation simply intensifies the pressures that world markets have always exercised over even moderate reforming regimes.

Scotland has always had an exceptionally high level of trade flows and openness to external investment and this has only increased under capitalist globalisation.

The ratio of external to total sales flows in Scotland is…about 62 per cent compared to just below 30 per cent in the UK. …the fortunes of the Scottish economy depend much more on what happens outside its borders than nations and countries of greater scale. …Scotland’s participation in an increasingly integrated global economy has led to a significant inflow of foreign, and rest of the UK, investment in the form of new plants but also through the takeover of major Scottish companies.\(^\text{10}\)

The trend for external takeovers of Scottish companies, often through mergers, was already marked in 1970s, but while these were usually characterised by the closure of head office functions in Scotland, the new owners also tended to maintain investment in new equipment and retain jobs. From the 1980s, however, takeovers became more speculative, in order to strengthen market share by acquiring a particular brand leader, or add to a firm’s influence over a certain kinds of productive capacity, or simply as part of a strategy of asset-stripping—the latter being particularly associated with firms based in the City of London.\(^\text{11}\) Only nine out of the top 100 companies (as identified by the Royal Bank of Scotland in 2003) were mainly owned by Scottish families, with 56 entirely owned by holding companies outside Scotland. The latter are not primarily based in services, but in extraction and manufacturing, including all four companies in computers and information technology, all four companies in pharmaceuticals and health care, and 18 out of 24 companies in oil and gas. As Sandy Baird and his colleagues comment:

…for the Scottish corporate economy as a whole, we find the great bulk of ownership is external and most employment is also external. The productive core is largely dominated by subsidiaries of external holding companies. For the Scottish-based firms in services most are dominated by externally-owned shareholdings and the main focus of their investment is

\(^{10}\) Ashcroft, “The Scottish Economy”, 20.
\(^{11}\) Boyle et al. Scotland’s Economy, 23-25.
external—and much of it devoted to buying other companies rather than investing more directly.

And even in those sectors with high levels of Scottish ownership—construction, transport and, above all, finance—the main shareholders are externally-based institutional investors often situated in the City of London. As long as capitalists were certain that the likely post-independence SNP regime would be suitably pliant—and we shall see in section 4 below, they now have this certainty—an independent Scotland, in and of itself, would pose no threat whatsoever to their interests. The point has been made by the sociologist Michael Mann for the stateless nations of the developed world more generally with a brutal frankness usually missing from Scottish discussions:

Does it finally matter whether Quebec remains part of Canada, or Scotland part of the United Kingdom, or Catalonia part of Spain? … If Quebec, Scotland or Catalonia separate from their imperial ruler, people will not die or be driven from their homes. Rather they will worry about the consequences for investment and employment, what languages they will learn, and whether a tiny country would ever qualify for the World Cup finals. … For the past decade the Quebeccois, Scots and Catalans have been dithering at election time, unable to decide whether they really do want independence. It doesn’t matter much, one way or the other, either for them or for their supposed exploiters.

Indeed, some neoliberals see positive advantages in independence. During the campaign against the Poll Tax, The Economist discovered potential benefits in devolution for Scotland: “There is no reason why Scotland should have the same Welfare benefits as those in England: it should pay benefits to a level that its own taxpayers wish to finance”. Within a year it saw even greater benefits in full independence, arguing that, in capitalist terms, “standing on its own two feet” would be an exemplary experience for Scotland. Deprived of the subsidies which supposedly allow the Scots to maintain higher levels of public sector employment and marginally better social provision than the rest of the UK, they would finally be forced to accept economic reality and live within their means. Some leading members of the SNP, notably Jim Mather and Mike Russell, clearly agree with this diagnosis and have been tactless enough to say so in

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13 Mann, The Dark Side of Democracy, 525.
public. The Conservative historian Michael Fry has come to similar conclusions and in this respect, as with his early, solitary, support for devolution, he may signal a general shift. Fry argues that devolution has been a failure for two reasons. On the one hand, it has exacerbated the way in which spending per capita in Scotland has historically been higher in Scotland than in England, currently by a factor of 30 per cent, while GDP per capital is 5 per cent below English levels. Fry sees this as a conscious strategy by Labour:

The more public spending goes up in an economy growing more slowly than England’s, the more the British government can point to the disaster that may ensue if public spending ever came down–by secession from Britain, for example.

The result is “to keep Scotland dependent, therefore voting Labour.” On the other, the Labour Party and its Liberal Democrat allies have instituted a regime of political correctness, ‘the main ideology of the state since 1999’, which involves micromanaging the private lives and decisions of the Scots through the banning of hunting, smoking in public places, public displays of sectarianism and mink farming (although as Fry gleefully points out, there are no mink farms in Scotland). His conclusion: “I do not believe that soaring public expenditure courtesy of the English taxpayer is good for Scotland, nor that the politically correct agenda has truly native roots.” For these reasons, and the collapse of his former party, Fry now supports the SNP.16 There are, however, two circumstances in which the capitalist class as a whole, rather than its neoliberal ideologues might actively support rather than merely tolerate Scottish independence.

The first is where independence might contribute to stability. The experience of capitalist responses to the debates over Quebecois independence in the 1990s suggest that they were not simply opposed to constitutional change, but the uncertainty brought about by the unresolved nature of the dispute.17 As the Financial Times noted during the interregnum between the 1997 referendum and the first elections for the Scottish Parliament, “what worries business is the prospect of endless uncertainty and altercation over Scotland’s status, rather than the nature of the eventual settlement”.18 The business fear would be that a referendum would settle nothing. If it did not immediately produce a pro-independence majority, campaigners would simply demand another referendum and then

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18 Gowers, “L’Ecosse Libre”.

another, in the hope that they would eventually achieve the desired result. The prospect of the debate on the Scottish national question becoming a permanently destabilising feature of British politics, as the Quebecois national question did for a time in Canada, would therefore make independence attractive simply because it would settle the issue once and for all.

The second is where a major revival of the class struggle across Britain as a whole looked as if it might be leading towards some revolutionary conclusion. In these circumstances it is perfectly possible that the ruling class would see advantage in splitting the movement by supporting fragmentation of a hitherto unitary state—this is not exactly unknown in European history, even quite recent European history, notably in former Yugoslavia. During the General Election campaign of 1950, Winston Churchill gave a speech at the Usher hall in Edinburgh during which he complained of the centralisation of power by the post-war Labour government, adding that he “should never adopt the view that Scotland should be forced into the servitude of socialism as the result of a vote in the House of Commons”:

If England became an absolutist Socialist State, owning all the means of production, distribution and exchange, ruled only by politicians and their officials in the London offices, I personally cannot feel Scotland would be bound to accept such a dispensation.¹⁹

Nothing came of these proposals at the time, of course, but in a situation more genuinely threatening than the re-election of the Attlee government they might have been acted on. More recently, the views of Richard Funkhauser, a US State Department official appointed to the Consulate-General in Edinburgh in 1973, are instructive. As Christopher Harvie reports, Funkhauser believed the Scottish capital “was the best place to keep an eye on the billions of dollars which the United States companies had committed to the North Sea”: Moreover, as an American conservative, he construed the Scottish national movement through the prism of US states’ rights and found himself comfortable with it. So much so, in fact that: “Funkhauser was suspected by [then Energy Minister] Tony Benn of financing the SNP”. Harvie regards Funkhauser’s support for Scottish home rule as a “quixotic” deviation from “Reaganite-Thatcherite” orthodoxy.²⁰ It is more likely, however, that US ruling class interests more generally saw in tacit support for the SNP what John Foster and Charles

¹⁹ The Scotsman (15 February 1950).
²⁰ Harvie, Fool’s Gold, 93, 291.
Woolfson call “a hedge against nationalisation at British level”, at a time when the Labour Party seemed to be moving to the left.\textsuperscript{21}

In other words, independence is a tactical issue for the representatives of British and international capital.\textsuperscript{22} There is no certainty, however, that they will be required to make a decision for or against, at least in the short term, since as we shall see it does not command majority support in Scotland. A Scottish national movement predated neoliberalism, of course, but one of its key characteristics—as puzzling to historians as it has been frustrating to nationalists—is the way in which it only emerged after the First World War and, even then, only became electorally significant during the 1960s. Both academic and popular explanations for this late development tend to make three assumptions. First, Scotland, like England, was already a nation when the Treaty of Union brought the British state into being in 1707, in that the Scots population as whole possessed a coherent national consciousness; indeed, in some versions Scotland had been a nation in this sense since the independent feudal kingdom was re-established during the Wars of Independence. Second, stateless nations will normally seek to achieve statehood. Third, since even a minority of Scots did not begin to campaign for this until over 200 years after the Treaty of Union, a set of powerful, but essentially contingent factors must have bound them to a British identity and, through it, to the British state.

In the most substantial attempt to identify these factors, Linda Colley argues that four were particularly important in creating and consolidating British identity among its constituent peoples: shared Protestant beliefs, opposition to Catholic France with whom England/Britain was regularly at war between 1688 and 1815; the monarchy; and the Empire.\textsuperscript{23} Other writers have argued that, although the influence of these factors had weakened or ended by the twentieth century, others arose to take their place, above all the sense of national unity against an external threat

\textsuperscript{21} Foster and Woolfson, \textit{The Politics of the UCS Sit-in}, 391.
\textsuperscript{22} The real opposition to Scottish independence comes from two other sources. One is party political: shorn of its Scottish voters and MPs, the Labour Party would find it difficult to gain enough support to form a government across the former UK. The other is geopolitical: state managers would find their international position weakened by the loss of territory involved, leading, for example, to the removal of former Britain from its permanent membership of the UN Security Council. There would also be difficulties if the SNP fulfilled its promise to remove nuclear weapons from the Clyde; but as we shall see in section 3 below, this need not be an insurmountable problem for NATO.
\textsuperscript{23} Colley, \textit{Britons}, 11-236.
produced by the Second World War and maintained by the creation of the post-war Welfare State. But the memory of the former has faded and the reality of the latter is that public services across Britain have been variously reduced, privatised or diversified by devolution. "Thatcherism presided over, and in many respects provoked, secular decline in Scottish support for the British state", concludes Iain Holliday. And the strains imposed by that regime and its successors are therefore delivering the final coup de grâce. According to Tom Nairn, for example, the endgame for "the disintegrating order" is now being played out, in the shadow of the imperialist debacle in Iraq and the failure of all British political solutions to the national crisis:

Thatcherism has been followed by Blairism; that is, over twenty-five years neither the Right nor the Left of Britain’s political spectrum has seriously redeemed the previous times of global distinction and domination, or restored the old sense of meaning and self confidence that Britishness used to depend on.

The claim that Blair represented the “left” of British politics shows a touching but mistaken belief that the historic role of the Labour Party is still played by the organisation currently trading under that name. Indeed, emphasising the increasing convergence of the major British political parties on a social neoliberal basis would actually strengthen Nairn’s case. As it is, he has been predicting the imminent demise of the British state at the hands of peripheral nationalism for over thirty years, which does not inspire confidence in the accuracy of his ability to detect the final crisis on this occasion. However, other writers with less of a vested interest in the break-up of Britain, like the journalist Iain MacWhirter, now see it as a distinct possibility for the first time:

There is an unstoppable momentum now behind the disaggregation of the UK, and time is running out for the political establishment in Westminster to respond. …the UK faces a choice: adopt some form of federal solution, or prepare for political disintegration, on the lines of Czechoslovakia’s “velvet divorce” in 1993. It is as serious as that.

26 Nairn, “Beyond Redemption”, 35.
27 MacWhirter, “The Break-up of the Union now Appears Inevitable”.
Are the contingencies which have preserved Britain for so long exhausted at last? If so, then a major shift has taken place in the attitude of a majority of Scots which is the result of the neoliberal era. In an interview with David Torrance, Alex Salmond claimed that the most significant impact Thatcher had made on Scotland was precisely to overcome this, through her “politicisation of the self-government movement”: “...the movement over the past 100 years had been mainly cultural, and to some extent in the 1970s it was economic...She changed all that”.  

The “self-government movement” is a typically ambiguous phrase which can refer to supporters of either devolution or independence or both. If a majority for independence was ever going to emerge through the politicisation of national consciousness then the conditions of neoliberalism could scarcely have been more propitious for it; but has it? Independence as a policy has always had more support than the SNP as a party. Perhaps in recognition of this, Salmond once described himself as a “post-nationalist” and even indicated that he would prefer the word “national” to be replaced by “independence” in the name of his party, although nothing further was heard of this proposal. What then is the level of popular demand for secession?

First, in what direction is support for independence going? The first data on support for independence was collected in 1974, immediately before the opening of the neoliberal era, when it was recorded at 21 per cent. In polls where people were presented with a range of options (i.e. not simply a polar opposition between support for and opposition to independence) support for independence rose from 7 per cent in 1979 to 37 per cent at the time of the Referendum in 1997, after which it fell back to 28 per cent in 1999 and 29 per cent in 2002. William Miller has summarised the trend in relation to the other options:

Over three decades, therefore, public support for independence increased by less than 6 per cent, while support for devolution increased by 11 per cent, and opposition to a Scottish parliament declined by 21 per cent.

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28 Torrance, “We in Scotland”, 190-191.
29 The situation is even more confused, however, because not all the people who support the SNP actually support independence, which suggests either a limited understanding of what the party supposedly stands for, or that that people are voting for the SNP for quite other reasons, such as exercising pressure on the other mainstream parties or, post-devolution, as an alternative Scottish government.
30 Fay, “Interview with Alex Salmond”.
32 Miller, “The Death of Unionism?” 179.
In short, support for independence peaked at the time of the 1997 referendum and has, with occasional reversals, declined since then. By a happy accident of timing, the Scottish Centre for Social Research carried out a survey of 1,300 Scots, randomly selected and interviewed, between the Scottish Election of May 2007, which resulted in the formation of the minority SNP government, and August of the same year. It revealed that public support for independence, at 23 per cent, had fallen to its lowest point since the 1997 UK General Election while support for a devolved parliament with tax-raising powers, at 55 per cent, had risen to its highest level ever.\(^{33}\) It is always misleading to take too seriously opinion polls which reflect a desire for independence; to base an argument on them in place of actual election results is simply light minded. One obvious conclusion from these figures would be that people are quite prepared to express a desire for independence in situations where it does not involve them in a decision which might actually lead to the result, which in turn casts doubt on the seriousness with which the desire is held. As Vernon Bogdanov rather dryly noted in response to what he called Nairn’s “apocalyptic visions”: “It is hardly a sign of the apocalypse when 80 per cent of Scottish voters, and 87 per cent of Welsh voters regularly vote in Westminster elections for unionist parties.”\(^{34}\)

Second, how consistent is support for independence? Using a panel that was asked to say whether they supported independence or not over a 4-year period between 1997 and 2000, David McCrone and Lindsay Paterson found that 45 per cent supported it at least once, but that only 7 per cent supported it on all four occasions. Taking core support as indicated by supporting the various options at least three out of the four occasions on which they were asked the authors claim that no parliament at all has a core support of 6 per cent, independence has a core support of 14 per cent and what they call a “domestic” (i.e. devolved) parliament has a core support of 60 per cent.

