

SOCIAL POLICY AND THE SCOTTISH PARLIAMENT: A RESPONSE TO RICHARD PARRY

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Richard Parry argues (**Scottish Affairs** No 20) that a Scottish Parliament constructed on the model proposed by the Constitutional Convention offers poor prospects for Scottish social policy. He identifies a number of background factors unfavourable to any significant social policy development by a Scottish Parliament: first the weakening of the regional institutions in the United Kingdom due to privatisation and deregulation and the focus on individual consumer rights; second, the weakening of the influence of social welfare producer groups under the impact of market disciplines; and third the displacement of the focus on policy concerns by a new focus on democratic process and equality issues. His conclusion is that devolution is 'less a search for policy development than an expression of political identity and as such an unstable settlement'.

Although Parry, bravely, wrote his article before the publication in July of the White Paper, **Scotland's Parliament**, his assessment of the background factors must be judged on its merits.

The claim that the regional theme is in decline in the design of British government is difficult to understand in the Scottish context. Despite privatisation and deregulation, Scotland retains an impressive array of public agencies with social policy roles. Front rank agencies such as Scottish Homes, Scottish Enterprise and Highlands and Islands Enterprise and the established Scottish Office functions in education, law, social work and health, are supported by a host of second rank public bodies such as the

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Social Policy and the Scottish Parliament

Scottish Qualifications Authority, the General Teaching Council, the Accounts Commission, the Scottish Law Commission, and the Scottish Health Advisory Service, as well as by a disparate array of non-governmental bodies including the Convention of Scottish Local Authorities, the Association of Directors of Social Work, and the Educational Institute of Scotland. In any case it is perverse to make a case for the erosion of the devolutionary theme in British government on the eve of the most determined devolution initiatives yet in Scotland and Wales, not to mention less mature proposals for London and the English regions.

Parry sums up his argument that market reforms have eroded the strength of producer interests: 'social policy agencies of the Scottish government will be ... comparable to private sector bodies like banks and supermarkets which take their norms from a far wider range than Scotland'.

Parry discounts too readily both the incentive for a Scottish Parliament to reinvent public structures for delivering public services and its scope for doing so. Community care is an example. The need to create an integrated system for the planning and purchasing of community care is now conventional wisdom. There have been press reports that south of the border the Government is considering a separate Community Care Agency to discharge the divided community care functions of health boards and local authorities. With a strong mood in Scotland for a strengthening of democratic accountability, a Scottish Parliament might look instead to a more accountable system. In the shadow of scandals in Paisley and Glasgow, Scotland's local Councils would seem unlikely candidates for an enhanced role. But the White Paper gives the Scottish Parliament extensive power to reform local government. Already there appears to be a consensus that it should take an early opportunity to use those powers to introduce proportional representation for local elections. Local government faces other pressures to reform its procedures. The Independent Commission on the Relations between the Scottish Parliament and Scotland's Councils will want to explore further ways of ensuring the accountability of Councils both nationally and locally. The Accounts Commission has recently extended its interest in Councils' community care role. Councils are already committed to implementing decentralisation plans and developing proposals for community planning. It would be perverse of a Parliament created in a spirit of civic nationalism to write off this considerable investment in democratic improvement at a local level by transferring functions to agency structures or quangos with only limited accountability.

Scottish Affairs

There is no doubt about the enthusiasm for reforming the democratic process in a new Scottish polity. If even half the hopes of the most zealous reformers are fulfilled, the Scottish Parliament will operate more as a catalyst to a civic process of change than as a traditional monopolistic legislature. It is not obvious, however, that this will be at the expense of policy development. The preoccupation with process and accountability remains a concern of a small politically engaged minority. The circumstantial evidence suggests that among the wider public there is a strong expectation that the Parliament will develop its own policy initiatives. Its agenda may not extend in the social policy field to the grand issues of the restructuring of the welfare state. The limitations on the powers of the Parliament and the lack of a recent tradition of critical social policy thinking in Scotland discourage such ambition.

There will nevertheless be many pressures on the Parliament to act on social policy issues. The decisive vote in support of the tax varying powers for the Parliament - powers which most people believe will be used to raise taxes not lower them - suggests that the public expect the Parliament to be active in developing policy. Voluntary organisations and the economic and professional interest groups are already preparing their policy demands.

