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Scotland

Celtic Tigers? - the SNP in government

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As the dust began to settle on the shambles of the Scottish election of early May 2007 it became clear that the Scottish National Party had just edged ahead of New Labour as the largest party by one seat. They were 1% ahead in the constituency vote and 3% on the list – not as dramatic a lead as some of the opinion polls had predicted but still a big recovery for the SNP compared to 2003.

[<https://www.internationalviewpoint.org/IMG/jpg/salmond.jpg>]

This was particularly clear in the list vote where the SNP increased their vote by 10%. Partially this was down to the massacre of the SSP vote [1] but to a greater extent to the polarisation of the election between the Nationalists and New Labour as the two big parties. The SNP were able to muscle into traditional New Labour territory (and generations before the Tories) because of the amount of financial backing they received for business backers.

Brian Souter the individual citizen who has probably profited most from transport privatisation and deregulation in the British State and homophobic campaigner donated Â£500,000 [2] Knight of the Realm and Kwik-fit tycoon Sir Tom Farmer gave Â£100,000. The SNP reached their campaign target of Â£1million. Billboards, posters and leaflets were produced in an unprecedented way even in the context of Scottish elections.

Far from having a majority with 47 seats out of 129 and with the Liberal Democrats speedily announcing that they had no intention of entering another coalition, [3] a minority SNP administration was the obvious outcome. Salmond gained the most votes for First Minister and the British State formally endorsed the outcome when the Queen met with Salmond in Holyrood Palace on the 24th May. An event, incidentally, which gave senior SNP officials the opportunity of raising the possibility of replacing SNP policy of having a referendum on the monarchy with that of retaining the Queen as head of state in an independent Scotland.

What then does the SNP government have in store for Scottish society and what does it mean for the struggle for socialism? Will it be progressive on social issues and the battle for the break-up of the British state or will it simply be a mouthpiece of business and a Scottish capitalist class? This article will attempt to grapple with some of these issues.

Recent History 1987-99

To understand what is likely under an SNP government one needs to understand the political trajectory of the Nationalists in the last 20 years. In this period they have emerged as the main political opposition to the Scottish Labour establishment. This process was obviously hastened by the establishment of the devolved Scottish Parliament in 1999.

The political tensions within the SNP have been remarked on for many years. This used to be signified by the more right-wing rural seats particularly in the North-East and the urban left activists. Jim Sillars personified this in the eighties and along with other individuals like Alex Neill and Kenny MacAskill attempted to shift the party to the left and place it at the heart of the poll tax non-payment campaign. Spectacularly winning the Govan by-election in 1988 with an explicitly radical programme, Sillars was for a time a key figure within the SNP.

Salmond was elected leader of the SNP in 1990 after Sillars surprisingly did not stand. Although from a left background – expelled briefly along with MacAskill for membership of the 79 group [4] – he was much more of a

traditional politician. This led to an uneasy truce between the left and the right of the party throughout the 90s.

The party labelled itself as a 'left of centre' party at this time. This was a deliberate shift from the idea that the SNP's only purpose was to win independence then dissolve into competing political parties

Salmond often called himself a "social democrat" in this period – allying himself with the capitalist politicians of the Nordic countries in particular and also contrasting himself with the rapid shift to open neo-liberal policies being advocated by Blair following his election as Labour leader in 1994. He tied the struggle for independence with social improvements in decaying capitalist Scotland.

Traditionally this would be classified as a "reformist" programme and Salmond went into the 1999 election for the Scottish Parliament calling for a raise of the rate of income tax by one penny. Salmond also took a fairly brave and quite unique stand in condemning the blanket bombing of Serbia by NATO forces. The SNP gained one of their largest votes in this election 28.7% yet were excluded from power by the New Labour/Liberal Democrat coalition.

Right shift

It was in this period from 1999 until the election of 2007 that there was a qualitative shift to the right in the SNP in policy and organisational terms. This was down to a number of factors.

Firstly the extent of the left wing nature of the SNP's policies in the nineties was always exaggerated. Largely this was due to the speed with which Blair shifted the Labour Party to neo-liberal Thatcherite territory.

However looking to the model of Scandinavia was also bogus. These societies so often the model for the right-wing of the Labour Party in the sixties and seventies were going through their own neo-liberal reversals. Social Democratic governments in Sweden and Norway in this period had embarked on a campaign of cuts in social spending partially in preparation for membership of the European Union– albeit from a much higher scale than existed in Scotland. These cuts continue today.

The programmes of these Nordic social democratic parties in the nineties and the shift of the SNP to the right are reflective of the same process. Blair, in a sense, blazed the trail as Thatcher did in the fields of privatisation before him internationally in completely turning the Labour Party into a bourgeois capitalist party. This process is now almost completely finished in Labour or social democratic parties internationally.