The fact that there is no stable core of supporters for independence implies not that this is a fragile option, but that many more people are prepared to countenance independence if they were persuaded that it would generate more responsive government, and would be likely to produce the kind of society they aspire to.\(^{35}\)

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33 Scottish Centre for Social Research, “SNP Victory Not Based on Increased Support for Independence”.
Third, how deep is support for independence? The evidence we have discussed up until now has been taken from various opinion polls, and it is valid up to a point; but it does not tell us how strongly people hold these views. As Paula Surridge and David McCrone reported following the 1997 General Election campaign:

Our analysis points to people in Scotland wanting a parliament because most have expectations that it will make a difference to their lives in terms of the services they want it to provide. Those are the grounds on which its effectiveness is likely to be judged, rather than as an effective expression of nationhood. This is not to say that being Scottish does not matter to people, merely that it does not discriminate as to whether or not they are in favour of a parliament. … Choosing from a list of areas including national pride, giving people more say in government and improving the standard of living, the most common response was to give people more say (28%), followed closely by increasing the standard of living (27%) and improving education (23%). Promoting a sense of national pride with just 4% came below all other categories except leaving the UK.\(^\text{36}\)

During the 1997 General Election campaign, “‘the Prime Minister [i.e. John Major] spent the third week talking about constitutional threats of Labour’s policies and especially devolution’”. Very few other people shared this fixation: “Out of 16 issues ‘constitutional issues/devolution’ ranked 16\(^{th}\) in importance with voters.”\(^\text{37}\) This lack of interest in matters constitutional was replicated during 2001. One MORI/Times poll asked a sample of Scottish voters which issues “were very important” in helping them decide what party to vote for. Out of 17 issues (excluding “other”), “constitutional issues/devolution” received the support of 8 per cent of the sample, coming in at 15\(^{th}\) – a long way after health care, education, law and order, pensions, taxation, unemployment, and so on.\(^\text{38}\)

In short, across the entire neoliberal period to date, support for independence has risen slightly; but is supported on an inconsistent basis and afforded a low priority compared with other issues. Jack Brand noted in 1987 that one of the difficulties faced by the SNP was that “the importance of the Scottish identity for politics is not fully developed for the majority of Scots”, with the result: “It has not, apparently, been possible to persuade them that there was a specific Scottish interest more important than their class interest.”\(^\text{39}\) But Scottish identity and the national

\(^{37}\) Worcester and Mortimore, Explaining Labour’s Landslide, 178.
\(^{38}\) Worcester and Mortimore, Explaining Labour’s Second Landslide, 228.
consciousness it expresses are not the same as Scottish national interest, expressed in the desire for independence. The former intensified as a result of the neoliberal experience, but the latter did not to anything like the same extent, even though no set of conditions could have been better designed to produce mass nationalism in a stateless nation like Scotland. Persistent confusion between the strength of Scottish national consciousness and support for independence is one of the reasons why over-optimistic predictions about the impending appearance of a majority for the latter have always proved wrong to date.

One survey conducted in Glasgow during the mid-1970s showed that the number of Scots who considered themselves British rather than Scottish increased from 29 per cent in 1973 to 33 per cent in 1976, at the same time as the SNP vote was rising. The implication being that the rise of Scottish nationalism had “politicised” the question of Scottish nationality: “It may be that to identify oneself as a Scot implies that one is a Scottish Nationalist.” In other words, Scots who opposed the SNP were reluctant to identify themselves primarily as Scottish, in case this was also taken as identifying them with nationalism. More recently this appears to have changed, in the sense that Scots are increasingly able to distinguish between national consciousness and nationalism. In other words, it is quite possible to assert a Scottish national consciousness without feeling that this necessarily implies any (positive or negative) association with Scottish nationalism—or independence. Scottish national consciousness has been shared, since the latter half of the 18th century, with a sense of Britishness, but assertion of the Scottish aspect of this dual identity has no necessary political implications. As Joyce McMillan once noted:

Scottish identity requires constant assertion, whereas British identity is something taken for granted by every institution with which [the Scots] have to deal, and inclined to assert itself in the half conscious assumption that politics is something that happens at Westminster.\(^{41}\)

It is in this context that we need to revisit the popular assumptions I listed earlier about the historical lateness and relative weakness of Scottish nationalism. These would benefit from applying the principle of Occam’s razor. Faced with alternative explanations, the simplest should always be preferred, providing it accords with the known facts—particularly if it allows us to dispense with the production of endless ad hoc supplementary hypotheses to explain a non-event (the emergence of majority support for

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\(^{41}\) McMillan, “Foreign Lesson in Pressing for Home Rule”.
Scottish independence) which is always supposedly on the verge of taking place, but mysteriously never does.

A preferable explanation would begin by reversing the first assumption. In other words, Scotland was not a nation when it entered the Union. Consequently, Scottishness and Britishness are products of the same historical period (i.e. post-1707). In other words, it is not only that Scotland contributed to the invention of Britain, as Colley rightly claims, but also that Britain contributed to the invention of Scotland. In any case, the majority of the factors which Colley discusses did not play the role she ascribes to them. Protestantism, attitudes to France (both before and after 1789) and monarchy were divisive issues across all the nations and classes of Britain, at least until well into the nineteenth century, which is too late for her argument. The only one which played a genuinely unifying role for the ruling class was the empire. The labour movement subsequently played a similar role for the working class. As Andrew Gamble writes:

The ideal of the Empire for the right and the counter idea of socialism for the left were the two great animating principles of British party politics through the twentieth century, the primary source of both emotional and intellectual commitment for the two warring camps.

British nationalism has been dominant for most Scots precisely because the transition to a modern form of identity typical of capitalist society took place within the British state. There is nothing extraordinary in the fact that the nationalism of the integrated nation-state took precedence over that of a component nation, if only because that nation-state was the principal terrain upon which economic and political conflicts were conducted. It is a cliché of recent political, historical and sociological writing on Scotland that Scottishness is a national identity, while Britishness is a mere state identity and consequently inauthentic. Irving Welsh has his hero Mark Renton clearly articulate this position in Trainspotting. On one of his periodic visits to London Renton contemplates a pub called The Britannia, which provokes this reflection: “Ah’ve never felt British, because I’m not. It’s ugly and artificial.” But

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43 Gamble, Between Europe and America, 4. See also ibid, 48-52.
44 See, for example, Davies, The Isles, 1039, Nairn, Pariah, 141 or Paterson et al, New Scotland, New Politics? 102.
45 Welsh, Trainspotting, 228. In a subsequent passage which, for obvious reasons, is less frequently quoted by Scottish nationalists, Welsh has Renton go on to say:
this is to fundamentally misunderstand the function of national identity under capitalism.

Unless there is national oppression involved (as in the British case there clearly was in relation to the Catholic population of Ireland), Capitalist states generate nationalism in no matter what circumstances they were formed and regardless of whether they are “unified” states, “union” states or any of the other hair-splitting, irrelevant classificatory criteria which are generally employed in discussions of this type. Consequently British nationalism is no more or less artificial than Scottish or French or Nigerian nationalism. All are “invented” or “imagined”; none are “real” in any primordial sense. As Gamble writes, “whatever they may have been in the beginning, the British state and the British nation became much more than expedient political constructions”. The central point, as Michael Billig argues, is that nationalism is normal under capitalist conditions; in “established nations” as much as aspirant ones, it is “the endemic condition”, not “a political strategy, but…the condition for conventional strategies, whatever the particular politics”. The second and third assumptions can also be reversed. It is not true that stateless nations necessarily seek to achieve statehood, as can be seen from the number of potential nation-states and the relatively small number which actually exist: there have to be compelling reasons for statehood to become a goal. Finally, such reasons have historically not existed for the overwhelming majority of Scots, and still do not, even after thirty years of neoliberalism. It seems likely that at least a section of the SNP leadership realises this.

Are there any circumstances then in which a majority for independence might be achieved? Alice Brown and her colleagues have argued that demands for independence might arise from two apparently paradoxical reasons. On the one hand, if devolved policies are a success, then the argument can be put that greater powers would enable even more positive outcomes. On the other hand, if policies are seen to fail because the Parliament does not have the necessary mechanisms which are reserved to Westminster, the argument can be put that these are needed to deliver what the Scots are demanding. But neither of these reasons (both of which might operate simultaneously in relation to different policies) would necessarily lead to increased calls for independence as opposed to greater

“Ah’ve never really felt Scottish either, though…Ah’ve never felt a thing about countries, other than total disgust.”

Gamble, *Between Europe and America*, 50
devolution, perhaps on a federal basis. The possibility of a majority for independence would depend on an additional reason. Scott Greer argues that this could only be if what he calls “regional organisations” (trade unions, professional associations, churches, business groups, NGOs—what are usually encompassed by the notion of “civil society”) either see a level of threat from the central state that jeopardised the existence of their own organisations, or that independence offered previously unavailable benefits. For regional organisations to change sides:

…would require that they do not see independence as destabilising and that something would threaten them enough to make them seek it. It is difficult to imagine what the UK or Spain could do to threaten them so, short of abolish the Generalitat and Scottish Parliament, and it is difficult to imagine how to persuade them that independence is anything other than destabilising.50

In the Scottish case, the potential “threat” is obvious: a Conservative victory in the British General Election of 2010 is likely to push groups and individuals who are currently undecided or even opposed to independence to make a short-term political calculation that it is simply the least-bad option. The Conservatives are almost certain to have even fewer Scottish MPs than during Thatcher’s third term, and intent on imposing even greater spending cuts greater than under her regime. In these circumstances the “no mandate” argument will be revived with even greater vehemence than in the 1980s, and in a situation where devolution no longer offers an untried alternative to independence. But if the preceding analysis is correct, even a Conservative resurgence would not necessarily persuade a majority, or a decisive enough majority, of the benefits of independence. It would however, provide the SNP with a major bargaining counter in pursuit of what seem to be its real, if unacknowledged goals. What are these?

Even during the 1980s, one astute German observer could comment: “Like their Corsican counterparts, Welsh and Scottish regionalist organisations are not too serious about complete political separation.”51

The aftermath of every single election since October 1974—the historic high point of the SNP vote—has seen the party plunge into internal recriminations when it once again failed to deliver a majority vote for independence, or even a realistic possibility of achieving it in the future. In so far as there is a new aspect to this ongoing crisis, it is the

50 Greer, Nationalism and Self-government, 182-183.
51 Alter, Nationalism, 100.
reconfiguration of the internal debate within the SNP. The left versus right division has largely been subsumed within the division between the fundamentalists, who put the achievement of independence before all other considerations, and those who accept that this is unlikely to happen—at least in the foreseeable future—and consequently want a “Catalan” solution. The point has been made, in relation to both nations, by John McInnes:

Beneath the elevated discussion of historic rights and identities lies a much more prosaic fight for resources from the central state. In Scotland, characterised by some areas that need extra state aid (Edinburgh, for example, is hardly the UK’s most impoverished city) this has a certain legitimacy.

In other words, there is a section of the SNP that wants to channel the party into demanding greater regional autonomy, while of course retaining substantial central state subventions from Westminster. And of course there is a model waiting for the SNP to adopt, which has already been put to use in Flanders, Catalonia and Quebec during the 1990s. Keating refers to the process as one of “stateless nation building”:

In this strategy, leaders of stateless nations will concentrate on the conditions for maintaining and developing their culture, in building institutions and the capacity for self-government in civil society, and in developing an economic model that permits a degree of autonomy in the global trading order. … There is an emphasis on nationalism and symbolism, but issues of sovereignty are put aside, and fights with the central state staged only on negotiable issues. … The idea is that the state system is now so permeable and opportunities within continental regimes and the global trading order so great, that nation-building can proceed without the necessity to declare formal independence.

The problem is that this is a solution which cannot be explicitly stated, at least not yet, without bringing forth the inevitable accusations of betrayal. But some have begun to suggest it. Scottish-Canadian businessman Dennis MacLeod and then SNP Parliamentary candidate Michael Russell, subsequently a Cabinet Secretary, wrote in relation to the demand for independence, “we are very much aware that some further time may be needed before the majority of our fellow Scots are ready to take that step”. What they propose instead is a “Devolution Stage Two” or

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“New Union” to act as a “staging post” in which the powers currently reserved to Westminster would be devolved to Holyrood, except for foreign affairs and military command—the so-called “devolution max” option.  Closer to the leadership of the SNP, Justice Minister Kenny MacAskill, once a member of the SNP left, has suggested that independence could be abandoned for a renegotiated Union. Several representative neoliberals certainly see this as the best option. In one sense then, the SNP’s attitude to independence is now similar to the attitude of the Second International to socialism, pre-1914: an ultimate aspiration rhetorically invoked on platform speeches, but otherwise subordinated to the type of reforms which are achievable in the here-and-now. Once this shift in the SNP’s objective is understood, it is possible to set aside the question of independence and focus instead on the real issues, which are the future of devolution and the role of the SNP within it.

2. Devolution as a neoliberal strategy

The British General Election of May 1997 saw the Conservative Party replaced in office by the Labour Party. It also saw a vanguard neoliberal regime of reorientation replaced by a social neoliberal regime of consolidation. One consequence was the implementation of several long-awaited constitutional reforms, key among which were the devolution settlements in Scotland and Wales, and the restoration of local government in London. Many commentators who are otherwise highly critical of the New Labour government regard these measures as unambiguously positive

55 MacLeod and Russell, *Grasping the Thistle*, 125-126, 238-9. Interestingly, a similar proposal was made by arch-unionist Andrew Neil, who wrote of creating a “new Unionism” within a much more devolved, even federalist, United Kingdom. See Neil, “Scotland the Self-Deluded”, 12.

56 MacAskill, *Building the Nation*.

57 Steven Forbes, for example, is an anti-abortion, anti-gun control publishing magnate who is editor of *Forbes* and has twice stood for the US Presidency on a platform of a universal flat rate tax of 17 per cent. Shortly before the appearing at a Forbes CEO forum at Gleneagles in June 2009, Forbes gave an interview to the *Sunday Herald* in which he argued that the constitutional situation which would be most advantageous for Scotland [read: Scottish capitalism] would be a federal one similar to that of the US, which would be “the best of both worlds”: [Scotland] should stay within the UK but push for more and more internal independence.” See Vass, “Forbes says a Federal UK can give Scotland the Best of Both Worlds”.

58 See Davidson, Chapter 1, section 3, in this volume.
and perhaps its only genuinely radical achievement.\textsuperscript{59} Yet devolution is not only a way of meeting popular aspirations without threatening the economic order; it is also potentially useful to social neoliberalism. Indeed, in a British context in particular, devolution is one of the strategies that specifically distinguishes social from vanguard neoliberalism, but it is one made possible only by the earlier success of Thatcher’s centralising drive in imposing counter-reforms.

On the one hand, the more politics is emptied of content, the more social neoliberal regimes need to prove that democracy is still meaningful—not of course by extending the areas of social life under democratic control, but by multiplying the opportunities for citizen-consumers to take part in elections for local councillors, mayors, members of the Welsh and London Assemblies, and the Scottish, European and British Parliaments. High levels of electoral participation in these elections would have been used to claim the active consent of the governed, but voter turnout has continued to fall as electorates have proved reluctant to play their allotted roles in the ritual, to the extent that the same establishment politicians who oversaw the hollowing-out of the democratic process now complain, with characteristic hypocrisy, that citizens are neglecting their civic responsibilities. Devolution, in other words, has not reversed the growing public withdrawal from official politics and in that sense has failed as a neoliberal strategy of legitimation.

