

THINGS TO MAKE AND DO

a left economic strategy for Scotland?

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Comment

Question: why do left-wing political parties find it so hard to gain power? Answer: it's the economy, stupid. There is a nexus of power which protects itself from egalitarian reform through ownership and control (media ownership, campaign finance, expensive lobbying and so on), but it is the one issue of how work and money will be organised which is by a long way the most damaging Achilles heel of left-wing politics. Many people are sympathetic to the position of the left on a surprisingly wide range of issues. Many people are very unhappy with the way the world they live in is organised. In turn, they also tend to sympathise with the left's analysis of what is wrong. But when it comes to actually changing the economy, this quickly turns into the kind of sympathy we have for Harold Lloyd; yes, he's a nice chap, but we fully expect him to break or destroy everything he touches. So just as we would like him to do well but wouldn't trust him to take our dog out for a walk, so a lot of people would like the left to run our social services but would never trust them to run the economy. And until this changes, the world won't.

There are many reasons why this is the case, from the distortions and lies (and crucially the omissions) of the media to the aftermath of the Soviet experience. But there are two reasons for this which it is particularly worth exploring; the economic illiteracy of almost the entire population of the globe and the resultant demoralisation of the left on economic issues.

Most people don't understand how the global economy works. For 'most people' you can substitute 'virtually everyone', including almost all politicians, pretty well every journalist bar a few specialists, the vast majority of businessmen and indeed a disconcertingly large proportion of economists. Most people still think of economics in terms of **making** things and then **selling** and **trading** these things. This is where their ignorance of economics springs from. This might once have been a reasonable starting point for understanding economics, but it hasn't been for decades. By 1995, 95 per cent of all global financial transactions had nothing to do with making

or selling anything. They were neither trade transactions nor investments. They were purely speculative. Almost every financial transaction in our global economy is completely and entirely speculative; someone gambling on something (will a currency value rise or fall, will house prices rise or fall, will shares in a company rise and fall). Intuitively we feel that this money must surely be doing something useful, but it isn't. Of those 95 per cent of financial transactions which are entirely speculative, 80 per cent of them return in precisely the opposite direction in less than a week. That is to say that if on Monday someone bets on the Yen going down, by the following Sunday most of that money will be bet straight back on the Yen going up. Ninety five per cent of all the money zooming around the world flies straight over the top of factories, shopping centres, construction sites, hospitals and schools, headed straight for what is little more than a roulette wheel.

Crazy? Well, it gets crazier. In fact, the amount of money being gambled every day on international money markets is larger than the total cash reserves of the seven biggest economic powers. Put simply, every day the developed world is betting more money that it has. Alasdair Gray puts it quite nicely:

Economics: Old Greek word for the art of keeping a home weatherproof and supplied with what the householder needs. For at least three centuries this word was used by British rulers and their advisers to mean **political** housekeeping – the art of keeping their bankers, brokers and rich supporters well supplied with money, often by impoverishing other householders. They used the Greek instead of the English word because it mystified folk who had not been taught at wealthy schools.

But it works, right? Well, if you ignore most social and environmental indicators and consider only the business of profit and Gross Domestic Product, it possibly does. So long as you also omit the crises - in the seventies and early eighties (which we now call the 'oil crisis'), in the late eighties and early nineties (a 'housing slump') the one which started in the very late nineties (a 'dot com bubble bursting') which has metamorphosed into our current 'pensions crisis'. Four major failures in under three decades? And all of them to be blamed on some 'external factor'? If this happened in a socialist

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Printed by Clydeside Press (TU)

economy the right-wing commentators would be queuing up to crow about how socialism doesn't work. It is simply the fact that, because no-one really understands **how** the economy works, they have no facility for judging **if** it works.

The second great ignorance is the idea that this system has now reached a stable, consistent state which makes it inalterable. This is simply not the case. In 1971, 90 per cent of global financial transactions were 'real' (trade or long-term investment) with only about 10 per cent being speculative. It was the economists around the Nixon administration who began to dismantle the post-war capitalism, which had been created in large part because of the FDR reforms of the depression, and have turned it into the mutant hyper-capitalism of today. They changed the rules and the regulations which helped to keep the stupidities of capitalism in check and it took less than 25 years before 95 per cent of global transactions were pure gambling. We have a completely different kind of capitalism now than we did 30 years ago. The rise of off-shoring – outsourcing manufacturing to countries where labour costs are lower – is in fact the smallest part of the change. That shift is only in scale – cheap jobs have always moved to where labour is cheap, it's just that this used to be within one country. A recent article by Jack Rasmus demonstrated that in America most indicators of wealth and wealth distribution have reverted to the gross inequalities of 1929, the year the great depression started. (In 1970 the richest 13,000 Americans owned 100 times average income, now they own 560 times average; the richest ten per cent had a 33 per cent share of income, now they have 48 per cent; over this period the richest 13,000 households saw their share of wealth increase 500 per cent; in the early '80s the typical CEO earned about 40 times the average salary in his organisation, now it is over 400 times. All of these indicators are very close to the 1929 situation.) And this doesn't even raise the question of who is strong and weak in this economy. For example, few people realise that the Euro-zone economy is almost as big as the US economy, or that the EU economy is much bigger. Or that most trade is still local rather than international. Or that far from being untouchable, the US economy could be bankrupt in a matter of months if currency reserves switched to Euros.

The consequences of economic ignorance are great and enable the most grotesque distortions of reality, leaving a tiny group of the powerful free to rob from the rest of us **with our permission**. But the consequence which this issue of the Scottish Left Review seeks to address is the nihilism of many on the left when it comes to economic change. Far too many of us have been persuaded by this distorted reality. People believe that they would have to pull down a stable and effective (if cruel) system which has worked well since the days of Adam Smith. They think they have to have a detailed and foolproof plan for what comes next. And so too often they think the whole thing impossible and turn instead to other issues.

But this is entirely wrong. Not only is capitalism perpetually changing, it is entirely different in different parts of the world. Scandinavian capitalism is different from Indian capitalism, capitalism in Europe and America function differently, and in fact the most effective capitalism in the world just now is actually nominally communist (China). It is not really true to say that capitalism can change; it is much more accurate to say that it will and must change, or even to say that it is changing right now. It is also wrong to suppose that an economic system must work in theory before it works in practice; indeed, quite the opposite is the truth. It cannot be reiterated enough that if you were to try to persuade an economist from the 1960s to support a change from the economic system they had then to the one we have now, they would laugh at you and tell you it would never work. There is something very wrong when the global economy is a basket case and it is its opponents who are on the defensive.

As always, the Scottish Left Review wants to get its readers thinking, and to put forward ideas for how things can change. Scotland does not on its own have the range of powers needed to affect a major change in how our economy works (indeed, it is possible to debate whether any individual nation state does any more), but that does not mean meek acceptance. There are steps we can take now to change the nature of production, consumption, trade and employment in our country, and there is much we can do to generate confidence in the possibility of change. A necessary first step is that we ourselves believe this. We are not merely observers; there are things to make and do. ■

feedback

For some time I have been concerned about ID cards and I wrote to my local MP, Alistair Darling, the Scottish Secretary outlining these concerns. Eventually I received a letter via Mr Darling from the Home Office saying the following:

“The Government has made clear that it does not consider that an entitlement card scheme would have a significant effect in combating terrorism in the United Kingdom.”

Despite this letter both David Blunkett and the Prime Minister have repeatedly made a false case for ID cards based on the supposed threat of terrorism. Further on in the same letter, the Home Office wrote:

“Finally, the Government has already ruled out a scheme where it would be compulsory to carry a card and will not be consulting on this option.”

In fact the Government’s scheme will be compulsory in England and will eventually no doubt be forced on Scotland as well. Jack McConnell, with his customary gutlessness, has passed a Sewell motion on the issue, passing the buck to Westminster just like he does with any issue he can’t make a cheap headline

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from. Incidentally, the drift of powers to Westminster by Sewell motion suggest that our devolved parliament is dissolving by degrees. The Lib-Lab Executive simply does not have the guts to fight Scotland’s corner on this (or any other) issue.

Mr Blunkett resigned this evening. I for one won’t cry any crocodile tears over his political passing. He has passed copious amounts of unnecessary legislation, all aimed at undermining individual liberty. The fact that his department can officially say one thing while he says the exact opposite is an absolute disgrace in a parliamentary democracy. The Tories are no better than Labour on ID cards. Despite initially pretending to have ‘concerns’ about them, Michael Howard has been quoted across numerous newspapers repeating the same rubbish as Mr Blair and Mr Blunkett. This Government is intent on attacking basic rights for everyone and unfortunately whoever replaces David Blunkett as Home Secretary will no doubt follow the same misguided agenda. Scotland’s only chance to break free from the corrosive interference of the Labour and Tory culture of fear agenda is to vote for independence at the next UK election. ■

Joe Middleton

scotland’s hospitals – the way ahead

A successful conference on the increasing trend of closures of local hospitals and centralisation of services was held on 6 December in Strathclyde University. It was organised by Socialist Health Association Scotland, Scottish Left Review, Public Interest Research Network, Strathclyde’s Geography and Sociology Department and UNISON Scotland. Interestingly, none of the medical colleges and organisations in favour of centralisation was able or willing to send speakers. The overwhelming view of the politicians, health professionals, campaigners and members of the public attending the conference was that centralisation is driven by financial constraints, short term staffing problems and for the convenience of consultants. Detailed sources were given that for the majority of common medical and surgical conditions, there is no statistical evidence of poorer clinical outcomes for patients in small compared with large hospitals. Here are a few quotes from speakers and audience:

- “Between 1990-1991 and 2002-2003 Scotland’s hospitals lost 22 per cent of their adult acute beds and 41 per cent of their geriatric beds.” (Dr Matthew Dunnigan)
- “My constituents in Dumbarton have to pass three hospitals in Glasgow to travel to Paisley Royal Alexandra Hospital. Argyle and Clyde health board is divided by a river estuary. The configuration of health boards has to be re-examined. Centralisation appears to be about the convenience of consultants, and not patients and their families.” (Jackie Baillie, Labour MSP)
- “Paisley Royal Alexandra Hospital and Glasgow’s Southern General Hospital are only six miles apart; centralising hospitals so close is mad.” (Audience member)
- “Experience in the Highlands has shown that with modern

Conference report by Bob Thomson

technology general surgeons can provide safe care.” (Dr Eleanor Scott, Green MSP)

- “Lanarkshire has three district general hospitals. There is evidence the Health Board would prefer two. Hairmyres and Wishaw have been built and run by PFI, and can’t be closed without a financial scandal. That leaves Monklands. However, that is in the English Health Secretary, John Reid’s constituency – don’t expect to hear anything before the next general election!” (Caroline Leckie, SSP MSP)
- “The planned closure of Stobhill Hospital is the wasteful destruction of a valuable asset. Our NHS needs more, not less resources.” (Dr Jean Turner, Independent MSP)
- “Successive governments have provided little or no vision for the health service in Scotland. Difficult decisions have been left to unelected, unaccountable health boards which consistently ignore the views of local people.” (Shona Robison, SNP MSP)
- “There is a lack of logic about centralisation. The medical colleges argue about the current scarcity of health professionals, but we are told this is being tackled and planning must be based on future needs not short-termism.” (Pat Lally, Glasgow South Health Campaign)
- “Politicians and health boards have known about the European Working Time Directive and its implications for more than ten years and done nothing and are now using it as an excuse for closures and reducing services.” (Harry Proudfoot, Ambulanceperson)
- “There must be an urgent investigation into why despite substantial increased funding output in the NHS in Scotland has declined.” (Isobel Lindsay, audience member) ■

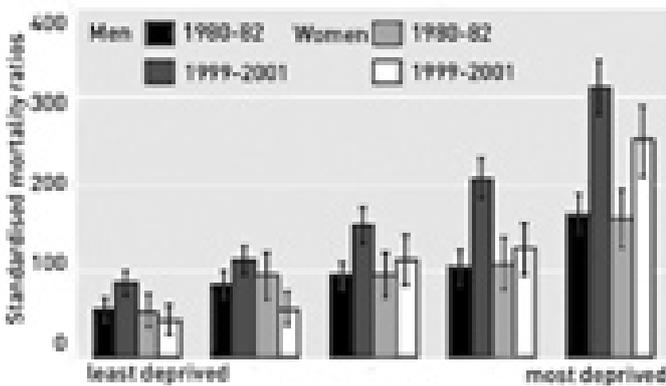
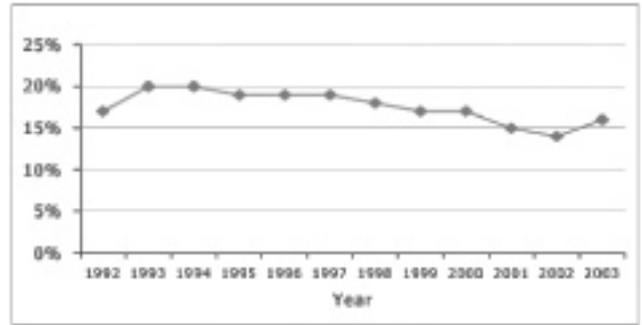
briefing: more to life than gdp

Indicator		Progress since 1990	Progress on previous year
1	Sustainable prosperity	✓	✓
2	Work: people as a resource	✓	✓
3	Population structure	⊖	⊖
4	Waste: production	⊖	x
5	Waste: recycling	✓	✓
6	Waste: landfilled	✓	⊖
7	Climate change	✓	✓
8	Air quality	*	-
9	Water quality	✓	✓
10	Biodiversity	*	*
11	Sea fisheries	✓	✓
12	Energy: consumed	*	x
13	Energy: renewable	*	-
14	Travel: distance	x	x
15	Travel: industry	✓	✓
16	Travel: mode	⊖	⊖
17	Travel: accessibility	⊖	✓
18	Home life	✓	x
19	Preparing for life	⊖	✓
20	Fuel poverty	✓	*
21	Social concern	✓	x
22	Crime	✓	✓
23	Volunteering	*	✓
24	Health	✓	✓

- ✓ moving in the right direction
- no change
- ⊖ no significant change
- x moving in the wrong direction
- insufficient data
- * data not available