There were broader social reasons for this. With the collapse of Stalinism internationally between 1989-91 capitalism no longer had any significant global competition. It wanted complete freedom to traverse the globe without any restraints.

Blair and his New Labour acolytes understood this and wanted Britain to be at the centre of "globalisation" and the neo-liberal world. This entrenched a low tax economy for big business and the uber-wealthy. They did not want their profits attacked and threatened to move from the British economy if any such policies were threatened. As a knock on effect this means that public spending on the welfare state, education, health and public services has to be minimal.

New Labour have taken this to the limits with all aspects of the British economy open to being bought to global economic forces. This is evident in a cultural context where the major English football teams are up for grabs to any number of overseas consortia. Scotland even has an echo of this in Romanov's takeover and fairly bizarre regime in Hearts FC.

But even more significantly key sectors of the economy can be purchased with limited or no restrictions. Even Bush's America does not let this happen to the same extent. In Scotland Scottish Power has been bought by a Spanish company Iberdrola [5] - the SNP although claiming to oppose this could only tamely lobby the board rooms of these companies in the run-up to the election.

Low personal tax rates means the wealthy from across the globe flock to live within Britain in particular the South of England.

Tied to Globalisation

Although there are variations to a degree in Europe this fettering of global capitalism is the major policy of all the capitalist parties. To an extent the SNP leadership are catching up with them.

This is indicated by Salmond's obsession with cutting corporation tax – i.e. the main tax on big business. Really repeating the mantra of Blair and Brown of needing to pander to capitalism Salmond believes cutting taxes will attract industry in the global economy.

Quizzed by Andrew Marr one of the BBC's main political analysts on the nature and contradictions of this policy with a progressive social agenda Salmond responded

“So for a small country, getting a competitive edge on corporation tax is a fantastic way not just to have a competitive edge, but to increase government revenue and to pay for the things that we'd like to see in health and education.” [6]

Thus Salmond believes by cutting tax the capitalist economy will grow and thus public services would benefit indirectly by capitalist growth. This could come straight from the mouth of Blair or Brown or indeed David Cameron. It is far removed from the radical message of the early nineties and is reflective of the pro-globalisation shift within the SNP leadership.

SSP factor

Another factor of the qualitative shift to the right within the SNP was the launch and success of the Scottish Socialist Party. This was particularly true in the period of 1999-2003 when the combination of a radical socialist programme with a commitment to the struggle for an independent Scotland was a magnet to thousands of ordinary people including SNP supporters and indeed activists.

This was in stark contrast to John Swinney who was elected leader of the SNP in 2000. Swinney, clearly on the right of the party was always awkward – unlike Salmond – in discussing and promoting the radical dimension of the SNP. This was evident in the massive anti-war protests in Scotland in 2002-3, which Swinney tried to capitalise on but failed with the SSP and the Greens gaining significant ground in the 2003 election.

Although Swinney was challenged twice from the left by Alex Neill, a long-term ally of Sillars, in 2000 and Dr Bill Wilson in 2003 these were to some extent rear-guard actions. The lack of any significant class struggle battles in this period also consolidated the shift to the right within the SNP. When there were limited exceptions to this like the fire-fighters dispute of 2002-3 and the nursery nurses all out strike of 2004 Swinney was mostly silent.

So objectively the SNP has altered as a party in the last few years. This was not substantively altered by the removal

of Swinney as leader in 2004 and the joint leadership of Salmond and Nicola Sturgeon. Certainly this was not in any sense a shift to the left but it did reveal another contradiction within the SNP.

The return of Salmond steadied the ship of the SNP as a party. His courting of business provided funds for the election. His manner and also to some extent his history stemmed the disillusionment of the more radical activists of the SNP. Salmond was confident in addressing an anti-Trident demo and the STUC in the election campaign in a way that Swinney would not have been.

Faced with the prospect of power in the Scottish executive some elements of the left simply silenced themselves. In some ways this is a distant echo of Kinnock and Smith's leadership of the Labour Party in the eighties and nineties where a section of the left immersed themselves in support for the leadership in order to get rid of the Tories.

These processes were exacerbated by the suicidal legal action of Tommy Sheridan and his subsequent wrecking campaign against the SSP in 2006-7. This meant in some SNP activist eyes there was no other viable political vehicle for those committed to building an independent socialist Scotland. This is yet another politically damaging legacy of Sheridan.

The nationalist left's support for the Salmond leadership was fruitless and not matched by any left policy announcements by the SNP. This has further been emphasised by the first month of the SNP executive.