On the other hand, devolution is also part of a neoliberal strategy of delegation, and in this respect has been much more successful. Here, responsibility for implementing anti-reforms is spread beyond governing parties and central state apparatuses to elected bodies whose policy options are severely restricted both by statute and reliance on the Treasury for most of their funding. As Colin Leys notes:

\begin{quote}
In effect, local political authorities are left to do what they feel they can within the constraints set by the market in their areas. Provided it is done in such a way that local people feel they have an appropriate share of whatever national resources there are, this option has the merit of relieving the central government of some of the responsibility for decisions that are in any case more and more severely constrained.\textsuperscript{60}
\end{quote}

Take devolved government in London as an example. Doreen Massey claims that there are still possibilities for reform at the local level:

\begin{quote}
\textsuperscript{59} See, for example, Elliot and Atkinson, \textit{Fantasy Island}, 19-21 or Gamble, \textit{Between Europe and America}, 7.
\textsuperscript{60} Leys, \textit{Market-driven Politics}, 27,
\end{quote}
“Neoliberalism” is sometimes written about as though there is an automatic transmission belt from some ethereal sphere of greater forces to “how it plays out on the ground”. It is not so. There are indeed pressures and constraints, often of immense power, but there are also agents who play along, or resist, or struggle mightily. There is room for political intervention.

Massey claims that the Greater London Authority (GLA) was a site of resistance, at least while Ken Livingstone was mayor; but after listing a series of admirable, but largely symbolic or gestural policies (opposition to racism, support for Hugo Chavez), she is forced to admit: “There is no simple transmission belt for neoliberalism. And yet it is made here.” Indeed, her substantive discussion shows precisely how the GLA has contributed towards the making of neoliberalism in the British capital city, even under Livingstone’s leadership.\(^{61}\)

The distribution of responsibility for decision-making downward to the localities is likely to continue and gather further momentum following the onset of recession and still greater spending restraints. In Britain the process may actually be assisted by the Parliamentary expenses scandal first revealed by The Daily Telegraph during the spring of 2009. The guilty men and women, among whom Conservative leader David Cameron has been the most insistent, are now attempting to mobilise mass revulsion at their own activities by calling for decision-making responsibility to be devolved still further, from professional politicians to individuals, families, neighbourhoods and even local councils.\(^ {62}\) Cameron has been urged to “delegate the axe”, as the process is called by two enthusiasts for decentralisation:

Local politics would take some of the pressure of rising expectations. Councils could no longer complain about central interference, league tables and challenge funding. The government would be relieved of blame for every penny rise in council tax.\(^ {63}\)

Neoliberal attitudes towards the mass of the population are an uneasy combination of private suspicion over what they might do without state surveillance and repression, and public disquisitions on the need to listen to The People, provided of course that politicians are being asked to listen to the right sort of people with the right sort of demands—in other words,

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\(^{61}\) Massey, World City, 11-12, 85-94

\(^{62}\) Cameron, “We Need a Massive, Radical Redistribution of Power”.

\(^{63}\) Jenkins and Travers, “Cameron’s Best Hope”.
longer prison sentences and more restricted immigration, rather than higher taxation for the rich or military withdrawal from Afghanistan. In the case of devolution the assumption is that the people most likely to participate in local decision-making will be members of the middle-class, who can be expected to behave, *en masse*, in ways which will impose restrictions on local taxation and public spending, and thus maintain the neoliberal order with a supposedly popular mandate.

A model for “returning power to the people” along these lines already exists in California. Since the mid-1970s, politics in the world’s fourth biggest economy have been characterised by a combination of falling voter participation among working class and minority groups, and a targeted use of local referendums on “propositions”. The latter have been designed to defend property values by blocking integrated schooling and urban development, and by preventing progressive taxation. Proposition 13 was passed in 1978 and signalled the commencement of the neoliberal era in the US by capping taxes on property, even though house values were rising. As a result, the burden of taxation fell disproportionately on income tax, even though for most workers salaries and wages were stagnant or falling—and even increasing income tax requires a two thirds majority in both Houses of the State Legislature. It is the self-interested behaviour of a mobilised middle-class that has brought California to its current fiscal crisis, where the usual remedies of cutting public services, including child health care, are now being offered as a solution to the structural inability of the state to raise the necessary levels of taxation. As Paul Krugman notes, the paralysis of California may foreshadow the future of US politics as a whole. And in turn, the US may foreshadow the future of politics in the rest of the world, a development for which there are historical precedents.

These two aspects of devolution, legitimation of neoliberal politics and delegation of neoliberal economics, are as important to understanding the process as the more obvious national or regional aspects. In Scotland, the former almost dominates discussion of devolution and the idea that it might involve more than either a democratic expression of Scottish national identity or an unwarranted weakening of the British nation-state is generally treated with incomprehension. Yet to draw attention to these deeper undercurrents is not to dismiss the establishment of the Scottish Parliament as meaningless, simply to understand that the logic of capital

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64 Davis, “The Political Economy of Late-imperial America”, 221-230; *City of Quartz*, Chapter 3.
65 Krugman, “State of Paralysis”.
leaves no institution untouched, no matter how noble the aspirations it embodies may be. To what extent is this true of Scotland?

3. Scottish devolution and party competition

Scotland has not been an exception to the fall in voter participation. The largest vote since the General Election of May 1997 was in the referendum on Scottish devolution that followed in September. The latter suggested two motivations among those who voted yes. One was an undiminished desire to punish the Conservative Party—in effect treating the referendum as continuation of the General Election. The other signalled the first suspicions about the attitude of New Labour towards devolution, and perhaps more generally. Labour had initially claimed that a referendum was unnecessary, as a commitment to establishing a Scottish Parliament was included in the party’s manifesto: victory in the General Election would therefore provide the necessary mandate for devolution. However, from June 2006, the British leadership insisted not only on a referendum, but also that it would involve two questions, the first on whether there should be a Scottish Parliament and the second on whether it should have tax-varying powers. The inclusion of the latter was widely regarded, if not as an attempt to prevent devolution in a similar manner to the infamous amendment to the first Devolution Bill (which required 40 per cent of the electorate to vote yes), then at least as one designed to limit the power of the Parliament which an affirmative vote in the first question would bring into being.66

The initial act of voting the Scottish Parliament into existence with tax-varying powers involved a lower level of voter participation (60.4 per cent) than in the 1979 Referendum (63.8 per cent), but one still higher than in the subsequent elections of 1999 (58.2 per cent), 2003 (49.4 per cent) and 2007 (51.7 per cent), which chose the politicians to serve in it.67 The class bias of the electorate is suggested by a survey conducted between the second and third Scottish Parliamentary election which shows the groups most likely to vote as being either small employers (71 per cent) or members of the professional/managerial strata (69 per cent).68 These results should lead us to question the more exaggerated claims for

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67 These figures relate to the constituency vote, which shows marginal variations from the regional vote, although not in any consistent direction to date.
68 Bromley, “Where Were the Voters?” 73.
democratic renewal in Scotland. As veteran Marxist historian Eric Hobsbawm noted of the first election to the Scottish Parliament in 1999:

We would have thought it impossible, twenty years ago, that only 60 percent of the citizens would vote in the first election for a Scottish parliament in three hundred years, an election supposed to realise the historical ambition of the people of that country.  

Nevertheless, although devolution has not reversed the trend towards voter abstention in Scotland, it has been claimed that the subsequent electoral success of the SNP demonstrates that an alternative to neoliberal politics is possible. Shortly after Gordon Brown’s accession to the British premiership in June 2007, Scottish journalist Iain MacWhirter noted the Labour leader’s “apparent capitulation to neoconservatism” and asked what might have happened if he had taken a different path:

…what if Brown hadn’t capitulated to electoral opportunism? What if he’s decided instead to halt the renewal of Trident, rule out nuclear power in favour of renewable energy and review and replace private finance initiatives? What if he had ended dawn raids on asylum seekers, doubled the budget for international aid and launched a national debate on constitutional reform, instead of reheated citizen’s juries? Instead of adhering to neoliberal assumptions on social policy, what if Brown had decided to share the proceeds of growth with the less advantaged by abolishing prescription charges and graduate fees, launching a pilot project on free school meals and curbing the right to buy council houses?

Anticipating the claim that these policies were now simply impossible to implement, MacWhirter was then able to reveal to no doubt astonished English readers of The Guardian that they were in fact being pursued by the SNP government in Edinburgh. Because “the masters of the universe aren’t really interested in Scotland, except for oil”, their inattention “allowed a space to open up in Britain where neoliberalism is being challenged”. And it is not only in Scotland that the difference in policy has been noticed; Tony Woodley, the joint General Secretary of the Labour Party-affiliated trade union Unite, advised Gordon Brown that abandoning neoliberalism would be popular as well as morally right: “The governments in Scotland and Wales are winning praise and votes for adopting ‘old Labour’ measures like stopping NHS privatisation and

70 MacWhirter, “The Tartan Revolution”.
scraping tuition fees.”

How accurate are these claims for the record of the SNP in office?

For many decades now “stateless” nations in the developed West have been governed on a provincial or regional basis by nationalist parties, of which the Parti Quebecois (PQ) in Canada has perhaps been the most successful. Unlike the PQ, however, the SNP took office for the first time when neoliberal strategies for restructuring capitalism had come to all but completely dominate mainstream politics. What makes the Scottish case interesting is that the SNP presents itself as having broken with this consensus: “Independence is our idea”, says current party leader and First Minister Alex Salmond, “and our politics are social democrat.”; the Cabinet Secretary for Finance and Sustainable Development, John Swinney, described his first budget as representing “a social democratic contract with the people of our country”; and the former SNP Head of Campaigns and Westminster Head of Research, Richard Thompson, argues there has been a “social-democratisation” of Scottish nationalism.

At first sight, the SNP would not seem a strong contender to challenge neoliberal developments, since, despite these claims, it is not now, nor has it ever been a social democratic party. Social Democracy originally referred to mass working-class parties of the Second International which were at least nominally committed to Marxism. Following the Russian Revolution of October 1917, the torch of revolution passed to the newly-formed communist parties and social democracy came instead to describe reformist parties formally dedicated either to introducing socialism through parliamentary means or, more commonly since the Second World War, to shifting the balance of wealth and power within capitalist society towards the working class—although their actions in office rarely advanced even the second of these goals. Certain characteristics, such as links with the organised trade union movement and a working class membership usually followed from these programmes, but were not decisive in themselves, since such distinctly un-social democratic bodies as the Argentinean Peronists had the first and the Provisional IRA the second.

Unlike modern social democratic parties, the SNP is now and has always been a party openly committed to making Scotland more successful in capitalist terms. Like many nationalist parties, however, it has always contained a minority of members who consider themselves on the socialist left. It is this presence which has allowed exaggerated claims to be made about the direction of SNP policy. “And never forget”, said Thatcher at the

71 Woodley, “Expel the Blairites, Now”.
72 Fay, “Interview with Alex Salmond”; Swinney, “Foreword”, v; Thompson, “The Social-democratisation of Scottish Nationalism”.

climax of her last speech to Scottish Conservative Party Conference in 1990, “the SNP are a socialist Party–the Socialist Nationalist Party.”\textsuperscript{73} Given that Thatcher regarded many members of her own party as little better than socialists this assessment should not be regarded as definitive. It is true, however, that the left was particularly influential in the SNP between 1974 and 1983. What one internal party historian calls a “social-democratic tendency” emerged between 1974 and 1979, and a more explicitly socialist one, the ’79 Group, tried to take control of the party after the debacle of the first devolution Referendum in 1979. The attempt was defeated by 1983, however, with the leadership of the ’79 Group–including Salmond–being expelled from the party, although this sentence was later commuted to temporary suspension.\textsuperscript{74}

These experiments in shifting the internal balance of the party to the left have never been repeated and are unlikely to be now. Current SNP attitudes have been described by long-time party intellectual Stephen Maxwell:

> By the beginning of political devolution in 1999 the SNP’s overall stance could be summarised as a gradualist approach to constitutional issues, support for a liberalised global economy and for EU integration as the most sympathetic environment for small scale independence, and a social democratic stance on social issues.

In addition to these four characteristics, Maxwell also identifies another two with a supposedly distinctive Scottish nature: a rather nebulous notion of “popular” rather than parliamentary sovereignty and an apparently clear commitment to Scottish unilateral nuclear disarmament.\textsuperscript{75} The key question, to which I will return, is whether or not “support for a liberalised global economy” is ultimately compatible with “a social democratic stance on social issues”.

The class basis of SNP membership originally lay with the petty bourgeoisie, as Ray Burnett’s description from 1975 suggests:

> The SNP is very much the party of the small man, the frustrated Scottish businessman smelling profit in oil yet unable to cash in only spectate, and the lower-middle class and professional elements watching their hard-won status and security disappear in the furnace of inflation.\textsuperscript{76}

\textsuperscript{73} Torrance, “\textit{We in Scotland}”, 232.
\textsuperscript{74} Bayne, “The Impact of 1979 on the SNP”, 51-60.
\textsuperscript{75} Maxwell, “Principles and Absences”, 59.
\textsuperscript{76} Burnett, “Socialists and the SNP”, 121.
The shift in membership to the new middle class of professional, managerial and technical workers is common to all mainstream political parties which seek to occupy the “middle ground” (and nationalist parties have to do so almost by definition): it is the sociological equivalent of their desired spatial location. But membership is different from electoral support, and no party can hope to win elections without the votes of at least a section of the working class, as it remains the class to which most people still belong. What is interesting here is the shifting nature of the section of the working class from which SNP support has come.

What Christopher Harvie calls “the Third Scotland” of expanding peripheral housing estates and New Towns, “showed a fair amount of political volatility in the 1960s, as though nationalism provided some sort of substitute for the community identity it lacked”.

But there are other explanations for the rise of the nationalist vote than a response to anomie. While still a humble lecturer in politics at Glasgow College of Technology, Gordon Brown analysed the growth of SNP support in terms of the decline of skilled manual labour and the replacement of heavy industry by services—a process which he argued led to “dealingment”. As Brown and his co-author Henry Drucker pointed out, support for the SNP did not come from those who suffered from industrial decline, but those whose hopes had been raised by the possibility of improvement to their own conditions, the socially mobile.

Regional analysis tends to support this conclusion. During the 1970s, when the North-East was being transformed by the oil industry, one study of Peterhead noted that: “The SNP was most successful in winning affiliations from the upwardly mobile aspirants who were renouncing the class of their homes while not yet entering the middle class.”

This is feature of many national movements. “Contrary to some claims, there is no reason why nationalism must be confined to economically disadvantaged groups”, writes Michael Hechter: “The members of economically advantaged nations are no less likely to favour an outcome that enhances their personal welfare.”

The problem is that there were always a limited number of people who could realistically aspire to upward class mobility and these grew even less as the neoliberal boom faltered in the late 1990s.

