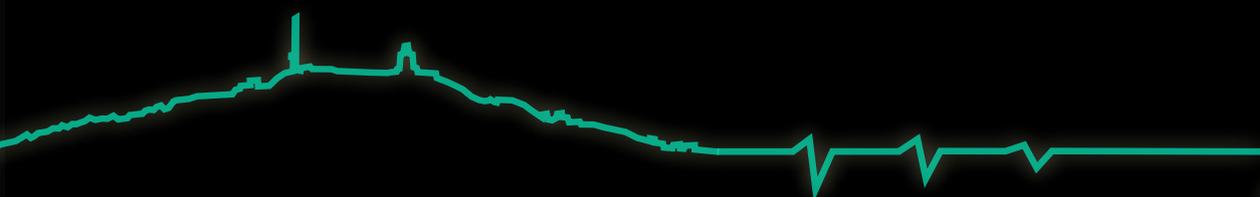
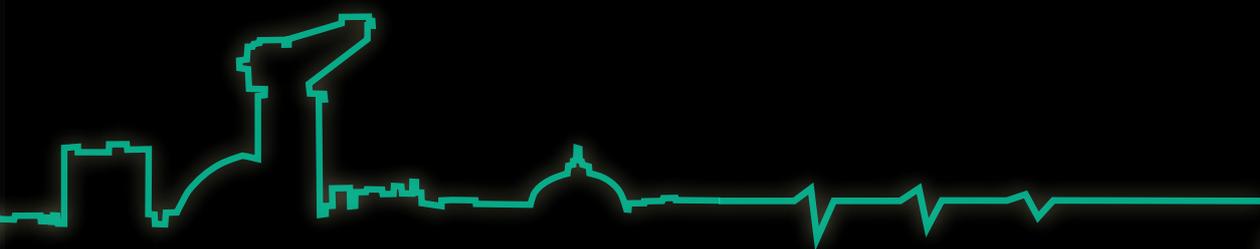


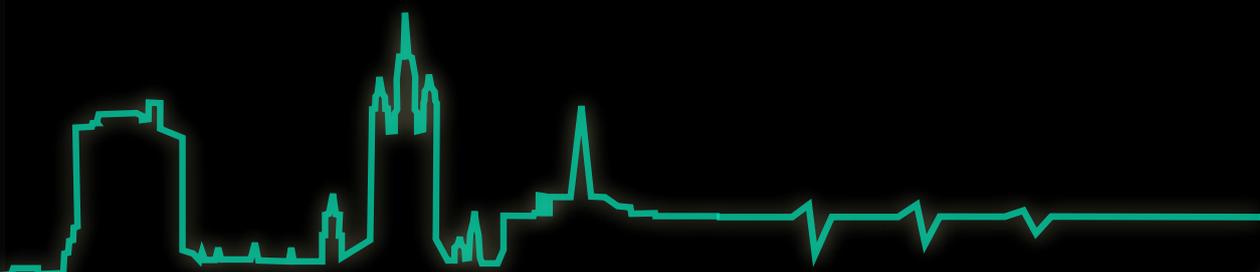
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FOUR CITIES
A check up on how our
major cities are being run

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Comment

Where to begin? This issue of the Scottish Left Review goes to print in a Britain which has no government - the people have indeed spoken. Unfortunately, this state of affairs is unlikely to last.

It is perhaps a tricky task for us to make any sort of comment on an election when we don't really know the result yet. In a way it is almost as difficult to make a comment about this election in Scotland since it is already becoming a bit indistinguishable from the election to come next year (the implications of one seep so completely into the other that it is hard to write about one without writing about the other). Since there will be plenty written on this subject in the Scottish Left Review in the coming year this quick run-through of the election aftermath will attempt to focus mainly on the election past.

It raises many questions about the British State, the British people, the political system, the relationship between the political system and the 'markets', and the space that has opened up in front of us. All of these are pertinent. But before we have a look at them, let's take a moment to dwell on what it all felt like for those closely interested in politics. Because this election was really not for them. Certainly on the left it is hard to feel excited about anything that happened during the campaign. It was both shallow and empty, all substance shorn from the process. It was narrow and myopic - it is hard to remember an election campaign so utterly dominated by such a small number of people (even deputy leaders were virtually invisible). It had no memory, and no-one who seemed inclined to try to remind us that we've just been through a massive crisis which questioned the entire economic system in Britain and beyond. It had 'newspapers' which stuck so closely to script it was almost a satire (looking at newsstands there were three papers sitting next to each other, each declaring a different candidate the winner of the latest leaders' debate). It goes without saying that all the major policy issues were ducked during the election, and the process of 'triangulation' (positioning yourself as equidistant from every possible newspaper editorial as you can) had reached its logical conclusion with three parties in effect standing on the same basic platform. And in Scotland, whatever your political standpoint you would have seen a de-

Scotifying of the election, with only English policies on Schools and so on being allowed airspace.

In fact, the real juxtaposition of the election will have seemed to many not to be the mild differences in body language and selection of ties by leaders in the televised debates but the sterile, stilted and empty parade that posed as an election against the riots in Greece. Apathy versus anger? Perhaps not. It was not the voters in Britain who dragged the election into inertia and nothingness but the powers that be. It was the media and the parties who wanted a non-election and in fact there is plenty of evidence to suggest that the people actually wanted to be heard this time round (everything from increased turnouts to the very British sort of protests by those who were prevented from voting). There are those who are asking if it will ever be thus, a country too polite to really express its anger at political and economic corruption. We'll just let them stitch together a deal and then it will all tick along like before.

Those committed to left politics will have found it hard to concentrate on much of the election. If you are among them you didn't miss much. But that does not mean nothing happened. For Britain, and for Scotland, this is probably a real shift in the ground beneath our feet. Why? Let's have a look.

But was it an election?

Often the clichés about political process are inane and sometimes just wrong, but this time there is a cliché which is in fact prescient: this really was an X Factor election. Which is to say that it wasn't really an election at all but a contest. Traditionally an election is a process of being selected for a position of power on the basis of a statement of what will be done with that power. In elections you select representatives on the basis of how they will wield power. That did not happen this time. In fact, every effort was made to make sure that no party was caught out proposing to wield power in a significantly different way than the other. The criteria for selection did not include a programme for action. It was a contest because people were asked to make a selection on any basis apart from what the candidates would

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do differently. It was a process which involved personality and presentation, show and no tell. So far, so cliché.

What all the lazy comparisons with talent contests fail to properly draw out, however, is that an election which is not an election has very significant consequences. Because, like it or not, people actually have political views. Left and right is not dead. Even in 2005 you had a proper election. There might have been no real difference in the economic or foreign policy positions of the two main parties but there was a difference in the social policies. Michael Howard played old-fashioned prejudice cards and set his party up as a populist, right-of-centre party. So it was possible to place yourself on a spectrum - if you were vaguely left (or indeed very left) then you knew that Labour was probably closer to you than the other lot. But Cameron has now expunged this difference. On economic policy, social policy and foreign policy there was almost no differentiator between the parties. And so there was no election, only a contest. And so we have got exactly the outcome you would expect - if people can't place themselves on a spectrum then you scatter evenly across it.

What the many foaming-mouthed right-wing commentators are saying post-election is utter garbage. In their fantasy world the reason Cameron's Tories had such a disaster was that he was insufficiently right-wing. If only he'd bashed Europe/immigrants/the BBC more then people would have flocked to him. This is so obviously nuts that it is breathtaking. It is worth always remembering that there are a number of different 'lefts' and 'rights' and people can be on different places in the spectrum in each. There is an element of genuine rightward movement in some areas of social politics (immigration being the obvious example), but this wasn't a social election. This was an economy-and-public-services election and on these issues people are very far to the left of all the political parties. Few people have sympathy for public sector cuts and austerity because they have a fairly clear sense that it is the result of the recklessness of the super-rich. There is a palpable sense that people want some rebalancing - we don't 'hate bankers' unthinkingly but because of what they have done and what they represent. People couldn't keep voting Labour (well, except up

here) because they so clearly didn't deserve it. But there was nowhere to go on the left, so they scattered. Britain's politicians have been on the right of the public for a while now. This contest was random because of the lack of election. Given no option to rebalance the economy in the way most people would like to they voted randomly. And here we are.

A very happy un-election day

This point should be the focus of some serious thought. The Scottish Left Review has in the past suggested that the current political situation has about it the absurdity of Alice in Wonderland. And so it is that we wish you a Very Happy Un-Election Day. As the Mad Hatter would tell you in a second, since there is only one day every five years when you get to influence the government, it makes sense to celebrate all the days when you don't instead simply to avoid the need for deferred gratification. So the press (especially the far-right Murdoch press and its imitators) has been obsessed with 'what the markets think'. That'll be the markets whose corruption and incompetence is bringing down countries and inflicting misery on people all over the world? You will have noticed that 'markets' like 'stability'. That is much the same as the way in which criminals like not being caught. How many people do you know with any sympathy at all for 'the markets'? In fact, when last did you come across anyone with anything other than contempt and anger for 'markets'? These Mad Hatters would like very much if you all just got on with celebrating all the days on which you have no chance of Screwing Up Their Giant Scam. They're spooked because at heart they know this election reflects on them. The consensus is breaking up - let the markets run free is most certainly not the message from this election. We are caught now in a twilight zone between the old neoliberal world order and something else. We don't know what that something else is, but people want it. Or at least the election suggests that they wanted something different and it wasn't there on offer. It's not just the election which is spooking markets, it's Greece. At some point we will have to eat that mushroom and everything will again go back to its original size. We don't tend to riot and break and burn things in Britain. It is much, much worse. We are politely indecisive.

Fingers crossed for...

This is all well and good, but there still has to be some sort of outcome. We're not going to get any sort of radical economic change on the basis of any of the permutations of government on offer. But we do have - for the first time in a decade - the prospect of a permutation now which might lead to something which might then lead to real change (such is the rather pathetic state of 'hope' in today's Britain). The problem is the one highlighted above of time lag. It is really hard to know which permutation is likely to offer the best hope of a chance of change sometime in the future. Here are the contenders:

- We get an outcome which somehow delivers a change in the voting system. That means that come the next election we could have a much more diverse range of political options with a realistic chance of gaining representation. We could even have socialists in Westminster. For this, most people would bet on a Lab-Lib-others coalition.
- We get an outcome that frees Labour from the corrupting influence of power and allows it to rediscover its more radical roots. A strong Tory government might best deliver this.
- We get an outcome that breaks up the British State and changes the picture forever. That would probably also best be delivered by a strong Tory government.

Does this mean that in two out of three scenarios the Scottish Left Review would hope for a Tory government in Westminster? Well, the first thing to make clear is that the SLR does not 'hope' - we are a vehicle for people to think and debate and discuss, not a movement. But the corollary question would also need to be asked - does the SLR really want to support the status quo? In reality, what we want makes no difference, but it is important to think about these outcomes if we are to make anything of them. In the first case, it would require enormous vigilance because it would be naïve to believe that Labour is really interested in voting reform. It will wriggle and wriggle to get a system which keeps itself precisely as over-represented as it is now (Alternative Vote - the alternative to voting reform). Do not trust that there will be real reform just because you want it to be true. If the second option comes to pass, do not believe that Labour will simply 'fix itself' in opposition. We have to be more realistic about what has happened to Labour and about the extent of its capture. From where will it reform itself? Perhaps a mass return to the party by those who have left it could have an effect. But it is not something one should place large sums of money on. The third possible outcome is not a straightforward one either. Even if Scotland has rejected the Tories and yet still got them, it does not mean that the right kind of nationalist sentiment will be stirred up to achieve real constitutional reform. Bluntly, the Tories are not quite so awful that the full weight of the British State deployed to Save the Union will be swept away easily.

What to hope for? That's up to you. Of course, hoping won't make any difference. But if we have a think about it now we might be better able to do something effective once we know.

What's wrong with those Scots?

You will have noticed that something a bit different happened in Scotland. There are two things about this which are interesting, but perhaps only one matters. The first (and less relevant) is

a question about 'the soul of the nation'. In the last decade it has become quite fashionable among social commentators to argue that in fact there is only minimal evidence that Scotland is more left-wing than the rest of Britain (you can select any number of academics who will run you through social attitude surveys). There is still some reason to believe that this might be true. But (and this is a big but) you have to accept that in fact the rest of the UK is indeed much more left-wing than those same commentators suggest. Something is different up here and there is just no point in disputing it anymore. Perhaps it is a hangover from the 1980s (but many of us would do well to remember that in political terms that's a long way away now). Perhaps it is because we are more reliant on public sector jobs (though not that reliant). Perhaps it is cultural (we have a mistrust of the English Home Counties and all their works). Perhaps Labour (small 'L') is just too strong a part of our cultural identity. Perhaps we're actually more Braveheart than we're supposed to be. But something is different.

The second and more relevant question is about what this means for the future. This point will not be explored in great depth here, mainly because this point will dominate the next year of political life in Scotland. Is Scotland returning to Labour, or is it rejecting English choices? Does Scotland vote Labour in a straight polarity with Conservative at Westminster elections but plan to vote very differently in a non-bi-polar election in 2011? Is this a stunning victory for Labour or a premonition of a stunning victory for the SNP to come? There are now only five issues of the Scottish Left Review remaining between now and the Scottish elections in May next year and it is likely that this question will dominate.

And so...

...we wait. First we will wait to see what government is formed. Then we will wait to see what that government does. And then we will find out what happens in the rest of the world. It is this last point that we absolutely must take note of before we walk away from this election. To say that politics in Britain has got itself into a bubble isolated from the concerns of the British people is an understatement. To point out that the bubble was manufactured by neoliberal interests is fairly non-contentious. But to suggest that the bubble being burst from the outside is not something that the political classes had really considered is something of an understatement. It has been a fantasy world of debt-you-don't-pay-back and growth-without-consequence. It has been the 1920s all over again. Britain is a country of behind-closed-door-deals in which the usual dealmakers are suddenly anxious over a behind-closed-door-deal because it is the 'wrong' people behind the doors (i.e., not them, not a single investment banker, mandarin or lobbyist). And all this because people didn't vote 'properly'. So imagine what will happen when the real consequences of our actions become apparent and the impact of cuts and economic collapse really start to bite. It wasn't an election, but then it wasn't really an economy either. We can be sure that before this next five years are out there will be real consequences for real people. The type which make them smash things. Fighting over the wording of a compromise deal on electoral reform to secure a working majority is absolutely, certainly, definitely only the start of it. ■

city slickers

Gordon Morgan introduces this issue by taking a look at the political changes that might help ensure all our cities are properly governed

“The results of this election can be summed up in a single word - Purcell”

Billy McAllister, SNP Glasgow councillor and defeated candidate for Glasgow North East at SECC 7th May.

Billy pointed out the irony of Glasgow’s Labour MPs being elected to fight Tory cuts when the Labour council was cutting jobs, wages and services. Three years ago Scottish local councils were elected for the first time using a proportional representation system which resulted in the largest number of new councillors in a generation. Councillors also became in effect ‘employees’ of the council with a basic salary of £15,452 plus pension, although the leaders of the largest councils received £46,357, plus extras for serving ex-officio on various boards. In November 2007, the SNP Government drafted a Concordat, subsequently signed up to by all councils, which gave councils an increase in grant and greater freedom on how to spend their revenue in return for a council tax freeze.