Social policy issues are at least as likely as economic issues to be at the centre of the dynamic of change between Westminster and the Scottish Parliament. Poverty is a case in point. A Scottish Parliament will wish to be seen to be active in combating poverty. But with social security reserved to Westminster and tight constraints on the resources available for housing, education and social work, the Parliament will look for new ways to dramatise its concern. One option would be to use its control of statistics to construct a Scottish Poverty Index, to provide an annual estimate of the number of Scots living in poverty. Its definition of poverty could be built on the real standards of welfare enjoyed by Scots incorporating such factors as the higher volume need for heating and for cold and wet weather clothing and footwear, rather than nominal UK income standards.

The creation of a Scottish Poverty Index would have political attractions. It would demonstrate, at relatively little cost, the Parliament's concern for an endemic Scottish problem. And because social security remains a non-devolved power, the Parliament could unload the main responsibility on Westminster.

The reservation of social security to Westminster need not mean that a Scottish Parliament must simply accept its impotence on poverty issues. While a Scottish Parliament will be unable to amend United Kingdom social

Social Policy and the Scottish Parliament

security legislation it would presumably be free to legislate to supplement UK social security benefits. For example it could tap the proceeds of an income tax rise to award all Scottish pensioners a £100 Christmas bonus, or to 'top up' child benefit payments, or to introduce its own system of cold weather payments. These might not be the sort of 'projects' which Donald Dewar considers suitable for funding by income tax increases, but they might strike Members of the Scottish Parliament, particularly SNP and Liberal Democrat members, as attractive options.

The continued centralisation of responsibility for the Department of Social Security and the Benefits Agency proposed in the White Paper would, however, create a serious obstacle to the implementation of such populist initiatives. The cost of devising an alternative means of implementation would be high relative to the increase in the value of the benefits achievable within the financial constraints facing the Parliament. If the Parliament is to have the option of pursuing its own 'top-up' initiatives, provision for the devolution of social security administration would need to be written into the Bill.

The extensive powers proposed for the Scottish Parliament over local government structure and finance open the way for further social policy initiatives. Because the tax powers proposed for the Parliament are limited to raising or lowering the basic rate of income tax they are usually described as regressive on the assumption that the only change will be upwards. But Parliament could combine its income tax-varying power and its local government powers to move towards a more progressive tax structure. It could legislate to replace the existing Council tax and its surviving Thatcherite features with a progressive local income tax, and then reduce the basic rate of income tax, compensating the central budget by adjusting its support grant to local authorities.

Omissions to the powers devolved to the Scottish Parliament may have their own contribution to make to the dynamic of change between Westminster and the Parliament. Barely a month after the publication of the White Paper voluntary organisations and other interested voices have begun to argue for various extensions to the proposed powers.

Housing groups have identified housing benefit, at £900m a year dwarfing the Scottish Homes budget, as a target for devolved management. Environment spokespersons are questioning whether a Scottish Parliament could develop a coherent environmental policy without responsibility for energy and rail transport. Recent criticism by a spokesperson for the black

Scottish Affairs

and minority ethnic sector of the record of the Commission for Racial Equality in Scotland was accompanied by a call for an autonomous Scottish CRE answerable to the Scottish Parliament. Women's groups have expressed disappointment at the absence of any devolution of accountability for the Equal Opportunities Commission in Scotland and it will surely not be long before Scottish disability groups start demanding a separate Scottish body to implement disability legislation. Other omissions from the Parliament's powers to have attracted criticism are broadcasting regulation and abortion among a range of 'social ethics' issues reserved to Westminster.

The proposed status of the National Lottery is another candidate for revision. The Millennium, Heritage and Charities funds, which between them allocated around £80m a year to Scotland in 1995/96 out of a total Scottish total of nearly £130m, are to remain with Westminster. The Government's proposed new distributors, the New Opportunities Fund and the funds from the National Endowment for Science, Technology and the Arts which could yield another £30-40m a year, will also remain under central control. Only the distribution carried out by the already devolved Scottish Arts Council and Scottish Sports Council will fall within the responsibility of the Scottish Parliament. It seems against the spirit of the Government's devolution proposals that the definition of 'good causes' to be supported in Scotland, the division of Lottery funds between those causes, and, with two partial exceptions, the agencies and processes of disbursement in Scotland should be determined by Westminster. It should not be beyond the ingenuity of legislators to provide for Scottish responsibility for a designated Scottish 'good causes' budget. Based on the 1995/96 figures and with the addition of 10% of the income identified by the Government for its two new funds, the Scottish 'good causes' budget could come to around £160-170m a year.

These are just a small selection of the social policy issues which a Scottish Parliament could choose to pursue. Of course they are speculative, but I believe they support the expectation that a Scottish Parliament will be active in exploring and developing a social policy agenda.

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