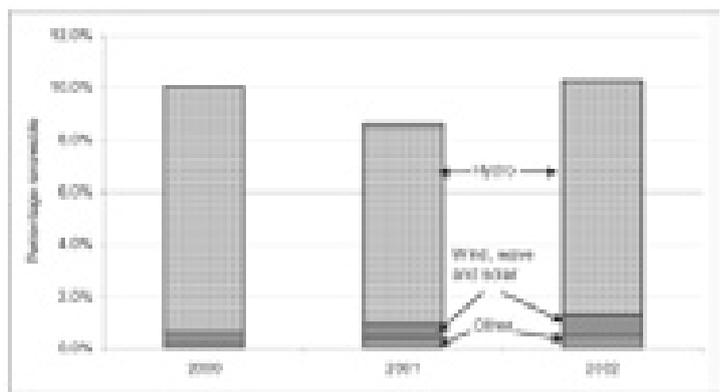
INDICATORS PROGRESS CHART - Indicators of Sustainable Development for Scotland: Progress Report 2004

Percentage of children in Scotland living in workless households, Labour Force Survey: Office for National Statistics

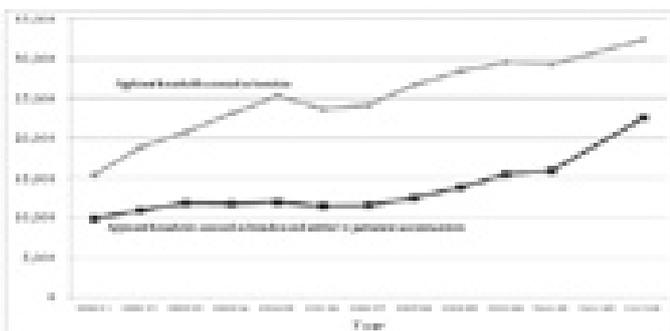


Suicide among people aged 15-44 in Scotland according to deprivation, 1980-2 and 1999-2001, BMJ, Boyle et al., Dec 2004. BMJ.com

Percentage electricity in Scotland generated from renewable sources, Department of Trade and Industry



Number of homeless households in Scotland entitled to permanent accommodation, Scottish Executive Development Department Analytical Services Division (Housing Statistics)



liberation: [at/from] work

Richard Leonard outlines first steps towards a fairer, better economy

Since the industrial revolution Scotland has been a manufacturing powerhouse. As recently as 1970 more than a third of the workforce in Scotland – 708,000 people – were employed in manufacturing. But over the last three decades there has been a crisis of industrialism, leading to claims that we are living in a ‘post-industrial society’. This crisis reached its nadir as the monetarist shock treatment of the Thatcher years saw almost 200,000 manufacturing jobs wiped out in Scotland alone between 1979 and 1985 (a fall from 605,00 to 412,000). Even today our manufacturing base continues to shrink. In Scotland in the year to June 2004 6,000 net manufacturing jobs were lost to leave 251,000 people in its employment (11.2 per cent of all jobs). Over the same period whilst UK manufacturing output rose by 1.3 per cent, in Scotland it fell by 0.3 per cent. The UK now has one of the smallest proportions of employees in manufacturing in the EU, standing 22nd out of 25 member states. The continued erosion of our productive base is not inevitable. There are sustainable economic futures based on both services **and** goods production, but they require a radical challenge to the ascendancy in national and international public policy of the classical liberal economic agenda of free trade and laissez-faire.

The current trend of offshore out-sourcing is underpinned by a philosophy of specialisation which can be traced back to Adam Smith and his follower David Ricardo who in 1817 published his ‘law of comparative advantage’ theory. The 2004 UN World Investment Report bluntly states “Offshoring is essentially a manifestation of a shift in production in response to comparative advantage”. The speed and scale of offshore outsourcing is breathtaking. The same UN report predicts that “Offshore outsourcing of business processes is expected to grow from \$1.3bn in 2002 to \$24bn in 2007, raising the international share of the market from one per cent to fourteen per cent in five years”. But Britain’s part in this is not at all typical. According to a recent survey in the Economist “At present, perhaps 80-90 per cent of the service work being done remotely in India comes from either America or Britain, with which the country has linguistic and cultural links”. But the same report points out that the other major EU economies – France, Germany and Italy – have shown “little appetite for buying services work from their neighbours...”.

The UK’s record on Foreign Direct Investment (FDI) is not typical either. In 2003 whilst the UK attracted \$14.5bn worth of inward FDI, almost four times that amount, \$55bn was exported. As a result the value of FDI stock of UK registered companies was over \$1 trillion, second only to US companies whose value was over \$2 trillion, representing 14 per cent and 25 per cent of the total world FDI stock. And once again out of the top six trans-national corporations in the world in 2003, three were US owned (General Electric, Ford and General Motors), three were UK owned (Vodafone, BP and Shell (part Dutch)).

There is a further dimension which marks the British economy out. Barca and Becht point out that in more than 80 per cent of the largest companies listed in France and Germany there is a single shareholder owning more than 25 per cent of shares. This may take the form of a stake held by the state, but more often it is because there is still a high degree of family

ownership. By contrast only 16 per cent of comparable UK companies are family owned. In Scotland the picture is starker still with a recent analysis of the Top 40 Scottish registered companies recording Scottish ownership as low as 8 per cent. The high number of Stock Exchange quoted companies running the commanding heights of the economy means there is an undue City influence over UK public and corporate decision-making, often fuelled by very short time horizons. Moreover the City is occupied with secondary (i.e. buying and selling) not primary investment, is behind a high number of mergers and acquisitions including hostile takeover bids, and focussed on overseas investment rather than indigenous industrial lending. It is for this reason that our industries have suffered from not only a productivity gap, but a production gap too.

Today’s received wisdom is not just that the market must be free from political interference save from guarding the free flow of investment and trade, but that this is a new natural order: a view not just that the system should not be controlled, but that it is uncontrollable. It is not. Capital may be mobile, but labour is not. Capital liberalisation has been planned and legislated for, yet democratic government has a primary duty to its people. It is time to challenge the nineteenth century ideas gripping our economy and develop a new left strategy fit for this century. Key to this must be an understanding that there is a huge concentration of control in the economy by an unaccountable oligarchy. Increasingly this oligarchy is not only unaccountable but also far away. That’s why we need an agenda for economic democracy based on liberation at work and liberation from work.

Management Today recently reported 72 per cent of middle managers and 69 per cent of senior managers and Directors were looking for a “greater sense of meaning in their working lives”. This level of alienation at work is not new to the trade union movement. In the 24:7 society, workplaces are still characterised by job monotony and long hours where lean production is a euphemism for management by stress and overwork, where high dividends and low wages mean that too many people don’t live but exist. We need a fundamental change in the master/servant employment relationship: a new employment construct where workers are partners and citizens not just hired hands. In short we need work to be humanised and democratised. This should be part of a wider agenda of economic democracy which would, among other things, challenge the patriarchal economy by unlocking women’s access to economic decision making. This is essential in building a more participatory democracy and in countering our heavily centralised economic monoculture. It would radicalise and feminise the micro and macro-economic agenda so that issues like power and social relations, time and work/life balance would be centre-stage. The clarion call of organised labour at the end of the twentieth century was for the right to work. Somewhere along the way less prominence has been given to one of the labour movements founding principles; namely the right to leisure and the campaign for reduced hours at work. These principles must be given new life.

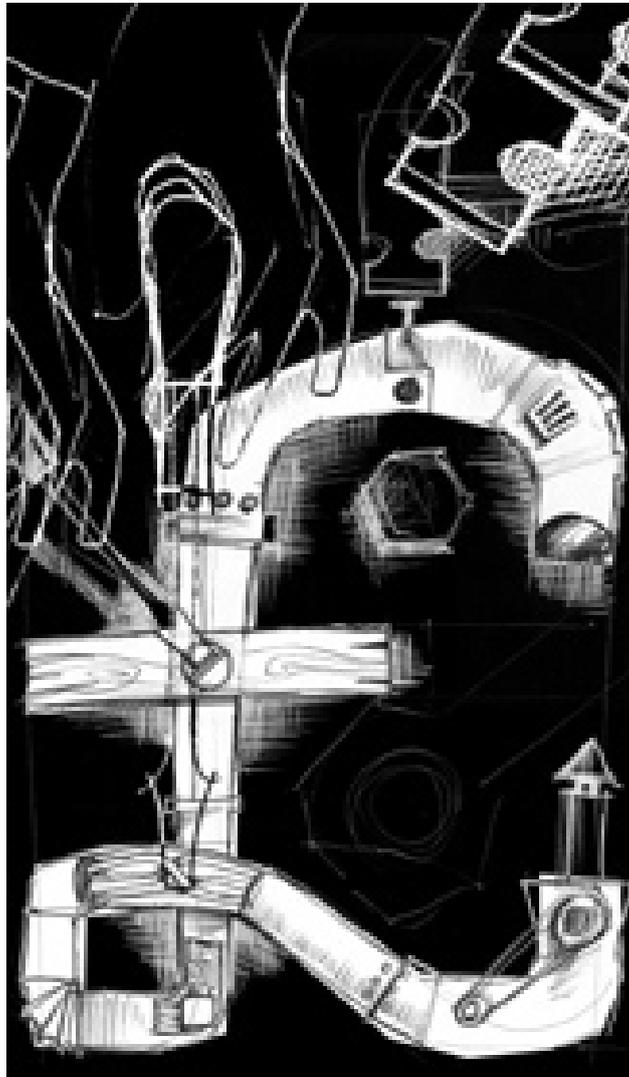
A progressive Left strategy must not embrace a simplistic ‘Going for Growth’ agenda. Economic development should not be about

extending the present economic order. Neither should it be predicated on unbridled consumerism and materialism. There must be a shift towards socially useful production, a planned end to toxic industries and a properly resourced defence diversification strategy. This must be a transition which respects communities and safeguards the income and security of workers. Such a 'Just Transition' approach is supported by the STUC and is now an established part of the Scottish Labour Party debate on enterprise. The Executive's recent green jobs strategy is a welcome initiative. But the challenge is not just to "grow Scotland's green economy", but to **grow Scotland's economy green**; every job should be a green

job. We need a global ecological perspective too because the knowledge economy does not ultimately consume less, it simply offshores the consequences of production. Our aim should be to bring points of production and consumption closer together and to put the 'local' into local economic development.

One of Labour's most radical – and popular – policies in Scotland has been its programme of Land Reform. What goes for Land Reform should go for Industrial Reform too. Employees and communities should have a legal right to convert an enterprise into an employee-owned or community-owned one whenever there is a take-over bid, a proposed transfer of production, when there is asset stripping or where closure is proposed. A more limited version of this right has existed in Italy since 1985. The Marcora Law not only provides for funding the general promotion and development of co-operatives, but also provides special support for workers facing redundancy. Such a statutory right if backed up by suitable industrial investment funding could make the home of Robert Owen, a new 'Mondragon of the North'. It would give the soon-to-be-created Scottish Co-operative Development Agency real power for economic change. It would also help to reverse Scotland's slide into a branch plant economy.

Industrial investment is key. In cash terms direct state aid to industry has withered. In 1982/83 awards of Regional Preferential Assistance and Regional Selective Assistance combined were worth £389.5 million. Twenty years on by 2002/03 grants to the value of just £61 million were awarded. This fell to just £46.5 million according to the Scottish Executive in 2003/4. One likely implication of the recent Northern Assembly referendum result is that there will be a revival of interest in UK regional policy, including the distribution of Government expenditure and subsidy. The fundamental changes in EU structural funds post-enlargement have already sparked off calls for re-nationalisation of regional policy instruments



back to member states. There is a compelling case for the establishment of a public regional Investment Banking network – including a Scottish Investment Bank charged with supporting sustainable alternative production and ownership models through loans and equity stakes.

Since the mid 90's there has been a marked shift towards overseas ownership of the shares of UK listed companies. They now account for 32.3 per cent of all shares (at 31 December 2003). There has been a rise too in the proportion of shares owned by other financial institutions (up to 11.1 per cent). Nonetheless

institutional shareholdings by pension funds and insurance companies still form the biggest bloc accounting for around a third (33.4 per cent) of UK ordinary shares with individuals owning just 14.9 per cent. And yet at the moment a handful of investment managers based in London, at Schroders, Merrill Lynch (formerly Mercury), Barclays Global Investors, Phillips and Drew (now owned by the Swiss UBS bank) and Hermes control 49 per cent of all UK Pension Fund assets. So large parts of the economy are already popularly owned by pension and life insurance funds, but not popularly controlled. This is the sleeping giant in the economy. The ownership and control of capital could thus be socialised by democratising these funds. Similarly, reforms to UK trust law to allow for direct ethical investment in indigenous manufacturing and public services and infrastructure could also help to plug the long term investment gap and provide an alternative to PFI.

An important ingredient for Scotland's economic regeneration will be support for greater self-organisation in the economy. In some areas this will mean the popular ownership and democratic control of large corporations, in others it will mean a controlling stake through a new Scottish Investment Bank, in others still it will mean an extension of municipal and employee ownership. Decentralised, co-operative, non bureaucratic socialism needs to be given its place in any New Left strategy. This requires fundamental reforms, but that should not be mistaken for a reliance on Parliamentary reform alone. The trade union movement will be critical in galvanising the knowledge and skills of working people required to build an alternative to the 'trample or be trampled on' ethos of the current economic system: a form of socialism from the root up. It is because of the UK's key role as a major force in the world economy that the Left in Britain must take the lead. It is because of the opportunities that are afforded by devolution that the Scottish Left can take the lead in Britain. That is the challenge of this age for this generation. ■

Richard Leonard is Political Officer for the GMB in Scotland

an economy worth sharing

Robin Hahnel presents a vision of a economic system based on equity, self-management, solidarity, efficiency and diversity

As the twenty-first century begins, some progressive economists have given up on the search for a desirable alternative to capitalism. They say those who react to the failures of capitalism by becoming anti-capitalist only delude themselves into thinking there is a better kind of economy. For these chastened progressives the only kind of 'visionary' economic thinking that is worthwhile is thinking of ways to make capitalism more equitable and humane. They accuse anti-capitalists of exaggeration, and preach the politics of damage control. Others continue to believe there is a better alternative to capitalism, but argue it is not important to spend time now thinking about what that alternative is and how it could work. According to these anti-capitalists we should organise against the excesses of capitalism and denounce capitalism as the root source of most of the problems. But when asked what kind of economy anti-capitalists want, they suggest we answer in deliberately vague and general terms: 'We want a just and democratic economy' or 'we want an economy that is not wasteful and destructive of the environment'. There are understandable reasons to be concerned about the pitfalls of visionary thinking. But to reject discussion and debate over how we can better organise our economic activities to achieve economic justice, economic democracy, and environmental sustainability has never been more self-defeating than it is today.

