

REVIEW: PUBLICATIONS OF THE SCOTTISH COUNCIL FOUNDATION

Fred Twine

Things to Come - new Thinking for a new Scotland. Graham Leicester. 1997.
Paper No. 1. 20pp. £5.00.

Scotland's Parliament - a Business Guide to devolution. Graham Leicester. 1997.
Paper No. 2. 52pp. £5. 00.

Three Nations - Social exclusion in Scotland. James McCormick and Graham
Leicester. 1998. Paper No. 3. 28pp. £7.50.

Voting in proportion - Electoral reform for Scotland's councils. Andrew Adonis.
1998. Paper No. 4. 16pp. £5. 00.

Holistic government - Option for devolved Scotland. Graham Leicester and Peter
Mackay. 1998. Paper No. 5. 40pp. £7.50.

All published by the Scottish Council Foundation. 23 Chester Street. Edinburgh EH3
7ET Tel: 0131 225 7911.

These are the first five papers published by the Scottish Council Foundation, now an independent think-tank but previously linked to the Scottish Council for Development and Industry. It operates with its own research capacity but maintains close links with the Council's policy unit.

Paper No I lays out the philosophy of the organisation and there are clear elements of New Labour thinking. 'The forces of globalisation and new technology are transforming the world of work, making knowledge rather than land or capital the crucial factor of production. ... From now on value and wealth will increasingly be generated from ideas, knowledge and innovation.' (p.5) However, this approach seems to ignore questions of where power lies in society and the continued divisions between economic and political power. Much economic power is in private hands, embodied in large multinational corporations, whereas political power is democratically held. The new Scottish Parliament will see power devolved downwards, and, with proportional representation, will be more democratic than at present. With

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the Scottish Parliament operating within the European Union, democratic power will increasingly operate above and below the nation state, assuming a more democratic EU. This will provide greater opportunity for democratic control of multinational corporations. A reassertion of democratic power becomes increasingly important.

Business and especially Multinational Corporations often have different goals from democratically elected governments. A Scottish Parliament has the potential to offer new ways of thinking and doing, and the SCF says it will 'concentrate on the areas where objective differences in the Scottish economy, and Scottish society cry out for effective treatment ...'. Then later it states 'the modern welfare state to which the government aspires may well lead to regional variations in order to maximise the effectiveness of policy objectives in different circumstances around the country (a regional minimum wage would be one example...). The Foundation will seek to encourage diversity of this kind.' Some would call this encouraging inequality by placing economic over political values!

Paper No 2 also published in 1997 provides 'a commentary on the White Paper "Scotland's Parliament" from a business perspective'. It is essentially an information document. An important omission is any discussion of the relationship between MSPs and Westminster MPs, and of the likely tension between the roles of MSPs elected for constituencies and those top-up MSP with no constituency link, possibly exacerbated by the different party affiliations of these two groups. And, of course, since 1997 we have seen a growth in support for the SNP that may result in additional tensions between the Scottish Parliament and Westminster.

The discussions of the financial arrangements are particularly interesting, for example the observation 'that English spending levels drive the territorial budgets'. Furthermore, local government finance is likely to become increasingly contentious for two reasons. First, 'the level of Council Tax and council rents can have an effect on the welfare budget through the knock on effects on housing benefits and Council Tax rebates', and yet the welfare system is not devolved and these elements will be included in the Scottish Block. Second, the Scottish Parliament will have powers to cap local authority spending. If this is not used, the UK Government may cut grants for expenditure in Scotland. In these circumstances, a priority for the Scottish Parliament might be a review of the present banding for Council Tax to make it more progressive in structure. Paper 2 provides a very useful outline of the important issues at mid-1997 prior to the referendum and enables us to identify some key questions.