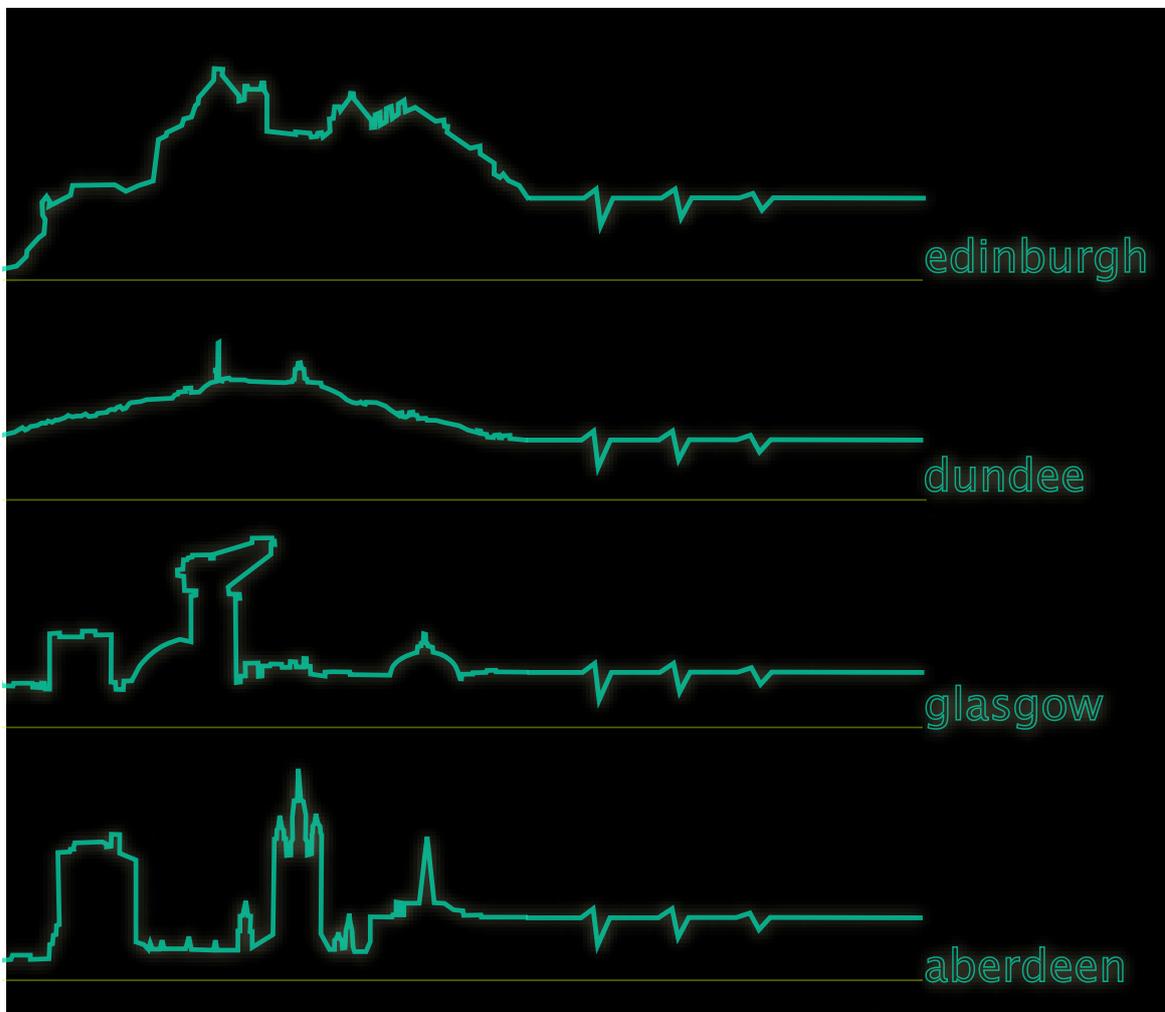
Have these changes improved local government? The following four articles look at our four main cities and how they are governed. In this piece I wish to look at common themes and

lessons for those seeking more from our elected representatives and local services.

Enterprise, Business and Blackmail

Neil Gray and Leigh French emphasise how an entrepreneurial culture now pervades government both local and central. They show how in Glasgow this results in blurred distinctions between business and government through ‘Team Glasgow’; a plethora of ‘Arms Length External Organisations’ (ALEOs) run by well paid councillors appointed by the leader - a resurgence of political patronage, and lingering suspicions of dodgy contracts. Aberdeen has ACSEF, a similar body to Team Glasgow. John Aberbein recounts how this body is trying, against popular opposition to force the council to redevelop the Union Terrace Gardens. Ian Woods, the prospective developer, is like Donald Trump before him, trying to blackmail the council which has in recent times become in effect bankrupt.

In Edinburgh, Peter McColl notes the grand plan of city redevelopment seems to have partially unravelled with the ousting of the Labour administration, however, outsourcing of services is set to gather pace as part of a cost cutting exercise by the Lib Dems. Finally in Dundee, John McAllion notes how despite successful resistance to Stock Transfer, PPP for



schools has been embraced by all politicians as 'the only game in town'. Furthermore, like the other cities, strategic planning seems driven by unelected agencies promoting business whilst Dundee remains a city mired in poverty.

Did you vote for this?

Proposals for ALEOs did not appear in Glasgow Labour's manifesto. Moreover it has never been adopted as a policy by the city Labour Party. Yet under ex-leader Steven Purcell, with little discussion in the Labour Party or indeed the council Labour group, services were in effect outsourced. The removal of the bulk of council services, except for (at present!) education and social work, from direct council control is complete. Will other cities and councils follow Glasgow's lead? What will stop them? Can the changes be reversed?

Are Councillors accountable?

It will be a further two years until councillors face re-election. Unless they resign for personal reasons there is little to force them to comply with the electorate's wishes till then. Although councillors can be lobbied and taken to task on issues directly relating to their Ward, on most issues and particularly budgets, parties decide their policies at a group level. Your local councillor can quite safely say they argued the case but were outvoted. In many councils and parties, group discussions are in secret and a whip is applied at the council meeting. Thus anonymity is maintained and your councillor cannot easily be held to account by you.

If you are a member of a political party, things are slightly better. Most parties elect prospective councillors from local party branches, and a failure to tow the local party line on an issue can result in not being selected to stand at the next election. Once again however, this mainly relates to local issues. The safeguard used to be that key policies were agreed citywide by the city party and the ruling group would either adopt them or explain why they were 'impractical'. But if all the council does is operate through 'arms length companies' - who actually decides policy? Although the Council 'owns' the companies running these services, how does it control them or even set their policy? It would seem that individual councillors on the 'boards' of these companies make the policy. The Council, the Labour Group and Labour Party are not involved.

Moreover, given that each individual councillor is very busy with their own remit, most have little appreciation of what others are doing. Other parties are also represented (possibly tokenistically) on these 'boards'. What discussions do they have as regards policy? Does commercial secrecy apply? Similar questions can be asked of TIE in Edinburgh, or ACSEF in Aberdeen. Do councils, as opposed to individual councillors, actually decide policy anymore?

COSLA and The Scottish Government

The biggest decision made by Scottish Councils over the past three years was to abide by the 'concordat' set out by the Scottish Government to in effect freeze Council Tax. How was this decision made? In effect an 'offer they could not refuse' was made by the SNP Government to only give cash to 'good councils' which signed up. COSLA leaders, some of whom had condemned just such blackmail over council house sales, browbeat their councils to fall into line. As a result investment

was cut, services squeezed and 'creative accounting', including ALEOs adopted.

In issue 38 of SLR, we set out a series of policies which we felt the Scottish Government should adopt towards Local Government. These included allowing councils to "raise more of their expenditure locally"; "ring fencing of expenditure by the executive should be curtailed"; "councils should have a power of general competence". The SNP has refused to return Non Domestic Rates to local authorities and by arm twisting stopped council tax rises. They have admittedly reduced ring fencing and made moves towards general competence. However, the expenditure restrictions have produced the above effects which have generally been detrimental to local democracy.

Cuts, Cuts and More Cuts

On the eve of the election, Glasgow gained a court order banning striking workers from picketing polling stations. The strike is over attempts by Culture and Sport Glasgow, now an ALEO, to cut wages. This, remember, is happening before the cuts in council revenue expected following the General Election. Of course the council no longer directly manages libraries, museums and sport centres! It is not responsible and wishes not to be blamed. Aberdeen council came close to bankruptcy in 2008 and has already been cutting services. Is this why rich businessmen feel a little bribery will work? Edinburgh and Dundee have both begun outsourcing in a short term attempt to save money. Under the 'concordat', councils cannot raise council tax and Non Domestic Rates have been cut by the Government. Like Greece, Scottish councils are in effect being told to slash services. I repeat - we did not vote for this!

Can We Fight the Cuts?

Campaigns have been successful in the recent past against individual school closures. But when all cities and councils are about to slash services and wages, what can we do? Certainly for once most public service unions are united in their resistance and are reaching out to the public. Their jobs provide our services. One demand must be to free councils hands - scrap the concordat and allow council to set their own Council Tax and Non Domestic Rates. Give them full powers of general competence to raise new taxes and to borrow for capital investment and allow council direct labour organisations being able to bid for non council work - one of the main reasons given for setting up ALEOS.

Rather than outsourcing services, bring them back under council control so that once more councillors can be held responsible for their decisions. Remove the compulsion to tender for in-house services thus saving significant costs of tendering. Draw up a charter for each city (and council) specifying what services we expect. Give voters the power to recall councillors if they breach manifesto promises.

Make the Scottish Parliament accept that it has a responsibility to fight alongside councils and not blame them and Westminster for service cuts. It is two years to the next local election, but only one year till Holyrood. Make local services a key part of that campaign. ■

Gordon Morgan, former Local Government Chief Officer

the empire in miniature

Neil Gray and Leigh French argue that the Glasgow scandals are exactly symptomatic of the politics of our era

Glasgow City Council - pursuing urban boosterism, place marketing and property development with alacrity - has been posed as a paragon poster-child for post-industrial 'regeneration'. Adhering to 'leadership' and 'vision' myths reified by new management culture, a narrative of entrepreneurial 'success' has until recently centred on the personal skills of former City Council leader Steven Purcell. This can be seen as part of a wider association of cultural life with an aspirational imperative: Blair once hailed Purcell as "a visionary civic leader", and Purcell's rise from 'deprived' Yoker, to leader of the Council at the City Chambers seemed to personify the Blairite fantasy of meritocracy. But the entrepreneurial narrative is implicitly an individualising discourse: being 'excluded' is at least partly one's own fault for having the wrong skill set, the wrong character traits or the wrong kind of family life. In this context, alternative, and more importantly collective models for dealing with one's personal situation (workplace or community organising, grassroots campaigns, etc.) become inconceivable. To disagree is to be 'against aspiration', to be recalcitrant and against change, to want to keep people, or one's self, in the ghetto. The positivist aspects associated with this discourse have unravelled of late with Purcell quitting his posts amidst cocaine and alcohol confessions; the quoted strain of running the local authority; the pressures of planning the Commonwealth Games; and controversies over Strathclyde Partnership for Transport. The recession has

also worked to de-legitimise the modus operandi of the market calculus personified by Purcell's administration, though hardly as much as it should have.

Following Purcell's fall, the dominant Labour Party within the Council quickly sought to distance themselves from his once venerated Leadership, concerned that "everything the council achieved during Mr Purcell's time as leader has somehow been devalued". This acute reversal suddenly averred that the "City is not just about one man", that the 'transformations' were "not because of the person who was in charge but because of the hard work and dedication of you and your colleagues" at the Council. But recriminations over Purcell's personal life shouldn't obscure the fact that he'd been heading a local authority caught up in a web of "cronyism" and an "elaborate system of political patronage". The real issue - that which 'scandal' obfuscates - is the restructuring of local government along lines of market largesse at public expense. Here, as elsewhere, so-called 'post-fordist' restructuring has spawned an 'economy' of conspicuous consumerism reliant on exploiting a low-waged vulnerable service class; while subsidised property speculation's boom-and-bust routine has blighted the city and reinforced extremes of inequality masked by pageant.

Perhaps what is most important here is to understand the by now banal imperatives that foster such contradictions in the first place. A good place to start is David Harvey's (1989) seminal account of the shift from a managerial mode of urban government (nominally associated with 'thick' government, redistribution, and the provision of services and amenities to local citizens) to an entrepreneurial market-led mode of governance, firmly pre-occupied with facilitating economic growth for capital. In this



paradigm, city governments are increasingly obliged to take an entrepreneurial turn, working as active state partners in an attempt to create a 'good business climate' and lubricate capitalist investment in the city. Michael Hardt and Antonio Negri summarise the result of this transition well when they argue that neoliberalism is not really a regime of unregulated capital, "but rather a form of state regulation that best facilitates the global movements and profits of capital". The state, they conclude, is the "executive committee" assigned the task of ensuring the long-term survival of collective capital, regulating capitalist development in the interests of global capital itself.

While individual actors will have a crucial role to play in this procedure, clearly they are subordinate to neoliberal growth machines. Purcell's 'State of the City Economy' address in 2008 is an exemplary document in that it expresses quite clearly his 'vision' for the city. Regurgitating the dull rote of neoliberal convention, he promised that 'Team Glasgow' (an un-elected cabal of business leaders purporting to represent the wider interests of 'Glasgow') would do everything they could to help businesses 'cope with the downturn': "The first thing that all public bodies, including my own Council, must do, is to examine where we can help business by being more flexible and willing to do things differently. This is no time for unnecessary rules and processes; this is a time to do everything we can to help". The message couldn't be clearer: "My main priority is helping business in the city through the economic difficulties ahead", he said.

Of course in order to obtain such a 'business-friendly' regime, as Harvey has noted, cities are forced into a highly competitive "race to the bottom", routing scarce public resources, and driving down labour conditions, as increasingly benevolent measures are offered to entice investment capital. These activities, however, only accentuate the geographical mobility and flexibility of capital, forcing urban governments to produce ever-more competitive policy cocktails, and subsuming policy ever more within the groove of uneven capitalist development: "Indeed, to the degree that inter-urban competition becomes more potent, it will almost certainly operate as an external coercive power over individual cities to bring them closer into line with the discipline and logic of capitalist development".

Purcell's 'vision' included a 'flexible' land disposal policy that gives away 'empty' commercial premises owned by the Council to new businesses rent free, so that they can do without "the burden of rent costs". Purcell argued that this showed how Glasgow City Council is "willing to do things differently, willing to be flexible to help businesses", willing to 'relax' rules in order to promote development and safeguard businesses. "We are willing to look at deferred payment arrangements, profit sharing, joint ventures and greater risk taking on the part of the Council", he promised. One beneficiary of this largesse at the public's expense are the developers of the Commonwealth

Games Village, who obtained the site rent-free, alongside an undisclosed 'profit-sharing agreement' with the Council. As a commercial property market magazine concluded in March 2010 (under the headline 'Loss of council's 'Team Glasgow' is huge blow for property'), the scandal surrounding Purcell may grab the headlines but the loss will also be felt by a featherbedded property industry.