Some hesitate to spell out how we think the economy should be run for fear of putting people off. But saying we are anti-capitalist risks alienating people we work with in reform campaigns and movements since most assume the capitalist system is sound, only its application is flawed. To run the risk of putting these people off by saying we reject the capitalist system itself without trying to explain in concrete terms what we are for instead makes little sense. Others eschew debates about economic vision for fear it will lead to sectarianism that divides us unnecessarily and distracts us from focusing on more urgent tasks. Given the history of sectarianism on the left there is every reason to fear this dynamic. But we must guard against sectarianism on many issues, and the advice to table economic vision would only be sensible if it were true that deliberations on this issue are unnecessary. Others claim that describing how better to make economic decisions is totalitarian because it robs those who will live in post-capitalist economies of their democratic right to manage their economy as they see fit when the time comes. This argument is nonsense. Since when did discussing difficult and momentous issues in advance impede deliberative democracy rather than advance it? Only if those debating such matters attempt to impose their formulas on future generations would this be a problem. And I know of none who discuss **democratic** post-capitalist possibilities who have any such pretensions.

Of course there is a time and place for everything. There are venues where pontificating on the inherent evils of the capitalist system is out of place and counter productive. Similarly there are venues where discussing arrangements for how those in worker councils could manage themselves, or how different

groups of workers and consumers might coordinate their interrelated activities fairly and efficiently is out of place. The question is not whether every commentary, every speech, every conference document, every article, or every book must explain how a problem today is linked to capitalism, or how it could be solved in an alternative economy; the question is whether theorising about economic vision, and testing our convictions in the flesh where possible, play an important role in the movement to replace the economics of competition and greed with the economics of equitable cooperation.

The simplest argument for the value of visionary thinking lies in the question: How can we know what steps to take unless we know where we want to go? For those of us who believe we are attempting to build a bridge from the economics of competition and greed to the economics of equitable cooperation we must have some idea where we want the bridge to end as well as where it must begin. But the strongest reason for not avoiding the issue of what we would do when capitalism falters is our track record of failure. Even if communist economies were not failures for the reasons widely believed, they were colossal failures nonetheless, and they were certainly **not** the desirable alternative to capitalism that was promised. So people have every reason to be sceptical of those who claim there is a desirable alternative to capitalism. People have every right to demand more than platitudes and generalities. Reasonable people, not only doubting Thomases, want to know how our alternative to capitalism would differ from the last one, and how it would work in concrete terms. Literally billions of people were misled by our anti-capitalist predecessors, with terrible consequences. We should not deceive ourselves that many today are willing to accept our assurances on faith that we have it right this time. We avoid contentious issues about the alternative to capitalism only at our own peril. It may be that God has given twenty-first century capitalism the rainbow sign, but salvation from doomsday will be no faith-based initiative. If we cannot show an overwhelming majority of the victims of capitalism how a better system can work, if we cannot provide convincing answers to hard questions about why our procedures will not break down, or get hijacked by new elites, the economics of equitable cooperation will remain little more than a prayer on the lips of the victims of competition and greed.

So while we fight for reforms within capitalism we must also explain what is wrong with capitalism. And when we win concessions we must also explain why victories are in constant danger of being rolled back as long as the basic institutions of capitalism are left in place. Finally, if we believe that environmental preservation, economic justice, and economic democracy can be achieved without sacrificing efficiency we must explain concretely how a different way of organising our economic activities can achieve these lofty goals. Rosy rhetoric and vague generalities no longer suffice, if they ever did.

In the aftermath of the collapse of communism, debate about alternatives to capitalism has divided into three camps: proponents of market socialism, supporters of community-

based economics, and proponents of some form of national democratic planning. Since few in any of these camps believe there is even a substantial minority in any of the advanced economies ready to replace capitalism at this time, and since everyone in all three groups is thoroughly committed to democracy, all understand that the struggle to eventually replace capitalism must necessarily take the form of fighting for reforms within capitalism for the foreseeable future. Partisans in all camps should also understand that their differences about the future do not mean they cannot agree for the most part on economic policies and reforms we should pursue right now. So while I urge people to actively pursue the debate over the best alternative to capitalism openly, forthrightly, and without pulling punches, this does not mean I believe we cannot agree on most parts of an economic program for the present.

In the 1970s Michael Albert and I came to the conclusion that the vision of a self-managed economy shared by many council communists, syndicalists, anarchists, and guild socialists was essentially sound, but, unfortunately, these economic visionaries had failed to provide a coherent model explaining precisely how their alternative to capitalism could work. Our libertarian socialist predecessors provided moving comparisons of the advantages of worker and community self-management over capitalism and authoritarian planning. But all too often they did not respond to difficult questions about precisely how necessary decisions would be made, how the democratic procedures they championed would yield a coherent plan, why there was any reason to believe the plan that emerged would be efficient, or how people would be motivated to work and innovate. But we did not believe this meant their vision was an impossible dream. It simply meant more theoretical work was required to flesh out the vision and demonstrate its feasibility.

In two books published in 1991 Albert and I set out to rectify intellectual weaknesses in the case for participatory planning by spelling out precisely how worker and consumer councils **could** coordinate their joint endeavours themselves – consciously, democratically, equitably, and efficiently. Our model of a participatory economy was designed to promote: (a) economic justice, or **equity**, defined as economic reward commensurate with effort, or sacrifice; (b) economic democracy, or **self-management**, defined as decision making power in proportion to the degree one is affected by a decision; and (c) **solidarity**, defined as concern for the well being of others – all to be achieved without sacrificing economic **efficiency** while promoting a **diversity** of economic lifestyles. The major institutions we proposed to achieve these goals were: (1) democratic councils of workers and consumers, (2) jobs balanced for empowerment and desirability, (3) remuneration according to effort as judged by one's work mates, and (4) a participatory planning procedure in which councils and federations of workers and consumers propose and revise their own activities under rules designed to yield outcomes that are both efficient and equitable. In **The Political Economy of Participatory Economics** (Princeton University Press) we presented a theoretical model of participatory planning and carried out a rigorous analysis of its properties. In **Looking Forward: Participatory Economics for the Twenty First Century** (South End Press) we examined the intricacies of participatory decision making in a variety of realistic settings, and addressed practical issues conveniently ignored by theoretical models. Since then we have each elaborated further on our libertarian



socialist vision, and responded to criticisms posed by sceptics over the past dozen years – Michael Albert in **Parecon: Life After Capitalism** (Verso, 2003), and myself in **Economic Justice and Democracy: From Competition to Cooperation** (Routledge, 2005.) I urge those interested in libertarian socialist alternatives to capitalism to consult these writings, but mostly I urge all who abhor the disastrous effects of the economics of competition and greed that surround us everywhere to join and deepen the discussion on how we can organise a system of equitable cooperation to replace it. ■

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happy again

Molly Scott Cato discusses a vision of a sustainable economy

Readers of this publication are well aware that capitalism is not only fundamentally unfair, but also a grossly inefficient and downright dangerous way to run an economy. But I have recently also been spending time assessing the costs of the economic system we live within on people. The facts and figures are, frankly, staggering. The costs of the negative consequences of escape routes from the society capitalism has created are vast: illegal drug use and alcohol each cost the UK around the same as the law-and-order budget. Meanwhile, the quantities of Prozac and related feel-happy, keep-working drugs being prescribed are so great that the amounts being excreted and recycled through our water system are at levels that may amount to mass medication. This is clearly not a very happy society.

What is more, by anybody's reckoning, it is not a very efficient economy either. It has failed to fulfill its basic role of distributing food to the extent that we have people dying from obesity and others suffering malnutrition within the same country. Globally, we see a maldistribution of food resources—perhaps most starkly demonstrated by the piles of Kenyan mangetout on sale in British supermarkets while over one-third of Kenyan children suffer from malnutrition.

How could things have become so bad? A major part of the explanation relates to how we measure our economy. The figures I gave above are a good example. Both arms sales and Prozac sales are measured in the economic calculus of the capitalist system: money. This means that anything that cannot be bought is not considered: caring for your children or elderly relatives at home, cooking a meal for family or friends, attending an evening class or singing in a choir. At the national economic level this measurement results in numbers for GDP which reflect only a very limited aspect of human life, yet on which most economic decisions are based. It is a favourite anecdote amongst green economists that family breakdown is an economic boon in conventional terms. It generates demand for two of everything where only one was needed before, creates work for solicitors and counsellors, and probably access journeys by car too. Similarly, Gordon Brown has stimulated economic growth by providing incentives for women to work and pay other women to look after their children. This doubles the measurable economic output without increasing well-being. It

is probably the explanation why, in spite of Brown's growth projections being correct, his tax take is not keeping up.

While much of the economic growth does little to increase human happiness, unfortunately it does a great deal to increase carbon dioxide emissions. There is now a general agreement that our planet has a limited capacity to absorb carbon dioxide. The next logical step is to make sure that every tonne of CO² we produce has achieved the maximum possible human happiness. This cannot be said when diesel is burned to allow the exchange of biscuits between Glasgow and Genoa (as Caroline Lucas famously said, why not just exchange recipes?).

So the first target of a green chancellor would be the system of trade. Trade began as the exchange of goods that could not be produced domestically: Ricardo's justification of the benefits of trade relied on the exchange of woollen goods and wine between Britain and Portugal. If Portugal specialised in wine and England wool, and they each traded their surplus, both countries would be better off than if they attempted self-sufficiency. Following globalisation and the detachment of companies from nations, trade is simply about making profits by producing something in a place where people are cheap and selling it in a market where the price is higher.



The environmental costs of this remain uncounted, since the corporations have successfully lobbied to have trade-related CO² emissions excluded from even the feeble targets of the Kyoto Protocol. The suggested green alternative is twofold: a principle of trade subsidiarity backed up by carbon taxation to reflect the cost to the planet of trade-related transport.

Trade subsidiarity refers to a system where goods are sourced as close to the point of consumption as possible. So it means an end to finding exotic imports like Kenyan mangetout at a similar price to local seasonal vegetables, because the environmental and social costs of producing mangetout under plastic in Kenya and then flying them to Scotland have been excluded from the price. This does not mean no mangetout, coffee or chocolate, but what you did buy would be more expensive, reflecting both the environmental cost of transporting it and a fair price paid to its producer. We are already seeing the start of this in the farmer's market movement and the growth of fair trade sales. In Scotland this sort of trade could be started immediately through the establishment of the Ethical Trade Commission called for by the Scottish Green Party.

Even this will not be enough to achieve the necessary 90 per cent CO² reductions by 2080, and cannot be achieved while the corporations retain their undue political influence. As individuals we can take responsibility for our own carbon quota, and as politicians and campaigners we can press for the adoption of a policy of Domestic Tradeable Quotas, allowing each person free choice about how they spend their share of a limited CO² quota. This may not sound like a very radical idea — after all it is supported by the likes of Conservative MEP Struan Stevenson. But at the heart of the system lies equity, because it gives rights to carbon to all citizens of the world on an equal basis within the Contraction and Convergence framework. This is a market, but a market where everybody starts with fair shares.

Talking of fair shares moves us neatly on to a discussion of the Citizens' Income. My children sometimes ask me what would be the first policy I would introduce as Chancellor and I think this is a fairly consistent choice. It is a classic transitional demand, appearing as merely a more efficient way of providing income for poorer citizens, an ideologically harmless extension of child benefit or tax credits. Yet within the sheepskin lurks the wolf that will tear apart the link at the heart of capitalist economics between paid labour and survival. Citizens' Income is our establishment of a right to an income without work, rather as those with assets or land have always enjoyed. It is a restatement of the socialist principle that everyone should have a fair share of the common wealth of the country.

It is a disappointment to me that so many on the left have failed to focus on assets rather than income as the source of inequality. The tedious arguments about top rates of income tax and a penny on or off National Insurance largely miss the point in terms of inequality, which has always been based on owning, not earning. IPPR figures show that wealth distribution is more unequal than income distribution, and has continued to grow more unequal in the last decade. Between 1990 and 2000

the percentage of wealth held by the wealthiest 10 per cent of the population increased from 47 per cent to 54 per cent. The first and most important asset is land. As a Green I am, of course, in favour of a Land Value Tax. As an economist it makes perfect sense, since much of the income gained from land is 'pure economic rent', i.e. money you gain for doing nothing in return. This is the reason many on the right support this sort of proposal, since rent causes decadence amongst owners, who drink wine and admire the view rather than increasing the profitability of their land. From a green perspective it can be used in conjunction with planning regulation to achieve an effective management of every local economy's most important resource, as well as generating an income to pay for local services.

So the vision of a green economy is one in a steady state rather than one addicted to a sophisticated pyramid-selling scam. It is one where production is organised by modern equivalents of the guilds, so that quality becomes more important than price, and skill and craftsmanship are valued and rewarded. Businesses will be owned by their employees, who will have an incentive to work well because they will benefit fully from that work. A system of interacting local economies will ensure food security, quality and variety, but without the pressure to consume new and ever more exotic products that is the result of fashion — capitalism's favourite child. The economic and the social will be reunited within these local economies, ending the alienation of capitalist production and the loss of community and identity that has been brought by globalisation. Such an economy would rely on the small and medium enterprises that currently provide two-thirds of Scottish employment, operating a tax system in their favour and against the interests of transnational corporations. Such an economy would also create more jobs as the result of a green industrial revolution of which, with its advantages in fields such as renewable technologies, Scotland could be in the vanguard.