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It is with Paper 3 on social exclusion that we get an examination of more contentious issues. This paper is more in the tradition of the Commission on Social Justice. But first a major reservation must be entered concerning the ability of the Scottish Parliament to tackle social exclusion. 'The powers of the Department of Social Security and the Employment Service will remain reserved to Westminster'. The authors acknowledge this weakness in the Social Exclusion Network: '... it does not explore tax and benefit policy and the role of redistribution in tackling poverty and exclusion, although it seems to us inevitable that at some stage the remit ... must be expanded to cover these areas.' (p.7) The authors have a clearer understanding of the issues involved and the policies required to tackle social exclusion than the present government. A majority of the Scottish electorate will probably take a similar view. This is fertile ground on which the SNP is already making advances with the electorate. The Paper recognises the need for improved data at the Scotland level and recommends a Scottish Household Panel Study. I would further recommend an adequate Scottish sample for the New Earnings Survey so that we can have more accurate information for each region of Scotland. This is crucial in the context of a National Minimum Wage. A common theme of this paper is an awareness that a reduction in social inequality is vital for social integration in a modern democracy, and how exclusion is a key aspect of powerlessness. This is further reflected in their appreciation that Income Support provides only around one-third of a 'modest but adequate diet'. It has been widely recognised but ignored by government for the past twenty years that social inequality has a negative impact on health. A good health policy must include reductions in social inequality. The authors make the important point that 'government should avoid the temptation to draw neat boundaries around the problem of disadvantage. It will prove counter-productive to define a limited section of society as "excluded" and devise a limited range of heavily targeted policy instruments to address these problems.' (p.9) Apart from a passing reference to poverty among women they should have recognised that the majority of the poor are women. Such recognition will be important in devising adequate policies. For example, 'Scotland has one of the highest rates of child poverty in the EU' (p.11), and this will require action at a UK level. Although they do not attempt to estimate the share of the population who live in each category, they divide Scotland into 'three nations': Settled Scotland, Insecure Scotland and Excluded Scotland. In comparing urban and rural poverty they state 'that it is not just the level of income but the distribution of income and the quality of the overall environment which have an impact on health.'(p.17) It is good to see the Foundation will be doing further work in this area.

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Paper 4 on electoral reform for local government raises the fundamental issues of proportional representation for local government. 'Labour's dominant position since 1995, in control of councils serving three-quarters of the electorate, was secured with 44 per cent of the vote.' (p.4) The most under-represented Party is the SNP. This cannot continue. With PR in 'Glasgow more than a third of Councillors would represent parties other than Labour.' (p.10) Furthermore, Labour 'has 60 per cent of the seats in Aberdeen with the active support of just one in six electors.' (p.8) By international standards, turnout is generally low. In an earlier publication the author recommended the Single Transferable Vote as the best system of reform, but in this paper he trims his position to make a case for the Additional Member System. I think the author's original position was correct and is supported by the arguments in this paper. Importantly, the STV weakens central control by Parties over the choices electors can make. This is essential to a more vibrant democracy under the Scottish Parliament as well as for local democracy.

The fifth Paper on holistic government 'does not focus on the new Scottish Parliament, but instead on the Scottish Executive and options for organising the Scottish Office'. It has a strangely partial view of 'holistic government' which term, it says, 'is derived from medicine where ideas of prevention, complexity and the need to engage the whole person in pursuit of well being are already well developed. The same way of thinking must inform holistic government.' (p.30) This is a fundamentally flawed and dangerous approach. It is making an analogy between a socially dynamic and changing society that is created and recreated by human beings and a 'functionalist theory' of the human body where the goal is maintaining some sort of functional equilibrium. And medicine often ignores the social context in which human beings live and the need for action to reduce inequalities outside the health system, if health is to be improved. This weakness is reflected in proposals (p.9) for functional departments that ignore such important interlinking between, for example, social services, education and employment if social exclusion is to be prevented. A more innovative approach might be to develop in each department or policy select committee a 'lifecourse perspective'. This would involve a more dynamic perspective on a number of issues drawing on developments in social gerontology that tries to avoid 'snap-shots' of events or problems and considers instead the dynamic of events during the lifecourse of individuals and families. The nearest we get to this approach at present is the Social Exclusion Unit, but at the moment this consists 'entirely of civil servants' (p.20). And the 'areas consistently identified by polls as of most concern to the electorate: crime, unemployment, health and education' (p.21) are fundamentally linked by social deprivation and widening inequality. These are issues for elected

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members not just civil servants. However, a concern with preventative action is emphasised on page 22 where a need for 'government by outcomes, or by policy goals' is discussed. On page 25 a minimalist market model of governance taken from American thinking finally takes over from democratic control. This model implicitly gives power to economic markets over democratic politics. 'In this uncertainty government would be an exercise in finding order and guiding it' (p.25). Functionalist theory again! That order would be the order (disorder?) of market relationships. This shift from 'government to governance' forms the 'core of the Foundation's work' (p.26). Oh! The author poses the question: 'is it possible to restore faith in the ethic of public service, in politics, and in public sector managerial competence? Not without a tremendous effort of political will to restore these virtues. Frankly this does not seem possible in the short term.' (p.35) This is to despair that the Thatcher revolution cannot be reversed, and yet many of us thought that was the reason to vote them out. We should expect more of our politicians.

Readers must approach these publications with care. They contain much that is interesting but in some there is an underlying aroma of New Labour influenced by American functionalist thinking. We might do better looking to European traditions of 'corporatism' with their much more generous welfare states and awareness of market limitations, and still some vision of what might yet be. As William Morris said, 'Ill would change be ... were it not for the change beyond the change.' (**A Dream of John Ball**. 1886.)

September 1998