Another means by which the City Council has shown its willingness to prioritise neoliberal enclosure and restructuring has been in the privatisation of basic services run previously by the authority. Since council housing 'stock-transfer' in 2003 (the largest transfer in the UK), there has been an acceleration of Council functions carved off to arm's-length external organisations (ALEOs): care services, culture and leisure, catering, construction and maintenance services, parking, community safety and city marketing. Against a backdrop of diminishing terms, conditions and salaries for those employed by ALEOs, The Herald recently reported that the "cronyism at the heart of Purcell's council" ensured friends and allies - sitting on the boards of these companies which meet just a few times a year - are being paid enhanced salaries for doing what the Council was already paid to do.

How does what the Herald called an "extended system of political patronage" work? Willie Haughey (a good friend of Purcell, key member of 'Team Glasgow', and the largest Scottish donor to the Labour Party) received £680,000 (plus VAT) for a plot of land in Rutherglen from Clyde Gateway Developments, an ALEO run by Purcell's former political advisor, Iain Manson. Haughey had leased the land from the then-Glasgow District Council but bought it outright in the mid-1990s. Despite an independent valuation of £7.4 million, Haughey also received a £17 million compensation package for his business premises, which had to be relocated due to the construction of the M74 motorway. Another ALEO, City Building, recently awarded two large contracts to Haughey's City Refrigeration Holdings, worth £11.2 million, despite his bid being significantly higher than other competitors. Clyde Gateway's board includes four Councillors, all Labour, including George Ryan, Mr Purcell's right-hand man when he became council leader in 2005.

The head of City Building is Willie Docherty. His wife, Sadie Docherty, is a Glasgow Labour Councillor. Garnering further accusations of cronyism, Scottish Labour's former general secretary Lesley Quinn was recruited as City Building's first business development manager. City Building's £20,000-a-year chair, Gerry Leonard, is also a Labour councillor in Glasgow, as are three other board members. Just one board member is an SNP Councillor as with Culture and Sport Glasgow, whose Chief Executive is Bridget McConnell, partner of former First Minister Jack McConnell. Glasgow's Labour-dominated Council has also been found to be passing public money into party political funds via at least one ALEO run by Labour activists, in the form of

The real issue - that which 'scandal' obfuscates - is the restructuring of local government along lines of market largesse at public expense. Here, as elsewhere, so-called 'post-fordist' restructuring has spawned an 'economy' of conspicuous consumerism reliant on exploiting a low-waged vulnerable service class

buying tables at party fundraisers. City Building treated Labour grandees, including Scottish leader Iain Gray and his wife, to a £2,000 dinner at a party fund-raiser. David Miller, at Strathclyde University, has also helped disclose Purcell's free use of public cash as he used Encore catering service, one of the authority's spin-off companies, to host lavish dinners for fellow Labour politicians.

Within days of Purcell resigning lawyers and a PR company arrived on the scene attempting to gag his former colleagues who've sought to distance themselves and their Party from Purcell's personal peccadilloes. But what exactly, behind the morality tales, might they wish to distance themselves from? The Scottish government has finally expressed concern that spin-off companies "are being used to bypass limits on payments to councillors and reward political cronies". Meanwhile, The Herald, stirred into muted action at last, said that though the ALEOs were not established for the sole purpose of buying loyalty, they "provided a convenient vehicle for purchasing patronage". But to personify the system of largesse in Purcell alone is to erroneously perpetuate the story of 'one bad apple'. Polite press commentary has consisted primarily of emotive stories of Purcell's personal habits, obfuscating the high degree of institutional aggregation at work in Glasgow in marketing the 'success' of Glasgow's urban renaissance. What was perceived as a dearth of mainstream media reporting led bloggers to speculate on west-coast failure to hold power to account. A piqued Sunday Herald, driven to comment, reacted defensively to "suggestions of a network of powerful figures working behind the scenes to influence the workings of the city ... that this so-called network includes leading figures from the media [and] is now threatening to undermine public confidence in the integrity of the Scottish press".

Responding to "hints" that some Scottish newspapers have "pulled their punches on the controversy because editors have been too close to Mr Purcell or, worse, they have been cowed into submission by Peter Watson and PR firm Media House", these allegations were rebutted unconvincingly: "Glasgow is a large city but its political and business centre is small. Personal and business relationships meld together, contacts extend and overlap, boundaries blur. Business dinners become social occasions, colleagues become friends". Herald and Evening Times editor-in-chief Donald Martin told his sister-paper the Sunday Herald: "I was glad to play a role in Team Glasgow along with other individuals who believed in co-operating for the good of the city. Our aim was to encourage actions which would help the city. As a newspaper editor it is an important part of my job to make contacts in the political, business and other spheres

and I also believe it is part of my job to work for the good of Glasgow and indeed Scotland". This suggests, even confirms, an all-too-cosy political compact between Glasgow governance and certain sectors of the crisis-riven Scottish media. Indeed, Martin was part of a regular Friday afternoon drinking date, dubbed 'The Ritz Club', which, Holyrood magazine spilled, "included the editors of rival red tops [David Dinsmore], the Herald's departing editor-in-chief [Donald Martin] and Purcell himself". That Martin could be so open about these relationships

suggests not a conflict of interests but a convergence of interests, effacing any significant debate of the underlying economic antagonisms in Glasgow.

None of the above points to any 'conspiracy' of course, just politics as usual: the same old revolving doors network of legalised looting avid viewers of The Wire will have become accustomed to. No laws, moral or otherwise have been broken - no matter how much money has been channelled into the Labour Party via publicly owned companies, or how many members, relatives and friends are employed in senior positions in such companies. As for multi-million pound contracts and shady land deals being awarded to Party donors, well, that just shows that an entrepreneurial spirit is rewarded in an age of entrepreneurialism.

What is perhaps remarkable about Glasgow's economic policies and system of political patronage is that the disjuncture between the myth of market provision and 'urban renaissance', and the reality of a city with 40 per cent below the poverty line, hasn't been more consistently and effectively exposed. For those on the 'Left' this seems an apposite time to fundamentally critique the legitimacy, not only of the crisis-ridden neoliberal project, but capitalism itself. Urban entrepreneurialism and its corollary, inter-city competition, as Harvey

has observed, act as an external coercive power over urban governments, whose pro-business urban strategies reduce local authorities to the status of collaborators in their own subordination to capital. The result of these entrepreneurial strategies, as the geographer Jamie Peck reminds us, has been the identikit emulation of 'winning' formulas, pulverising social space under the market calculus, and "quickly stacking the odds against even the most enthusiastic of converts". ■

Leigh French is co-editor of Variant magazine. Neil Gray is an independent writer and researcher - his article 'The Tyranny of Rent' can be read at: www.variant.org.uk

time to grow up

Peter McColl looks at the way Edinburgh City Council has been run and is dismayed at the absence of vision

The years after 2007 may come to be seen as the golden era for Scottish Local Government. Freed from the oppressive attentions of the 1999-2007 Labour-led administration, and not yet subjected to reorganisation, the attention of the electorate and a wholesale loss of in-house provision of services. The period has certainly not been a golden era for City of Edinburgh Council, who have squandered the opportunities amid grotesque mismanagement of resources and a criminal lack of vision. There are two main reasons why Edinburgh has performed so appallingly in the period after 2007. The first is that the new Council was elected on a wave of ill-feeling towards the long-serving Labour Council. This combined with a positioning as what can only be described as 'the mass party of the middle class' The second was that the new government decided in 2007 to free local authorities to be more imaginative and strategic. This made the lack of vision and imagination in the new administration all the more obvious.

City of Edinburgh Council had been led by Labour since 1984. This 23 year period reflected the dominant culture of local government in the UK in this period. At the beginning the Council was of the radical left; later it became a training ground for reformers in local government, like Keith Geddes and Donald Anderson. The Council had a grand vision for the city. It promoted large residential developments in the Granton Waterfront and Leith Docks, developed a large financial centre around Morrison Street to the West of the city centre, planned a modern public transport system and renewed much of the city's educational infrastructure. None of this was uncontroversial. The proposed congestion charge was deeply unpopular and the tram scheme has proved difficult to implement.

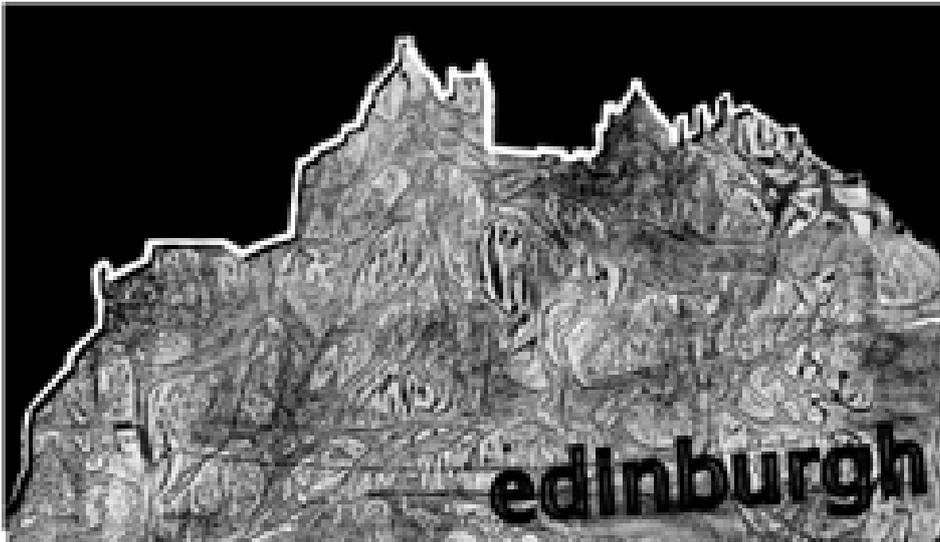
In 2003 Labour had lost the popular vote in the City to the Liberal Democrats. It became the governing group only on the basis of a majority of seven in one ward. Shut out of the administration the Liberal Democrats spent four years becoming more and more bitter about the Labour administration's grand plans. At the heart of this was a degree of class hatred. Deeply middle class Liberal Democrats resented their city being run by, and at times for, its poorest communities. They resented the notion that the Council was there to do things. Given the opportunity to undermine the Labour administration over its less popular decisions, opposition parties in the Council seized on issues like the congestion charge to attack the council. Backed by a deeply cynical local newspaper, the Edinburgh Evening News, popular opinion turned against the Council and its grand plans. This led to a rejection of Labour in the 2007 election. From holding 29 seats in 2003, Labour was reduced to 15 seats. The leading opposition party, the Liberal Democrats won 17 seats. The SNP won 12, Conservatives 11 and the Greens won their first three seats on the Council.

The Liberal Democrats turned down the opportunity to form an administration with Labour. They instead opted for the SNP as partners. This deeply foolish decision was based on a loathing for the Labour Councillors. With little idea what the SNP group stood for, and knowing that they only stood against trams, the Liberal Democrats leapt into bed with them anyway. This

stacked the Council at 29-all. The Tories agreed to allow this arrangement in return for their leader getting the handsomely-remunerated position as chair of the police board. While the Council often goes to a 29-all vote, the Lord Provost's casting vote has carried the Administration on all but one occasion. Having little idea what they'd do once in power, other than do it better than Labour, the Liberal Democrats then got down to the difficult task of running the Council. First up they decided to close 22 schools and nurseries. The decision to consult on this plan was passed by the Council on the Provost's casting vote. A vigorous campaign by parents got underway to oppose these closures. The SNP group took cold feet and decided they couldn't go on supporting the consultation. The Liberal Democrats' decision to chose the SNP over Labour looked very foolish when they found out about their partners decision through the pages of the Evening News. It became clear that the intention of the new administration was not to make Edinburgh a better place. It was to cut Council spending. The vision had gone to be replaced by a makeshift arrangement to cut budgets where possible. An unpleasant feature of the new Council's political preoccupations became clear when it decided to do what it could to close down voluntary sector organisations providing a representational function. This may have been because some of the Labour Councillors, most notably Elizabeth Maginnis, had been employed by voluntary organisations. The damage caused to many very effective organisations by this move was a tragic by product of what looked like vengeance wielded by long frustrated victors.

The Council has since undertaken two tendering exercises. One for homelessness and one for social care. Both were intended primarily to cut costs. If you can judge a culture by how it treats its animals, you can judge a Council by how it treats its most vulnerable service users. The Liberal Democrat-led Council in Edinburgh sees these service users as a cost burden to be cut. The very obviously inhumane proposed service changes show that this is a Council that doesn't care about people. It would rather save £600 000 than provide decent services for the most vulnerable people in the city. Luckily for Edinburgh's most vulnerable care users one administration councillor was unable to vote for the proposed social care tenders due to a conflict of interest. This meant the Council was defeated for the first time, led by Green and Labour Councillors. The Conservatives voted against the proposals on compassionate grounds - showing the Liberal Democrats and SNP Councillors to be more right-wing than Tories on this issue. The Council Chief Executive ordered an independent report into the tendering process. This £80,000 report by Deloitte pointed to substantial flaws in the tender process. The process is now being re-run, eating up all the projected savings. The Councillor responsible was quick to blame officials for the mess - demonstrating an astonishing lack of leadership.

Inexplicably the same Liberal Democrat-led administration has put Steve Cardownie, the leader of the SNP Group in charge of the trams project. While clearly unpopular in the building phase the trams project cannot possibly benefit from being fronted by



its biggest critic. Where tendering, the attacks on the voluntary sector and closing schools might be seen as conspiracy, this clearly looks like cock-up. So, while people may have found Labour's vision for Edinburgh too much, the alternative has proved to be abysmal. Instead of overreaching themselves on (over)development projects like Caltongate, the Council is now attacking the most vulnerable. And they're not even proving very successful at saving money - as the inept handling of the social care tendering process demonstrates.

The 2007 Concordat between the Scottish Government and the Scottish Local Government trade body, CoSLA is a remarkable piece of politics. Settling for a freeze on council tax rather than the introduction of a local income tax, the SNP minority government handed massive power to local authorities. This included the ability to spend money as it wished (though with some accountability through Single Outcome Agreements). This came as a shock to most councillors and council officials, albeit a shock of the welcome variety. It may have come to a nastier shock to the electorate. Having selected councillors in 2007 based on an election campaign dominated by the issue of independence, voters found those councillors handed massive power. This was exacerbated by a massive turnover in councillors. I had several conversations during that election campaign with voters who, while disagreeing with most Green politics were going to vote for Green Councillors second because they saw it as a vote for independence. Others wouldn't vote Green because they wanted to save the Union. This despite the Council having little or no say over whether Scotland became independent or not.

The Concordat came after eight years, between 1999 and 2007 where the Scottish Executive treated Local Authorities as little more than recalcitrant children. All new money was tied to particular projects (referred to in the jargon as 'ringfencing'). Councils were obliged to make 2% year on year cost savings - which was removed from their block grants. In a period of growing public spending Local Authorities had little say over how money was to be spent, and the priorities for their areas. This was, I imagine, as a result of the bad experiences of many new MSPs in their time as Councillors. Many who hadn't been Councillors will have been frustrated by the slow progress made by Councils. They wanted to force Councils to perform better through sanctions and micro-management.