The Green economic agenda is radical and challenging. Pro-capitalist opponents use messages of ridicule and fear to undermine this vision of a sustainable and just future, but I think Scotland has the opportunity to lead the world in this direction. Since the Welsh Assembly made its historic commitment to including sustainability criteria in all its policy-making we have argued that Wales should become a prototype for the new economy, rather as Norway is a small country punching above its weight in the world of foreign affairs. Like Wales, Scotland has many advantages in developing a low-carbon, community-based economy. One day, all economies will be made this way. I would encourage Scotland to become the first. ■

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left behind by growth

Gill Scott examines whether economic growth in Scotland has really tackled the question of poverty

Since the late 1990s the Scottish Executive and the UK Labour Government have sought to make tackling poverty and social exclusion a central organising principle across government departments, with some measure of success. The Treasury, the Department for Work and Pensions and the Social Exclusion Unit at UK level have all embraced the issue to a greater or lesser extent and pursue policies to reduce the impact of poverty, engage the socially excluded and widen the routes out of poverty that work can offer. In Scotland the results of these policies have been noticeable. For example, New Deal programmes have expanded the routes into work for a variety of groups, the Department for Work and Pensions' **Pathways to Work** pilot has been developed in parts of Scotland, tax credits have increased the incomes of the low paid. Scottish Executive policies have added to such interventions in important ways too: **Closing the Opportunity Gap** strategy has been directed, inter alia, at improving social and economic environments in deprived communities, widening opportunities for young people not in education, employment or training, and enhancing the future for young children living in low income households through the integration of health and social care. Scottish Executive-funded projects such as those of the New Futures Fund also highlighted the value of a locally based, non institutional approach to promoting work by welfare recipients. An underlying theme in all this has been a belief that addressing issues of poverty and economic growth at the same time is essential for a modern state.

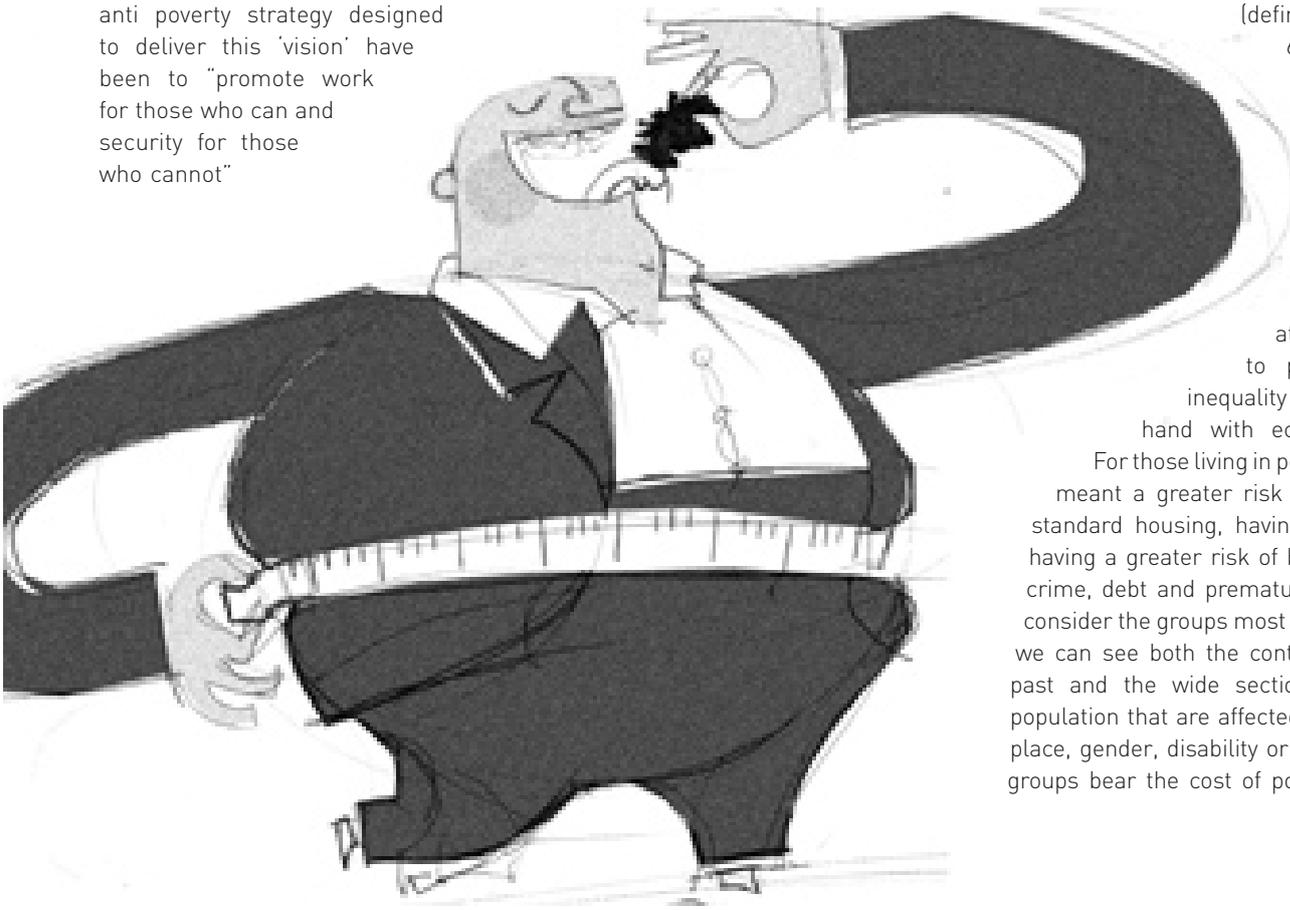
Tony Blair stated in 1999 that New Labour was committed to "Modernising for a purpose: to build a better fairer society, where economic prosperity and social justice go hand in hand". The broad features of anti poverty strategy designed to deliver this 'vision' have been to "promote work for those who can and security for those who cannot"

- developing an 'opportunity society'. It is put in practice largely through economic policies, but (unlike much of the USA) has been tempered with a strong concern to promote equity of opportunity, improve the well being of families with children, and enhance the outcomes achieved and opportunities accessed by children in those families. Sustained economic prosperity, deliverable if Britain can be transformed into a fit, healthy, knowledge based economy, with a flexible, well educated and highly skilled workforce, has been seen as the key to lifting many out of poverty. Unlike previous neo-liberal ideas, however, the idea that wealth will 'trickle down' is not seen as automatic. Economic policy for economic growth, and social policy for social justice - both are seen to be important. This stems, to some extent, from a realisation that the costs of poverty (and perhaps even inequality) for some individuals and communities as well as society are significant and long lasting.

Paterson, Bechhoffer and McCrone (2004) concluded in **Living in Scotland** that Scotland is "a more affluent, comfortable and pleasant place than it was in 1980". Transformations in demographic, housing and employment circumstances have meant many experience higher incomes, better living conditions and higher levels of disposable income. Economic growth, partly assisted by strategies outlined in **Smart, Successful Scotland**, has contributed to this and the benefits of affluence are experienced by many. There are now record levels of employment in Scotland, so the dynamics of the labour market are very different from 10-20 years ago. However the 'darker side' of change is also evident when we examine figures in more detail. Poverty is no mere residual phenomenon in Scotland: 1.1 million people in Scotland (22 per cent) in 2002/3 were living in low income households

(defined as less than 60 per cent of median income, after deducting housing costs). It remains a problem; unless attention is paid to poverty policies, inequality can go hand in hand with economic growth.

For those living in poverty it has often meant a greater risk of living in sub-standard housing, having poorer health, having a greater risk of being affected by crime, debt and premature health. If we consider the groups most at risk of poverty, we can see both the continuities with the past and the wide section of Scotland's population that are affected. We know that place, gender, disability or age mean some groups bear the cost of poverty more than



others. Social policy has not yet changed the pattern of social exclusion even if it has reduced its impact.

- **Place.** Looking at the geographical patterns of deprivation across Scotland the highest concentrations of households in poverty are found in areas where economic growth has passed them by: Glasgow, Dundee, Inverclyde and West Dunbartonshire.
- **Female headed households, particularly lone parent.** Poverty amongst lone parents has reduced but lone parents remain twice as likely to be poor as compared with couples with children. They are also more likely to experience persistent and severe poverty even when they are working.
- **Children.** The lives of children from low income households has improved but the advances in educational achievement and health seem to reach them more slowly than children in affluent households and inequalities of opportunity across generations remain a major problem.

But what of the groups most likely to be affected by the newer, integrated economic and social policy? Has work proved a successful route out of poverty for all? The recent Joseph Rowntree Foundation report **Monitoring Poverty and Social Exclusion in Scotland 2004** found that the number of indicators of poverty showing improvement is more than double the number that have grown worse. Nevertheless, the researchers identify a number of groups who, despite the supposed integration, are bearing the costs of poverty:

- **Working age adults without dependent children:** The percentage of children and pensioners in low-income households has been falling, but the rate among working-age adults without dependent children has been rising. Looking at households where no working-age adult has a job three out of four are single people or couples without dependent children. This situation is compounded by the fact that security for this group does not appear to have been a matter of priority - out-of-work benefits for this group have stayed unchanged in real terms for a decade, whereas benefits for pensioners and families have risen by a third since 1998.
- **Low paid workers:** Although work reduces the risk of poverty, it does not eliminate it. Thus, two out of five Scottish people living in poor working-age households include at least one adult who is in paid work. One in three Scottish workers are paid less than £6.50 an hour, the majority of them women. Half the working population aged 25 to 50 without Higher grade qualifications earn less than £6.50 an hour. The extent of mobility up and down the earnings distribution has also fallen sharply. Low paid workers are increasingly likely to remain low paid workers.

What does this picture of poverty and employment mean for policy makers? At the least it means we need to re-examine whether the policy of reforming welfare around the work ethic can be made more successful. It highlights the need to give greater priority to reducing worklessness in the longer term in economic policy, suggests more needs to be done to build ladders up out of the marginal jobs most likely to be available to workless people, and demands attention be paid to whether public spending in health, education, transport and housing is filling the gap between low wages and a truly living wage. But it also demands we pay attention to what Oxfam have described as necessary when thinking of poverty reduction and economic growth in developing nations:

“For policy makers concerned with poverty reduction, the aim should be to sustain high growth, but with the poorest 20 per cent capturing a proportionately larger share of the increment to growth. Improved income distribution would strengthen the linkage between growth and poverty reduction. Unfortunately, there is evidence from many countries that wealth gaps between rich and poor are widening. Governments have a key role to play. Poor people are frequently excluded from the opportunities by inadequate access to productive resources, poor education and poor health. Government action in these areas is vital to achieve a wider distribution of opportunity. Redistribution through fiscal transfers is one option. But the real challenge is to create the conditions in which poor people can produce their way out of poverty, contributing to national wealth creation in the process.”

On reading this list of ideas from Oxfam, despite the fact that they were developed in relation to developing nations, I have been struck by their resonance for the issues of poverty and economic growth in Scotland and the UK. But how do we take it forward? Certainly the attention to employability issues in the recently announced targets for Closing the Opportunity Gap shows a recognition by Scottish Executive that some groups and parts of the country are not going to find it easy to take part in the knowledge economy that Smart Successful Scotland posits as a future for Scotland. The Executive has set clear targets in its policies over the next five years for the groups most excluded from the labour force. These targets include a reduction of the number of workless people dependent on DWP benefits in the areas with the highest level of economically inactive; a reduction in the proportion of 16-19 year olds not in education, training and employment; a commitment to try to achieve over 50 per cent of all 'looked after' young people leaving care entering education, employment or training. The same targets include a commitment to encouraging public sector and large employers to tackle aspects of in-work poverty by providing employees with the opportunity to develop skills and progress in their career. It is also currently involved in developing a set of 'employability' policies to identify and address the role of employers, local authorities, training organisations and local economic development agencies in promoting economic inclusion and good quality employment for those currently excluded or only weakly included in the economic growth of Scotland. Initiatives such as the Working for Families Fund give some idea of how social and economic policy can be integrated in devolved policy areas.

The verdict on whether this will be fully integrated with economic policy in Scotland is, however, still out. The recent 'refreshing' of Smart, Successful Scotland report on, inter alia, the need to develop “businesses of scale and a skilled workforce that is valued, developed and can flourish”. It does show some attention to Social Justice issues – reporting a need to “focus on those closest to the labour market” and “develop the social economy to become more sustainable”. However, without more attention being paid to the needs of the low paid, the role of institutions like Credit Unions in financing new businesses, and the possibility of the low skilled developing more skills once they are in work, a risk that inequalities and economic growth without equity remains. ■

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not enough power to change course

Danny MacKinnon argues that challenging neo-liberal economics in Scotland will require new powers

Questions of regional economic development have not attracted much attention from the Left in recent years, a situation that contrasts with the 1970s and early 1980s when analyses of alternative strategies abounded. This is a topic that has been defined and appropriated by the right through the project of neo-liberalism, the assumptions of which have now permeated the political and intellectual landscape to inform the thinking of all mainstream political parties. Yet if an alternative political project is to be advanced, it must incorporate a distinctive approach to economic development. Within a UK context, Scotland provides a suitable 'laboratory' for the development of a more progressive economic strategy as the territory with effectively the strongest devolved powers.

The institutionalisation of neo-liberal doctrines of free trade and capital mobility at the national and international scales has established a framework of inter-regional competition. Regions have effectively become 'hostile brothers' directly competing for investment, markets and resources. The unequal relationship between mobile capital on the one hand and communities requiring employment and income on the other has allowed multinationals to play regions off against one another, sparking fears of a 'race to the bottom' as wage rates and living standards are progressively undermined.

Despite such regulatory undercutting, orthodox approaches present regional development as a 'race to the top' where all regions can be winners if they follow the right policies. The favoured approach is supply-side in nature, emphasising the need to attract investment, build human capital and foster entrepreneurship and innovation to ensure 'competitiveness' in global markets. Whereas the spatial Keynesianism of the 1960s and 1970s sought to direct investment to depressed regions, current orthodoxy tends to treat 'unequal regions equally', assuming that the same broad strategy should be adopted in all regions. As Amin, Massey and Thrift (2003) put it, "locally-orchestrated regional development has replaced nationally-orchestrated regional policy". Since devolution, the Scottish Executive has followed the general thrust of regional development policy, adopting a knowledge-based economy strategy. As set out in the **Smart, Successful Scotland** document, its 'science and skills' agenda represents a significant departure from the historic emphasis on attracting inward investment, gaining broad support from business leaders and economic commentators as an appropriate strategy for an ambitious region aiming to build a innovative, knowledge-based economy.