80 Hechter, Containing Nationalism, 125.
81 The structural limit to upward mobility was also a problem for the Conservative Party. As David Torrance points out, in the 1987 General Election, although “the Conservatives’ biggest increase in its share of the vote was in Livingston, a New
By 1999...the [SNP] no longer had any advantage among the upwardly mobile, and even seems to have come to appeal particularly to the downwardly mobile. The contrast with Labour is rather stark: from a profile not dissimilar to the SNP’s in 1974 (although with much higher levels of support in the manual class), it had become associated with upward mobility from lower-manual to upper-manual classes by 1999.\(^{82}\)

If support for the SNP and Labour had begun to diversify in class terms, in ideological terms, it became more homogenous. As Paula Surridge reports, by 2001 “it was not possible to predict whether a person was a Labour or SNP supporter on the basis of their position on a left-right attitudinal scale; Labour and SNP supporters in Scotland were equally ‘left-wing’”, with the result that the party people supported tended to be based on their attitude to independence, with those in favour more likely to support the SNP.\(^{83}\) These shifts form part of the context of the 2007 Scottish Parliament and Local Government elections.

In the Scottish Parliament, the SNP are currently running a minority administration and will probably continue to do so until the next Scottish Parliamentary elections in May 2011. With 47 seats out of 129 it has only one more than Labour and cannot win any vote without the support of at least one of the other parties represented at Holyrood. The SNP only gained four seats from Labour, with most of the increase in its support coming from elsewhere. Of the twenty seats which the SNP gained in the election, thirteen came from smaller, more radical forces which were either greatly reduced in numbers (the Greens and independents) or eliminated from the Parliament altogether (the Scottish Socialist Party and Solidarity). Analysis of the transfer votes cast in Glasgow under the Single Transferable Vote system shows the process at work. Among SNP voters in those wards where no second SNP candidate stood (16 out of 21), 14.7 placed a second preference for Labour, 14.3 per cent for the Greens, 13.1 per cent for Solidarity and 7.5 per cent for the SSP. In other words nearly 50 per cent placed a second preference either for Labour or a party further

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\(^{82}\) Paterson, “Sources of Support for the SNP”, 50-51.

to the left, whereas only 4.7 per cent of the same cohort placed a second preference for the Tories, 0.3 per cent for the fascist BNP and 31.4 per cent had no second preference at all, the last presumably belonging to the SNP’s core support.\textsuperscript{84} It could be argued that the SNP has simply managed to attract a majority of voters who support independence. This presumes, however, that independence is the most important issue for members and supporters of the Greens, the SSP and Solidarity; but support for the SNP can be separated from support for independence. In fact, the SNP attracted votes from those sections of the electorate furthest to the left, who had only one realistic choice of whom to support, at least if their intention was to remove the Labour/Liberal Democrat government from office.

One way in which voting for the SNP was made palatable to the radical left was the way in which the party presented itself as anti-imperialist. It opposed the wars in Afghanistan and Iraq, which made them the only mainstream party in Britain to align with the biggest mass movement in modern British history. Salmond had previously criticised the bombing of former Yugoslavia in 1999, so his stance—unlike, for example, that of Charles Kennedy and the Liberal Democrats—did not appear opportunistic. Furthermore, the SNP also opposed not only the replacement of Trident but also the current installation of nuclear missiles on the Clyde. As Tom Gallagher reports, many former Trotskyists are now “willing to dance to the SNP’s tune”: “The nationalist blogosphere contains many converts from Trotskyism, inspired by Salmond’s wish to quit NATO, evict nuclear warheads from the Clyde, and pursue a neutralist foreign policy.”\textsuperscript{85}

Being anti-war is a relatively cost-free position, however, since the Scottish government has no control over Scottish troops and cannot withdraw them from the imperialist debacle, at least without a Unilateral Declaration of Independence of the sort which Salmond has made clear the SNP will not make. The government is, however, in a position to make things difficult for the British government over Trident, since Parliament has both planning powers and responsibility for Health and Safety legislation which could prevent or at least delay the replacement of Trident, not least by invoking the latter to prevent Anglo-American weapons of mass destruction from being transported across Scotland.

\textsuperscript{84} Morgan, “Was STV Fair?” 11.
\textsuperscript{85} Gallagher, \textit{The Illusion of Freedom}, 128. According to one leading figure in the Scottish Socialist Party, Scottish independence “would deliver a body blow to Anglo-American imperialism” by depriving the British state “of the country which contains NATO’s major nuclear arsenal, it’s strategic air bases plus 80 per cent of European oil reserves”. See McCombes, \textit{Two Worlds Collide}, 54.
it has refused to do so, despite the continual prompting of Scottish CND, at the very least indicates the lack of priority, perhaps even the lack of seriousness attached to this commitment. There is no certainty that independence would inevitably make Scotland a non-nuclear state outside of NATO. The application of international law since the break-up of the Soviet Union would not allow Scotland to be a separate nuclear state alongside the UK, but there is no prohibition on a recognised nuclear power maintaining weapons on foreign territory. Any British government is likely to want these missiles to remain in Scotland, not to mention the American state which ultimately controls their use. William Walker has noted the “uncharacteristic caution” of the SNP to pursue the subject of the Trident replacement:

With its eye on gaining power and laying the political foundations for a future referendum on independence, the Party’s leaders realise that the usual grandstanding on nuclear weapons might no longer serve their political purposes. Why? Because if establishing a reputation for sound governance and cooperation is paramount prior to the referendum, it will have little choice but to assist the government in London with the operation of Trident once it holds power in Holyrood. It cannot pick a fight with London, the US and other NATO members on such a sensitive issue without significant risk to its reputation.86

The SNP website “reaffirms that no nuclear weapons will be based on independent Scottish soil” and says that: “An SNP government will not be part of a nuclear-based commitment such as NATO.” But it also insists that Scotland would “maintain active defence commitments with friends and allies through the United Nations, European Union and Partnership for Peace”.87 The Partnership for Peace is a NATO programme, involving over twenty states who are not frontline, or required to have nuclear bases, but which are prepared to allow their territories to be used by combat troops (such as Ireland did during the Iraq War) and to act as “peacekeepers” (such as Spain does in Afghanistan).88

More important than rhetorical opposition to Anglo-American nuclear weaponry was the way, as we have seen, that the SNP claimed to stand in the tradition of social democracy. Rhetoric apart, what did this mean in

87 http://www.snp.org/policies/international-affairs/copy_of_index_html See also Scottish Government, Your Scotland, Your Choice, 120.
88 For details of the programme see the NATO website, which also contains a useful selection of historical documents and communiqués: http://www.nato.int/issues/pfp/pfp.htm
policy terms? The introduction to the SNP Manifesto for 2007 promised to “keep vital health services local and reverse the decision to close Ayr and Monklands A&E”, to “scrap the Council Tax and introduce a fairer system based on ability to pay”, to “increase by 50% the amount of free nursery education available for 3 and 4 year olds”, to refuse permission for “new nuclear power stations” and instead develop “Scotland’s extensive renewable energy potential”, and to introduce “smaller class sizes” and “dump student debt”. Elsewhere in the document we were told that “the costly and flawed PFI/PPP” funding of capital projects would be replaced by a “not-for-profit Scottish Futures Trust”, prescription charges would be “immediately abolished” for people with chronic health conditions, cancer or who were in full time education or training with complete abolition to follow.\(^{89}\) In the months leading up to the 2007 Scottish Parliamentary elections there was much speculation on whether the SNP would honour these commitments if elected. One member of the party, the historian and former Conservative Michael Fry, opined that the SNP would soon come to understand that, apart from independence, “the rest of its programme is unrealisable”: “Never having been in government, the SNP has no notion of the constraints likely to operate there.”\(^{90}\) And indeed, after the election the SNP had two perfect excuses for reneging on these aspects of its Manifesto, in the shape of a the lowest level of financial settlement from the Treasury since Devolution began in 1999 and a pan-unionist alliance of the other main parties which initially looked as if it might collectively act to block bills. The government did, however, make attempts to implement most of their manifesto promises, if not always at the speed originally promised.

It is important to remember that the difference between Scotland and the rest of Britain in relation to positive reforms did not begin with the election of the SNP government. As Thatcher was subsequently to complain, even under the Conservative onslaught Scotland retained higher levels of public spending and government intervention than England and Wales.\(^{91}\) Neoliberalism nevertheless continued to advance on several fronts after the Scottish Parliament opened in 1999, with the Labour/Liberal Democrat coalition demonstrating the classic characteristics of a regime of consolidation. As Richard Finlay writes, the “adaptability” of Labour and the Liberal Democrats enabled them to “embrace the ‘social market’ once Thatcher had taken the opprobrium for its consequences and


by using constitutional change they were able to mask their political impotence”. But at the same time, the Labour/Liberal Democrat government introduced reforms which made conditions marginally superior to those available in England, most obviously with the free provision of personal care for the elderly, the abolition of tuition fees for students and the repeal of Clause 28 of the Local Government Act. There were two reasons for this apparent breach with norms of social liberalism.

The first is a consequence of the electoral process in Scotland, in which the usual “first past the post” MSPs (73) are supplemented with “list” MSPs (46) elected by proportional representation. The highly undemocratic model employed was specifically designed to favour the larger parties while simultaneously preventing the SNP from gaining a majority of seats, a strategy cynically admitted to by Jack McConnell, who was at this time still the General Secretary of the Labour Party in Scotland. As Patricia McCafferty notes:

> With the Liberal Democrats increasingly emerging as New Labour’s most likely coalition partner in Scotland in 1999, the Scottish Parliament offered a renewed base for the consensual politics fundamental to the Third Way.

Additionally, it would also allow Labour to blame the Liberal Democrats for blocking more radical policies which in reality Labour had no intention of introducing. A coalition was duly formed, but otherwise the plan failed to achieve the intended result. Not only did the Liberal Democrats instigate the reforms mentioned in the previous paragraph, representatives of the smaller, more radical parties were also elected. At Westminster, Labour maintained a safe, if diminishing majority; at Holyrood, no one party had an absolute majority, allowing the possibility for raising legislation outside the neoliberal consensus through alliances between the radical minority groups and individuals, and the more principled members of the mainstream parties.

The second reason is the nature of the party struggle between Labour and the SNP. Following the May 1999 elections the SNP became the official opposition in the Scottish Parliament. This, more than any other factor, has driven subsequent Labour policy in Scotland. To make devolution rather than independence the last stage of constitutional change, and thereby outmanoeuvre the SNP, the Parliament must be seen

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92 Finlay, “Thatcherism and the Union”, 171
to pursue their own policies. For devolution to be meaningful, and thereby perform the work of legitimation, the Scottish Parliament must show that it is at least partly independent of Blair and Westminster. 95 These differences should not be exaggerated. As McCafferty points out:

…the much-vaunted “historic” opportunity to create Scottish solutions for Scottish problems excluded any radical departure in terms of New Labour’s reform and “modernisation” programme in the public sector, and the ideological commitments so strenuously adhered to by New Labour in the rest of the UK have not been relaxed in Scotland even in key devolved areas. 96

Nevertheless, given the extent to which Blair and Brown have moved Labour to the right, the only policies which give even minimal distance from the British leadership tended to be further to the left, hence the acceptance by the Scottish leadership of reforms initiated by their Liberal Democrat partners. The possibility of divergence from British norms had been identified as a potential problem by former Labour Party Assistant General Secretary, Matthew Taylor, before the first devolved government had even taken office: “In May 1999, he openly argued that the presence of distinct Scottish Labour policies would jeopardise the presentation of a uniform British Labour ‘brand’ and that devolution did not give Scottish members the right to create a separate political platform.” 97 By the time distinct policies had been put into effect, the hostility extended to 10 Downing Street:

When both Scotland and Wales adopted different policies from England on Hospital care and student fees, Blair was furious. He admitted to Paddy Ashdown that had he known what devolution meant he would not have gone ahead: “You can’t have Scotland doing something different from the rest of Britain…I am beginning to see the defects in all this devolution stuff.” 98

95 Scottish Labour is not alone among the Scottish parties in diverging from the positions of their UK leaderships: the Scottish Conservatives enthusiastically support PR in Scottish elections for reasons of political survival, and the Scottish Liberal Democrats supported fiscal autonomy and (until the SNP actually proposed it) a local income tax, in both cases against the wishes of their British leaderships. See McLean and McMillan, State of the Union, 252-256.
96 McCafferty, Working the “Third Way”, 172.
97 Gallagher, The Illusion of Freedom, 94.
98 Jenkins, Thatcher and Sons, 311.
Mainstream New Labour thinkers also have concerns about the party in Scotland which run deeper than individual policies that might have been adopted for tactical or opportunistic reasons—that is, after all, what they understand “politics” to mean. More problematic for them is the way that policy formation itself is still insufficiently dependent on the type of advisers and think-tanks whose managerial assumptions can be relied upon to produce options compatible with social neoliberalism. Former Labour Chief Adviser, John McLaren, claims that the main contrast between England and Scotland is that, in the latter country:

...there are fewer independent institutions undertaking public policy research and analysis and less use of “outside” expertise in developing evidence based policies. The result of this more curtailed policy network and discussion could be argued to be the existence of more policies and initiatives that are “voter friendly” e.g. free prescription charges and no tuition fees, or based on “common sense”, but which are not necessarily the most efficient options to pursue. An example of the latter might be the high profile of, and across the political board support for, smaller class sizes in Scotland.\(^{99}\)

The SNP is subject to different electoral pressures than the Scottish Labour Party, but they ultimately lead in the same direction. Salmond has a long-term strategy in which he hopes to build the basis for a permanent electoral majority with which to achieve, if not independence, then at least a renegotiated Treaty of Union. To do so the SNP has to distinguish itself from the Scottish Labour Party to a far greater extent than the latter has to distinguish itself from the British Labour Party. The SNP have still to win support from the core of Labour’s working-class vote; yet without doing so they will never achieve the majority it seeks. It cannot do so simply with unbridled neoliberalism. Indeed, at least one of their (since abandoned) policies, the abolition of the council tax, was first proposed by the SSP prior to the split which led to the formation of Solidarity. The SNP can emphasise the “social” elements of social neoliberalism, precisely because these are the ones over which the devolved government has most control: the main economic and military-diplomatic powers are among those still retained at Westminster. And in a situation where voters have become accustomed to the absence of any positive reforms—indeed, accustomed to a seemingly endless series of anti-reforms—those introduced by the SNP can acquire a greater significance than would have been the

These were the type of social policies which the Labour Party might once have proposed and which any member or supporter whose socialist principles were intact would still want to see implemented. But Labour’s sectarian resentment toward its main rival is such that it cannot even acknowledge this, let alone support the policies themselves. In a February 2008 interview with Radio Scotland Lord George Foulkes displayed his usual unerring instinct for articulating positions which most of his colleagues share, but are too circumspect to openly express. The SNP’s current policies were “dangerous”, he claimed. How so? “What they are trying to do is to build up a situation in Scotland where the services are manifestly better than south of the border in a number of areas.” An understandably bemused interviewer wondered aloud why this represented a problem, failing to understand that for Lord Foulkes the delivery of better public services in Scotland, to however marginal an extent, was an irrelevance compared to the fact that the SNP had exposed Labour’s failure to do so elsewhere in Britain: far better that Scotland’s services remained unimproved than this truth be exposed.