SNP in Government

An ounce of experience is worth a ton of theory as American philosopher John Dewey said and the elevation of this leadership of the SNP will in a sense expose the contradictions within their thought in a concrete way. This is not going to be completely the case because of the minority nature of their administration but already within four weeks certain signs of this have emerged.

In his first Parliamentary address as First Minister Salmond went through every establishment party and declared where his administration agreed with them [7]: The Tories – law and order, New Labour – curbing under age drinking, Greens – no nuclear power stations. To some extent this was bourgeois politics at work as the SNP needs support from others to get other issues through but it does show how Salmond thinks he can rise above all forces in Scotland as leader. In a sense this has an element of Bonapartism within it – ignoring divisions within society and pretending you operate outwith them. At one level this is very similar to Blair's style of leadership.

What was also significant about the speech was the emphasis he gave to capitalism – approximately a third of his talk and it was littered with phrases like “We see barriers to business as barriers to national progress” [8] and announcing the launch of a Council of Economic Advisers. This confirms the shift of emphasis within the party.

Two Directions

However along with this pro- business agenda there have been a number of radical announcements – reflecting again the inherent contradictions of the SNP. The saving of the Accident and Emergency units at Monklands and Ayr after strong grass roots campaigns in these areas [9]. The scrapping of the shabby compromise on tuition fees agreed by the Liberals and New Labour in the first Scottish Parliament, the graduate endowment fee [10]. The announcement of the spreading of free school meals to primaries 1-3 across Scotland [11].

But even these positive moves were riddled with caveats. Nicola Sturgeon, a lifetime SNP leadership apparatchik,

made it clear in her statement that there could be hospital closures under the SNP. A few days later she also announced the imposition of a pay deal on NHS staff – before negotiations with UNISON and other unions had been completed [12]. As the scrapping of the graduation fee was announced Fiona Hyslop also hinted that they were moving away from their radical policy of scrapping student debt and introducing grants. Unlike the SSP who introduced the concept of free school meals the SNP's scheme is a move against universality of benefits to a more targeted one.

Cuts and Flat Taxes?

The best example of this dualism is though seen in John Swinney who as Finance Minister is a key member of the Scottish Executive. In the run-up to the election Swinney labelled the public sector “bloated” [13] – again using the language of Brown. This was echoed by their business backers including Tom Farmer: “there’s a feeling that bureaucracy and waste is not something that’s very tightly controlled at the moment” [14].

Swinney has now returned to this theme in Government claiming the SNP will cut Â£1 billion in spending in the public sector. Although Swinney has promised no compulsory redundancies anyone who has worked in the public sector in recent years when New Labour have been promising similar cuts knows how hollow those words are.

Swinney is also in charge of the abolition of the council tax. A radical policy – on the face of it – which the SSP for nearly a decade made most of the running on; even costing an alternative which was clearly redistributive, the Scottish Service Tax. Both the SNP and the Liberals stand for an abolition of the unfair and hated (by large sections of society) tax but there is a worrying aspect to the SNP proposal.

On announcing their desire to press ahead with the scrapping of the tax – perhaps an unlikely outcome in this Parliament- Swinney stated that local tax “should be based on the ability to pay” [15]. However he also stated that local taxes should be low and “that we want more money in more people’s pockets at the end of every month” [16]. Now, hidden in this statement is a clear message against redistribution as a principle and indeed that is reflected in the SNP's model.

Their local income tax would be set at a universal rate – a “flat tax” to use the jargon of the right. So although people like Souter and Farmer would pay more money in absolute figures than working class people and pensioners the percentage of their income they spend on tax would be the same as the poorest!

It is an open question and indeed one that needs to be debated by the SSP whether the scrapping of the council tax and its replacement with this model would be positive. By introducing the concept of a flat tax on income into Scottish society the SNP would be pioneering – although there are already universal indirect taxes like VAT (another tax which has an unfair imbalance for the poor) not even Blair has removed some element of progressive tax rates from the super-wealthy. What is beyond debate though is the tax is explicitly not redistributive.

Government of the Right or Left?

Thus the SNP executive in their first month have exhibited both worrying elements of right wing economic arguments along with some limited positive announcements. Yet it is too early to say exactly what over all direction the SNP will go in. Paul Hutcheon the political editor of the Sunday Herald probably in an attempt to be provocative argued recently that the SNP has pandered to the rich in its first month [17]. It is a very confused article and attacks progressive elements like the scrapping of graduate tax and the expansion of spending on care for the elderly.

He states that “If a government minister found £20 on the street, rather than give it to charity or a rough sleeper he would, according to the logic of the Executive, push it through the letterbox of a house with a Mercedes in the drive.” This is partially New Labour propaganda against universal benefits but the fact that such an article can be written a month into the SNP administration shows the ambiguous nature of their regime.