From a Left perspective, two main limitations of the Executive's approach can be identified. The first is related to the structure of the British state under devolution with macroeconomic policy controlled by the Treasury, leaving the Executive to focus on supply-side measures. Whilst this is often presented by Ministers as a virtue, with Scotland possessing the 'powers that matter', it means that Scottish initiatives continue to be situated within the neo-liberal framework of regulation which New Labour at Westminster has accepted. Any attempt to

develop an alternative approach to economic development is likely to spark direct conflict with the Treasury. Secondly, the Executive has itself internalised some key assumptions of neoliberalism in terms of emphasis on the superiority of the private sector; the naturalisation of globalisation as an external force dictating policy (there is no alternative); and a conception of the state's role as one of 'facilitating' and 'enabling' economic growth rather than directly stimulating it. Whilst business has been identified as the engine of growth, the Executive simply lacks the real influence over the private sector which would be required to deliver higher productivity and growth rates. As a result, New Labour exhortation and rhetoric runs up against structural limits. Moreover, the Executive desire to embrace the global market has compounded the difficulties of responding to sudden crises such as the closure of electronics plants in Silicon Glen and the 'offshoring' of call centres to lower-cost locations, effectively confining the role of government to 'mopping up' operations such as advising and retraining redundant workers.

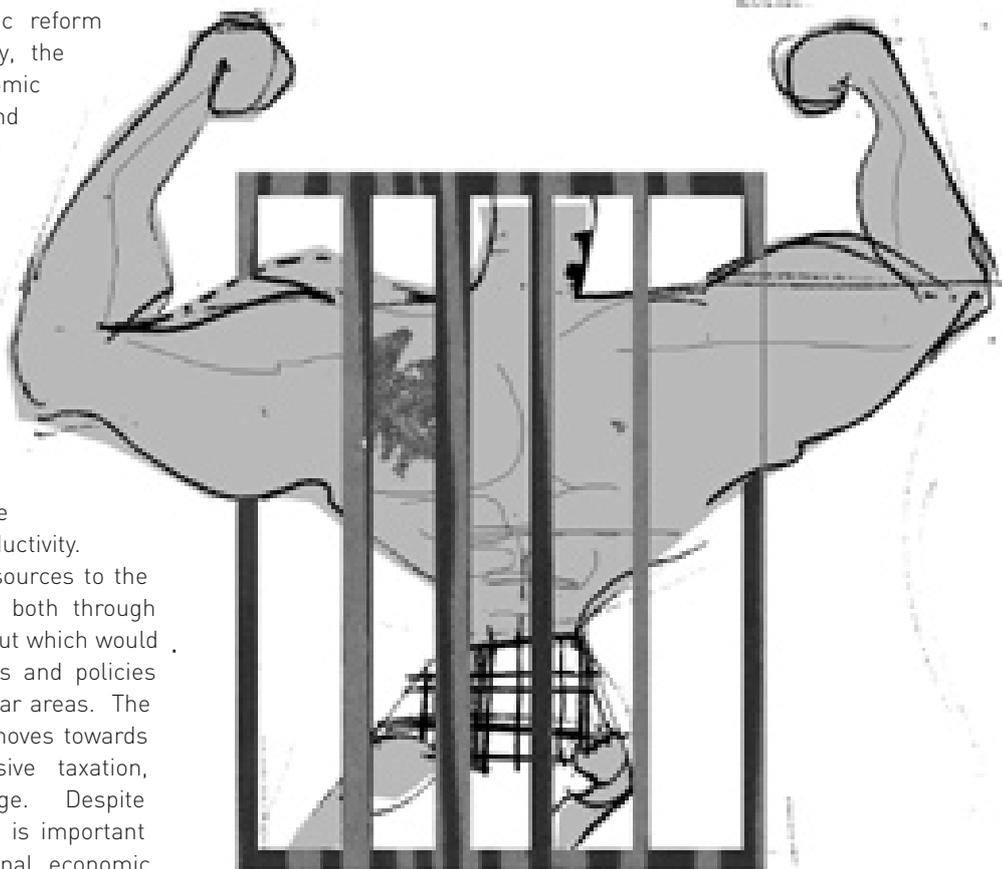
The main alternative strategy advocated under devolution is based upon radical neo-liberalism, seeking to reduce taxes and cut expenditure in order to boost enterprise and growth in the private sector. Such measures have been supported by the Conservatives and became SNP policy in the run up to the 2003 Scottish elections, citing the dynamic growth of Ireland as a 'Celtic tiger' economy. Whether such a tax-cutting strategy would actually deliver higher levels of growth is highly questionable, given the very different starting positions of the Scottish and Irish economies and the pressures of competition from lower-cost locations. Even if rapid growth was achieved, the Irish experience indicates that it would be accompanied by increased levels of inequality. This Scottish version of 'Reaganomics' has been closely aligned to arguments for further constitutional change, requiring a move towards either full independence or fiscal autonomy to give Scotland control over taxation. From a Left perspective, the key point here is that the economic arguments for independence have been colonised by neo-liberalism, making the formulation of a socialist alternative all the more urgent. The barriers to this are not just structural, in the sense that Scotland lacks control over macroeconomic policy, but also strategic in that there has been little clear sense of what such an alternative should consist. Regional development issues have become increasingly prominent over the last couple of years, however, with reports by both Catalyst and the Institute for Public Policy Research, for instance, calling for the introduction of a new regional policy for the UK.

The development of a more progressive economic strategy for Scotland should be viewed as part of a broader effort to build socialism from below, emphasising participation, diversity and sustainability. At the same time, it is neither possible nor desirable to cut Scotland off from the wider global economy. Indeed, an alternative economic strategy in a small country such as Scotland will have little chance of succeeding without the introduction of more progressive economic policies at the national and international levels. In place of the Executive's

meeek acceptance of the inevitability of globalisation in its current neo-liberal form, the Left needs to campaign for political and economic reform within the UK and EU. Accordingly, the development of a Scottish economic strategy should seek to both inform and be informed by similar strategies in other regions. Certainly within the immediate context of a devolved UK, Scotland is well placed to take the lead in developing an alternative economic strategy.

An alternative economic development strategy should, in principle, grant equal status to employment creation as a key objective alongside increased growth and productivity. It should also seek to redistribute resources to the poorest regions. This can be done both through policies applied throughout Scotland but which would benefit some areas more than others and policies which are directly targeted on particular areas. The key Scottish-wide policies would be moves towards income redistribution and progressive taxation, including raising the minimum wage. Despite the heady rhetoric of globalisation, it is important to recognise that the bulk of regional economic transactions remain tied to meeting local demand. This means that there is considerable scope for demand-led approaches which seek to boost overall levels of demand for employment in the economy over the prevailing emphasis on supply-side measures. This is more likely to stimulate economic expansion in demand-deficient labour market areas through classic Keynesian multiplier effects than any number of knowledge-based initiatives. Policies directly targeted at lower-income areas such as Clydeside or the Highlands areas within Scotland would require stronger incentives to encourage investment and a greater commitment to the dispersal of public-sector employment. Beyond Scotland, it would require the Executive to form alliances with other UK regions outside the South East and other comparable regions in Europe to argue for such incentives and disperse policies to be strengthened. A difficulty that would have to be faced here is that Scotland is likely to lose from any needs-based redistribution of resources between regions outwith the South East since living standards are significantly lower in Northern England, Northern Ireland and Wales (hence the silence over the Barnett formula).

At the same time, an alternative approach would need to go beyond this neo-Keynesianism by encouraging bottom-up development and participation. This would require policy-makers to support community-based development and to place more emphasis on the potential of the social economy to contribute to employment and growth. Another important question concerns the role of the Scottish Enterprise Network (SEN) and Highlands and Islands Enterprise (HIE). Orthodox neoliberal thinking seems deeply ingrained within these bodies in terms of privileging the narrowly 'economic' over the 'social', with the new Chief Executive of Scottish Enterprise arguing that the agency should not be required to address the social inclusion agenda. Whilst the abolition of SEN and HIE would cause



considerable disruption, there is a need to adjust their remit to fit the approach outlined above, to introduce new thinking from beyond accountancy and management consultancy and to slim down the scale of their operations (favouring local delivery over corporate headquarters functions like advertising and public relations). Over the longer-term, the best solution might be for the functions of SEN and HIE to be incorporated into regional development authorities which function as part of a regionalised system of local government.

Whilst some elements of this alternative approach could be introduced by a devolved Scottish Executive, it is readily apparent that Scotland does not possess the key powers over taxation, social security and employment regulation that are required to make a real difference. The nature of the devolution settlement creates a structural bias in favour of supply-side measures in Scotland since the powers required to address the demand side are reserved to Westminster. In the absence of a real prospect of an alternative macroeconomic strategy being introduced at the UK level, then, there is a clear socialist argument for further constitutional change. Such arguments need to be advanced more strongly to show that there is an alternative to the free market tax-cutting arguments that have dominated the debate on the economics of independence and fiscal autonomy. More broadly, the development of alternative regional strategies is a key task for the Left to undertake in order to break with neo-liberal thinking and to reclaim the economic agenda from the Right. ■

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hitting the buffers?

Gregor Gall examines the state of the post-Sheridan SSP

Last year will go down in history as the year that the wheels finally came off the SSP's bandwagon. Following a poor showing in the Euro elections when set against its claim of the reasonable prospect of winning a seat, the SSP was revealed to have built up a considerable financial deficit relative to its meagre resources. This amounted to £200,000, although around half of this was the mortgage on its Glasgow headquarters. Then came 'black November', not a day or two of bad publicity, but a meltdown beginning on 9/11(!) with the fateful National Executive meeting which, in effect, demanded Tommy Sheridan's resignation as National Convenor. This black pall formally ended on 27 November with an emergency SSP National Council, where delegates voted overwhelmingly for a two-part motion, supported by the National Executive and Tommy Sheridan, that drew a line under the affair. What was so spectacular about the debacle and fall out around Tommy's resignation was the prolonged and tortuous tearing apart of the public face of the SSP by its leading members. The story kept unfolding, the severity of the crisis kept deepening.

The contrast with 2003 could not have been greater. Winning six MSP seats and riding the wave of media and popular interest with some colourful characters at the helm, the SSP looked like it was on an unstoppable upwards trajectory. Tommy had been joined by the likes of Colin Fox, Carolyn Leckie and Rosie Kane who quickly became prominent figures in their own rights. Now having some distance from these events, hindsight allows an initial assessment of their importance. Two main themes emerge. One is obvious: the damage that has been done to the SSP. The second is less so: underneath all the recent froth, a constellation of unnoticed subterranean processes has been affecting the SSP. Tommy Sheridan became the most high profile, eloquent and powerful representative of the SSP. What translated this into a coherent and discernible political force has been the political credo of a revived and renewed socialism within a society in Scotland that has a deeply-embedded and significant strain of social democracy. Added to this was the boon of the devolution settlement, using a list system governed by PR.

It is here that all the local foot soldiers and field commanders of the SSP came in to play. They have taken the 'Sheridan brand' of socialism and have been its door-to-door sales staff. The relationship has been a symbiotic one, producing more than the sum of its parts and heavily conditioned in its success by the prevailing political climate. For the time being, this fruitful alliance between Sheridan and the SSP has been broken. Hindsight will tell if it has been irrevocably broken. The best way to try to assess the impact of the debacle is to view the SSP and its relationship with citizens in Scotland as a series of concentric circles. These are constituencies of interest for the SSP, characterised by varying degrees of commitment, consciousness and activity. They

start with the innermost circle, the 500 activists of the SSP, followed by the other 3,000 members of the SSP, moving out to the supporters of the SSP, say the core vote of around 60,000 citizens throughout recent elections. The outermost circle comprises potential SSP voters.

In the wake of Tommy's resignation, there are forces towards demobilisation as well as forces of mobilisation amongst the activists. There is the acknowledgement of the loss of a valued and eloquent leader as well as the impact of the divisions amongst the party over the handling of the affair. This will lead to resignation (not resignations) and some demoralisation. But their *raison d'être* of activism remains; to agitate for social reforms and socialism. These activists will remain socialists with a steely determination, forming the anchor of the SSP. To many of these, such party difficulties at the hands of the capitalist press will vindicate the righteousness of their struggle. The slightly less emotive activists will constitute a bulwark against the splintering and self-liquidation of SSP by remembering that the virtues and benefits of post-sectarian socialism have played a major part in taking socialism in Scotland out of its traditional ghetto.

Amongst the next concentric circle, the impact is likely to be greater given the lesser activism, commitment and consciousness of the inactive members. Invariably looking for others to be active in the pursuit of socialism (being 'armchair socialists'), the loss of the fulcrum of Tommy Sheridan will seem a body blow for many of this milieu. Their standard bearer will be no more. Ironically, amongst the core voters, the impact will be less severe. Their hook to the SSP may well have been Tommy but they recognise the SSP as a progressive social force in society, as opposed to just a progressive individual. Their concerns are primarily issue-based. Finally, the greatest impact will be among those who would need the credibility and stature of Tommy to entertain the prospect of voting SSP. Without him, these people are much less likely to come across the SSP, its policies and activities in a meaningful way. The key tests in regard of this will be the general election this year and the Scottish parliamentary elections in 2007.

At this time, it is still obvious that for many outside the ranks of the SSP the reason for Tommy's resignation is unclear. The SSP attempted to get across the message that it was the implications of Tommy's handling of the rumours about his private life for the party's integrity and credibility with members, supporters and voters that led it to act. But for others, it still seems that his private life *per se* was the issue. What of Tommy's future? George Galloway's overtures to join him in a Scottish Respect are fanciful. Tommy is likely to concentrate in the next couple of years on a few political themes, setting aside his new paternal

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duties. These are his Scottish Service Tax Bill, and developing his and the SSP's presence in Glasgow in a way that was not possible when he was SSP leader. More generally, he is likely to carve out a role for himself as an individual SSP MSP and give more time over to thinking about the means to achieve socialist independence and the lessons of Cuba and Latin America for Scotland. For the SSP, Tommy's political regeneration is both possible and necessary. It is unlikely to be as **de facto** leader, but it is unlikely not to be as a leading figure. Amongst the core socialist vote, any transgression will in the longer term be seen as minor given his past sacrifices. Activists will welcome him back as a relative returning to the fold. For the open-minded but still to be convinced, comrade Sheridan will need to redouble his efforts to re-establish his credibility, stature and integrity.