Labour politicians less prone to inadvertently revealing their actual concerns adopted the opposite strategy, reviving the claim that SNP members were “tartan Tories”–a label which was inaccurate even when first applied in the 1960s and one patently absurd now, particularly when used by leading New Labour neoliberals. At the Scottish Labour Conference of 2008, one of the most ideological of these, Wendy Alexander, proclaimed her hitherto unnoticed adherence to the values of Keir Hardie, John Wheatley and Clement Attlee as an alternative to the SNP:

This is the territory on which Scottish Labour will be proud to fight. Left against right. Cutting poverty against cutting taxes. Rewarding hard work against unearned wealth. Socialist against nationalist.

A more serious example of this approach was given in 2007 by David Cairns, a Scottish MP and then Minister for State at the Scotland Office.

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100 McCafferty, Working the “Third Way”, 140-141.  
101 Thompson, “The Social-democratisation of Scottish Nationalism”, 127.  
102 Allardyce, “Wendy Alexander sees a Socialist Future”. At this point Alexander was engaged in a desperate but futile attempt to retain her leadership of the Labour Party’s MSPs. The present author witnessed a similarly phantasmagorical performance at the STUC in Inverness the following month.
Cairns claimed that the SNP were “taking from the working classes and giving to the middle classes” (note the nineteenth-century use of the plural). As examples he cites the abolition of prescription charges and student fees. The former “does not help a single child, pensioner or family in poverty, since they already receive free prescriptions”, but “it does cut costs for middle-class Morningside”. The latter supposedly benefits “predominately middle-class graduates who are set for a lifelong earnings premium”. But the SNP’s greatest sin is apparently that it wants “to end the right to buy scheme–one of the most successful routes to home ownership for working-class people”.

As we shall see, this critique is not entirely wrong, but the underlying assumptions behind Cairns’ argument reveal Labour’s own complicity in neoliberalism too clearly for it to be credible. SNP reforms do indeed benefit middle and higher earners, but the point is that large numbers of these are members of the working class—it is only if, like Cairns, you consider that class to be a residual poverty-stricken element of society, stranded on the peripheral estates and restricted to precarious forms of employment, that the reforms could be seen as only benefiting the middle class. Rather than propose a strategy for greater working-class entry to higher education, he assumes that most university students will continue to be relatively privileged—although, given the current levels of graduate unemployment, this is ceasing to be the case for reasons not directly connected with government policy. Finally, he defends the flagship Thatcherite policy of selling-off council housing which has contributed so much to the present crises of debt and housing provision.

The general tone of desperation is understandable. Since the mid 1980s, no matter what happened in the rest of the UK, no matter how little their party actually achieved for its supporters north of the Border, Labour politicians assumed they had what Salmond calls a “divine right to rule” in Scotland. Widely reported statements by leading figures to the effect that “the SNP have only borrowed power, not taken it”, revealed their characteristic complacency and arrogance, their sense of entitlement and their collective state of denial. But Labour’s once unbreakable hold on Scottish politics is now at an end for reasons other than what it sees as the SNP’s usurpation of government office.

A more serious long-term blow to Labour than even the 2007 Scottish Parliamentary election results were those of the local elections, which were held on the same day, and for the first time were conducted under the

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103 The Scotland Office is the civil service department which deals with matters “retained” by Westminster rather than devolved to Holyrood.

104 Cairns, “Alex Salmond is Robin Hood in Reverse”.
Single Transferable Vote system already used for the parliament. There are 32 local councils in Scotland. In 1999, Labour controlled 15 of them. Four years later it still controlled 13. After the elections in 2007, however, it controlled only 2, both in its Western heartlands (Glasgow and North Lanarkshire). All the rest are now under “no overall control”, except for 3 small islands councils controlled by independents, who are Conservatives for all practical purposes. No longer does standing for a “safe” Labour council guarantee that an affiliated trade union official or constituency researcher has begun their assent to a seat in the Holyrood or Westminster Parliaments. The long-term implication of Labour’s inability to guarantee favoured activists office at some level is likely to be a further erosion of its local base. Nevertheless, the SNP victory not only ended the Labour/Liberal Democrat regime that had been in office since Devolution took effect in 1999, it also dealt a blow to what even mainstream commentators call Labour’s “hegemony” in Scotland. Labour’s victory in the Glenrothes by-election of 6 November 2008 has not reversed this situation, based as it was on intensely local issues on the one hand (the SNP council had increased home care charges) and response to the outbreak of economic crisis on the other.

4. The SNP and the limits of social neoliberalism

The golden age of reformism coincided with the post-war boom, but to claim that reforms in traditional sense are no longer possible because we are in a different era is both to misread history and to let the politicians who have capitulated to neoliberalism evade responsibility for their actions. It is not, after all, as if positive reforms were only enacted after the Second World War. During the 1920s British Labour Party local councillors in London and Austrian Social Democratic Party local councillors in Vienna introduced, in different ways, important benefits for their working class supporters through rent controls and public housing, in far from prosperous conditions. But perhaps more relevant to this discussion, the Democratic Party in the USA—a distinctly non-social democratic organisation—introduced the New Deal during the Depression years of the 1930s, including legislation aiding trade union recognition and recruitment, because of the need to gain electoral support from organised labour. The example of the SNP showed again that under certain conditions, even parties wedded to capitalism can make some reforms.

105 Denver and Bochel, “A Quiet Revolution”.
106 See, for example, Marr, A History of Modern Britain, 526.
And this in turn shows that claims about the impossibility of reform are in fact a smokescreen for the conscious choices—neoliberal choices—that politicians have made, usually while claiming that that they are helpless in the face of globalisation. Whatever the motives of the SNP politicians, we should be grateful to them for demonstrating that this is so.

Nevertheless, it is important not to exaggerate what the SNP has done or is likely to do, as it faces the same difficulties as all nationalist parties in the neoliberal era. As Michael Keating has noted of these organisations:

> If they are to build a nation at a new territorial level, they must now consider how it will operate in global markets, and how it can sustain social solidarity in the face of global competitive pressures. One response is to move right and promote a tax-cutting agenda, as the SNP has done in 2003, although this comes at the cost of social cohesion.  

It is true, as former SNP member Isobel Lindsay has written:

> From a European perspective, the SNP Government would be seen as mainstream social democratic across its areas of responsibility. From a Westminster perspective, it would be seen as far left.

But this simply shows how far to the right neoliberalism has driven mainstream political life. For, as Lindsay also notes, the SNP is “Janus-faced” in politics, with a right as well as a left face. The problem, of course, is that the “left” hand side of the column will be quickly exhausted. Indeed, before the recession supervened, one suspects the reforms announced in the SNP manifesto were intended be stretched out across the length of the 2007-2011 parliamentary term precisely for this reason, with the “right” hand side increasingly setting the overall agenda. And even the reforms which have been enacted can be ambiguous or contradictory. The freeze in Council Tax bills, for example, meant that the income of around 75 per cent of Scottish households increased over the Financial Year 2008-09, but their overall standard of living was also reduced, as councils attempted to withdraw services in order to compensate for reduced levels of income. Indeed, in Edinburgh the SNP/Liberal Democrat coalition tried to impose a programme of school and nursery closures—in the teeth of massive public and trade union opposition—precisely in anticipation of the coming reduction. Events in Edinburgh display in microcosm the relationship of conflict which is

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108 Lindsay, “Progressives with a Banker Blindspot”, 6.
beginning to develop between public sector trade unions and the people who use the services they provide and the SNP in its different governmental manifestations.  

In short, while the reforms introduced by the SNP are obviously welcome, they are conducted within the overall framework set by neoliberalism, and may even represent its outer limits. For the SNP is as committed to the core economic principles of neoliberalism as the other parties. In a collection of essays written by SNP members and sympathisers, Hamish McRae, the Chief Economics Commentator of The Independent, explained what the new economic consensus would mean for an independent Scotland:

> There are basic fiscal rules that all countries need to follow, just as there are basic monetary decisions. Scotland would be no exception. Provided they follow the core disciplines, independent countries are free to make political choices as to their tax and spending policies. It is just that this freedom is constrained by international competition and such competition is more likely to rise than decline.  

The nature of the “political choices” which the government has made over economic policy is becoming clear. Even in John Swinney’s first budget, announced on 14 November 2007, in the first bloom of reforming zeal:

> Money was spent on trying to ensure that the council tax does not go up while business rates actually go down. In contrast, downgraded or ditched were commitments to free former students from their debt, to give grants to first-time house buyers and to cut class sizes. Meanwhile the public sector is to be put under strict financial discipline, making 2 per cent “efficiency savings” a year, even more than the 1.5 per cent the SNP promised in its election manifesto.

As John Curtice concludes, “it seems Scotland is now ruled by an informal alliance with a markedly centre-right hue”. The budget was eventually passed on 24 January 2008 with Conservative support on the

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109 See McCafferty and Mooney, Chapter 4, section 4, in this volume. The question is complicated by the hypocrisy of the officials representing Labour-affiliated trade unions, who have been prepared to mount action in opposition to school closures where councils are either SNP–led or where the SNP is part of a coalition, as in Edinburgh, but refused to do so when identical closures were proposed by Labour-led Glasgow council.


basis of speeding-up the abolition of business rates for 120,000 small businesses and reducing them for 30,000 more.

The Alliance between the SNP and the Tories should not have come as a surprise. Campbell Martin, a socialist expelled from the SNP in 2004, noted the shift of his former party to market principles:

What’s the difference between: “We have a vision of society of responsible, compassionate and free citizens, working hard and saving hard to be independent of the state” and: “We need the type of reform that successful countries have used to motivate their people…adopting a strategy of constant improvement coupled with mechanisms that reward hard work?” The first quote is from former Tory leader William Hague, in 2001, the second from Jim Mather in August 2006.112

Mather is now a Cabinet Secretary and one of the foremost enthusiasts for the market in the SNP. Prior to the 2003 SNP Conference he wrote in the Scottish Parliament house journal that, “we should not apologise for encouraging wealth creation and success”:

We want more millionaires and any notion that an independent Scotland would be a left-wing country is delusional nonsense. The vast majority of Scots are hard-working, ambitious and compassionate, with enough experience of left-wing politics to know that they only make matters worse.113

But even figures hitherto regarded as being on the left of the party espouse similar positions. MSP Alex Neil, once of the ’79 Group, told author David Torrance on 24 April 2008:

The fact of life is that we’re living in a world where relatively speaking there’s free trade, in an open economy; it’s a global society and I don’t think it’d be possible to, even if you wanted to, to turn the clock back, quite frankly. And I don’t think most people want to, to be blunt. The reality of life is that you can’t go back to the old days.114

The full neoliberal agenda was set out in 2006 by MacLeod and Russell, who claim that the Newly Industrialising Countries in Asia “have achieved or are achieving their new-found status by rejecting—even in the case of those who say they are not—the economic constraints of doctrinaire

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112 Martin, “Principles go Overboard as SNP Turns Hard to the Right”.
114 Torrance, “We in Scotland”, 258.
socialism”. The ignorance these authors display about the actual development of the Asian Tigers is less significant here than in the implications of their imaginary version for Scotland:

Equally, and perhaps more importantly, the brand of capitalism they have adopted is not the watered down version that still appeals to many in Scotland: capitalism hedged about with so many caveats and restraints that it sometimes looks as if it is merely tolerated by our governing class.115

This watered-down form of capitalism is not what MacLeod and Russell have in mind for us. Among the components of the “programme of national recovery” they expect an SNP government to introduce are:

…freezing and cutting government expenditures including the freezing of recruitment by government and quangos; boosting business growth by reducing corporate and personal taxes…improving government efficiency by exposure to the free market economy [and] building the number of economically active citizens by facilitating the transfer of civil servants (and potential civil servants) to the private sector.116

Although this is the most extreme manifestation of neoliberal ideology by figures associated with the SNP to date, the market orientation starts at the top; Salmond has certainly made no secret of his views. “I think private profit is entirely admirable”, he explained in an interview: “The competitive economy is a good thing, but I don’t think people should profiteer out of public services.”117 This has been a consistent theme. In an infamous interview with the Conservative blogger Ian Dale, Salmond went further than perhaps he intended:

I have tried to bring the SNP into the mainstream of Scotland. We have a very competitive economic agenda. Many business people have warmed towards the SNP. We need a competitive edge, a competitive advantage—get on with it, get things done, speed up decision making, reduce bureaucracy. The SNP has a strong social conscience, which is very Scottish in itself. One of the reasons Scotland didn't take to Lady Thatcher

115 MacLeod and Russell, *Grasping the Thistle*, 92. For a serious discussion of the Asian Tigers and other Newly Developing Countries which highlights the central role of the state in their emergence, see Harris, *The End of the Third World*, 30-92.
116 MacLeod and Russell, *Grasping the Thistle*, 132.
117 Martin, “Our Nation is Equal to any other”.”
was because of that. We didn't mind the economic side so much. But we didn't like the social side at all.118

Once these remarks became public Salmond phoned the BBC radio programme *Good Morning Scotland* in an is not entirely convincing attempt to claim that what he meant was, although Scots opposed Thatcher’s social message: “That doesn’t mean that the nation liked her economic policies, just that we liked her lack of concern for social consequences even less.”119 No amount of spin can disguise the difference between these two statements; but leaving that aside, it is in any case inconceivable that social and economic policy could be separated in this way. Salmond’s admission is an example of the way in which sections of the new middle class to which he belongs have tacitly endorsed Thatcher’s achievements for capital while still maintaining some residual disquiet about the means she employed: that is what the separation of the social and the economic means in this context.120

In any event, senior figures in the Scottish ruling class have understood the real message only too well. Shortly before the 2007 election, Sir George Mathewson, Chair of the Royal Bank of Scotland (RBS) between 2001 and 2006, endorsed the SNP in a letter to *The Scotsman*:

> There are several reasons why I shall vote SNP at the forthcoming Scottish election, the foremost of which is that I believe the SNP offers Scotland the best chance of escaping from the dependency culture that is currently all-pervasive at every level in Scottish life.121

While the RBS would never close off its options by endorsing one party when it can “influence” them all, for Mathewson to signal his support for the SNP indicates, at the very least, that he saw no threat from that quarter. Others of his class provided more material support. In the same week as Mathewson’s letter was published, the SNP received £500,000 from Brian

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118 Salmond with Dale, “I was Always getting into Trouble before I became Leader”, 32.
119 Torrance, “*We in Scotland*”, 258. Despite predictable and utterly hypocritical outrage from the Labour Party, Salmond’s comments were in fact very similar to earlier and far more considered remarks by Gordon Brown and Douglas Alexander: “What Scots found most unacceptable about Thatcherite Britain was not its commitment to enterprise—that would have been strange in the country of James Watt and Andrew Carnegie—but its lack of commitment to social justice.” Brown and Alexander, “New Scotland, New Britain”.
120 See Davidson, Chapter 1, section 3.2, in this volume.
121 Mathewson, “Letter to *The Scotsman*”. 
Souter, the Christian fundamentalist millionaire whose fortune was built during the years of transport deregulation, not least by temporary price-drops and “lane crowding” tactics which forced his rivals out of business. His donation coincided—to put it no more strongly—with the apparent abandonment of an SNP conference policy to re-regulate the Scottish bus service, a proposal Souter had denounced as tantamount to renationalisation and one which he claimed would lead him to pull his business out of Scotland. Men like Mathewson or Souter are not eccentrics or mavericks like Sir Hugh Fraser and the other individual capitalists who occasionally supported the SNP in the past, but representative figures drawn the financial and service sectors characteristic of the neoliberal order.