This produced a situation where Councils, treated like children, behaved like children. In 2000 I went to see my Councillor to

try to ascertain why Edinburgh performed so badly at recycling. By 2004 I knew the Council needed to be recycling 25 per cent of its waste, to comply with European regulations. My Councillor was the Executive Member responsible for Environment and Waste. He explained to me that I was right about the need to increase recycling rates, and that he wanted to do something. When asked why he wasn't doing anything, he explained to me that if he spent money on recycling now it would be wasted. This was because in 2002 or 2003 he expected that the Scottish Executive would provide money for the Council to hit its recycling targets. In 2003 there was a massive expansion in the budget made available to Local Authorities for recycling, and Edinburgh duly hit its targets. Not only did this way of working make Councillors behave like children, but the electorate took local authority elections much less seriously. That's why people felt able to make decisions on who their Councillor should be on the basis of an issue like independence.

The turnover of Councillors (with substantial incentives for long serving councillors to stand down) in 2007 and the introduction of STV reflected the Labour Government's desire to fundamentally change local government. It has, though, led to inexperienced Councillors being led by officials to make inappropriate decisions. Local Authorities are more powerful than ever. Councillors are now able to determine how Councils change their areas. They need to take this responsibility seriously, rather than penny pinching and hiding behind officials. More than ever before they must prioritise the most vulnerable. They must focus on vision, not on penny pinching.

In Edinburgh this has been fatal. But the chance to deal with this is not far away. The next Council elections will be on a different day to the Scottish Parliament elections. Our task is to build a popular movement that holds Councillors to account for the decisions they have made. It's time to expose Councillors who hide behind a lack of interest in local politics to force through unfair decisions that harm the poorest most. It is time to make Councillors take responsibility for decisions rather than passing the buck to officials. The new electoral system allows Councillors to be unseated with twenty or thirty votes. There are no longer any safe seats, with councillors competing with party colleagues. It gives a massive opportunity to increase local accountability. It could create local authorities that will support communities in becoming resilient.

The alternative is another round of local government reorganisation. This will be extremely disruptive - the last round of reorganisation resulted in massive cuts to voluntary sector organisations. But reorganisation will be inevitable if Local Authorities continue to behave like Edinburgh's current administration. We must hold Councillors to account and replacing Edinburgh's current administration councillors would be a great place to start. ■

Peter McColl is a member of the Scottish Green Party

a tale of two cities

John McAllion contrasts the official story of Dundee's renaissance with realities that won't go away

Dundee has long suffered from a bad press. In the 19th century, the Tory High Court Judge Lord Cockburn described the city as a "sink of atrocity which no moral flushing seems capable of cleansing". James Cameron, who began a distinguished career in journalism in the Dundee of the 1930s, described the east coast town as a "symbol of a society that had gone sour". Today, a joke running on the internet claims that, following a major earthquake in the city, £30 worth of damage was reported and locals were woken up well before their giros arrived.

The negativity historically directed towards the city usually came from those who either rarely or never visited the city. It was and is rooted in ignorance and is as inaccurate as it is undeserved. Yet it was bound to have some effect on the city itself. In recent times, one important effect has been a local fixation on what the rest of the world thinks about Dundee. The political and business elite who run the city have become obsessive about Dundee's image. They miss no opportunity to sell the

city as a place in which to do business. They view any public criticism of the place as betrayal. This addiction to winning outside acclaim and recognition led at one point to Dundee being described as "Awards City". The City of Discovery Campaign promoting Dundee won the top national prize for marketing and promotional excellence. The successfully regenerated city centre convinced the Royal Town Planning Institute to confer its urban renaissance award and the British Retail Consortium to bestow its safer shopping award on Dundee. The redundant Verdant Works jute mill won European Museum of the Year.

Politicians visiting Dundee also stuck closely to the same script of success and nothing but success. Wendy Alexander enthused about the one-time city of jute jam and journalism now being reconstructed as the city of bytes biotechnology and business. First Minister Jack McConnell raved about a city with two outstanding universities now well on the way back from the industrial failure and the unemployment of the 1980's. His successor Alex Salmond waxed lyrical about a resurgent city prospering on the back of pharmaceuticals and the interactive games industry. Nor was Dundee's self-promotion without substance. Massive investment in Dundee University has made it a world-renowned centre of excellence for biotechnology and cancer research. Leading professors have been knighted for their contributions to cancer research and life sciences;

Dundee graduates have been reported as having the best pay and job prospects of any university in Scotland; the Sunday Times named Dundee as Scottish University of the Year.

Abertay, Dundee's other university, has established an international centre for computer games and virtual entertainment. Its degree courses have attracted talented games designers from across the country. Its graduates have launched new design and development studios in the city, placing Dundee at the cutting edge of one of the country's fastest growing markets. Their success made possible Scottish Secretary Jim Murphy's recent boast to the STUC in Dundee that the city now had more people working in the games industry

than had worked in the old Timex factory. The Scottish Crop Research Institute on the edge of the city is at the forefront of biotechnological innovation. Employing more than 400 scientists, its research encompasses activities in 30 countries across the world and attracts into the city millions of pounds of funding from both the UK and Scottish governments, as well as the commercial sector. Along with the

city's two universities and a thriving college of further and higher education, it helps to put Dundee in the running for the prestigious 'Intelligent Community' title awarded globally by an influential US think tank.

Dundee has also become a cultural centre with a national reputation. Dundee Contemporary Arts Centre has been a resounding success. Dundee's Rep theatre has its own successful full-time repertory company and dance studio. Its tourist industry has been boosted by a new multi-million pound science centre and a series of award-winning museums and galleries. Two open championship golf courses at Carnoustie and St Andrews are a short car journey away from the city centre making Dundee a place that tourists want to visit. The city has blossomed into a major regional retail centre. The £200 million redevelopment of the Overgate shopping centre is the jewel in the crown that attracts thousands of shoppers into the city. In its first year of operation it generated £40 million in rents for its Australian owners. It is buttressed by multi-million pound shopping developments elsewhere in the city centre and in the docks area. Across the city retail parks house all of the country's big superstore names including, Tesco, ASDA, Morrisons, B&Q and Sainsbury.

Current Dundee projects include a £300 million development of the city's waterfront area that will include the opening of a branch of the Victoria and Albert museum, as well as a controversial



biomass plant and giant wind turbines in the docks area. The City of Discovery campaign has been re-launched as "One City, Many Discoveries" with Dundee-born celebrities like the actor Brian Cox promoting their home town as a city full of surprises such as the Maggie's Centre built by the world renowned architect Frank Gehry. As part of the millennium celebrations, Dundee City Council and Scottish Enterprise Tayside backed the publication of "Dundee a Voyage of Discovery", an anthology that celebrates the passion for inspiration, imagination and innovation that characterise the city's past and present. It is unremittingly positive about the future of Dundee describing it as "on a voyage into the future, seeking new cures, new treatments, new crops and new technologies that will benefit mankind." Given all these upbeat changes that have swept Dundee into the 21st century, is it really possible to argue with the outpouring of optimism about Dundee's future trajectory?

The answer to that question is yes. There is another Dundee that is mostly kept out of the public limelight. There is a Dundee that the city's leadership would rather no-one spoke about. There is another Dundee that has always been there, just under the surface of the resurgent successful city. There is a Dundee that does not fit the neo-liberal script for a smart successful Scotland. There is a Dundee that leading politicians never refer to on their visits to the city.

Around the same time that the City of Discovery campaign won a top award for transforming Dundee from a post-industrial backwater into a city of arts and science, a national study, "A Divided Britain", was identifying residents in many of the city's working class neighbourhoods as suffering from the "worst financial hardship in Britain". This damning conclusion was backed up by a contemporary Scottish Executive report showing that 46 per cent of resident households in the city had a net income of less than £10,000 a year while 55 per cent of the same households contained no-one who was working. While the regenerated city centre was picking up national awards for its crime-free shopping environment, a Joseph Rowntree Foundation report branded Dundee as a city of poverty, teenage mothers and poor mental health. Dundee GPs were issuing more prescriptions for mental health problems than anywhere else in Scotland. After Glasgow, Dundee had Scotland's next highest concentration of poverty, overcrowding and drug abuse. The city retained its title as the teenage pregnancy capital of Scotland.

Annual business statistics issued at the end of 2008, revealed Dundee losing 60 manufacturing firms and 3000 manufacturing jobs in the eight years following 1998. By 2006, the city had become a service sector economy with four times as many workers working in services as in manufacturing. The average annual salary in the service sector was £8,900 a year less than in manufacturing. Dundee's resurgence was costing its workers dear. At the beginning of 2009 an English-based research group published a report "Cities Outlook 2009" warning of the impact of the recession on 64 cities across Britain. It ranked Dundee 54th of the 64 cities, claiming that it lacked economic prosperity, suffered from a shrinking population and was scarred by stubbornly high levels of social deprivation and benefit. Only Liverpool had a higher level of benefit claimants as a proportion of its working age population. Dundee's recent history has been a tale of two different cities. The official Dundee story has been all about continuing economic, academic and social success in a modern, diverse, innovative and world-leading city. The hidden Dundee story has been about low pay, persistent

poverty, joblessness and benefit dependency in a city where the hard lives of thousands of its working class citizens have been erased from the official record.

Dundee, of course, is not unique. This same trajectory towards an increasingly socially fractured and economically unequal society can be traced in the recent histories of many of the country's major cities. For the past generation, national governments have used their political command and their massive spending power to drive diverse local communities in the same direction. The so-called partnership approach to economic and social development in reality meant national government imposing its will on local government. Through its Scottish Enterprise Network, national government determined the direction of local economic development and the policies that bodies such as the Whitfield and Dundee Partnerships would pursue. Local politicians were given their place in these partnerships. They were never allowed to control them. Policy was determined at the national level where there was a ruthless focus on building the private sector, attracting inward investment and high-tech industries and switching from manufacturing to services. Local dissenters were kept in line by threatening the withdrawal of central government financial support.

In Dundee, a massive £80 million public private partnership to renovate the city's schools was imposed upon a Labour-controlled council. Labour and SNP councillors alike voted through a project they both politically opposed. As the education convener said at the time, "PPP is the only game in town". The first payment for the new schools falls due this year when the council will begin to shell out to a private consortium the first instalment of what will amount to around £400 million over the next 25 years. Whatever cuts are imposed on council spending after the general election, these payments will have to be honoured. The Scottish Executive tried to engineer the end of the city's council housing by making cancellation of Dundee's housing debt conditional on a whole stock transfer to housing associations. Their scheme only failed because a survey of Dundee's council tenants produced a 70 per cent vote for staying with the council. Partial stock transfers and demolitions have reduced the council's stock to just 14,000 at a time when homelessness is rife and when just one in five on the council's 10,000-long waiting list received the offer of a house in the previous year. Meanwhile luxury apartments were multiplying in the city's docks area for sale to the citizens of the other Dundee where things had never been better.

The core working class in cities like Dundee traditionally looked to the Labour movement to fight its corner and to protect it from the excesses of free market capitalism. They expected the unions to defend their wages and conditions in the workplace. They looked to the Labour Party for affordable housing, good schools, hospitals and social welfare. The creation of New Labour destroyed all of that. The party the workers voted for suddenly went over to the other side. The workers were left to face the consequences.

In cities like Dundee, millions of workers are already paying the price of that betrayal. Whoever wins the next general election, millions more will be joining them. The neo-liberal party is over. New Labour is over. Class based politics are back. Who or what comes next is up to ourselves. ■

John McAllion is former MP and MSP for Dundee East and a member of the SSP

a small struggle for democracy

The battle over Union Square shows just how far Aberdeen City has drifted away from democratic accountability - and it's own radical past - argues John Aberdein

It would appear that the citizens of Aberdeen face a crucial struggle with undemocratic forces without being able, perhaps due to the current dereliction of political ideology, to fully articulate the terms and objective nature of that struggle. A Trojan horse has been surreptitiously hauled within the city gates over the last couple of years. The question is posed as to whether elected councillors are going to continue to treat it with awe and wonder, or whether they are prepared to prise open its lofty belly, and expose its contents for what they are.

The Trojan horse goes under the name of ACSEF, Aberdeen City & Shire Economic Future, a largely unelected and self-perpetuating body. In its belly is a proposal from Sir Ian Wood to donate £50 million of his own money to destroy Union Terrace Gardens, the sole green nook and refuge in the centre of the city, and replace it with steel and concrete decking to make a huge street-level City Square. The scheme is very conservatively estimated to cost £140 million in total. Aberdeen City Council has been on its beam ends for the last two years, yet Sir Ian Wood has proposed that they bridge the financial gap for the City Square via TIF, namely funds raised against future rates increases. I have challenged him twice to debate his proposal publicly with me, and he has refused. In the absence of that debate, it is the vaingloriousness of the proposal, and the potential lessons from this assault on the common good, that will form the core of this article.

Firstly I must declare my own provenance and bias. Having been born in the city in 1946, and brought up in a skilled working-class Communist household, helping to sell the Daily Worker up and down tenement stairs before the age of ten, and witnessing, not revolution in the streets, but only the rending of the Party in November 1956 - and the public immolation of the city's trams shortly after - I had sufficient sense of that era to write **Amande's Bed**, a novel which Steve Arnott was kind enough to describe as "The most honest, perceptive and humane description of post-war working-class life I have ever read... sometimes funny, sometimes surreal, often stark, but always with a luminous compassion." In the wake of that work, I intended a suite of novels, each focussed on a particularly resonant nodal year for the politics of the left. Eventually, since I am a slow worker, the realities of now caught me up, and I determined to write a contemporary dystopia, with the added provision of a novel-within-the-novel set in 1968, and an indicative range of other historical perspectives. **Strip the Willow** is set in a bankrupt Aberdeen which is taken over by a multi-national leisure giant LeopCorp and transmogrified firstly into Uberdeen, then to Leoparddeen. Here is how Lucy, a senior council official at her wit's end due to the irruption of ludicrous, globally-transmitted, reality-lottery games in Union Street, traces by means of shorthand images the history of her native city (box below):

Dampish settlement at first, Deen, of no account, like its close neighbour, Don. Or rather of which no account. She had searched, she had raked the record, stashed high in a tin-lined room in the Town House.

Rivermouth dwelling opportunities, Deen and Don, scrabbling about in glacial gravel. Lucy imagined calluses beaded across a young girl's palm, and a rough wooden spade gradually rounding.

Mediaeval burgh next, compact, *bijou*. Dung-strewn, wooden, a bugger to go on fire. Its leper spital a mile outside. The girl now carrying an expired hen and a cog of yesterday's milk to leave some distance away, on a cup-marked stone.

Then the seventeenth century spawned its oxymoron: *Civil War*. She imagined persecution, of the girl, and the girl's child, caused by lack of imagination of what it is to be another. The girl hiding, failing to hide, up foul alleys, from dragoons.

Lately a city, Greek, *neo*, of sparkle and severity, washed in the wind. No coal or iron ore, but plenty deep and surface stone, and grass, and near and distant fish. Hand-knitted stockings for the Crimea, mutton pies, horn combs.

Envelopes patented then manufactured athwart the river, from fresh pulp, for bills and billets-doux. She imagined the lass's tongue, licking a gummed triangle. It was the same girl, harried through history, strolling free a single moment.

Then the whining bombs tumbling home, on Urquhart Road, Cattofield, the stanced mutuality of stretchers.

After that particular war, called *the last war* for unclear reasons, it was rationing, typhoid, mild depression, oil.

Old shops swingballed, to maximise malls. On the day she learned of her mother's death, Lucy saw, from the top of a dizzy bus, a lurching iron ball, splattering through the lath and plaster of an outdated draper.