Behind these events, but dating back far further, the SSP is facing deep-seated structural challenges of an internal and external nature. In the long term, these will arguably be more significant than 'Tommy-gate'. To begin with we can outline the main fault lines running through the SSP. It is a relatively small organisation that has been catapulted onto the centre stage of politics in Scotland. Consequently, numerous demands are made of it and the party's epicentre has moved to the Parliament. Its central being for a year in the run up to May 2003 was predicated on fighting that election. Post-May 2003, the terrain it works on and fights on is necessarily much more diverse and difficult. The expectations of the SSP from the SSP itself and those outside its ranks have been very high since May 2003. With only six MSPs, nobody expects the SSP to be able to legislate on its election manifesto. But people do expect the support of the SSP to make a difference to their campaigns, making advances and to the knocking off of the rough edges of government policies. The SSP has meaningfully supported just about any progressive campaign that has moved. It has mounted extra-parliamentary campaigns around its key Bills (Scottish Service Tax, free school meals, abolition of prescription charges) and supported numerous strikes (nursery nurses, Soapworks, civil servants). The importance of this facet of behaviour is that the SSP has lost the singular unifying focus it had prior to May 2003. The terrain has been so varied and multifarious that the SSP has become somewhat disorientated. Indeed, different geographic parts of the SSP have laid emphasis on different campaigns. The SSP has tried to be 'Jack of all trades' and moved to becoming something akin to 'master of none'. This highlights a lack of strategic planning, political foresight and tactical awareness.

Related to this is that the party membership has undergone an experience of relative demobilisation. After putting so much effort into doing well in May 2003, and having done well, many members have sat back, leaving the MSPs as the **de facto** drivers of the vehicle. Going back to the way they were before the May 2003 election campaign, the mass of members watch and clap as the MSPs battle away but are not themselves active. The MSPs have, by default, filled this emerging breach. Moreover,

fifteen key activists are now either new MSPs or parliamentary workers. While this has not cut the head off the SSP outside Parliament, it has opened up an as yet unfilled gap.

By contrast, when Tommy was elected as the sole SSP MSP in 1999, he was primarily used to build the party's organisation by speaking at a relentless series of public meetings up and down Scotland. The bigger issue here is that when a political party

For the SSP, Tommy's political regeneration is both possible and necessary

like the SSP attempts to move from being a party of propaganda against capitalism and proselytising of socialism to one of

combat and action, this requires commanding even greater independent resources. Financial resources yes, but more especially human resources; that is, milieus of activists. And SSP branches are, on the whole, less active now and less well attended than in 2002. The SSP may be reaching the limits of its capacity here for although the membership base has increased in recent years, participation rates are low and the activist base has not significantly grown. This raises questions about whether its structure of branches as the basic party unit remains suitable to the tasks faced. Somehow, the SSP must find ways to involve the 85 per cent of its (inactive) members and to stimulate their activity. Moreover, membership subs are very low and not uniformly paid.

None of this to suggest that the SSP has become subject to parliamentary cretinism, whether this might mean the parliamentary wing seeking to dominate the party or the party forgetting that extra-parliamentary activity is the party's bedrock and its lever on Parliament. But it is to suggest that, having had a productive childhood, the SSP has hit the problematic period of puberty. In growing up, it faces the challenges of adulthood and becoming mature, albeit under the glare of the spotlight and in a very public arena. But by way of context, it needs to be recognised that both Labour and the SNP also face considerable organisational and political problems, albeit of different genesis. As long standing political parties, and in terms of finance and activists, both have become shrunken images of their former selves. Elected representatives predominate party structures, with each party's roots in communities badly withered. This skews the balance of power towards their leaderships and towards centralisation. Whether the SSP will face such problems remains to be seen. And on the horizon lies the far-reaching implications of the Arbuthnott Commission on electoral reform. ■

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For the second time at the end of 2004 Sir Alan Budd's name became affiliated to one of the Government's upsets. This time the subject matter was more personal, focusing on the unseemly fall-out from David Blunkett's affair with Kimberley Quinn. The media furore surrounding the affair managed to detract to a large degree from the potentially embarrassing climb-down being simultaneously stage-managed by Culture Secretary Tessa Jowell over her tabloid-baiting Gambling Bill. Sir Alan's report on the gambling industry, published in July 2001, formed the basis of the bill currently progressing through Westminster.

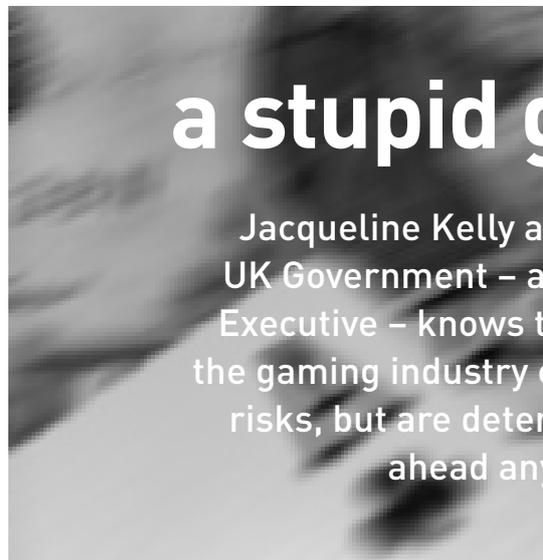
The report produced a number of recommendations in relation to 'modernisation' of the gambling industry in Britain. The Government had argued that the rules within which the Government was operating were outdated and failed to allow adults to gamble as freely as they liked while remaining responsible and within the confines of the law. The report states its objectives as being the simplification of gambling regulation and the extension of choice for adult gamblers. Its recommendations included that casinos be permitted to provide slot machines with unlimited stakes and prize and that the current prohibition on alcohol on the gambling floor be lifted, meaning that anyone taking part in gambling will be able to drink at the gambling table. The Budd report includes provisions to protect children and vulnerable persons – meaning those with a pathological addiction to gambling – and claims to "take into account the wider social impact of our recommendations". While the report is reasonably specific on what measures it would introduce to increase access to gambling, it is less definite on what measures will be taken to protect 'vulnerable people' although it does pledge that there would be no change in the law in relation to betting in pubs, and gives the bizarre assurance that alcohol will not be allowed in betting shops, lest the same people who would be allowed to drink at the blackjack table consume alcohol while placing a bet in a high street shop. The report gives the reader the added comfort of knowing that gaming machines will be banned from premises such as cafes and taxicab offices, alleviating the danger that anyone wanting to put a couple of pound coins into a fruit machine while waiting for their chips or their cab will be saved from the temptation of throwing away their money, a move that rather begs the question as to why the Government don't just go the whole hog and ban extortionate taxi fares at the same time.

There is some wisdom in a number of the changes. The Gambling Commission will help to ensure that punters are not cheated and local authorities will have the power to institute a blanket ban on all, or particular types of, gambling premises in a specified area. Consumer protection is to be welcomed wherever this is brought in and implemented in a fair and equal way and the Government has talked up the element of consumer protection in its Bill, stressing that the law will give equal access to casinos as a leisure pursuit and remove the elitist nature of casino gambling. What is more worrying about the legislation which followed the report, however, is not the arguments in favour of 'modernising' the industry, but the fact that the UK Government has consistently touted the legislation as being the key to economic regeneration in some of the UK's poorest areas – provisional plans, for example, already include one so-called 'super casino' in Ibrox in Glasgow. On 7 August 2003 Planning Minister Keith Hill said "Casinos as part of large tourism development can make a significant contribution to the local economy especially in areas that depend on tourism and

need regeneration. I want to see Regional Planning Bodies help give such areas a boost through tourism-led regeneration." And during the Secretary of State's speech to the Business in Sport and Leisure annual conference on 19 November 2003, Tessa Jowell said "Gambling will be increasingly combined with other leisure products in attractive surroundings – providing high quality entertainment for adults [. . .] Reform can bring increases in direct employment and spin off benefits from large leisure developments."

There are two anomalies in this: economic regeneration is the remit of Scottish Enterprise and the Scottish Executive. Of course, having a UK wide economic strategy is necessary within a united Britain with a devolved system of government. But where economic growth comes with such profound social implications, surely serious questions need to be asked about the ability of the UK Government to introduce legislation for the whole of the UK on the issue. The Scottish Executive has consistently said that economic growth and development lies at the heart of its strategy for a Smart, Successful Scotland and yet the Executive punked out of taking responsibility for the new law when Finance Minister Tom McCabe decided to leave ultimate control of the Bill with Westminster. One of the arguments in favour of devolution was that decisions that did come with such serious social implications for Scotland would be made in Scotland by a Scottish Executive accountable to the Scottish Parliament, which begs the questions why, yet again, the Executive has sent the legislation back to Westminster for the final decisions to be taken there.

Furthermore the question of using the gambling industry to stimulate economic regeneration seems to have been accepted without any real analysis of the people proposing the system. Even a cursory look at other areas where such a system has been pursued throws up some serious questions. The Indian Gaming Regulatory Act, passed by congress in the USA in 1988, was argued to be the answer to many of Native America's social and economic problems. In practice the Act recognised the right of Indian tribes in the United States to establish gambling and gaming facilities on their reservations. Reports by the Government and Native American groups had consistently found that poverty, alcohol and drug abuse, juvenile delinquency and high crime rates were problems rife in Native American communities and that action needed to be taken in order to improve these conditions. In many ways the Gaming Act was seen as the ideal solution to many of the socio-economic problems. By dealing primarily with the problem of high unemployment among Native Americans living on reservations – a group widely known to have the highest



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unemployment and lowest life expectancy rates in the nation – it was believed that many of the other social and economic problems would be relieved. Preliminary studies have shown that there have indeed been some positive outcomes resulting from the Act. Indian [sic] casinos hire a large number of Indian and non-Indian people for both skilled and unskilled jobs and tribal unemployment and welfare rates have dropped. The drop in unemployment and in the take-up of benefits is undoubtedly welcome. However, one of the less heralded outcomes has been that those who can least afford to gamble usually are the ones most likely to lose out. A report into the industry by Judy Zelio - "The Fat New Buffalo," *State Legislatures* (June 1994) - argued that; "The poor spent a greater percentage of their income on gambling than the wealthy, giving gambling the same effect on incomes as regressive taxes – the poor are hit the hardest" while research also found that the number of individuals calling the compulsive gambling hotline increased dramatically after the introduction of the legislation. All of Minnesota's compulsive gambling treatment centers are full with the state being forced to consider devoting more resources towards the problem. Most worrying, early studies suggest that pathological gambling is more prevalent among Indians – the very group the legislation was intended to help, than non-Indians.

While a direct comparison between the levels of poverty in the USA and in Scotland would be unrealistic, these early reports into the industry and its effects on its citizens should surely, at least, trigger some warning bells. The Gambling Bill, at best, is an ill-thought out means of modernising the industry while, at the same time, trying to gain political capital by extolling the economic benefits of the Government's actions and an example of 'spin' at its most ridiculous. At worst, the bill is a cynical way of stimulating economic growth and regeneration; while in the short-term the move may lead to a fall in unemployment in some areas, it will ultimately have a damaging impact on the poorest people in the poorest communities, an increase in problem gambling and an inevitable rise in debt. Furthermore, in the USA, Native American tribes use profits from casinos to pay for the improvement of their communities. Money goes into building schools and colleges - there are currently 26 tribal colleges nationwide - community centres, education trust funds/scholarships, investing in alcohol and drug treatment programs, financing new business enterprises and putting in water and sewage systems on the reservations. Here, the money will simply return to the pockets of the already rich owners of the companies pumping these communities of its

much needed cash. Even the National Lottery for all its faults – and I believe there are many – funds community, sports and arts projects as well as making a profit for Camelot.

It doesn't help that, over the last five years, the US gaming industry has spent tens of millions of pounds lobbying Tony Blair and the UK Government and heads of the industry have, on a number of occasions, been granted direct access to the Prime Minister. One needs to ask why rich American's should concern themselves with economic development in the UK's economic regeneration or indeed about modernising the UK gambling industry. Experience of observing US engagement abroad has proven that intervention is rarely made on the basis of philanthropic intent. The pressure from the US giants only reiterate that this Bill is concerned with profit over the eradication of poverty and begs the question why Executive Ministers are allowing Scotland to become a gambling chip on the Government's table.

This is not a puritanical tirade against people gambling per se. Allowing people to spend their money as they choose is fine and, as a liberal I completely support a person's right to do that. For too many people, however, gambling is not a choice but an act of desperation or, in many cases, the result of an addiction, and these people tend to live in the very areas where the Government would appear to have decided that a casino would be an ideal way to stimulate economic regeneration. There is no doubt that many areas in Scotland do badly need help to economically reconstruct themselves. For decades our communities have been hammered by the closure of vital life-blood industries like coal and more recently have been continually exploited by Government funded inward investment projects that inject wealth into a community for a few years only to withdraw to a cheaper corner of the world for a greater profit, leaving Scottish workers unemployed and, if they are one of the luckier ones, trained in skills they are unlikely to be able to use.

The Scottish economy needs invest in the things it is lacking – plumbers, electricians, construction and IT workers. Scotland does not need a mouse trap economy where punters are lured into casinos with the promise of big cash prizes only to leave having been parted with the hard earned money they cannot afford to lose. Ultimately the Executive has failed on another level too. At a session of First Minister's questions Jack McConnell said that he wanted a Scotland that "advertises itself, promotes itself and regenerates itself on the basis of our clean, healthy environment, our fantastic landscape, our wonderful cities, the character of our people and the quality of our education system, rather than on the basis of any nasty culture that might be encouraged by those people who are in favour of more gambling." The strong sentiments expressed are noble enough, if erring more on the sanctimonious rather than socially responsible side. However, unmatched by a firm stand by Ministers to take control of the legislation from Westminster, the Executive let itself down at the end of the year when it had, for the first time, set the UK news and political agenda with its tough policy on smoking in public places. If the Parliament's reputation among the people of Scotland is fragile and if respect for the institution is to grow, some tough decisions need to be taken at home. The Parliament will not continue prosper on promises followed by circumvention. ■

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a note from the victoria infirmary

Writing from his hospital bed, George Blazyca observes the lie that is 'choice'

Writing from Ward A in the Victoria Infirmary in Glasgow's Southside is an unusual experience, especially with the passing of a 'seething of Shawlands' moment brought on by a Herald report where I read that Alan Maynard, Professor of Health Studies at York University and Chair of the York NHS Trust, predicts that in the new market driven NHS reforms that are being imposed south of the border, hospitals can and will go bust. Professor Maynard doesn't know the precise mechanism but the conclusion is not in doubt. Those hospitals that don't do 'good business' will crash in some form or other.