Essentially, the SNP’s strategy was based on three linked premises. The first was that the boom was effectively permanent and that the Scottish economy would therefore continue to grow in sync with the global economy. The second was that with an increasing income from taxation based on this growth, the Scottish Government would be able to both maintain the neoliberal economic model and deliver “social-democratic”-type reforms, particularly if devolution led—as was widely expected—to a greater degree of fiscal autonomy. The third was that this combination would generate sufficient popular support over time to expand the SNP’s electoral base, making it the “natural party of devolved government” and placing it in a position to either achieve independent statehood or, more likely, renegotiate the Treaty of Union.\textsuperscript{122} The entire strategy therefore depended on the plausibility the first premise, which in fact involved an ahistorical wish-dream of epic proportions, even before the onset of recession.

The assumption was that Scotland could emulate the so-called “Arc of Prosperity” comprising the smaller nation states of North-western Europe, particularly Ireland and those of Scandinavia. These are by no means identical in any case, although it is important to note in the light of recent events that Ireland and Iceland were the two which were least regulated, unlike the others which had relatively high levels of both taxation and state intervention. But the main point can perhaps be expressed in a paraphrase of what Trotsky once wrote about the Russian bourgeoisie under Czarism: Scottish nationalists have neglected to supply themselves in good season with an Irish history or a Norwegian social structure.\textsuperscript{123} As Tom Devine

\textsuperscript{122} See section 1, in this chapter.
\textsuperscript{123} “The Russian bourgeoisie dreamed of an agrarian evolution on the French plan, or the Danish, or the American—anything you want, only not the Russian. He neglected,
has noted, the comparison with Ireland in particular “has been a favourite ploy of those who argue that the unprecedented economic miracle which has taken place [there] provides a convincing lesson for Scotland of the material benefits of national independence”, but it is a false argument since “the two cases are fact quite different”:

The Irish were trying to move from a poor to a rich economy. Scotland in the 1980s was, by contrast, a mature industrial economy which was experiencing renewal and a fresh start. The spectacular growth rates of Ireland were simply not repeatable in Scotland. The Irish starting point of a low-wage, low-cost environment with a deep pool of unemployed made a rapid take off possible. Scotland did not have these “advantages” and hence could not sustain the year-on-year high growth rates of the Irish economic miracle.\(^{124}\)

The problem with the Arc of Prosperity is, however, greater than a historical inheritance distinct from that of Scotland. It is that, even before the recession, the policies taken by these states were scarcely compatible with a programme of positive social reform.

The restructuring of the world by neoliberalism has been a process from which even those societies supposedly most inhospitable to this form of capitalism were unable to escape, even in Scandinavia. A “Study on Power and Democracy”, commissioned by the Norwegian Parliament in 1997 and completed in 2003, described characteristics recognisable anywhere in the developed world: privatisation of once-publicly owned resources and the adoption of pseudo-market mechanisms within a fragmenting state sector on the one hand; increased inequality for the benefit of corporate executives and domination of the economy by an ever-smaller group of giant companies on the other.\(^ {125}\) Sociologist Hilde Nafstead and her colleagues analysed how vocabulary changed in Norway between 1984 and 2005, as the neoliberal transformation was unfolding, including the declining popularity of such words and phrases as “rights”,

\(^{124}\) Devine, The Scottish Nation, 646-647.

\(^{125}\) Haugsvær, “Main Conclusions of the Norwegian Study on Power and Democracy”, 2, 3. This report went considerably further than the British equivalent, the Power Report, in that, unlike the latter, it drew attention to underlying socio-economic reasons for the decline of formal democracy, a subject which Power in the main avoided, although the situation described in both reports is very similar and casts further doubt on SNP claims that there are fundamental differences between Britain and Scandinavia. See the Power Inquiry, Power to the People.
“freedom to choose”, “communality”, “social cohesion”, “concern for others”, “welfare society” and “equality”. The researchers found that the impact of “the current neoliberal variant of capitalist ideology” had become embedded in language, in tandem with the impact of neoliberal policies on society: “in Norway, one of the Scandinavian welfare states, the welfare ideology of communal values, solidarity and equality has become increasingly powerless and fragmented”, and has been replaced by “the hegemony of extreme individualism which can create a social climate favourable to withdrawing local communities and the state from a variety of areas of social life”.  

In Ireland, the component of the Arc of Prosperity most admired by the SNP, the underlying economic changes have gone much further than in Norway. A recent Scottish Government document, *Taking Forward the Government’s Economic Strategy* (2008), looks to the Irish experience of globalisation as a model for Scottish development. As Stephen Maxwell points out:

Ireland’s success is attributed to low levels of corporate tax aimed at attracting inward investment, large scale investment in education and infrastructure and having a strong social partnership as the vehicle for a joined-up approach to developing and implementing policy.  

It is, however, possible to interpret the Irish experience in a different way. From 1987 onwards the Irish political class collectively acted on the understanding that although the neoliberal formula of reducing public spending, taxation and wage costs would have to be applied, they would not in themselves transform the Irish economy–Irish wages have, after all, historically always been among the lowest in Western Europe. The real turning point for Irish capital was the way in which, from the early 1990s onwards, it was able to offer a base for US multi-national companies seeking to relocate within the European Union and gain access to its markets. Among the inducements it could offer was an effective corporate tax rate of under 10 per cent and lower (compared to the 30 per cent rate in Britain, its nearest competitor), a low-wage but relatively highly-educated English speaking workforce, and a stable political system in which both main parties were already openly committed to capitalism and required no internal transformation comparable to that undertaken by the British Labour Party. Yet the consequence of the inflow in US capital that followed has completely tied the Irish economy to that of the US, to an  

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127 Maxwell, “Principles and Absences”, 60.
even greater extent than far weaker Central American states. More to the point, for Irish workers themselves, the economy is characterised to a quite extraordinary degree by low wage and precarious employment, not in the traditional sectors, but the most modern, where US labour practices have been most closely adopted.\footnote{Allen, \textit{The Celtic Tiger}, 13-15, 21-29, 75-77.}

Even before the onset of crisis, then, Ireland was scarcely an attractive model for the majority of the Scottish population, who presumably would have been expected to accept wage levels and social services comparable to those of the Irish. After it, it became clear that, far from following a different path from that of Britain or the US, the Irish economy was essentially based on the same economic regime and Irish workers were suffering the same consequences–but, as Paul Krugman says, “only more so”:

\begin{quote}
Like its near-namesake Iceland, Ireland jumped with both feet into the brave new world of unsupervised global markets. Last year the Heritage Foundation declared Ireland the third freest economy in the world, behind only Hong Kong and Singapore. One part of the Irish economy that became especially free was the banking sector, which used its freedom to finance a monstrous housing bubble. … Then the bubble burst. The collapse of construction sent the economy into a tailspin, while plunging home prices left many people owing more than their houses were worth. The result, as in the United States, has been a rising tide of defaults and heavy losses for the banks. …the government’s revenue–which had become strongly dependent on the housing boom–collapsed along with the bubble. Even more important, the Irish government found itself having to take responsibility for the mistakes of private bankers.\footnote{Krugman, “Erin Go Broke”}.
\end{quote}

As these remarks suggest, there is one genuine point of comparison between Ireland and Scotland, one aspect of economic life in which Scotland does not need to emulate Ireland (although it is scarcely unique to these two countries): the role of financial capital.

Consider the two banks bailed out by the British government in October 2008. As one admiring account noted in 2002:

\begin{quote}
The Royal Bank of Scotland Group (RBSG) is now the second largest bank in Europe, in terms of capitalised value, and the sixth largest in the world. HBOS ranks eighth in Europe and fourteenth in the world. Both Banks are significantly larger than such household names as Tesco, Diageo and
\end{quote}

\footnote{Allen, \textit{The Celtic Tiger}, 13-15, 21-29, 75-77.}
Marks and Spencer (M&S)—indeed the capitalised value of M&S is only just over 20 per cent of that of RBSG.\textsuperscript{130}

More than any other institutions these embodied the way local financial capital has cut with the grain of neoliberalism to dominate the Scottish economy and challenge competitors on a global scale. Where RBSG led, HBOS followed. At the tercentenary of the Bank of Scotland in 1995, Richard Saville noted that the long-run rate of profit in British banking since 1973 had been below 1 per cent on total assets, sometimes falling as low as 0.5 per cent, as it had by the early 1990s. He noted that one response to this was “the artificial stimulation of consumer credit”, although the Bank of Scotland had up to this point not pursued this option.\textsuperscript{131} By the end of the decade it had done so, thus settling into the patterns of behaviour described by Sandy Baird and his colleagues:

With institutional investors seeing short-term profitability as essential for their own growth and survival, the pressure is on for quick results. So, although most of their investment will be in the UK and Scottish companies, these companies themselves will tend to invest the money where the profit yields will show up most quickly. The consequence is what we see today: a few giant Scottish companies operating globally, combined with desperately low levels of investment in long-term research and productive capacity in Scotland. It is a process that unfortunately feeds on itself. As the overall productive infrastructure in Scotland wears down, so investors and companies will be even more inclined to look for profits elsewhere. It is certainly not a sustainable course… Market pressures are compelling institutional investors to adopt progressively more speculative and short-term investment tactics.\textsuperscript{132}

The consequences of these tactics are now history: the two Scottish banks bailed-out and part-nationalised by the British state. The point here is not that this would have been impossible for an independent Scottish Government, as was claimed by the Labour Party: if Scotland succeeded in joining the Euro zone, as the SNP intends, then it would be able to call on support from other member countries, or as a last resort on highly conditional loans from the International Monetary Fund, although that is hardly an attractive option. The point is rather that in order to receive such support the SNP would have been compelled to attack its own supporters and those whom it hopes to attract from the Labour Party. As it is, it will

\textsuperscript{130} Peat, “Financial and Business Services”, 156.
\textsuperscript{131} Saville, \textit{Bank of Scotland}, 815-816.
be compelled to make these attacks anyway, although perhaps over a slightly longer timescale.

The budget for the Scottish Government is essentially set by the Treasury. Holyrood has only three means by which to raise additional funds: the Council Tax, local business tax rates and the “Scottish Variable Rate”, the ability to raise or reduce income tax by up to 3 per cent. The first has been frozen and the second reduced for small firms; to reverse either of these would be politically difficult. The third was never used by the Labour/Liberal Democrat administration and is unlikely to be used as a means of raising funds now. On the other hand, cutting income tax in order to stimulate spending would force the Government to offset the reductions to income through cutting services.133 In effect then, Holyrood is in the hands of Westminster. The Scottish Government can bring forward capital spend in the same way as is being done by Treasury for the UK as a whole, but this does not involve any new money. On the other hand, Scotland will suffer from annual efficiency savings in 2010/11, which Swinney estimates will lead to a cut in Scottish spending of £5 million, and reductions in spending growth for the years 2011-14. If this is so, then total spending will increase by only 1.1 per cent over that period, which could lead to cuts in the Scottish budget of £1 billion in each of those years.134

The implications for services and public sector wage costs were therefore enormous even before the implications of the recession hit home. Now that they have, the possibility is that a further £6 billion will be cut from the Scottish Budget, threatening the very projects that allowed the SNP to present itself as to the left of Labour: the replacement Glasgow Southern General Hospital, free care for the elderly, concessionary travel, abolishing bridge tolls, reduced prescription charges—in short all the policies which are funded out of general taxation and not individual acts of consumption. The solutions being urged on the Government in this situation by the representatives of capital are entirely predictable. “CBI Scotland has urged the Scottish Government to prepare the country for a ‘new period of austerity’ and to prepare itself and the public for budget freezes and pay cuts”, reports The Sunday Herald, “rather than raising taxes and opening public services to private companies in the interests of reducing costs.”135 David Simpson, former chief economist at Standard Life, has insisted that Scottish economic recovery depends on the neoliberal project being deepened:

133 Gordon, “What Can Scotland really do?”
134 Young, “The Cuts Will be Deeper than Anyone Realises”.
135 Donald, “CBI Warns of ‘New Period of Austerity’”.
Of necessity, we shall have to become more market-orientated. What will definitely not work will be any kind of industrial planning, or centralised direction of industry.\textsuperscript{136}

It is in this context that the function of devolution as a means of delegating responsibility for implementing neoliberal policies is likely to have increasing relevance.\textsuperscript{137}

The Calman Commission on the future of Scottish devolution was set up by the Parliament (i.e. by the opposition parties) rather than the SNP Government, which refused to participate on the grounds that “full fiscal autonomy” was not part of its remit. The Commission’s report of June 2009 pointed out that the Scottish Parliament was not accountable for what it spent. As a partial response to this it recommended that devolved tax revenue be substituted for part of the current block grant. In this scheme, the British Government would reduce the amount of tax collected in Scotland across all rates by 10p and reduce the block grant by an equivalent amount. To retain the same level of funding the Scottish Parliament would then have to levy a Scottish rate to make up the reduced grant income, but it could also increase or reduce it; it could, in other words, vary the amount raised within a tax band to 9p or 11p, but not the bands themselves. This measure, along with proposals for raising particular taxes in Scotland, such as Landfill, would mean that around a third of the Scottish Parliament’s income could be raised locally.\textsuperscript{138}

The parties which cooperated with Calman subsequently equivocated over their support for his Commission’s proposals, although the Labour Party finally endorsed them in November 2009. The SNP, after an initially guarded response, embraced at some of the proposals and it is easy to see why. Although the Calman proposals involve a number of constraints for any devolved government, not least the certainty that the Treasury would simply reduce the block grant by the same amount as any additional funds raised in Scotland, these could be used as arguments for full fiscal autonomy. More positively, the very fact that a Scottish Government was involved in tax-raising on its own behalf would give it greater credibility. It is therefore possible to envisage a scenario where the SNP are willing to cooperate with a future British Conservative government over introducing greater fiscal autonomy (“devolving the axe”) while simultaneously using

\textsuperscript{136} Fry, “A New Economy”.
\textsuperscript{137} See section 2, in this chapter.
the existence of that government as an argument for independence or, more plausibly, a renegotiated Union.