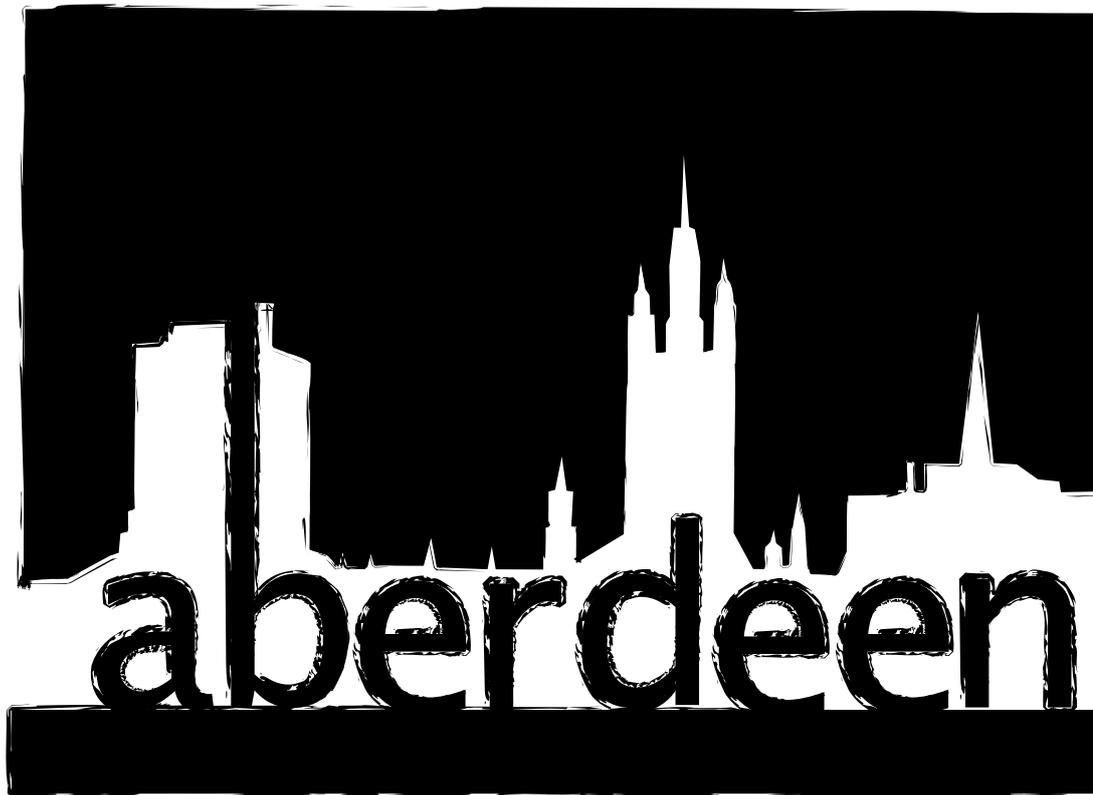
The new glassy halls were christened, and post-christened, with propitious names, like *St Nicholas, Bon Accord, Sonsy Quines*.

Santa Claus, Happy to Meet, Big-Breasted Women.

To attract big cargo. And lo, big cargo came. Tall kirks got converted, into pubs and clubs. Once the folk were Picts and Celts, wild, blue, artistic. Then they fled hell as Papists, Episcopapes, Seceders, Receders, and phlegmatic Protestants.

Finally they were Long Throats, happy in their cups.

Now Spectacle—



Within three months of my finishing the draft of the novel the city had gone bankrupt. Dramatically and deliberately, indeed at the 11th hour of the 11th month of 2008, Sir Ian Wood, locally-born oil-based multi-millionaire, flanked by representatives of ACSEF and by Alex Salmond, Scotland's First Minister, then made the Council an offer, namely a £50 million deposit on a new City Square, that they had to decide whether they could refuse or not. It was stated that a City Square would be transformational and that Aberdeen would become an economic backwater unless it embraced the plan. This instant, unsubstantiated and improbable hype has characterised the project ever since. But this is unsurprising when we consider the nature of ACSEF. ACSEF is an offshoot of Scottish Enterprise, and was formerly known, unexceptionably, as Aberdeen City and Shire Economic Forum. A forum's role in debating and formulating ideas is accepted and understood. Suddenly in 2008 it changed the final word of its title from Forum to Future. Albeit the word Future does not describe any deliberative or executive body known hitherto, this did not deter ACSEF, who claim themselves to be a "dynamic partnership of the public and private sector committed to delivering new economic opportunities". My researches currently indicate that ACSEF has no constitution, holds no AGM, but has gone the length of approving a Charter that it has written for itself, while deliberately excluding from its wording the privately-acknowledged truth that their body has no legal entity.

Of the 14 current members of the ACSEF board, 11 are unelected business persons, appointed from fields as diverse as building, hotels and communications, one is a university vice-chancellor sitting ex officio, and two are the leaders of Aberdeen City and Aberdeenshire Councils, also ex officio. None are civic planners, environmentalists or trades unionists. The secretariat is provided by and the running costs are met by the public sector, both Scottish Enterprise and the Councils. But, indeed, not only the running costs. ACSEF procured a six figure sum from Scottish Enterprise to run a vast promotion and public consultation on the City Square idea. Disingenuously and disgracefully, a

pre-existing much more modest project for Union Terrace Gardens, to incorporate a contemporary multi-arts, dance and education centre in the gardens while retaining their character and most of the the mature trees, was excluded from the choices offered in the consultation. This latter scheme, promulgated by the long-standing Peacock VisualArts, already had planning permission from the council, as well as three-quarters of its £13.5 million capital budget in place, some of it requiring building to have commenced by now.

In the event, and despite massive promotional hype, the City Square project was rejected by the public by a 55 per cent to 44 per cent majority. Sir Ian Wood, who had earlier said that he would remove his £50 million if the people showed that they did not want the project, now stated that he would place his faith instead in 'the democratic process'. To that end he summoned the four political party leaders of Aberdeen City Council to ACSEF's offices in late March and said that unless the Council backed ACSEF's 'leadership', his money would disappear. It would not be available for alternative projects to 'spruce up' the city. Only Labour, so far, has spoken out publicly against this attempt to bully the city.

I wrote to the Lord Provost in April asking him to explain the structural relationship between the City Council and ACSEF, bearing in mind that the Council already has its own Enterprise, Planning and Infrastructure committee. He thanked me for my interest and said the issues I raised were 'irrelevant'. It would seem to be a pity if a city that blazed a path in Scotland with representation of the Labour Party in the 1920s, that led the street fight against fascism in the 1930s, flocked to publicly subscribe the building of a major new hospital pre-war, and fostered enlightened social and housing policies post-war, and that has one of the few Trades Councils left operative in Scotland, were to surrender the direction of its development to such a patently undemocratic and unaccountable outfit as ACSEF.

The online resistance organised by ad hoc bodies such as I Heart Union Terrace Gardens has been successful. The people have spoken. Will the councillors listen on May 19th? ■

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convergence, impartiality, bias

Robert Beveridge raises serious concerns about the impartiality of broadcast news if content is produced by newspapers - and for the ability of news providers to upset the government of the day

As you read this, we will be in the post 2010 UK General Election period and much that was not known to us will be known. It may be that there is a hung or balanced Parliament, a minority or coalition government or even a government with a small majority. Whatever has happened, media policy will not be at the top of the agenda which is both a pity and a blessing.

A pity because the challenges being faced by the media and creative industries and the policy frameworks and solutions (if any) or more likely settlements have the potential to have a considerable influence on our democracy, economy, society and culture(s). A blessing because the record of many politicians from a number of parties during the 1997-2010 Labour governments and in the run up to the election was little short of disgraceful. The BBC and its future became a political football and while no one would deny the right of parliaments (plural) to discuss and legislate for the media ecology, the BBC is a special case given its importance, its history and place in the broadcasting firmament and position in the unwritten constitution of the UK. Consider, for example the stupidity of the then Secretary of State for Culture, Media and Sport, Bradshaw (hopefully he has lost his Exeter seat or at the very least his office) when he stated on the record that

"I'd far rather have BBC management that was proud, robust, going out there fighting the Murdochs, fighting the Tory party, fighting the enemies of the BBC" (Guardian.Co.uk April 29th 2010)

Is this what the Labour party and its cabinet ministers came to? Is it possible to conceive of a DCMS Secretary of State who can be so ignorant and limited in an understanding of the principles of independence and political impartiality of the BBC that he thinks it is the role of the BBC to fight the Tory Party? Add to this his ill-thought-out proposal to have independently-funded news consortia (IFNC) pilots to be funded by top slicing the BBC licence fee thus further risking and compromising the independence of the Corporation and indeed public service broadcasting as a whole by giving politicians the possibility of more direct financial control over the funding of news provision.

Readers of SLR will be aware that the Digital Economy Bill was pushed through just before the election but without a number

of clauses, one of which was to enable three pilot consortia to be established although Bradshaw continued to claim that he needed no specific statutory powers to go ahead on these. What are they and why do they matter so much? The IFNCs were partly designed to deal with the travails of STV/ITV. For example, STV under Rob Woodward has made good progress in making more Scottish-themed programmes in Scotland but has been lobbying for public funds to enable it to offset the costs of programming like Scotland Today. This was claimed to be around £5m-£7m per annum and STV stated that this was too much and they needed regulatory relief or some other form of financial support. At the same time, local and regional newspapers have been facing a financial storm with declining readerships, transfer of advertising income to the internet at the same time as the recession etc.

The Labour government sought to find a way of supporting newspapers- ostensibly in the interests of democracy - by offering them the chance to group together in consortia and bid for the opportunity to produce and then have STV broadcast the main competitor to the BBC's Reporting Scotland -albeit with added value - online, local and innovative, though we have yet to see the reality of these ideas. The Scottish News Consortium Johnston Press, Herald & Times Group and DC Thomson and TV company Tinopolis was chosen as the preferred provider of the IFNC news pilot programme on channel three in Scotland and will provide the early evening news programme and content online etc. STV was joined by Bauer Media and ITN in its bid to run the pilot but came second and is now only the reserve bidder. How are the current employees in the STV news operation feeling as they consider a future in which - should this idea come

into operation - STV will no longer make its own news? At the time of writing the Conservatives were on record as opposing this proposal - there was no clarity about the transfer of undertakings and it was and is possible that these journalists and broadcasters could lose their jobs.

But for STV it could be win-win as their share price could go up as they still have the programme and news but not the costs

Apart from the dangers of top slicing the BBC licence fee and making it available to its competitors, we need to also think about what kind of media policies, funding models and regulatory and governance structures are best able to provide us with quality and diversity, with pluralism and impartiality, with a public space in which a public interest are upheld and secured?

of making, maybe just transmission thus reducing what they say is their loss making operation here. And here is one of the tensions and dilemmas for New Labour and present in its 2003 Communications Act; which is more important? The citizen or the consumer? The public or the commercial interest? Apart from the dangers of top slicing the BBC licence fee and making it available to its competitors, we need to also think about what kind of media policies, funding models and regulatory and governance structures are best able to provide us with quality and diversity, with pluralism and impartiality, with a public space in which a public space and the public interest are upheld and secured?

One clear and present danger in direct public funding of regional or nations devolved news content is who awards and/or negotiates the contracts? What is involved in these contracts? How transparent and accountable are they and the process or will there be a cloak of commercial confidentiality? But worse than that - and to my mind representing a slide towards Bradshaw becoming a Berlusconi in embryo - is the issue of how in a converged world we best protect the independence of broadcast news and its impartiality? It is claimed that only having, say, Reporting Scotland is a danger to democracy and the BBC (to be fair) states that it welcomes and supports competition. SLR readers will also be aware of the proposals for partnership between the BBC and ITV/STV such that there will be some sharing of resources and footage etc. This is in the public domain, if not interest, but it is hard to see how this will provide genuine diversity, competition and pluralism if both the BBC and channel three are showing and sharing the same pictures but with minimal differences in added commentary and value.

Beyond this, there are two serious questions. Firstly, will the new consortia have genuine editorial and political independence when they are reliant at least until they become financially sustainable (if ever) on direct state funding in a context where upsetting the government of the day could lead to a contract not being renewed? Much depends on the length of the contract but history shows that even the BBC with its Royal Charter and multi-year licence fee has great tensions with governments of various political persuasions - at Westminster and Holyrood. If the BBC has problems asserting its independence at moments of political controversy and tension, how much more would it be problematic for these new types of funding news? Secondly, and this is an increasingly important and immediate problem for us all; what kind of media regulation with what powers and on what underlying assumptions and designed to achieve which policy goals is needed to cope with the challenges of media convergence?

At present, in the UK broadcasting is regulated by the BBC Trust (for impartiality and accuracy in respect of the BBC) and Ofcom for most of the rest and some of the BBC's operations. But the press is regulated by the toothless and partial Press Complaints Commission which is now also regulating (if that is the right word) online newspapers which are signed up to the self regulating PCC. Now these new consortia contain a

mixture of broadcasters, newspapers etc. and are supposedly addressing the implications of convergence, demonstrating how television, local newspapers, the internet and local radio can work together in new ways. The planned website will act as a portal to 130 local newspaper partner websites. So we might have a IFNC website operating under OFCOM rules on due impartiality, balance and accuracy but content being produced and made available on sister sites which will reflect traditional newspaper values of partiality, propaganda and bias. SLR readers need no reminding of the political power of the press and how it is deployed even if it is no longer the case that a tabloid paper can 'win it' for a party. Mind you, a close election could provide opportunities for the media to be more, not less, influential and one cannot imagine the press and their owners willing giving up such influence and power.

It beggars belief to think of two different articles and news angles being made for two or three or more outlets (i.e. the IFNC website and the early evening news programme and the newspaper itself and their website) so the scene would be set for questions regarding whose rules would count more and when and how and why? Ofcom or the PCC? Remember too that newspaper newsrooms, their cultures and owners are not used to having to meet the rules and regulations of broadcasters, might well seek to circumvent or oppose some of them especially since compliance and cost money.

It is not accidental that journalists are up there with estate agents and politicians as not being trustworthy but when these same journalists are broadcast journalists, then as in the BBC, they are widely trusted. So there might be an opportunity for newspaper journalism to adopt and apply the values and standards of broadcast journalism but I would not bet on it. The danger is the reverse: that regulation of the IFNC news provision becomes less concerned with democracy and more interested in light-touch regulation along the self regulatory PCC model. Meanwhile if Berlusconi Bradshaw gets his way, the BBC licence fee will be top sliced - the possible beginnings of a salami slicing operation which will damage one of the best contributions Britain has every given to the world.

I recently spoke at the Asia Media Summit and a distinguished contributor from Pakistan said that the BBC and the future of the BBC was so important that he doubted whether or not it could be left to the UK to be entrusted to look after an organisation which was so important to the world.