It's all to do with choice. Patient choice. If you get unlucky and become ill then in New Labour's elegantly simple market driven Health-Monopoly game, presumably you see a GP discuss treatments, locations, speed of access, health teams, personalities – consultants and registrars – and then choose where to go for the service you want. 'Good hospitals' prosper, the 'poor' founder. They go bust, their assets dispersed, re-organised, taken over perhaps becoming, following the monopoly logic, concentrated in one place. Poor England. I'd never thought I would write it, but thank God for Jack McConnell and his valiant band of still-sufficiently-Old-Labour colleagues who have so far resisted this immense folly, daftness, stupidity and are preserving for us here in Scotland something that is recognisably a public health service where we are not duped by the London Labour's false prospectus on choice.

Lets look at this choice more closely. If you or I fall ill (I just did and this is what had taken me to the Vicky's Ward A) surely what you want (I certainly did) is fast, effective, expert help, sensitively given and as fully explained as it's possible for the non-specialist (us) to take in. Getting information, learning about our health and disorders, something about the spectrum of treatments available, all this is important and if my recent experience is anything to go by it is readily available. The medical staff are eager to answer questions, to explain what's going on. Of course, the advice element apart, we all want nice facilities too; clean, modern well-equipped wards. The advice we get from our health service is, as a current NHS poster campaign tells us, twenty-first century: the facilities are still too often nineteenth. But the market, and worst of all competition between hospitals, will do nothing to close the gap in the right direction between the latter and the former. 'Choices' in health care will always be for most people a limited affair. Far better here to avoid the false allure of the market altogether, to escape the notion that there are mystical reserves of energy, in an already stretched NHS, just waiting to be released by the cold wind of competition.

The debate on health provision here in Scotland has become increasingly lively – and a very good thing too. But at the same time it has become dangerously muddled, with even normally sensible commentators like the Herald's Iain Macwhirter getting himself into a pre-Christmas lather over the malignant role of NHS consultants and bureaucrats – almost a kind of 'enemy within' that it has become fashionable to pick on and blame for perceived NHS deficiencies. This is not so far removed from what appears to be the Tory Party line that most of the NHS's problems

are to do with a serious imbalance between 'front-line' and 'back office' staff, the 'administrators' who are said to be everywhere and almost always up to no good, leeching the taxpayer's hard earned-cash on wasteful activity of one sort or another. Remove them and the NHS will be free to expand with no need for the taxpayer to worry that costs will rise. That magic Tory formula, 'cut waste – expand services', comes yet again into its own. It's a pity that Iain appears, like many in the middle classes, to have swallowed the bait here, with his acid comments; 'What do all those NHS managers whose expensive cars clog up the hospital car parks do for their large salaries? Like the hospital cleaners who seem to regard hygiene as an optional extra, they seem to regard efficiency as someone else's problem.'

'Efficiency', of course, is important and doing things in a way that saves resources is something to encourage – provided of course it's not a matter of squeezing further downwards the pay of already generally low paid NHS workers or of simply worsening working conditions as happened with the first 'contracting-out' episodes forced on the NHS in the Thatcherite 1980s (and may easily happen again in intensified competition between hospitals in England in the years ahead). But there is something else that needs to be said here and it is that the quality of public service provided by our NHS is very much better than the current mood suggests. Of course, real problems do exist – recently with Scottish waiting lists – and it would be foolish to downplay them. It may be that there is no solution here other than to invest. But why should this automatically be seen as a matter for regret? If we want better services there may be no other way forward than to devote more resources to them. And why any investment favours the private sector, as the Scottish Executive seems to desire, rather than be an investment in the capacity of the NHS itself is something of a puzzle. Nevertheless a kind of excessive criticism of the public sphere and the NHS, has become de rigueur. We rarely speak of the commitment of staff, from cleaners, nurses, doctors, and yes even to consultants and bureaucrats, in making the system work so relatively smoothly. I have certainly noticed through my personal experience that friends, especially English friends, are touchingly concerned as to what sort of treatment I receive as an NHS patient. With, in most cases, little or no direct experience of the NHS many are, I suppose, alarmed by what they read regularly in the press of NHS deficiencies, and are concerned that unless a private insurance is quickly taken out they too may fall victim to public sector failure.

Beware however the elegant sounding New Labour mantra on expanding choice in public services – especially in health and education. The politician's version of choice here is either mainly cosmetic or just pure fraud. In education most parents will always send their children to the local schools and most of us will always use local health services. Of course, some better-off members of society get out of public provision when it suits – a classically careful calculation in Scotland is to use state provided primary schools before switching to more elite (purchased with cash) secondary education and then to so-called 'good' (and more or less free) university provision later. It testifies to the increasingly short-term,

narrow and immediately family-focussed view of social life that predominates today that the English middle-classes have still not woken up to the fact that the 'top-up fee' for university education that they will start of pay in 2006 at £3,000 per annum will inevitably become within the short span of, let's say 10 or so years, a fully-fledged market price, both variable and very, very high. Tariffs may also become as impenetrable as today's utility bills as universities throw in special 'scholarship', 'rebate' and other material inducements to prospective students and their families. In this new system some universities, already locked in an excessive and wasteful mutual competition, will, like NHS Trust Hospitals south of the border, teeter on the brink of bankruptcy. Far from expanding choice, the universities, as they ditch the 'non-profitable' courses (chemistry and modern languages are already going fast), are already showing that the income balance sheet and profit/loss account is counting for much more than commitments to national or regional needs. Luckily, things are not quite so bad yet here in Scotland and here's to Jack and his LibDem colleagues (or should it be the other way around?) in holding the market at bay in an important sector of public activity.

But hospital 'choice' surely takes the Rich Tea biscuit. Are our friends in England to interrogate a Baedeker guide on falling ill, with grades for consultants and their teams, for ward comforts, decoration, staff attitudes, visitor parking and the coffee shop? A handbook that is constantly updated perhaps in another spin-off for market/consultancy health business activities. When will New Labour accept that it is generally available high quality services that most of us want, accessed speedily and easily through good local GP advice? Choice is surely much

less important than confidence that in times of need help is at hand. As it is presented in political discussion, choice is a seductively and silky sound-bite. But in the context of health, and indeed education, it is more often a distraction with dangerous outcomes, bringing deeper divisions across our society, as well as other consequences that it may be difficult to foresee – like Alan Maynard's mechanisms to manage hospital bankruptcy. When the first English hospitals-in-competition go bust I hope that those Scots Labour MP's who voted down even their own Westminster colleagues to extend the market ever deeper into the English public realm will have something honest to say about the chaos that comes with choice. As the University system becomes ever more market driven, its pricing ever more difficult to fathom, as well as increasingly expensive, we are bound to get closer to first financial crashes in this sector too.

As I look out of this window towards the 'Battlefield Rest' and Langside, I know that I am not in the plushest of Glasgow hospitals. I may not have been offered so many choices, but I can tell you that this beats what they have in store for the English patient. We can still, I hope, look forward, partly through the health debate that has been gathering momentum, to sensible solutions for a well-organised, better planned and collectively resourced Scottish Health Service that avoids London Labour's growing library of false prospectuses. Pity only that so many Scottish Labour MPs have swallowed the choice daftness and imposed it on our English friends. So thank you Jack for resisting thus far the worst market driven madness of your colleagues both in London and closer to home. ■

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radical words

Word Power bookshop, Scotland's only radical bookshop, has just celebrated its tenth anniversary. We talk to Elaine Henry who set up Word Power in 1994.

Why did you set up Word Power?

In the mid 1980s I had worked as a volunteer in the feminist bookshop in Edinburgh called Womanzone which also had a café providing women-only space. In the 1980s there were three radical bookshops in Edinburgh: The First of May, Womanzone, and Lavender Menace, the lesbian and gay bookshop later to become West & Wilde. Edinburgh was not unusual in this respect with most UK cities and towns having at least one radical or alternative bookshop. Mostly, these bookshops were set up as workers' co-ops and they provided a wealth of writings from the Left reflecting ongoing struggles for social change.

Working in Womanzone was a huge consciousness-raising experience for me. Not only was it an incredible introduction to the writings of women I'd never heard of before, such as Audre Lorde, Andrea Dworkin, Kate Millet, Adrienne Rich and Dale Spender to name but a few, but I was also involved in organising events and discovering another world of women and ideas. I saw how much the bookshop was valued by the feminist community and I appreciated how important access to information is for any movement to advance.

When Womanzone closed in 1986, many felt the loss. By the end of the 1980s many radical bookshops had closed and chains such as Waterstone's were on a high. Only West & Wilde battled on in Edinburgh. I thought there was still a need for a radical bookshop and slowly I began to move towards the establishment of Word Power.

What makes a bookshop a radical bookshop?

In short, radical bookshops provide an invaluable resource of literature which is not readily available elsewhere. They support small publishers who struggle to get their titles into the mainstream chains. In the 1980s new small publishers like Virago and The Women's Press were supported by radical bookshops who promoted titles such as **The Color Purple** by Alice Walker (long before it became a commercial success and made into a Spielberg film).

However, their remit goes way beyond the selling of books. In the 1980s bookshops such as Mushroom Books in Nottingham, Grassroots in Manchester, New Beacon in London, Boomtown Books in Aberdeen or Clydeside Books in Glasgow were also a focal point for the community, providing meeting spaces, noticeboards, mail boxes for campaign groups etc. They operated on a shoestring and were usually located in basements or backstreets, removed from the main commercial routes. The workers who ran them were highly motivated and committed individuals. There was a Federation of Radical Booksellers which produced a monthly newsletter and members met up regularly to share information and resources. Some of the bookshops such as Compendium or Silver Moon, established for decades, were highly successful and profitable businesses

with an international reputation, rather like City Lights in San Francisco still enjoys today. They closed due to personal circumstances rather than financial hardship – the main reason for the demise of so many shops.

By the mid 1990s, bereft of any radical bookshop in Scotland and faced with a general despondency on the left, ground down and weary from years of Thatcher's rule, many questioned the economic wisdom of opening a new radical bookshop in Edinburgh. I believed that there was still a need and a demand for a radical bookshop. Finding a viable site was key to the success and on 22 November 1994 the doors of Word Power at 43 West Nicolson Street opened for the first time. They were opened formally by Booker Prize Winner James Kelman on 1st December 1994.

You said that radical bookshops are not just about selling books. Certainly, you seem to have a lot of support from writers. What other activities are you involved with?

Well, it is incredibly difficult for new writers to get work published and then made visible. Word Power aims to provide a platform for writers outwith the mainstream to get their work seen on shelves, picked up and read – and even make a sale or two if we're lucky! We also do a lot of bookstalls for groups and conferences and try to make the relevant literature accessible. It's at these kinds of events that you really see the need for access to 'good' information. We also have a website and have started publishing. And, of course, we organise our own events with writers and publishers to foster debate. So, yes, it's not just about selling books!

You organise the Edinburgh Independent Radical Book Fair.

Yes, the Edinburgh Independent Radical Book Fair was established in 1997 as part of Word Power's commitment to supporting small and radical presses and making their publications more accessible. Now more than 60 publishers take part and have the opportunity to promote their books. The Fair takes place annually in May and writers who have made significant contributions to the ways in which we view the world open the Book Fair each year:

1997: Wole Soyinka,
1998: Benjamin Zephaniah
1999: Bea Campbell
2000: Shere Hite
2001: Alasdair Gray
2002: Tariq Ali
2003: George Monbiot
2004: James Kelman

Watch this space for 2005! The fair takes place 12-15 May 2004 and full information can be found on our website.

And you've just published a book. Any more in the pipeline?

Yes, we've just published our first book and it's about the use of humour, or lack of it, in politics. It's been edited by Gregor Gall and includes an essay with the comedian Mark Steel as well as quotes from three SSP MSPs. It's called **Revolutionary Witticisms**. We plan on publishing more titles and think there is a gap in the market for more radical Scottish publishing. We welcome suggestions any readers may have.

Word Power has just celebrated its 10th birthday – congratulations! What are your plans for the future?

In 2003, we extended our services to provide an online radical book service and like Word Power Bookshop, our website is committed to promoting literature outwith the mainstream. Our website is going from strength to strength and we plan to extend the services we offer in 2005. Our world-wide online service is an alternative to corporate bookshops that refuse to allow their workers to join trade unions. Unlike Amazon, recipient of £1.6 million taxpayers' money from the Scottish Executive, we receive no state funding. Just as you can choose to support a chain or your local independent bookshop so you can choose between the big corporate online booksellers or an independent radical online bookseller. We would urge everyone to think about where they shop and who they support.

We are looking forward to the future and are excited about our website and publishing plans which we believe will also

enhance the bookshop. We would like to thank everyone for their support over the past ten years. In particular the local and international writers who have voiced their support for Word Power bookshop and whose comments can be viewed on our website. We do not do this to sound our own trumpet but to demonstrate the support and desire which permeates the literary community for a bookshop such as Word Power not just to exist but also to thrive.

Why? The world of books is a precious resource: books are not just commodities to be marketed on the shelves alongside baked beans. The range of books we offer gives you fast track entrance to a world of publishing out with the mainstream, a world where independent publishers, small presses, new writers with no prior sales history, individuals producing their own zines all have an equal voice and sit happily alongside **War and Peace** or **A Century of the Scottish People** on the shelves. The books we offer could change your view of the world and make a life-long impact on you. Your support ensures we thrive in this wicked world of big business. La lotta continua! ■

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NOT SINGING "GOD SAVE THE QUEEN"
Politics and Song in Robert Burns

The Scottish Left Review will provide an alternative celebration of Burns' songs. Dr Andrew Noble (Joint Editor of The Canongate Burns) with Adam McNaughton and other musical friends will talk informally on how the Bard's songs both reflect and create the fraught political climate of 1790s Scotland.

Sunday 30 January 2005, from 4pm until 6pm

at

The Stand Comedy Club, 333 Woodlands Road, Glasgow G3 (near Kelvinbridge Underground)
Licensed Bar

Admission £5 (£4 students/claimants). Tickets from SLR at contact@scottishleftreview.org or Stand Comedy Club on 0870 600 6055 or at venue subject to availability

reviews

Paperback Bolsheviks

Stalin - The Court of the Red Tsar, Simon Sebag Montefiore, Phoenix. £9.99, 720 pages.

GULAG: A History of the Soviet Concentration Camps, Anne Applebaum, Penguin. 677 pages.

Rising '44 - The Battle for Warsaw, Norman Davies, Pan. £9.99, 752 pages.

A History of Modern Russia, Robert Service, Penguin. £12.99, 658 pages.