In effect, the Scottish Government’s White Paper proposals for a multi-question referendum on Scotland’s constitutional position, published on Saint Andrew’s Day 2009, are part of this strategy. Several commentators have expressed astonishment that the SNP have proceeded with this particular Manifesto promise, given the fact that the rest of the mainstream parties have formed a pan-Unionist front against the proposal. Only the two Greens and the remaining independent (Margo MacDonald) have said they will support it, which leaves the pro-independence forces well below the numerical level required for a majority. Furthermore, current levels of support for independence are, at around 20 per cent, even lower than they were at the time of the 2007 Scottish Parliamentary Election. In other words: the Bill will not be passed by the parliament and, even if it did, the subsequent Referendum would almost certainly not result in a majority for independence. There are of course several layers of electoral calculation involved here. Salmond is fortunate in that he has the benefit of being to posture as the leader of both a party of government (in Scotland) and a party of opposition (in Britain). If the Bill is defeated then he will be able to denounce the other parties in the run-up the Scottish Parliamentary elections of 2011 for denying the Scots the right to self-determination, putting British interests before those of theirs, and so on. And even if the proposal remains stillborn at a parliamentary level, it would still be open to the SNP to launch a referendum on a party basis, simply to test the level of support—there is a precedent for “unofficial” referenda of this sort in the old Strathclyde Regional Council’s ballot on Water Privatisation back in 1994. It is quite likely, however, that at least one of the major parties—most likely the Liberal Democrats—will shift their position in time for the next election, so that a referendum will be held, if not in 2010 then in 2011. But, beyond this type of manoeuvring, what if the assumption that the SNP leadership actually believes independence is possible in the foreseeable future and is therefore acting irrationally is wrong? There are four alternatives offered in the White Paper: the status quo; the Calman Commission proposals; “devolution max”, which would leave the Scottish Government with control over virtually all state functions except defence and foreign policy; and independence itself. If the argument of this chapter is correct, however, then it is actually the

139 See, for example, Maddox, “Independence White Paper is the Party’s White Elephant”.
140 See section 1, in this chapter.
141 Scottish Government, Your Scotland, Your Choice, 4-5, 15-18.
third option, which effectively amounts to “federalism in one stateless nation”, that is really on the agenda, in which case Salmond’s strategy may be more intelligent than is currently supposed. From this perspective, the failure to achieve a majority for independence would also serve Salmond’s purposes in relation to the SNP’s internal debates, for the simple reason that it would help to kill off fundamentalist demands for a generation, since he and his colleagues have acknowledged that a further referendum could not be organised for another fifteen to twenty years.

5. Working-class alternatives to neoliberalism in Scotland

Whether or not a referendum is eventually held, and regardless of the outcome, we are fast approaching the limits of positive reform under the Scottish social neoliberal regime, and may already have reached them. Given the current absence in Scotland of a radical left party with sufficient membership and support to be credible, the temptation will be for sections of the left to maintain their illusions in the SNP, ignoring or discounting episodes like the attempt to close schools and cut the wages of Cleansing Department workers in Edinburgh (for which the SNP/Liberal Democrat Council was responsible) while ascribing disproportionate significance to rhetorical interventions like Salmond’s verbal support for the threatened jobs of the Diageo workers in Kilmarnock (a situation over which the SNP government has no control). But if the argument in the preceding section is correct, then the claim that the SNP offers an alternative to neoliberalism, unavailable elsewhere in Britain, is in the process of being refuted by the actions of the SNP itself. Is there then any alternative to the continuation of neoliberalism, only now under austerity conditions?

In Scotland, as in most of the developed world, the left was cautious over policy and uncertain over agency even before the recession began. Policies tend to involve a return to what is usually thought of as “Keynesianism”, albeit one involving greater democratic participation than during the post-war period. Danny Mackinnon, for example, argues:

Whilst the Keynesian policies practiced in the post-war decades provide the most coherent and developed alternative to current supply-side policies, there is a clear need to go beyond this in terms of both the very different political and economic situation that confronts us today and the need to foster more participative “bottom up” solutions.

Of what would an “alternative economic strategy” consist? For MacKinnon it would involve “employment creation”, “increased growth and
productivity” and “redistribute resources to the poorest regions”, while at the national level:

The key Scottish-wide policies would be moves towards income redistribution and progressive taxation, including raising the minimum wage, although these would require additional powers to be devolved. 142

Similarly, Sandy Baird and his colleagues rightly remind us that “governments are not powerless in the face of the market”, but see these powers as being used to “to enhance productivity and innovation”, while their own recommendations involve “the control of pension funds, the restoration of a significant public utilities sector and the use of public procurement”. They do, it is true, conclude by stating that “such a course will also depend on first addressing the political and class question of who should control our economy”, but this does seem to deserve a rather higher emphasis than it receives here, since it is effectively the decisive issue at stake. 143 But even if these–actually quite modest–proposals could be implemented without obstruction from capitalists and state managers, and were then to have the desired effect, which of the existing mainstream parties could conceivably be expected to introduce them, in either a devolved or an independent Scotland? A party fundamentally opposed to neoliberalism is evidently required, and is required regardless of whether Scotland becomes an independent state or not; but before any programmes or policies can even begin to be discussed for such a party the social basis of any reconfiguration of the left needs to be established, or rather, re-established.

There are perhaps a thousand or so organised members of the radical left in Scotland who, quasi-theological doctrinal differences apart, accept that the working class has the potential to transform society on a revolutionary basis. Outside their ranks, however, to make this suggestion is to invite incredulity. Where this is not because of an a priori rejection of class politics, it tends to be a response to what has befallen the working class in Scotland since the advent of neoliberalism. Even Marxist historians like William Knox, who recognise that the working class continues to exist in Scotland, see it as now having only a limited capacity for action. He claims that for all its sectional and sexist contradictions, “the male, Protestant craft culture…exhibited a highly developed sense of

solidarity and community”, which the working class in its current form simply does not possess:

The newly dominant service sector and white-collar unions, with their socially diverse working constituencies, cannot hope to forge such intense solidarities among their members: a situation which has obvious and important political consequences.\(^{144}\)

Andrew Anderson, a former trade union official, campaigner and subsequent chronicler of the Skye toll bridge campaign, argues that, not only has the traditional working class vanished from history: “Even the massed ranks of professional technical and clerical workers have gone.” Consequently, those socialists “of the incurably romantic variety who are expecting socialism to be achieved by the massed ranks of the working class are destined for a disappointment”. Salvation lies instead in community activism such as that around the Skye toll bridge, and the wider campaigns against nuclear power and for environmental protection. In the absence of a working class, the key to these campaigns are alliances with “small business people” and the radicalised professionals of the middle class who are skilled at utilising “new communications technology”.\(^ {145}\)

These positions are not qualitatively different from those mainstream critics of neoliberalism who are neither Marxists nor associated with the trade union movement. In the words of Iain MacWhirter, “capitalism evolved and gradually made the working class extinct” by becoming:

…a higher form than Marx could ever have imagined: one global, integrated financial machine, driven by neurotic individualism, managed by computer programmes and beyond the control of any government or social class.

MacWhirter does qualify these remarks by adding that it is only “the developed world” that has abandoned manufacturing for an “ever more complex financial engineering to maximise the wealth of an international financial aristocracy with allegiance to no society, faith or moral system”. More traditional class structures still prevail in the Global South; but since Scotland occupies a position near the apex of the developed world, this concession offers little consolation.\(^ {146}\)

\(^{144}\) Knox, *Industrial Nation*, 295.


\(^{146}\) MacWhirter, “Rising from the Ashes”. 
These writers at least see the supposed decline of the working class as a problem; those with a more ambiguous relationship to neoliberalism—or to be more explicit, those who occupy the left wing of social neoliberalism—see it more as an opportunity. Gerry Hassan has written of the need for Scottish radicals to remove their “ideological blinkers” which of course includes “Red Clydeside”: “but, broader than that, post-1989, socialism as a grand narrative is over and Scotland is no exception”.\footnote{Hassan, in \textit{Being Scottish}, 96. Hassan is associated with the think tank Demos, which was heavily involved in justifying the social neoliberal agenda. For details, see the documentation in Clark, “The Atlantic Semantic”, where the nature and extent of its connection with leading neoliberal and neoconservative figures from the UK and the US is recorded in detail. Hassan has now noticed, without a hint of self-recognition, that: “During the last twenty years a new class of apologists for the economic, social and political order has taken shape.” Indeed, and Demos was one of the characteristic institutions through which their views were expressed. See Hassan and Barnett, \textit{Breaking out of Britain’s Neo-liberal State}, 6.}

Indeed, we learn that in Scotland today “trade unionism has become a minority pastime of tenured public sector professionals”—a description which might come as a surprise to, for example, Glasgow nursery nurses and other low-paid care workers engaged in resisting job losses and closures.\footnote{Hassan, “That was Then and this is Now”, 30. For public sector resistance to neoliberalism, see McCafferty and Mooney, Chapter 4 and Tables 4.1, in this volume.} What then, is the alternative, if the working class is no longer capable of taking action?

The agency for social mobilisation today is often said to be the set of institutions known as “civil society” or, in some versions, “civic society”. Stephen Maxwell has attempted to define this most amorphous, not to say most vacuous of concepts as:

\begin{quote}
…the sum of activities of citizens organised independently of the state in their diverse communities of place, interest and values. At its core is the voluntary sector embracing Churches, professional associations, community groups, voluntary welfare and campaigning organisations, trade unions, arts and sports groups, and charitable foundations. As social democratic states engage with the complexities of their post industrial societies, these civil society organisations have essential roles in giving voice to diversity, mobilising social action and sharing in the provision of public services.\footnote{Maxwell, “A Poor Response”, 100.}
\end{quote}
There are four reasons why “civil society”–at least conceived of in this way–cannot be a substitute for the organised working class in achieving social change.

First, civil society is a historical category dating from the bourgeois revolution and the transition to capitalism more generally. The institutions of civil society played a role during the Scottish Enlightenment (where the term originates) and the accompanying transformation of feudal agriculture because there were no other institutions that could have done so at that time. In other words, it is a formation characteristic of the period before the bourgeoisie was fully in control of the state and before politics became conducted through mass parties under conditions of representative democracy. These conditions are certainly under attack from neoliberalism now, but proposing to return before them to previous formations rather than move beyond them to new ones is to offer, not an alternative way of conducting politics, but a substitute for politics. Indeed, as David McNally rightly notes, it is usually a substitute for a particular kind of politics, namely “revolt from below”.

What this usually means is that “civil society” is completely ineffective. Lindsay Paterson and Richard Wyn Jones have listed the supposed resistance of the components of Scottish civil society to Thatcherism, to bathetic effect:

They lobbied against particular policies, they sought to resurrect corporatist ideas, they used the Scottish Office itself as a way of putting discreet pressure on the government internally, and, in a few notable instances such as the poll tax, they opposed government policy outright.

In fact, only the resistance to the Poll Tax was successful and that because it was, in effect, a mass working-class insurgency, a revolt from below. As Ian Holliday notes of this episode, “resistance at the level of policy initiative was minimal…resistance at the level of policy implementation was massive”.

Second, the notion of civil society involving the non-state institutions of the subordinate classes did retain some relevance in the more backward areas of 20th-century Europe such as the Italian South, where Antonio Gramsci used it in quite specific ways that have been indiscriminately

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151 McNally, Another World is Possible, 280.
152 Paterson and Wyn Jones, “Did Civil Society Drive Constitutional Change?” 179.
over-generalised ever since. But these movements and institutions (Mutualism, labour churches, trade union libraries, working-men’s clubs, etc.) either had their functions absorbed by the state during the construction of the post-war welfare regimes or their memberships drained by the subsequent shift from collective to private sources of entertainment—a process greatly exacerbated under neoliberalism.

Third, to the extent that the organisations listed by Maxwell have social functions of any significance, it is no longer the case that they are “outside” the state, in the way that the classic (Enlightenment and Marxist) definitions of civil society require. The use of the “third sector” by the state, in the form of Non Governmental Organisations distributing aid abroad or charities delivering social services at home, threatens to obliterate the distinction between state and civil society. But this is merely an example of how neoliberalism has reconfigured the state and delegated its functions to bodies which were once external to it. Indeed, many of the institutions regularly described as being part of civil society in Scotland, above all the “holy trinity” associated with religion, law and education, which are widely but inaccurately supposed to have maintained Scottish national identity after 1707, were in fact components of the Scottish state preserved by the Treaty of Union, and may well have been the first example in history of what is now a general phenomenon.

Fourth, because of the sheer heterogeneity of the bodies categorised as belonging to “civil society”, there is no sense of their relative social weight. Trade unions are fundamental, class-based economic organisations in a way that, for example, “arts and sports groups” are not, and it generally desirable to belong to the former when negotiating one’s pay and conditions, although this is not a problem which would occur to people whose income derives from client fees, transaction commissions or annual bonuses. And the difference is generally recognised whenever trade unionists work-to-rule, strike or occupy their workplace: no-one describes this as civil society in operation; it is rightly understood to be an elementary form of class struggle. In effect, trade unions are included in one of the institutions of civil society in order to disguise the fact that these are essentially middle-class pressure groups or professional associations—although admittedly this description lacks the gravitas of the preferred term and provides no opportunities to invoke Hegel or Gramsci.

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154 See, for example, Gramsci, “The Intellectuals”, 12-13 or “State and Civil Society”, 245-246.
155 Davidson, Chapter 1, section 4.2, in this volume.
156 Davidson, The Origins of Scottish Nationhood, 51-54.
In short, under capitalism “all that is solid melts into air” and civil society has become one of its many ghosts.\(^\text{157}\) One thing, however, remains constant in the “uninterrupted disturbance of all social conditions” and that is wage labour, not least because capital would cease to exist without it, which is why we need to pay less attention to the role of institutions in civil society and rather more to the place of workers in class society. The point was well made by the late Ralph Miliband, writing while much of the left was making its initial retreat in the face of the neoliberal vanguard during the 1980s. As he pointed out then, the working class was still the “necessary, indispensable ‘agency of historical change’”: “And if, as one is constantly told is the case, the organised working class will refuse to do the job, then the job will not be done”.\(^\text{158}\)

What are the possibilities of the working class playing this role in Scotland?

Neoliberalism is Scotland saw the local application of a global strategy: the deliberate creation of mass unemployment, selective confrontations with key trade unions and the shifting of production to non-unionised areas.\(^\text{159}\) These impacted disproportionately in Scotland as the economy was more dependent than that of Britain as a whole on the very type of extractive, manufacturing and public sector jobs that were most subject to attack. As Peter Payne notes of this deep “structural change” which resulted:

It came as a result of renewed if occasionally misconceived government initiatives; it came as a consequence of the fuller assimilation of the Scottish economy into first the British then the international economy; and it came fortuitously as a by-product of the discovery of North Sea oil. But, above all, it came because the state decided to turn off the life-support system of public ownership. Once exposed to the cruel accountancy of market forces, either directly or as part of the preparation thought necessary for the return to private enterprise, Scottish heavy industries were found wanting and allowed to die.\(^\text{160}\)

Two aspects of the neoliberal onslaught were particularly striking. The first was the speed with which it transformed the Scottish economy. By the time The Proclaimers sang “Bathgate no more, Linwood no more”, on

\(^\text{157}\) Marx and Engels, “Manifesto of the Communist Party”, 70.
\(^\text{158}\) Miliband, “The New Revisionism in Britain”, 13-14. Miliband’s early death at least spared him the knowledge of what his progeny have become.
\(^\text{159}\) Davidson, Chapter 1, section 2.2 and Law and Mooney, Chapter 3, section 2, in this volume.
\(^\text{160}\) Payne, “The Economy”, 22.
their 1987 debut album the fundamental changes had essentially taken place. Indeed, the reliance of the Scottish economy on metalworking, mechanical engineering and transport equipment had finally ended by the second Conservative election victory of 1983 (see Table 3.5). In part this was because the years after 1979 were the climax of a much longer period of cumulative decline. As Neil Buxton points out, even before Thatcher was elected “the erosion of the manufacturing base has proceeded in the 1970s further than in any other advanced industrial nation”.\textsuperscript{161} As the defeats mounted, Harvie records; “Unions and workers reacted with anger, bewilderment, and latterly fatalism”.\textsuperscript{162} And in some cases the fatalism to which Harvie refers had set in even before the decisive contest of the Miners’ Strike. The industrial journalist Keith Aitkin recalls the scene at Chrysler-Peugeot at Linwood the day the closure was announced on 11 February 1981:

…I was sent along as a young reporter to write a “colour” piece about local reaction. In the shops and the small supply businesses around the huge plant there was plenty of raw anger. Yet the reaction among the workers themselves, clutching their redundancy letters, was eerily taciturn: “phlegmatic” was the word I wrote that afternoon. Lunchtime football games went on as usual around the factory buildings, to the accompaniment of Radio One on the tannoy. I asked one young lineworker if I could see his letter, and he just shrugged.\textsuperscript{163}

The second aspect was the extent of the occupational and spatial shifts that accompanied this transformation. The most detrimental effects were felt in the areas where these industries had been most concentrated, above all in Glasgow and the former Strathclyde District more generally. The shift from manufacturing to services was an international phenomenon among the advanced capitalist economies, but as John MacInnes points out, “Glasgow represents the most extreme form of a shift which has proceeded further and faster in Great Britain than elsewhere in the world”. Scotland’s main population centre had become

…a declining central urban area in a declining conurbation within a declining region located within a country whose industrial base is becoming relatively less important in the world’s economy.