Even with its faults this holds true and for these reasons if not for any others I sat up waiting for the Exeter result in the fervent hope that Bradshaw was not elected. The rest you will know but we must now get ready for a future in which media policy moves from the margins to the centre of our collective concerns. ■

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hiding our debts

Jim and Margaret Cuthbert show how much of the PFI debt has been hidden

There is a massive hole in the public finances, but it's not the one politicians are talking about. A typical PFI project involves a long term (25 or 30 year) contract between the public sector and a private consortium, for the provision of a serviced asset - like a school or hospital. The public sector makes a regular payment, known as the unitary charge, throughout the operational phase of the contract. This payment covers both the use of the capital asset, and the provision of the services specified in the contract. When it comes to the government accounting for PFI schemes, the key question is - should the capital asset involved in any particular scheme appear on the books of the public sector? In fact, there are actually two different sets of government accounts in which a given PFI asset might appear, and hence two different on/off book decisions to be made. First of all, should the asset appear in the accounts of the specific government department involved: and secondly, should it appear in the national accounts compiled by the Office for National Statistics, (ONS). Both of these sets of accounts are very important - for different reasons. Departmental level is where expenditure control actually bites: a project will not go ahead unless there is sufficient provision in the budget of the relevant department. The national accounts matter because they are the key focus for determining the overall sustainability of the public finances.

A bizarre and little appreciated point is that in the UK these two different on/off book decisions are in fact governed by different accounting standards. Departmental accounts are governed by rules for government financial reporting, designed to be consistent with International Accounting Standards and International Capital Reporting Standards. National accounts, however, are governed by the rules of the UN System of National Accounts and the European System of Accounts, as interpreted by ONS. The two sets of standards are significantly different: national accounting standards generally take a more restrictive view of what constitutes a liability for the public sector. However, up until 2009, the difference between the two sets of standards did not matter in practical terms as regards PFI: both standards led essentially to the same test for a PFI scheme, based on the degree of risk transferred to the private sector. If sufficient of the risk involved in the project was transferred to the private sector, then the capital asset associated with the scheme would appear neither in the relevant departmental account, nor as a government asset in the national accounts: that is, the asset would be off book as regards both sets of accounts.

From the early days of PFI, the government's attitude was perfectly clear: PFI schemes should be designed so that they were 'off the books'. There were a number of apparent advantages to this. Departments were able to get the benefits of new capital expenditure without breaching their capital expenditure control limits: and government was able to set about renewing the infrastructure of the state without adverse effects on measures of fiscal sustainability. Of course, these particular advantages are more presentational than real. But nevertheless, those involved in capital procurement in the public sector knew that PFI schemes were very unlikely to be approved unless they were

'off the books'. So government set about designing PFI schemes which would pass the off-book test. This involved, for example, developing schemes where the provision of the capital asset was inseparably bound up with delivery of associated services. These schemes were known as 'non-separable' schemes: and the point of non-separability was that the external auditor who was charged with classifying the scheme as on or off the books, would not be able to regard the delivery of the capital asset as a self standing project on its own - and so would be much less likely to class the asset as 'on book'.

It is at this point that an important boundary is crossed, where accounting treatment starts to affect the real world. The need for PFI schemes to be non-separable has a number of adverse consequences. Non-separable schemes are, by definition, complex, and probably large - so reducing the number of firms which can compete for such projects, and hence reducing the competitiveness of the market. Moreover, complex, non-separable contracts are inherently more difficult for the public sector client to scrutinise effectively. Both aspects, therefore, are likely to reduce value for money for the public sector. In addition, the large size of non-separable projects reduces the number of local firms who can compete - with adverse effects for the local economy. In terms of getting schemes off the books, the government's strategy was very successful. Almost all PFI schemes were initially classed by auditors as off book: and while some of these judgements were later reversed on more detailed consideration, the upshot was that a large majority of schemes remained off book. As a result, of the more than £60 billion of capital assets in signed PFI deals by 2009, only £5 billion of this was reflected in departmental accounts, or in the public sector net debt in the national accounts. This is slightly to understate the eventual effect on public sector net debt, because there are timing effects at work here as well: schemes don't come into the accounts even if classed as on book until construction is completed. Nevertheless, it is clear that, under the present accounting treatment, PFI has apparently had a minimal effect in increasing the overall financial liability of the public sector: the important word here, of course, is 'apparently'.

It rapidly became clear that there were nonsensical aspects to this PFI accounting regime. For one thing, while most PFI schemes were off the government's books, many schemes were also classed by the private sector operators as being off their books too, since there were tax advantages in doing this. As a result, the capital assets of a large number of schemes were being accounted for in the books of neither the public nor private sectors. Further, it also became clear that the assessments of risk transfer which were being made were, in many cases, highly questionable. For example, it was very suspicious that the amount of risk transferred often turned out to be just sufficient to make the PFI option marginally cheaper than the public sector comparator. Following criticism along these lines, there was a general welcome for the announcement made in the March 2007 budget that government would be altering the way in which departmental accounts are compiled. Technically, what the government announced was that it was moving to

International Financial Reporting Standards as a basis for compiling departmental accounts, rather than the approach laid down by International Accounting Standards. For PFI schemes, this meant that the old risk-based test would be replaced by another test, under which the capital asset would come on-book if either the public sector retained a substantial right in the residual asset at the end of the concession period, or if the public sector controlled the terms on which the service associated with the PFI scheme was delivered to the public. Since most PFI schemes will satisfy both of these criteria, it was clear that the adoption of the new approach as from 2009 would bring almost all PFI schemes on-book as regards departmental accounting.

It was, however, premature to assume that this change was going to solve any of the substantive problems surrounding PFI accounting. First of all, as we have explained, departmental accounts are compiled to different standards than those ONS uses in compiling the national accounts. ONS quickly made it clear that the adoption of a new approach for departmental accounting had no implications for their handling of the national accounts - and that the new approach would not result in any greater number of PFI assets being included in the national accounts. Even at the departmental level, the Treasury announced in 2009 that it was breaking the link between departmental accounting and budgeting. Henceforth departments would have to keep two sets of books: for the purpose of producing their annual accounts, PFI assets would indeed be included, but as regards capital controls and budgets, the old risk-based test for PFI assets should continue: departments therefore have the same incentive to classify schemes as off book on the risk-based test, in order to avoid capital budget constraints. So, in fact, the widely heralded change announced in 2007 has solved none of the problems with PFI accounting. What has happened is a classic example of government having its cake and eating it: that is, professing the highest accounting standards, while acting in such a way that the effect of the standards is actually circumvented. It is interesting to note that the House of Lords Select Committee on Economic Affairs, which could not in any sense be described as an anti-PFI body, was nevertheless heavily critical of the way departments will in future have to run two sets of books for PFI.

We now turn to another important area of PFI accounting. When a PFI asset is accepted on the books, there also has to be a measure of the liability which the public sector has taken on to pay for that asset: how should this liability be assessed? At present, what effectively happens for on-book schemes, in both departmental and national accounts, is that the public sector accepts a liability equal to the capital value of the asset. But suppose that the stream of payments which the government had contracted to pay for the availability of the capital asset was actually worth more than the value of the asset? In these circumstances, counting just the capital value as the liability would understate the actual extent of the public sector's liability. At this point, we are entering into an area which can only be examined by looking at how PFI schemes behave in practice: and it is also an area where we ourselves have carried out some relevant research. Detailed information on how PFI schemes behave is very difficult to obtain because it is classed as commercial in confidence. We were fortunate to obtain, by means of Freedom of Information, the detailed financial projections produced by the operating consortia for eight PFI projects at the time when the final contracts for the schemes were signed. (We are grateful to Unison for obtaining some of

these projections). One of the things we were able to do with these detailed projections was to split down the stream of unitary charge payments into two components: one covering the cost of the services which will be provided as part of the PFI contract: and the other being essentially the payments which will fund the capital used in the project. It is this latter stream of payments which represents the liability which the public sector has undertaken in order to secure the availability of the capital asset. The problem is - how should this stream of payments be converted into a single figure representing the cost to the public sector? The appropriate way to do this is to calculate how much the public sector could have borrowed, for the same cost as the stream of payments, if it had gone down the normal public sector route of borrowing from the National Loan Fund. When we did the appropriate calculations, the results were fascinating. In each of the eight cases for which we have data, we found that the cost of the liability the public sector was taking on is much greater than the cost of the capital asset. In fact, in six of the eight cases, the liability was more than one and a half times the cost of the capital asset: and in three cases, the liability was effectively twice the cost of the capital asset.

These results do not mean that PFI is necessarily twice as expensive as public procurement: the public is also getting an element of risk transfer for the stream of capital payments. But for present purposes, what matters is that the liability being taken on by the public sector on PFI contracts is clearly commonly very much larger than the cost of the capital asset being provided. So even for on book schemes, which do feature in the national accounts, these schemes appear in a way which grossly understates the relevant liability. (For the avoidance of doubt, we should stress the point that the liability we are talking about here relates solely to the provision of the capital asset: we have taken payments for services right out of our calculation. There are, of course, significant contractual liabilities attaching to future PFI service provision too: but that is not the subject of this article.)

The PFI projection data we have obtained also shows something else very relevant: namely, just how profitable PFI schemes can be for those providing the equity component. In all of the eight schemes, the annual return on the combined input of subordinate debt and pure equity was 15% or more: and this was commonly earned on an average outstanding debt which was more than twice the capital actually invested. The relevance of this is that the equity capital providers are the primary risk takers: and if their returns are very large, the extent to which they can be said to be truly bearing risk is very limited. The phrase "having a flutter with public money" comes to mind, rather than meaningful risk transfer. The implication is that the extent of projected profit should be taken into account in the risk transfer test: in which case, many more PFI schemes would presumably come on book in national accounts terms.

Overall, what we have here is a sorry tale. Government, while professing adherence to the highest international accounting standards, has so managed things that the public finance liability for PFI assets has been grossly understated. Far from the trivial £5 billion PFI liability which currently appears, a reasonable view of the actual liability would be greater than £60 billion - perhaps much greater. The warning signal, which should have indicated the extent of this deepening liability as it was incurred, has been over-ridden. ■

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gassing the past

Ninety years after the British Government, gassed of civilians in Mesopotamia, Mark Hirst sheds light on this forgotten chapter of Britain's imperialist past to highlight the hypocrisy of British foreign policy then and now

Any exposed, moist part of the body is vulnerable to it. Gas masks alone will not deter its menace or protect the wearer from its deadly effects. On contact it causes burn-like blisters on the skin, especially the eyes, armpits and groin. On inhalation the lungs begin to bleed resulting in wretched, froth filled coughing. Severe abdominal pain follows, then violent vomiting and shortness of breath. It has a tendency to linger in low areas for hours, sometimes days, waiting like a predatory animal for its next victim. By the end of the First World War the reputation of mustard gas as a battle field weapon was both feared and hated by ordinary soldiers on the front line. During that bloodiest of conflicts it is believed to have killed upwards of 100,000 soldiers on all sides, and left a further 1.2million struggling with the effects for the remainder of their often short lives. My own great grandfather was one of its victims and although he survived the initial gas attack, he suffered the rest of his days with serious respiratory problems and complications which, years after the war had ended, finally claimed his life.

Following the end of WWI, the Ottoman Empire was divided up and the British entrusted by the League of Nations with the mandate to run Mesopotamia, now modern day Iraq. From the outset it was clear that people throughout the country, north and south; Kurds, Sunnis and Shias were angry about the imposition of the British mandate. What had started off as a series of peaceful mass demonstrations calling for an end to British administration and the establishment of an independent Arab government for Iraq quickly turned violent. The reaction of the British was immediate and ruthless, as it had been in Ireland, India and other corners of the Empire where the indigenous people dared to question Britannia's right to rule.

Major General Sir Percy Cox was the Colonial Administrator for Mesopotamia. In collusion with Churchill, Cox aimed to rule the region as cost effectively as he could but it appears that neither he, nor the Secretary of State for War, were prepared for the scale or the speed of revolt that began in that summer of 1920. Churchill had believed it would take 25,000 British and a further 80,000 Indian troops to control the country conventionally. But a strategy, dependent on using the RAF to 'police' the region, would allow the British to reduce the number of infantry needed to between 4,000 and 10,000 men. Churchill still had a watchful eye on the ongoing resistance to British rule in Ireland. He knew if the situation there escalated further then he would need at least 150,000 British troops to put down any intensified revolt at England's back door. However within a few weeks of what Arabs called the Ath Thawra al Iraqiyya al Kubra, or the Great Iraqi Revolution as it later became known, the British realised too late that they were ill-equipped to put down an uprising that was spreading rapidly down the length of the Euphrates valley. An air of panic appears to have set in as commanders frantically reviewed how they could deal with the 100,000 Arabs who were taking part in the uprising.

An urgent reappraisal was needed by the British on how to deal effectively with the emerging crisis in the region. Amongst the documents held at the National Archive in Kew, in Surrey, are papers, telegrams and contemporaneous secret ciphers which the British Government had sealed and kept hidden for more than 50 years related to the use of gas by British forces in Iraq. Churchill, as Secretary of State for War, read and contributed to these reports and secret telegrams from General Headquarters in Baghdad and soon realised the situation was drastic. In one telegram to the War Office in London Sir Percy Cox and his Deputy Colonel Arnold Wilson ask if gas could be used and specifically if 15,000 artillery gas shells at the time stored in Egypt could be transported urgently to British forces in Iraq. The papers reveal that the British already had 19,500 Howitzer gas shells in Iraq, but evidently believed that would not be enough to tackle the numbers taking part in the insurgency. Churchill was unequivocal in his response to a request from Sir Percy who requested "earnest consideration of use of gas... by both Army and RAF". Churchill writes:

"If gas shells for Artillery are available on the spot or in transit it should certainly be employed in the emergency prevailing. It is not considered that any question of principle is raised by such an emergency use of the limited ammunition of various kinds. As no question of principle is involved there is no need for a special declaration. The [Commander in Chief] should defend his positions with whatever ammunition is to hand."

In another declassified cipher from the War Office to Sir Percy, Whitehall unambiguously states it cannot send any more gas shells in addition to those it had despatched from Egypt. It reads: "We cannot send any more gas shells but you may use that in your possession".

In more recent times American academics have sought to claim that whilst the use of gas was fully authorised at the highest level it was never actually deployed by the British due to "technical reasons". However close examination of the contemporaneous papers demonstrates this is a distorted interpretation of the primary archive material from the period. As a result of the high dependency strategy on the RAF to 'police' Arab tribes there were experiments carried out to drop gas shells from aircraft, a technology that was very much in its infancy. British Commanders in Baghdad wanted this in addition to the use of artillery gas shells they already possessed. At the height of the revolt the technology for dropping gas shells from aircraft had not been perfected, due to various genuine technical obstacles. However it is clear from the documents that the gas munitions that the British had available in the region at the time and the additional stocks that were transported from Egypt were for use principally by the artillery, in support of RAF operations. The artillery had no technical difficulty in the use and deployment of gas having used it extensively in the trenches of France and Belgium since 1915.

The reason for the revisionism by US scholars who claim that no gas was ever used by the British in 1920, academic opinion which has been widely reported by the main stream Western media is obvious. Use of such practices, especially against civilians, would expose the blatant hypocrisy of US/UK foreign policy and undermine further the reasons given for the subsequent US/UK led invasion of Iraq in 2003. That campaign, the world was told, was to remove the 'threat' of Saddam's chemical weapons programme and infrastructure which he had used, ironically when he was a firm ally of the US and UK, against Kurdish civilians in Halabja in March 1988. Revisionist American academics and their associates in the right wing press had to present a consistent moral case to justify the invasion, despite the overwhelming weight of evidence that gas was indeed deliberately used against civilian tribes 60 years before Saddam's own horrific genocidal efforts. Like Saddam 68 years later there is absolutely no question that British forces were deliberately targeting civilians in 1920 using any and all munitions they could get their hands on. Many British commanders at the time believed it had an "excellent moral effect on the Arab". The British estimate that around 10,000 Arabs were killed during the most intensive three month period of the revolt. An RAF Wing Commander at the time, J. A. Chamier wrote a year after the uprising:

"The best way to demoralise local people was to concentrate bombing on the most inaccessible village of the most prominent tribe which it is desired to punish. All available aircraft must be collected and the attack with bombs and machine guns must be relentless and unremitting and carried on continuously by day and night, on houses, inhabitants, crops and cattle."