It was the Chinese communist Chou en Lai who, when asked what he thought the enduring lessons of the French Revolution might be, pondered deeply for a very long time and then remarked that it was too early to say. The same observation might well be made with regard to the Russian revolution of 1917, along with the Soviet state and empire which followed it over the next 70-odd years. But a shoal of recent books in paperback form might go some way to begin the process of making sense of the Bolshevik experiment, and what its lessons (if any) might be for this present 21st century and its successors.

The fact that Soviet affairs were for most of the time bloodily and brutally murderous is, of course, nothing new information: Robert Conquest's **The Great Terror** and Nikolai Tolstoy's **Stalin's Secret War** told us all about it long ago (while the same ground was covered in fictional form by Victor Serge's **The Case of Comrade Tulayev**, and Arthur Koestler's **Darkness at Noon**). But since the collapse of the USSR, once-secret archives have been opened to researchers writing in English, and it is on these that Simon Sebag Montefiore has drawn for his masterly portrait of Stalin's court and courtiers, at work and play. He has availed himself of a huge amount of material in the form of private letters, telegrams, memoranda and diaries of those involved, along with lengthy interviews with survivors, and has organised and paced his account beautifully. The book is enormously readable and could easily be twice as long as it is: in places, indeed, such as with his coverage of the Doctors' Plot, it might be thought a little skimmed, for the reader, astonishingly, wants more detail rather than less. He deftly avoids the danger of hagiography (and for a man as politically talented as Stalin, that must always be a danger, in any account that looks for balance and insight).

Montefiore's story never rises to tragedy – for that we need one of the native poets or memorialists – but his command of telling detail and narrative drive is compelling. Nor does Montefiore unduly trouble his readers with some of the big why's and what-if's of Stalinism: among them, why didn't the party ditch Stalin, as it might have done, at the 1934 Congress; what if Stalin had pre-emptively attacked Germany in 1940 or early 1941, or at least foreseen the German attack in the summer of that year; and what if Stalin had not destroyed the best of party and army and not surrounded himself with a revolving cabal of brutal and murderous guttersnipes (of which Comrade Stalin was just a little more than *primus inter pares*)? But these are trifling points. No less an authority than Henry Kissinger has let it be

known that, "I did not think I could learn anything new about Stalin but I was wrong", and for one leading 20th century war-criminals commenting on another, that is high praise indeed.

Anne Applebaum, meantime, is the sort of journalist usually described as distinguished, and her book certainly validates that description in triumphant fashion. She takes as her subject just one aspect of the Soviet regime – the concentration and slave-labour camp system, or Gulag, established under Lenin, granted rich theoretical status by Trotsky, who observed that the description of slave-labour as inefficient was, "the worst type of bourgeois prejudice", and brought to glorious concreteness by the great Stalin. Applebaum, now a columnist for the New York Post, covered eastern Europe for the **Economist** during the collapse of communism, and she has based her book on very extensive use of survivor-interviews (or oral history, as some would sneeringly describe it), recently published memoirs and newly-opened archival material from the vaults of the secret police.

In all, something like 18 million people passed through the Gulag in its glory years from 1929 to 1953, of whom perhaps four million died of hunger. (This is not to count another six million sent into exile, the many millions who died in Soviet-inspired famines in the Ukraine and elsewhere, the millions lost to Germany by military mismanagement, or the huge numbers murdered by the security organs without the option of the Gulag). Applebaum tells her story of coal and gold mining at Vorkuta and Kolyma lucidly and (in the circumstances) in an astonishingly even-handed way. She is no apostate or émigré or survivor and does not bring their visceral hatreds to her story; perhaps it is all the better for it.

Norman Davies also concerns himself with just one aspect of the Stalinist empire. His account of the Warsaw rising of 1944 (as opposed to the ghetto rising of the previous year) follows the present fashion for big, readable accounts of military affairs, along the lines of Anthony Beevor's recent work (in the majestic wake of John Erickson) on the battles for Stalingrad and Berlin. But Davies' book (his 'consultants' range, somewhat bizarrely, from Professor Włodzimierz Brus to Sir Max Hastings!) is also, of necessity, about Soviet politics and territorial ambition in the post-war world of central Europe. After all, Poland had (once again) been partitioned between Germany and Russia in 1939. Following the former's attack on the latter in 1941, Poland was under German occupation for some more terrible years. But Polish resistance, and hopes for an independent post-war Poland, were not extinguished. And by the summer of 1944, with Stalin's armies at the gates of Warsaw, the Poles saw a chance to help throw the Germans out of their country, with Soviet assistance, and re-establish the independent republic of the inter-war years. In this expectation of Soviet assistance, they could not have been more mistaken, however.

While the city rose, with stupendous heroism on every hand, the Russians watched and waited. The insurgents fought for 63 days, into the autumn days of October, but the attempt may have been doomed from the start. Stalin had hundreds of divisions in and around Poland, the British and American divisions had

barely fought their way out of the Cherbourg peninsula and the Pope, famously, had no divisions at all. With the destruction of the Rising – at a cost of perhaps 200,000 lives and 30 square miles of rubble – the last hope for an independent Poland had gone.

The stage was set for the infinitely savage and profoundly duplicitous Sovietisation of Poland, and the destruction of such of its natural leadership as had survived. The hideous troika of Berman, Bierut and Hilary Minc (who will be unforgettably familiar to all readers of Teresa Toranska's **Them**, published in 1985) was on the threshold of power. The military hero Fieldorf – pseudonym Nile, alias Valenty – was so badly beaten, for instance, that he listened to his sentence of death from a stretcher, and was hanged with a length of vengeful string. Some Poles, of course, escaped from the consequences of their bloody mid-century history. One was Lt. Col. Helena Wolinska, who signed the arrest warrant for 'Nile', and who was able in later years to retire to the comfort of university life at Oxford (and contest Polish attempts to extradite her in the cause of court-proceedings relating to the judicial murder of 'Nile').

Another was Isaac Deutscher, one of the very few Polish communists (along with Gomulka) to survive Stalin's destruction of the 5,000-strong pre-war Polish party. As late as 1967, Deutscher could assure an audience at the University of Cambridge that it was impossible for the Russian revolution to end in failure: "the revolution seems to have outlasted all possible agents of restoration". How surprised, then, would he be to consult the closing chapters of Robert Service's **History of Modern Russia!** This is essentially a sober historical survey by an academic rather than a journalist, and has the strengths and weaknesses to be expected from such an approach. There is a

greater focus on analysis than on colourful detail (though who knew that general Zhukov, the leader of Soviet Man as the latter gang-raped and plundered his way towards Berlin, planned to capture Hitler alive and parade him through Red Square - in a steel cage?).

Service takes his reader from the late Tsarist economy through the Bolshevik putsch of 1917, to War Communism, NEP, collectivisation, industrialisation and mass Terror, the disasters and final victory of World War Two, imperialism in central Europe, and - from the mid-'fifties - de-Stalinisation. Throughout his account, he certainly does not omit reference to some of the big 'what-ifs' of Soviet history. But if his story of the precipitous decline and fall of the Soviet empire is intriguing, it does not fully answer the 'why' of its collapse. Nor does he speculate about the USSR's capacity to survive, for instance, the Internet. Perhaps, of course, these sorts of intuitions are not the proper responsibility of the academic historian. (And in any case, if a world-power like the USSR can implode in a handful of years, what other world-powers, such as the USA, might, however unexpectedly, do likewise?). As Service observes, "It is a delusion of the age, after the dissolution of the USSR, to assume that capitalism has all the answers to the problems faced by our troubled world. Communism is the young god that failed; capitalism, an older deity, has yet to succeed for most of the world's people most of the time". ■

Iain Fraser Grigor



ASLEF calls for the Government to introduce a charter of workers' rights that would include, the right to full employment, rights from day one of employment, the repeal of oppressive anti trade union legislation and positive laws encouraging trade unions to represent their members individually and collectively.

ASLEF, 9 Arkwright Road, Hampstead, LONDON NW3 6AB.

web review

Henry McCubbin

On the morning of Boxing day our 'phone rang at eight in the morning. It was our daughter who immediately asked us if we had turned on the TV. As it happened we had not. Good, she said; we are all OK here because there has been a massive tidal wave which has hit the Indian Ocean coast. Her good fortune was that the island she lives on is in the Gulf of Thailand and was protected by the Malay Peninsula. We then switched on the TV and like many others were horrified by the events unfolding. Several hours had gone by and it occurred to me that one area was missing from the reports. Diego Garcia or the Chagos Islands or the British Indian Ocean Territories known as BIOT for short.

This gap went on for days and various blogs began to take it up. Eventually a report appeared from the US navy on www.dg.navy.mil/2005/html/news_flash.htm with the report that the islands had missed the wave but;

"Diego Garcia is located to the west of the Chagos Trench, which runs north and south. The depth of the Chagos Trench and grade to the shores does not allow for tsunamis to build before passing the atoll. The result of the earthquake was seen as a tidal surge estimated at six feet." The island, by the way, also has a mean height of 4 feet above sea level.

Could it be that the highly secretive islands which were used as down payment to the US for Britain's nuclear weapons, have received a warning which others did not? You can pick up the story at globalresearch.ca/articles/CHO412C.html where the unfolding events and the various seismology stations involved are revealed. But more can be found out about the disgraceful behaviour of our political classes to the people of the Chagos by a Google search.

The following sites will tell you why any chance of the displaced people getting their homeland back can be forgotten. Diego Garcia houses an air base and a harbour for the US military. It also has an International Monitoring Station for the Test Ban Treaty listed as ours by the relevant authority. For further information try www.clw.org/coalition/imsgif.htm. The significance of this is that it reveals that a system to detect nuclear explosions of one kiloton – any where on the globe – is available, as is the hot line communication system. It is there, it is being paid for us by the citizens of this world and it is reserved for the military as revealed at www.abc.net.au/7.30/content/2005/s1278353.htm. ■

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Kick Up The Tabloids

MILBURN MURDERED – SUSPECT NAMED

As this is the first edition of 2005, we thought we would bring you our forecasts and predictions for the next six months. So, with Gordon Brown-like over-optimism, here goes:

January

The immigration system is swamped as four million Eastern Europeans apply to be David Blunkett's nanny. Blunkett reverses his support for identity cards after Jack Straw suggests that they should have things like 'Hi I'm your dad' on them. The Emlyn Hughes memorial match between Liverpool and Everton at Anfield is disrupted by Boris Johnson streaking in the centre circle at half time with 'some Scouser nicked my clothes' written on his arse (we've checked- the letters would fit). Following Scotland's Elephant Polo World Cup triumph (yes – it's true), Jack McConnell announces that every school in the country will be provided with an elephant during PE lessons, with extra animals for schools in deprived areas where children are less likely to have an elephant at home. Following violence-disrupted voting, George Bush is re-elected President of Iraq.

February

The Scottish Socialist Party unveils its new scheme to allow every resident of Scotland a turn at being their party leader. The Socialists reveal this will be done at random using the National Lottery. There is an outcry as those who usually choose the number 38 ball realise they will be more likely to have to take forward the global fight against capitalism and pale skin. The Scottish regiments are amalgamated into the Black Watch, White Settlers Watch, Swatch Watch, Argyll, Sutherland, Borders, Waterstones, Ottakars, Kings Own, Queens Own, Womans Own Royal Infantry, Cavalry, Sappers, Archers, Eastenders and Corrie Scots Regiment. The new regiment will be based in Fort Lauderdale, US. As fox hunting becomes illegal, the Countryside Alliance lobbies the government to allow the hunting of elephants with dogs, claiming that the numbers of elephants in Scotland have reached vermin levels and that they are becoming a threat to farmers' livelihoods.

March

George Bush requests that a Scottish astronaut be chosen to pilot the dangerous first manned mission to Mars. Tony Blair agrees, telling Parliament that he has seen consistent and robust intelligence that Saddam Hussein relocated his weapons programme to the red planet shortly before the invasion in 2003. Bin Laden releases a new video the following day showing him in front of a backdrop of auburn boulders and flanked by little green men. The latest Ukrainian election results in a clear victory for the Orange revolution, swelled by the additional votes of the one million Scottish citizens from Larkhall and surrounding villages who have moved to the Ukraine since December.

April

The peace process in Northern Ireland is dealt a fatal blow. After attending the IRA destruction of weapons, Iain Paisley is unable to operate a digital camera and accidentally shows Unionist delegates at a decommissioning conference snaps of him and Gerry Adams raving together in Ibiza. Paisley leaves the following morning for Kiev. As a study into the cost of NHS care for the elderly leaves taxation of the wealthy as the only option, Labour reverses the ban on smoking in public places and makes smoking compulsory from the age of three. Nursery teachers complain that the smoke will prevent the children from studying their sex education manuals. Walter Smith resigns as Scotland manager after being offered a job at Leyton Orient.

May

Labour wins the general election with 40 percent of the total vote. The other 60 percent is made up of one guy who voted Lib Dem, a woman in Reading who stood as a Save Our Kebab Shop From Closure candidate and voted for herself, and a spoilt ballot paper. Charles Kennedy quotes from Martin Luther King as he sobbingly dreams of the day when the British people will put aside their prejudice and accept someone with ginger hair as their leader. Aberdeen's red light tolerance zone is deemed a failure after Reliance wins the contract to provide escorts. The Green Party demands that kerb crawling should only be encouraged using public transport.

June

Gordon Brown beats Alan Milburn to death. Michael Howard resigns. Following rejected appeals to Iain Duncan Smith and William Hague, the Tories announce they are adopting the same leadership strategy as the Scottish Socialist Party. Sales of lottery tickets for the next Saturday's draw fall to seven. David Blunkett's memoirs are published, entitled 'You're all Wankers'. Blair's victory turns sour as he is successfully impeached by Parliament. The referendum on the European Constitution is replaced with a hastily arranged plebiscite on whether Charles I's punishment is good enough for Tony. Turnout is expected to be 95 percent. Following a private prayer meeting with Billy Graham, George Bush announces that the world will end on June 30, and that he is the very man to do it... ■

Kick Up the Tabloids is the Stand Comedy Club's monthly satirical comedy show. Totally live and interactive, it offers an irreverent take on who and what has been making the news in Scotland and beyond. The Kick Up the Tabloids team includes Bruce Devlin, John Flint, Susan Morrison and Paul Sneddon with special guest appearances. The show takes place on the third Wednesday each month at The Stand, Yorkhill Place. Edinburgh (Tel 0131 558 7373 or visit the website at www.thestand.co.uk). The doors open at 7.30pm, with the shows kicking off at 9pm.

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