\textsuperscript{161} Buxton, “The Scottish Economy”, 64.
\textsuperscript{163} Aitken, \textit{The Bairns O’ Adam}, 269.
By 1987 less than one male worker in ten in Glasgow, was employed in manufacturing while nearly a quarter of all workers were women employed in public services. The change involved is perhaps best understood in personal terms. Ian Jack recalls his father and the world he inhabited:

He started work as a fourteen-year-old apprentice in a linen mill on five shillings a week and progressed variously through other textile factories in Scotland and Lancashire, into the engine-room of a cargo steamer, down a coal pit, through a lead works and a hosepipe factory. ...he ended his working life only a few miles from where he had begun it, and in much the same way; in his overalls and over a lathe and waiting for the dispensation of the evening hooter, when he would stick his leg over his bike and cycle home. He never owned a house and he never drove a car, and today there is very little evidence that he ever lived. ... Few of the work places survive. The cargo steamer went to the scrapyard long ago, of course, but even the shipping line it belonged to has vanished. The coal pit is a field. Urban grasslands and carparks have buried the foundations of the mills. The house he grew up in has been demolished and replaced with a traffic island. The school which taught him the careful handwriting has made way for a supermarket. In this way, deindustrialisation has disinherited the sons and daughters of the manufacturing classes; a benign disinheritance in many respects, because many of the places my father worked were hell-holes, but also one so sudden and complete that it bewilders me.

What Jack calls “deindustrialisation” involved major occupational and spatial shifts: to light manufacturing along the new 70-mile corridor from Ayr to Dundee known as Silicon Glen; to financial services centred on Edinburgh; and to the oil industry centred on Aberdeen. The result was to produce an economic structure in Scotland which increasingly resembled that of Britain as a whole.

In some respects, Aberdeen acted from the early 1970s as a test bed for the type of changes which were to become generalised across Scotland and Britain, as neoliberalism advanced: a dominant industry (oil) in which long-hours were standard and from which trade unions were rigorously prevented from entering; average earnings boosted by oil-related salaries but which bore no relation to the earnings of the majority of the population; and an inflated housing market whose benefits accrued to

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164 MacInnes, “The Deindustrialisation of Glasgow”, 73, 74, 87.
existing owners and those wealthy enough to enter it. Similar, if less extreme conditions followed in Silicon Glen in the wake of the US (Apollo Computer, Unisys) and Japanese (Mitsubishi, NEC Semiconductors) software and light engineering companies which took over from old employers like British Leyland at Bathgate and made Livingston a boom town in the 1980s. The employees most in demand were either skilled workers who had already been trained by other firms or were school leavers uncontaminated by trade unionism.

Approaches varied between the Americans and the Japanese. The former emphasised single-status working conditions and overall personal responsibility for quality control; the latter were more overtly disciplinarian, with a traditional division of labour; but both involved performance-related pay and, particularly in the American case, fierce hostility to any attempts at trade unionisation. By the late 1980s, 90 per cent of companies in the other New Towns of Cumbernauld and East Kilbride had no non-manual workers in a union and over 60 per cent had no manual workers in a union either; where membership was sufficiently high to have gained recognition it tended to be on the basis of single-union deals. In an article published in 2001 Christopher Harvie quotes one Motorola “manufacturing associate”: “Unions? What would they have to worry about, the quality of the lemons in the iced-water machines?” Unfortunately for the credibility of these claims, by the time Harvie’s article appeared in print, it was clear what the unions would have to worry about: Motorola closing its mobile phone-manufacturing plant in Bathgate with the loss of 3,000 jobs after pocketing £20 million in government grants.

In this connection it is important to understand that the defeats which allowed the transformation of the Scottish economy were not inevitable, but the consequence of a particular strategy. Even before the neoliberal era began, working class resistance in Scotland has tended to be expressed in terms of “Scottish” national interests, rather than the interests of workers who happen to be situated in Scotland. This tendency was an aspect of the popular front politics of the Communist Party of Great Britain, whose influence of the Scottish Labour movement was disproportionately large, compared to the size of the organisation. The work-in to save Upper Clyde

169 Leopold, “Trade Unions in Scotland”, 78.
Shipbuilders of 1971-2 led to the STUC calling a Scottish Assembly to discuss the implications of UCS for the nation as a whole. Those attending included, in addition to trade unions, representatives from local authorities representing 92 per cent of the population, university students and lecturers, the CBI, Churches, and Chambers of Commerce. The Assembly met in Edinburgh on 14 February 1972 and set up a commission to look at the economy, but it was clear from the meeting that there was general desire for greater local control. And, although the STUC did not yet have a definitive policy on what was still called Home Rule, General Secretary James Jack expressed a concluding view that a permanent Scottish Assembly would be a “workers’ assembly”, possibly the first occasion that this particular fantasy had been aired in public. Nevertheless, several trade unionist participants were concerned that the initiative had also contributed to the growth in influence of and support for the SNP, a development more evident at the second and final Assembly meeting in January the following year, at which the party had 148 of 953 delegates and more seriously by its by-election victory in Govan later that year. These attitudes have dominated the various campaigns to save workplaces and industries since, in two ways.

The first is the argument that particular industries or workplaces belong to “the nation”, rather than to capitalist firms or the capitalist state. The disastrous effects of this ideology became apparent during the Miners' Strike of 1984-1985. One of the key objectives of the National Union of Mineworkers (NUM) was to stop steel production nationally. Unfortunately the leadership relied on fellow officials in the steel unions delivering this rather than picketing out the steel workers. The latter had been badly defeated in the steel strike of 1980 and more than half the workforce had been lost in the ensuing three years. The leadership of the Iron and Steel Trades Confederation opposed shutting down steel production. It was at this point that the nationalist argument kicked in. In Scotland, the NUM Area officials signed an agreement allowing enough coal to enter the strip mill at Ravenscraig in Motherwell to keep the furnaces operating. The reason given by Area President Mick McGahey was that the deal was “in the interests of Scotland's industrial future”. In fact, not only did the amount of coal entering Ravenscraig not drop from its normal levels to that required on a care-and-maintenance basis, it increased. Picketing by the miners and their supporters was unable to close the plant in the absence of practical solidarity from other unions or the

STUC. And so the “Scottish national interest” helped play its part in the defeat of the NUM, the destruction of the British mining industry and the perpetuation of Tory rule for another 12 years.

The second way in which “lower case” nationalism is fostered by the reformist bureaucracy is through the advocacy of all-class, pan-Scottish alliance as the way to defend jobs. The composition of these coalitions, invariably led by the STUC, was summarised by one friendly critic as consisting of “trade unionists, clergymen, artists, politicians of various hue, thinkers, councillors, professionals, and the rest”.\textsuperscript{172} They inevitably refused to consider industrial action and focused instead on “mobilising Scottish public opinion” on the one hand (unnecessarily, since in most cases it was already in sympathy with the threatened workers) and attempting to “persuade” the government to intervene (pointlessly, since it was usually in complete agreement with the employers). Of these campaigns, only that of Upper Clyde Shipbuilders achieved any kind of success and that because it was accompanied by a militant occupation which took place in the context of the great upturn in British working class struggle of the early 1970s. The others took place in a period of defeat and contributed to extending it by their failure. It is not that there was no industrial action; rather that it was subordinated to the popular front. As Aitken writes:

> Retrospection yields the dispiriting, and somehow surprising, realisation that almost none of the eighties issue coalitions achieved their primary objectives. They did not save Caterpillar or Ravenscraig. They did not change government policy on health, devolution or the economy.\textsuperscript{173}

Other than the defeats to which it led, the unintended legacy of this failed strategy has been to encourage working-class Scots to identify themselves primarily with Scots from other social classes rather than with English people from the same class, and there is some evidence to suggest that this form of identification had increased by a factor of two between 1979 and the late 1990s.\textsuperscript{174} This is potentially disastrous for the labour movement and the potential for disaster is even greater under devolution, as Michael Hechter explains:

> Federation may stimulate nationalist conflict because it provides potential nationalist leaders with patronage and other resources that can be

\textsuperscript{172} Aitken, \textit{The Bairns O’ Adam}, 292.
\textsuperscript{173} Ibid, 295.
mobilised for nationalist ends. … In addition to material incentives to nationalist mobilisation that it may provide, federation may also have cognitive implications. When nations are given many of the accoutrements of real states, this also encourages people to think and act according to national categories.¹⁷⁵

Nevertheless, consciousness remains contradictory. At a lecture delivered during the Edinburgh International Book Festival in 2005, the then Presiding Officer of the Scottish Parliament, George Reid, expressed his puzzlement at the persistence of working class identity in Scotland:

There are two and sometimes three cars in the driveway. In Scotland, first-in-the-family graduates are upwardly mobile, engaging in some pretty conspicuous consumption, but still proclaim themselves to be working class. Why is that?¹⁷⁶

Reid had identified a real phenomenon. Gregor Gall’s study of opinion polls on class identification and political alignment conducted between 1974 and 1992 suggest that more people identified themselves as working class in Scotland than England, that those who did so were more likely to vote Labour than in England, and that these trends had become more pronounced towards the end of the period under review.¹⁷⁷ Lindsay Paterson and his colleagues collected similar data for the later 1990s and expressed themselves bewildered by “the insistence of large numbers of people in the new middle class on calling themselves working class”, particularly since they conclude that “Scotland is becoming a professional society in a much more thorough way than it was even in the 30 years after the Second World War”. What then is their explanation for this form of false consciousness?

These new professionals acquire their sense of identity, and their social democratic political views, from a resultant belief in the public provision of social welfare, and public responsibility for economic and social development.¹⁷⁸

¹⁷⁵ Hechter, _Containing Nationalism_, 141.
¹⁷⁶ Fraser, “Why We Still Cling to Our Working Class Past”.
¹⁷⁷ Gall, _The Political Economy of Scotland_, 72, 74.
¹⁷⁸ Paterson et al, _Living in Scotland_, 99, 101-102. For an example of how this argument has subsequently been taken up, see Hassan, “That was Then and this is Now”, 32-33.
In a survey conducted for The Scotsman early in 2001, 71 per cent of Scots identified themselves as working class and only 18 per cent as middle class. These results brought forth exclamations of astonishment and reproach from the paper’s deputy editor, the ex-Trotskyist turned free market nationalist, George Kerevan. How could the Scots so mis-identify themselves? Kerevan presented the same explanation as Paterson and his colleagues, adding that if the claim that one belonged to the working class was “a subtle form of political correctness, decrying success, then it is a threat to our economic well-being”. I suggested earlier that Occam’s razor might usefully be applied to discussions of why Scottish nationalism was so late in developing. In this case too, there is a simpler explanation compatible with the known facts, namely that most Scots had correctly identified their class position. All the writers quoted here assume that Scots who belong to social categories C1 and C2 have “middle class professional jobs”, but in fact the vast majority of them are white collar proletarians; 84 per cent of Scots belong to social categories C1, C2, D or E. In other words, it is not that most Scots identify themselves as working class because they hold social democratic views; it is rather that they hold social democratic views because they belong to the working class.

Scotland has not experienced the collapse of what Anderson calls “the massed ranks of the working class”, only particular types of occupation. Take call centres, the epitome of the so-called “new economy”. Three facts about them are relevant to this argument. First, they are mainly based in the major urban centres: over half are either in Glasgow or Edinburgh; 85 per cent of all Scottish call centre employment now takes place within the central belt between Greenock in the west and Edinburgh in the east: 10 per cent of employees in Glasgow now work in call centres— a far higher proportion than ever worked in engineering or car manufacturing. Second, they employ large concentrations of people. The mean number of employees is approaching 250 and in the larger centres the numbers are over 1,000. Third, the majority of people employed in them are proletarians employed as routine operators, agents or other clerical workers. Even if we assume that all of those who work in a managerial, technical or professional capacity are either members of the new middle class or the bourgeoisie (which is itself unlikely), over 80 per cent of those employed in this sector are members of the working class.

179 Kerevan, “Contradictions of Class in Contemporary Scotland”.
180 See Law and Mooney, Chapter 3, section 2, in this volume.
181 I am grateful to Professor Phillip Taylor, Department of Human Resource Management, University of Strathclyde, for the data which follow.
Much the same situation prevails in the office-factories of the financial institutions which play a similar role in Edinburgh to that of call centres in Glasgow.

Nostalgia for the shipyards and its corollary, despair over the call centres is therefore not only useless, but also quite unnecessary. In this context it is necessary to remember the maxim taught to Walter Benjamin by Bertolt Brecht: “take your cue not from the good old things but the bad new ones.”[^182] There is no objective reason why these workplaces cannot be organised in the same way as Singer’s or any other iconic name was before them. And here the exceptions to defeats which characterised the popular front disasters of the 1980s and 1990s may be relevant, those cases where workers fought back with militancy and without recourse to nationalism, but by building workplace solidarity and community support. These either found no wider echo at the time, as in the Lee Jeans occupation in Greenock (1981), or occurred too late to reverse the defeatism which had already infected the trade union movement after 1985, as in the Timex dispute in Dundee (1994) and Glaciers’ occupation in Glasgow (1996). But these strikes and occupations may have greater significance in the present period than they did at the time, because there now exist far greater opportunities for generalisation. It is instructive to compare the success of the small-scale but extremely effective occupation of the Prisme factory in Dundee during 2009 with the failure to save the Diageo plant in Kilmarnock, where the campaign relied on the same failed popular front strategy criticised earlier in this section.

More generally, the Scottish left is potentially many tens of thousands strong, as the size of demonstrations over successive imperialist wars, Make Poverty History and the G8 should show. But it mostly exists outside any of the existing parties and groups, the combined membership of which it exceeds many times over. Any new organisation of the left which hopes to grow in Scotland must find a way to reach these people, and to reach them not only in their capacity as concerned citizens, or as community and social activists, but also as workers, without whose labour neither neoliberalism nor any other form of capitalism can continue to exist.