Even in 1920 the deliberate targeting of 'non-combatants' was regarded as a war crime under the terms of the 1899 Hague Conventions, to which Britain was a signatory. However British commanders in Mesopotamia concluded that the "Manual of Military Law" only applied to conflict "between civilised nations" and therefore any and all means could be used against Arab tribes and villages, and they were. "When we saw a group of villagers," wrote one RAF Squadron Leader, "doing what they ought not to be doing, we just bombed them." The attitude of commanders on the ground was not only shared, but encouraged and authorised at the highest level. Whilst some tentative questions of principle related to the use of gas were raised by some officers, the response from Whitehall was explicit. In one War Office minute Churchill states: "I do not understand this squeamishness about the use of gas. I am strongly in favour of using poisoned gas against uncivilised tribes."

Long after the rebellion against the British had been quashed, the punitive attacks and bombings by the Army and RAF continued against Iraqi civilians well into the 1920s. An eyewitness to one attack, Saleh 'Umar al Jabrim, said a British raid on his village in Southern Iraq in February 1923 where Bedouin were

celebrating a wedding left a woman, one girl and two young boys dead. Arthur Harris, 'Marshall of the RAF' during the Second World War who has been labelled by many an untried war criminal for his deliberate targeting of civilians in Dresden and other parts of Germany during the war, learned his 'craft' in Mesopotamia in the years following the uprising. As a young squadron commander Harris reported a mission he took part in over Northern Iraq in 1924 and wrote: "The Arab and Kurd now know what real bombing means, in casualties and damage: They know that within 45 minutes a full-sized village can be practically wiped out and a third of its inhabitants killed or injured."

When the US, in close collaboration with their UK allies established, funded and set the terms of reference for the Supreme Iraqi Criminal Tribunal that tried Saddam and his henchmen few Western 'liberal' commentators appeared bold enough to highlight Britain's own genocidal legacy in Iraq. Nor did they seem eager to mention Britain's horrific precedent as the first country to deliberately order the gassing of civilian populations.

Earlier this year Tony Blair sought to defend his actions in leading the UK into a clearly illegal war when he gave evidence to the Iraq Inquiry. Either he was, and remains hopelessly naive about Britain's historic and bloody role in Iraq, or he deliberately chose to overlook it. Either way Britain's hypocrisy was not lost in the Arab world. In defence of his decision to invade Iraq Blair told the Inquiry that it was clear Saddam retained the "absolute intent" to use chemical weapons again, weapons he patently did not possess at the time of the invasion. In 1920, unlike Saddam 83 years later, Britain not only had the capability, but it had the clear and absolute intent of using chemical weapons, by means of thousands of gas shells. The response to the Great Iraq Revolution of 1920 was a ruthlessly violent and typically British response that resulted in civilian men, women, children and entire communities wiped out. The documents from that period barely conceal the implied racial supremacy behind British Imperialist thinking at the time. They reveal a mindset at the very highest level of Government, up to and including Churchill which, ironically popular public perception generally associates with Nazi Germany.

Recent British military adventurism indicates that such attitudes against "uncivilised tribes" have not gone away. ■

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why no irish riots?

Donagh Brennan analyses the historical and contemporary reasons for the passive response of the Irish public to the savage public expenditure cuts

The situation the Irish Left finds itself in during the largest recession in the history of the Irish state and the greatest crisis in global capitalism since the Great Depression is not that different in terms of the challenges and limitations which face the left across Europe. The inability to respond to it in a collective way, as a mass movement of workers bringing forward alternative solutions and calling for real political and economic change is similar to a general weakness within various Left formations in any other European country. Of course, each country has its unique differences and the popularity and power of the Left in these countries varies. But even in countries where leftwing parties hold power, the policies of these parties more often than not adhere closely to what has been broadly termed the neo-liberal consensus - the orthodox economic faith in the ability of the markets to correct themselves and the need for them to be free from the interference of the state, the shrinking of taxes, the evisceration of the Welfare state, the reduction of wages to provide competitiveness and the conversion of national assets to private investment. And it is this consensus that is considered as being largely responsible for allowing the crisis to happen.

Prior to the crisis which we can say began in earnest in 2008 the decline of popular left-wing politics in general, either through the hollowing out of the centrist social democratic variety after the economic crisis of the 1970s or the inability of the further left to engender a mass movement, suggested that the stagnation of wages, the rise of credit and the financialisation of capital; the undermining of trade unions and the erosion of worker's rights; the spread of globalisation and the broad acceptance of free market economics was the new order, implacable; immovable. It was the end of history and the game was up on any alternative socialist society developing, we were told. This sense of an end seemed to be copper-fastened in the minds of many on the left with the fall of the Berlin Wall. After this we saw the left ceding discussion of the economy to the right and talking more of pragmatism, the need for 'realism' and the citizen as consumer. The left also made a cultural turn ditching political for cultural theory and as Walter Benn Michaels has recently argued, continuing to campaign for greater gender, sexual and racial equality which could be subsumed within the neoliberal orthodoxy while forgetting about class politics and the need for economic equality, which couldn't.

The increasing unification of global capital lead to popular leftwing support forming around the anti-globalisation movement, challenging multinational corporate power, protesting at the economic summits where the heads of governments gathered to discuss further selective market

liberalisation. But this movement was small compared to the majority of citizens who increasingly relied on the media to gaze into the glass chamber of representative democratic politics which through increasing centralisation of power operated more at a distance than ever. What did increase, in terms of political activism and party political involvement across Europe was the Green movement which drew in many of those who became disenchanted with the more well-established leftwing political movements. This is understandable as there was and still is, a compatibility between the need for the fairer distribution of the world's resources, reducing the excess that comes from an elite that demand that societies need 3% annual growth and the urgency to reduce the effects of man made climate change. However, there was also another trend for the left that went hand in hand with these other changes. Political activism itself was migrating away from political parties, where membership numbers were dropping despite the fact that they had been there to provide for all the concerns of the members, including educational, environmental, economic and social issues, to the lobby group and NGOs which campaigned on single issues.

So, the structure of all politics being mediated between the political class and the media now was modified slightly to make room for the lobby group, which when created by business groups was simply a coming above ground, but for the left meant an attempt to enter the discussion on policy by arguing that they were representative on individual issues rather than part of a broad-based political campaign. In the meantime

the citizen was left as the onlooker, staring into the glass chamber with increasing disinterest.

This general trend within the Left can be seen in Ireland as well: its Labour Party, Ireland's longest established party and traditionally social democratic, has through its overriding desire to enter the next government been pitching policy not so it appeals to workers fighting a class war instigated in the interest of those the government feels it must support, but so it is not incompatible with its most likely coalition partner, the centre right party Fine Gael, for whom privatization is a deity to be adored. Its Green Party having built up credibility as the party of protest consistently challenging the free run that capitalist interests had over the country and the environment, subsequently lost it completely when, as a coalition partner in government, it approved the NAMA bad bank scheme which provides banks guilty of serious financial misconduct with a means to escape the worst of their debt and keep them in business, despite the considerable burden on future taxpayers. Its other left-wing party in the Dail, Sinn Fein, a republican socialist party in the

the combined worth of the top 100 richest Irish individuals was the equivalent of one fifth of Ireland's GDP. In the United States, the 100 richest Americans were valued at just one twentieth of all US economic activity.

South, spurned by Labour because of Labour's legacy of anti-Republicanism and its distaste at the involvement of the party in the Northern Ireland conflict, but which in recent years steadily increased its working class support up until the general election in 2007. Although its policies are the most to the left in the Dail, it seems that the inconsistency brought about by Sinn Fein in coalition with the DUP in Northern Ireland, and the maintaining of a single party leadership across the whole island has prevented an expected increase in support from happening (a May 2 poll showed Sinn Fein support dropping by four points to six per cent, the same level as the Green Party, with the Labour Party ahead of Fianna Fail for the first time). The further left, the Trotskyist organisations such as the Socialist Party (formerly Militant Labour) and the Socialist Workers Party (including People Before Profit) gets only marginal support among workers, and remain ideologically very much the children of their parent organisations in the UK. However, it and various Anarchist and Socialist Republican groups have been at the forefront of the Anti-War Movement, The Shell to Sea campaign, Anti-Globalisation and the No to Lisbon campaigns. It's Unions, NGOs and lobby groups and the only leftwing think tank, TASC, provide representation, campaigns and detailed policy documents for a broad array of workers, but at the moment do not provide a co-ordinated front.

But Ireland, a small island on the periphery of Europe with a population of only four million within its southern borders, has a tendency to see itself as unique. Its self image is one that allows it to portray itself as having more importance and differences than it would seem to have considering its size and position, history and traditional political structure. It also has a tendency to talk itself up, imagining itself dipped in some sort of magic fairy dust that allowed it to top every indicator the Economic Intelligence Unit could formulate. During the scally years (the period between 2000 and 2007 when economic growth was no longer based on growing exports and productivity but a credit and housing boom spurred by government tax breaks to the construction industry) of "Celtic Tiger", Ireland regularly was listed by magazines like The Economist as one of the best places to live, where the population were the happiest, which had the highest per capita growth in the EU, the fastest growing economy, the best conditions for attract foreign direct investment, the lowest corporate tax in Europe and where in 2004 the combined worth of the top 100 richest Irish individuals was the equivalent of one fifth of Ireland's GDP. In the United States, the 100 richest Americans were valued at just one twentieth of all US economic activity. These entrepreneurial giants from our Lilliputian Island, which had been a British colony for 800 years were now buying up expensive hotels in London and New York, investing in football teams, race horses and extensive property developments in far-flung places like Dubai.

And then the crash happened. The property bubble upon which a good proportion of the Irish economy relied collapsed, and we were still unique. Ireland was the first country in the Eurozone to enter recession. We now have the highest unemployment in the OECD, the highest deficit in the EU (higher than Greece), we provided the biggest bank bailout in Europe in terms of the level of indebtedness placed upon the individual taxpayer and have the highest drop in house prices. We also might have the largest number of unoccupied houses - no official figures exist, but the country is littered with ghost estates and recent estimates have placed the potential overhang at over 100,000. We're also unique

in the EU by being the first to impose austerity measures, the first to cut social welfare payments, public sector pay and jobs in the public service, the first to cut... the list goes on.

These measures have brought about protests and industrial action, anger and resentment towards those still in government who oversaw the policies that are considered to be largely responsible for the scale of the recession in Ireland. However, despite a rather naked class war-style campaign - involving much of the media, the not inconsiderable help of the Ireland's state funded Economic & Social Research Institute and the government - against public sector workers in particular in an attempt to reduce pay across the economy, much seems so far to have been tolerated too. In April 2009 after the first emergency budget in which cuts were imposed the Irish Times reported: "Speaking at the Irish League of Credit Unions conference in Killarney on Saturday, Mr Lenihan, the Minister of Finance said other European governments would not have been able to impose the kind of pain the Government had. In France, you would have had riots if you tried to do this", he said". Since then the pain of austerity has been meted out to Greek workers, and their response was to riot. In February 2010, the Greek protesters chanted "we are not Ireland, we will resist".

Why could Brian Lenihan speak so confidently? The reason is complicated, of course, and there are historical, cultural, social and political reasons for this too. But the main reason is we have been unable to face up to how Ireland is economically structured and we have a less well defined Left identity because of that. Generally, those who are interested or involved in leftwing politics in Ireland, but who are aware of the history and politics of the left in other countries think that Ireland is unique. The left in Ireland has consistently been uniquely small, uniquely marginal, and uniquely weak. Ireland is a country that has shown rebelliousness but not is not known for its political radicalism. However, in other nations with strong Catholic oligarchs the left is considerably larger and stronger - even though in the case of some they have for a time been controlled by fascist dictatorships (Although I acknowledge that those two things may be connected). These include Portugal, Italy, Greece and Spain, all countries that today are grouped together as the economies on the periphery of Europe considered by the terms of the Maastricht Treaty to be prone to high deficits and weak growth. During the era of cheap credit these previously debt-prone economies surged ahead, but such development was built on air, and the export-led economies of France and Germany benefited from a rising of incomes in these countries (A recent open letter written by a group of economist and organised by The European Trade Union Institute stated "the loss of competitiveness by Greece and a number of other countries, including Spain and Ireland is the mirror image of an increase in relative competitiveness by others, notably Germany, Austria and the Netherlands. The latter countries could not have increased their net exports without the faster demand expansion in the former group, which, it is often forgotten, were also responsible for much of Europe's economic and jobs growth in recent years, while demand and output growth in the surplus countries has been sluggish. The problem is symmetrical and the solution must be as well."). Once the means of that development was cut off, however, the economies are left to freefall.

Government officials in Ireland in recent times have tried to stress that unlike those countries they have done what was required of them within the growth and stability pact. They have,

by their own reckoning, impressed the markets by imposing austerity through cuts in government spending and increased national 'competitiveness' by encouraging the reduction of wages across the board. But many analysts from outside Ireland still put Ireland in that group, now called PIIGS, the extra 'I' referring to Ireland. This is because of the high cost of servicing a deficit that increased to 14.3% recently because the EU Commission considered that money used to bail out Anglo Irish Bank, a relatively small Merchant bank geared towards property development (and which stands accused of severe malpractice and a too strong connection to Fianna Fail, the main party in government) represented spending and not investment - the money put into this bank will never be seen again. In addition, Ireland is considered part of that group because it has provided no plan for developing further growth with which to repay this debt. Instead it has chosen to deflate the economy, an action that has a disproportionate effect on the low and middle income earner. This could potentially trigger a debt crisis, as we join Greece, Spain and Portugal as one of those countries to have its credit rating once again graded down. The market they were supposed to have placated might yet start to swoop on us through the contagion effect where a country is considered not to have the means to repay its debt.

In a New York Times blog posted at the end of April it stated that officials from Standard & Poor's said: "...the main reason for downgrading the debt of Greece and Portugal was the prospect that forced austerity packages would be an even bigger drag on economic growth. It is the most vicious of circles: stagnating economies are forced to cut back more, which reduces their ability to generate revenue and thus pay off their debts. As part of the euro zone, these countries do not have the ability to print their own money to stimulate growth and bolster exports, so increasing debt and an increasing prospect of default result."

In the sovereign-debt crisis which has led to the increase of the spread between Irish bonds and those of Germany recently, Ireland is considered to be next in the firing line after Greece, Spain and Portugal. The only thing keeping it at bay at the moment is the fact that we have large cash reserves built up through earlier rounds of borrowing. The National Treasury Management Agency (NTMA), the authority responsible for manages assets and liabilities on behalf of the Irish Government, has decided to skip next months bond issue in the hope that the market will stabilize. So, while we try to consider ourselves as different from these economies, others outside of Ireland keep on lumping us together. There is one difference however, that can be made between these countries and ours. While the Fianna Fail government after the ending of the Second World War famously offered their condolences to Germany on the death of Hitler, Ireland has never had a dictatorship. Yet it has remained in the grip of a conservative elite that has retained a hold on political, economic and to a degree social power since the formation of the State in 1922. Maybe Ireland, having already shaken off the yoke of one oppressor and heading straight into a civil war, was not in the mood to accept a dictatorship, despite the machinations of General Eoin O'Duffy. However, it could also be that there was no need for it.