Within the Parliament an SSP contingent could have acted as a genuine left group which would have attracted some radical SNP representatives – some of which were elected including Swinney’s opponent Bill Wilson. This happened in the past when we were a radical unified party of the left. Yet the actions of Sheridan and our electoral wipe-out make this fantasy politics. This is a historic setback in the struggle for Scottish socialism.

This means there may be some opposition to Salmond from within the SNP but it will be erratic and fairly ad hoc. Enormous pressure will be put on them in the context of a minority government. Wilson, himself, wrote an essay in “Is there a Scottish Road to Socialism” arguing for expansion of public services, workers’ cooperatives and an end to anti-trade union legislation. This was commented on by the Scotsman [18] who were obviously keen to put pressure on the Salmond-Swinney executive.

Radical Struggle for Independence

However there also remains a radical element which the SNP leadership cannot escape and this is the struggle for independence. Despite Salmond’s attempt to limit the establishment’s fears over this by showing his allegiance to the monarch, which gained him the support of Ian Paisley, and promoting business backers the British establishment realises the potential for a splintering of the British State.

This is seen by Blair’s casual dismissal of Salmond - refusing to even speak directly to him since his election – and discussion of devolved issues with other leaders like Gaddafi in Libya; Kirsty Wark’s hostile and aggressive interview with Salmond [19] on the BBC– broadcast throughout Britain.

Moreover although the SNP named 100 business people backing them these were mainly based in service industries and small businesses along with maverick entrepreneurs like Farmer and Souter. Key figures in British capitalism almost universally condemned independence – including Mervyn King Governor of the Bank of England, leaders of the CBI and finance capital.

There is no doubt this would be reflected in any referendum. Thus despite the SNP’s attempt to dampen expectations this is not reflected in either the British State’s approach nor ordinary people’s expectations. Whether a referendum will be held or not though is a debatable point. Certainly the Unionist parties will do their utmost to prevent this – although some Tories have raised the idea of backing it. If the SNP leadership seek to back down on this or water down a referendum this could spark a revolt within the party and the broader struggle for independence.

We are entering a contradictory and complex period within Scottish politics and society. Unfortunately we as the SSP are coming at this from one of the lowest points that the forces of Scottish socialism have been at for a generation. Despite this it will be vital for us to have full discussions how we can best intervene and work to ensure the message of socialism is not lost in the general noise of bourgeois politics.

[This article first appeared in Frontline](#)

[1] For analysis of reasons for the decline in the SSP vote see Alan McCombes "The Day the Rainbow Parliament Turned Grey" at

http://www.scottishsocialistparty.org/pdfs/election_analysis.pdf

[2] "Stagecoach tycoon donates to SNP" 17th March 2007, <http://news.bbc.co.uk/1/hi/scotland/6462119.stm>

[3] "Lib Dems will not do Labour deal" 6th May 2007, <http://news.bbc.co.uk/1/hi/scotland/6629775.stm>.

[4] An issue not mentioned in his party biography, <http://www.snp.org/people/alex/>

[5] "Scottish Power backs Spanish bid" 28th November 2006, <http://news.bbc.co.uk/1/hi/business/6190520.stm>.

[6] Sunday AM 1st April 2007, http://news.bbc.co.uk/1/hi/programmes/sunday_am/6515517.stm

[7] Alex Salmond MSP, 23rd May 2007 <http://www.scotland.gov.uk/News/This-Week/Speeches/FM-Parliament>

[8] *ibid.*

[9] Announcement by Nicola Sturgeon MSP, 6th June 2007.

[10] Announcement by Fiona Hyslop MSP, 13th June 2007

[11] "Free School Meals – for deprived", 3rd June 2007 <http://news.bbc.co.uk/1/hi/scotland/6715585.stm>

[12] "Sturgeon confirms NHS pay deal", 12th June 2007 <http://news.bbc.co.uk/1/hi/scotland/6743211.stm>

[13] "Increase in public sector workers", 13th January 2007 <http://news.bbc.co.uk/1/hi/scotland/4609110.stm>

[14] Tom Farmer, 5th April 2007

[15] John Swinney MSP, statement to Parliament 30th May 2007.

[16] *Ibid.*

[17] "Alex, stop throwing money at the undeserving rich", Paul Hutcheon, 17th June 2007. Sunday Herald

[18] "The sharing out of wealth, workers' co-ops and a uniform wage for all - a controversial Nationalist vision for Scotland" Peter MacMahon, 5th June 2007 <http://scotlandonsunday.scotsman.com/topics.cfm?tid=324&id=876642007>

[19] This can be seen at <http://www.youtube.com/watch?v=FnQPptuG8uM>