The outcome of the Civil War, we are commonly told, is the reason why Ireland is dominated by two factions of the Right, Fine Gael, who won the Civil War and formed the first Cumann Na Gaelheal government and Fianna Fail which was founded in 1926 by Éamon de Valera, who led anti-Treaty Sinn Féin during

the Irish Civil War (1922-23). The third element of Irish political life during the establishment of the Irish state was The Labour Party, which was formed in 1912 by James Connolly as the political wing of the Irish Trade Union Congress. They provided the party of opposition when Dail Eireann first sat, as Fianna Fail did not recognize the new government. To get an essence of this time from a left perspective it is worth reading Ralph Fox's account of the political and economic situation in Ireland in 1924. But what is singular about it is how he illustrates that the new Ireland was an attempt not to change anything, but to keep the system as it had been under British rule. He highlights the construction of a false identity - that of the Irish people as a race apart who have successfully won their independence from the Empire, and by creating a Republic have also shaken off the economic structures and conflict that came with them. Accepting the image and not the reality continues to blinker the left to this day.

We can see that the people who moved into power were at the top of the Irish capitalist class and those in the first Cumann na nGaedhael government who supported them. But what is highlighted here also continued in some form in successive governments. Ireland was a colony, and after Independence the colonial relationship with Britain continued, and to some extent still does. When Fox says "and now they depend upon England and upon finance for support" he is pointing towards how that structure was maintained. Michael Burke an economist who has been writing on the Irish economy recently put it this way: "At the time of Ireland's Partition, 98% of the South's foreign trade was with Britain, chiefly the export of live cattle. The entirety of Irish official economic policy was for decades aimed at maintaining the dominance of the big farmers who served the British market. However, diversification was forced on Ireland, not least by Britain's relative decline."

It is also not by pure chance that partition happened the way it did. As Burke also points out Britain retained Belfast and the North East, which had developed much the way of industrial centres such as Liverpool, Glasgow or Manchester had: "Shipping, linen and, latterly, aircraft appeared to place Belfast on the same footing as the industrial centres of Glasgow, Manchester and Liverpool with which it traded. It was wholly unlike most of the rest of Ireland, even the nearby counties in the North, which mainly rested on agriculture. Most of Ireland, it was often said, had been cleared of its people to make way for England's cattle. As a result the majority of Ireland, the oldest capitalist colony was also an archetypal one." So the south was left with a largely agrarian capitalist base, one dominated by the large farmers who were favoured, as the Irish orthodox historian Mary E. Daly puts it "at the expense of smallholders and increased spending on unemployment, housing, or industrial development was ruled out." This favouring of the large farmer can be seen as part of economic policy of the Free State. For a more detailed discussion of this I direct you to Conor McCabe's work in which he shows how Ireland's economic policy in the Free State was a continuation of the status quo that existed prior to partition (www.irishleftreview.org/2009/11/30/lights-city/). However, in this context it is worth providing a small quote from his article: "In 1924 Irish exports stood at £51.58 million. £50.59 million was comprised of trade with Britain, 86 per cent of which was made up of agricultural, food, and drink sales. The minister for agriculture, Patrick Hogan, stated in 1924 that "national development in Ireland for our generation at least is practically synonymous with agricultural development." However, what

Hogan meant by "agriculture" was not tillage, nor even mixed-farming, but cattle and grazing. Furthermore, the maintenance of the already existing state of affairs is not development. It is exactly what it says it is: the status quo as economic policy."

That this policy became the mainspring of later economic policy can be seen in one singular fact: Ireland's new currency, the Punt (Irish pound) remained on one-to-one parity with Sterling until 1978, and we were the last of the former colonies to finally make the break. As Patrick Honohan, an economist who is widely considered to be an expert on Irish banking - and is the current Chairman of the Irish Central Bank - put it in a recent paper: "For over half a century after Independence, Ireland maintained a one-to-one currency peg with sterling. At first, this was not an unusual position for an ex-colony. But, one-by-one, each of the former countries of the sterling area abandoned such a link, typically very soon after independence. Some countries were motivated either by economic nationalism or a desire to exploit the apparent pro-growth potential of an autonomous currency. The break in other countries was driven by unsustainable expansionary money-financed fiscal policy. By the end of 1978 Ireland was the only former sterling area country to have maintained an unchanged parity since independence."

While Honohan details the qualms various Irish officials down through the years had about breaking the Sterling link he does not explore how this illustrated a continuity of the colonial economic structure. This is despite that fact that he all but spells it out. In another article, "Using Other People's Money: Farewell to the Irish Pound", written for **History Ireland** he points out that it was not until 1942 that Ireland established a Central Bank with extensive powers, preferring up to then to work with a currency commission "on the long-established model of British colonies". These new powers, however, were little used and "the one-for-one sterling parity of the Irish pound never came under threat". Honohan then goes on to ask whether such a link was a good idea since it blinkered Irish exporters from seeing opportunities in new dynamic markets further afield. What we have seen is the continuity of an economic policy which favours those who had the most economic power within the country, one which is based on the pre-existing colonial structure of the economy and which benefits an oligarchy of large farmers disproportionately.

In Ireland in 2010 it is typical to hear complaints about how the current economic crisis was brought about by Ireland's unique form of crony capitalism where a cosy relationship between certain members of the elite and politicians led to short-term interests taking over from the greater good of the country. In his leader's speech at the Labour Party conference in Galway on the 17 of April, 2010, Eamon Gilmore made the following point: "We could spend all night complaining about why and how it happened. How greed was allowed to win out over the generous instincts of the Irish people. Why self-interest was promoted over our natural inclination for friendship and working together. How an arrogant, and inside, clique hijacked our country." It is a point of view that very few would disagree with, and it was a political

Ireland's self image is one that allows it to portray itself as having more importance and differences than it would seem to have considering its size and position, history and traditional political structure

speech in which he announced his party's desire to lead the next government (A suggestion that is now less implausible now that they are ahead of Fianna Fail in the polls - just). But its lack of depth mirrors a general analysis among the 'liberal' left that chooses to personalize the crisis as the errant ways of particular politicians and business people. In his recent bestselling book on the cause of the crisis, **The Ship of Fools: The Sinking of the Celtic Tiger**, Fintan O'Toole provides the reader with some background to the "Celtic Tiger" by showing how in the mid 90s the economy was performing well prior the first FF/PD government coalition in 1997. He then says that the figures of Charlie McCreevy, Mary Harney and Bertie Ahern, through their "sheer idiocy" and "macroeconomic illiteracy" managed to blow this boom. "This stupidity was not about a lack of intelligence: McCreevy, Harney and Ahern were all very bright people. It was induced by a lethal cocktail of global ideology and Irish habits. On the one side, so-called free market ideology held government in contempt. When McCreevy boasted of spending money when he had it and not spending it when he didn't, he was expressing a deeply held belief that it was not the business of government to interfere, for good or ill, in the workings of the economy. More broadly, if you believe, in accordance with the doctrines that dominated official thinking, that government itself is essentially evil, the very idea of using political power to effect the long-term transformation of a society is anathema."

This analysis, designed to produce clarity, actually creates a smokescreen for how economic power works in Ireland. It creates an alternate reality where it is "foolishness" of individuals, or the blindness of their particular ideology (as opposed to the majority of politicians in Dail Eireann who shared it to a greater or lesser degree) that was responsible for taking what was a fundamentally sound economic system and wrecking it for everyone. What it fails to do, and what so much analysis on the Irish left fails to do, is to look at the reality. To see the power structures, the class dynamic, the interplay of forces that produce a similar outcome time and again. We are told a lot of things about Ireland's economy. How we are a small open economy, a unique case in Western Europe which has to be treated differently. We can't stimulate our economy because any money pumped in would be spent on imports. How, in contrast to the North of Ireland we were not able to build an industrial base, so leading to uneven capitalist development with taking into account the interplay between industrial and agrarian capitalism. We are the victims of "Irish habits" and "crony capitalism" but no explanation or curiosity about how these developed is provided.

If the Irish left is to respond to the current crisis in a coherent way, and if a solidarity to be found which can build trust across the working class and challenge those currently in power and stop them acting only in the interests of those who they have always supported, then we have to look at the reality and build from there. ■

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web review

Henry McCubbin

This edition we've been looking at local authorities, particularly our four largest cities and at the different ways in which they allocate and manage their resources. There is no doubt that the SNP administration at Holyrood has kept to their word that they will give local authorities greater freedom in the prioritisation of their allocation of resources. Reminding me of the old warning, "beware of what your demanding for you may get it".

This policy has often worked against the SNP as the blame for disputes over local issues can often be landed at the door of central government when local interest groups notice that an adjoining authority is more generous in their allocation of resources to a particular client group than their council

happens to be. This frequently leads to an appeal for central government intervention in the interest of territorial justice. However meaningful comparisons of how fairly resources are allocated are hampered by the lack of meaning statistics being readily available to the public.

With budget allocation being the most important task for local authorities it is remarkable how little advanced information gets into the hands of general public prior to decisions being made. Much of this can be motivated by the councils making sure that campaigns by local citizens to save favoured local amenities from the axe are unable to get up a head of steam before the budget meetings of the council. As for true figures

for the cost of PFI projects commercial confidentiality is used time and time again to trump freedom of information. When we consider the constraints about to be thrown round council expenditure in the next decade perhaps we should demand that central government makes it mandatory that local authorities publish both their actual budget figures in a meaningful year on year, population on population and territory on territory, comparative manner between authorities, this to be done via the council's web sites. If you want to see what is available on these sites at present with regards to the four largest cities you will find them at:

www.glasgow.gov.uk/en/YourCouncil

www.edinburgh.gov.uk/internet

www.aberdeencity.gov.uk/home/home.asp

www.dundeecity.gov.uk/

What ever happened to our trades councils? One distinctive aspect of Scottish trades unions was always that of the Trades Councils so whilst looking around the City web sites I searched for our trades councils' engagement with the internet. Aberdeen trades union council still exists at 13 Adelphi but does not have an internet presence. Edinburgh TUC is still in Albany Street and has its own web site at www.edintuc.org.uk. Glasgow has the Glasgow Trades Union Council based at the STUC in Woodlands Road but no web site. But the winner is.... Dundee. Dundee TUC has a lively up-to-date website. I think I can detect the hand of Mike Arnott in there. The web site can be found at dundeetuc.org.uk/index.htm.html. ■

SCOTLAND HAS TAKEN THE LEAD IN TRANSFERRING FREIGHT TO RAIL

ASLEF WILL DEFEND THE INDUSTRY AND ITS JOBS THROUGH THE RECESSION

CLEANER TRANSPORT FOR A BRIGHTER COUNTRY



Keith Norman
General Secretary

Alan Donnelly
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Kevin Lindsay
Scottish Officer

ASLEF the train drivers union - www.aslef.org.uk

Kick Up The Tabloids

MUNDELL TEA CHALLENGE FEARS

So, the 2010 General Election is over, and the voice of the British people has been heard. And it's been heard to say "I'm not really sure who I want to run the country". It's coming up for midnight on Monday 10th May, so by the time anybody reads this piece it is likely to be ridiculously dated. Events are moving so fast, I have had BBC News 24 on continuously as I've been writing over the last few days and so far have to start all over again at least three times

At the time of writing, as Gordon Brown resigns, the only thing that is certain is uncertainty. All we do know is that David Cameron has one eye on trying to form a minority government and one eye on a coalition with the Lib-Dems. Nick Clegg has one eye on a deal with Tories and one eye on a pact with Labour. And Gordon Brown has one eye.

Things are particularly unclear in Scotland. For example, if the Tories do form a government, who will be Secretary of State? After all, they only have one MP north of the border, and he's reported to be too half-witted to hold office of any kind. One suspects, that the Tories will try to seek some kind of deal with the Lib-Dems that would allow a Scottish Lib-Dem MP to be Secretary of State with David Mundell being the bloke who makes his tea, if they think he's up to that level of responsibility. Although, they could always give the job to Charles Kennedy, who would be unlikely to want to drink tea in the first place.

One thing we do know for certain, of course, is that after May 6, many MPs will be giving up politics, temporarily or otherwise, due to the voters' whim. However, this doesn't mean we won't be seeing them again. One suspects that Lembit Opik and George Galloway, to cite the two most obvious examples, will be getting their faces on the telly just as much, if not more, than they were before the Election. This is nothing new. British TV boasts a bizarre cast-list of ex-MPs who have gone on to be media whores, Robert Kilroy-Silk being the most revolting example.. There have been equally bizarre re-births in the opposite direction, from TV to parliament, Gyles Brandreth and Clement Freud being the most obvious examples in recent memory. Fortunately for the people of Luton, Esther Rantzen did not join their number.

It's not just the career-change that is remarkable in the politician-to-media journey, it's also the personality transformation. For example, one-time right-wing Tory minister Michael Portillo and sometime left-wing firebrand Diane Abbott appear the very voice of reason when they cosy up

together on the "Daily Politics" sofa. Having said that, anyone is going to appear reasonable when they're sharing screen-time with Andrew Neill. And of course, we have The Prescotts, John and Pauline, who have embarked on an entirely new career at a time of life when one could reasonably have expected them to be starting to take things easy. When watching their series of documentaries on the British class system, it struck me that they were naturals for TV but had landed up in the wrong genre. I would suggest that their natural home is soap opera. She looks like she should be pulling pints at the Rovers Return and he resembles some hideous barely-credible hybrid of Fred Elliott and Jack Duckworth.

But back to the election. In the view of many people, the turning point for Gordon Brown was his showdown on the streets of Rochdale with 66-year-old pensioner Gillian Duffy, whom he described as "some kind of bigoted woman". Which pretty much hit the nail on the head, in my opinion. She was undoubtedly a woman. And anyone who asks what the government plans to do "about people flooding in here from Eastern Europe" is undoubtedly some kind of a bigot. I think his only mistake was apologising to her. Gillian Duffy who claimed to have voted Labour all her life (as if this in itself was some kind of proof that she is not some kind of deranged racist) then went on to sell her story to that totally impartial newspaper The Daily Mail, a publication read by millions of "lifelong Labour voters" and well known for its liberal views with on immigration.

But the real big question to emerge after the polls closed was what happened to the so-called "Lib Dem bounce"? One week opinion polls suggested they could have the largest share of the vote, but come election day they were down to 25 per cent and lost seats. The answer, of course, is that people lie to opinion pollsters. People who are too ashamed to say to a stranger that they're voting Conservative, but who in the privacy of the ballot box will do just that. Voting Tory is like domestic abuse. Nobody is ever going to admit to doing it, but statistics prove it does happen quite a lot. ■

Vladimir McTavish's is performing his oneman show The Top 50 Greatest Scots of All Time Ever at The Stand in Edinburgh on Tuesday 15th June. His book of the same name is available now in bookshops and on Amazon.co.uk

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