

Scottish National Party defers independence referendum

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Plans for a referendum on Scottish independence by the minority Scottish National Party (SNP) government have been withdrawn from its legislative programme for the remainder of the current Scottish Parliament.

The referendum bill, initially scheduled by the SNP for November 30, was to include three options for greater devolution of fiscal and legal powers, including full independence.

However, an overwhelming majority of opposition parties in the Scottish parliament have vowed to block the bill. Outside parliament, public support for independence stands at an all-time low. According to a YouGov poll conducted earlier this year, 27 percent support independence, whilst 55 percent are opposed.

Faced with this, the nationalists are delaying the option of a referendum until shortly after the next Scottish elections in 2011. The SNP hope to win the election by claiming Scotland can be insulated from the world financial crisis through independence. Before the global economic crisis, the SNP's secessionist aspirations were based on the economic assumptions of a strong financial sector, increased North Sea oil revenues and winning investment through cutting corporation taxes.

This strategy was undermined by the 2008 financial meltdown. Scottish-based financial institutions Royal Bank of Scotland (RBS) and Lloyds-HBOS were only prevented from collapse by a £27 billion public funded bailout by the UK government—far beyond the resources of an independent Scotland. In addition, the price of oil fell sharply from a \$147 per barrel peak in 2008 and has stood at around half this figure or less for the past year.

Independence will now be presented as an alternative to the £100 billion in UK-wide spending cuts announced by the Tory government, which will leave

the Scottish budget reduced by £4.8 billion or 16.1 percent by 2015-16.

To this end, the administration's Council of Economic Advisors, headed by former chief executive of RBS, Sir George Mathewson, has claimed that unlike the rest of the UK, Scotland is not in recession. The Council bases itself on the fact that Scotland raised £1.27 billion more in tax revenues than it spent in 2008-9, as compared with a £48.9 billion UK deficit for the same period. This deception rests on the assumption that Scotland is only liable for £700 million of the UK-wide bailout, and is entitled to a much higher share of North Sea oil revenues.

In a recent article in the Glasgow newspaper, *The Herald*, John Swinney, the Scottish Finance Secretary, wrote, "Financial responsibility would enable us... to grow the economy and boost revenues—generating additional tax... from a vibrant economy, instead of just dealing with cuts from Westminster."

With regard to public spending cuts, he said, "only the SNP Government offers an alternative future for Scotland."

The SNP's period in office is testament to the fact that it provides no alternative to the austerity, which is supported unanimously in both Westminster and Holyrood. The SNP came to power in 2007, ending a half-century of Labour Party control of Scotland, exploiting widespread disaffection with Labour's rightward shifting big-business platform and the prosecution of two illegal wars.

Higher per capita public spending in Scotland, which has seen five percent average annual increases since 2000, has allowed successive administrations, including the SNP, to make nominally left leaning spending commitments. But whilst working tirelessly to push through policies aligned with the interests of Scottish

business, the SNP has climbed down on nearly all such spending commitments, invoking its inability as a minority government to foster a “stable majority”.

A reform to Council Tax, which would have seen its replacement with a slightly more progressive income based levy, was shelved in 2009 in the face of opposition from Scottish business. The SNP’s commitment to reduce school class sizes to 18 has been scrapped, as it has striven to reduce the wage bill in education. Teacher numbers have fallen by around 2,500 since 2007, while workloads are predicted to greatly increase under the current “Curriculum for Excellence” reforms, designed to configure primary and secondary education to the interests of employers.

The SNP has also climbed down from its commitment to eliminate all outstanding student debt repayments. In autumn, the minority government is set to launch a review into student finance for Scotland, where tuition is currently free, the outcome of which is expected to result in at least a graduate tax. It is expected to outline £1.7 billion of cuts for 2011-12 in its budget bill, which will be drafted shortly after the UK Comprehensive Spending Review in October, when departmental cuts of 25-40 percent will be set out.

Some 127,000 jobs are expected to be axed in Scotland over the next five years. Other cost-cutting options being considered include a protracted public sector pay freeze and the gutting of public sector pensions, an end to free universal benefits such as care for the elderly, concessionary travel and free prescriptions, as well as ending a council tax freeze.

The party’s anti-war stance has all but been abandoned due to the Scottish economy’s heavy dependency on UK arms spending. The SNP is currently trying to foster cross-party support to maintain defence contracts for two aircraft carriers that may fall victim in the October spending review, leaving a £5 billion hole in the Scottish economy and 10,000 fewer jobs.

The nationalists nevertheless seek to place full responsibility for cuts on the UK government, despite the dependency of much of the Scottish elite on exactly the same forms of financial swindling for which the City of London is the world capital. However, beyond the SNP’s public rhetoric, a high degree of coordination has already emerged between Holyrood

and Westminster.

The Conservative-Liberal Democrat coalition, due to its lack of support outside of England, is heavily reliant on regional political elites to drive through the austerity measures necessary for UK-wide “fiscal consolidation”. To this end, it has held numerous talks with the devolved administrations since it came to power.

It has allowed the SNP administration to defer £332 million of in-year cuts until 2011-12, in an attempt to secure a majority for the forcing through of cuts. The coalition has also pledged to implement the recommendations of the Calman Commission on Scottish devolution, which advises greater tax raising powers and that Scottish government be allowed to borrow its own capital. This is favoured by the UK government, as it would result in a commensurate reduction in the £30 billion block grant currently provided by Westminster.

The duplicitous role of the SNP aids the British government in diverting opposition to the destruction of living standards along regional and national channels. Its purpose is to prevent a unified opposition emerging in the working class to the huge restructuring of social relations that has already been set in motion.

None of this has prevented the ex-lefts from continuing to provide the SNP with a political cover. In the September 3 issue of the *Scottish Voice*, the Scottish Socialist Party claims that Scotland can “avoid the cuts” by pushing for a cross-party agreement on a reform to council tax, similar to that shelved by the SNP, which it argues “has the potential to turn the Scottish budget deficit into a spectacular surplus.”

It holds that whilst such reform would never be passed by Westminster, “in Scotland, the balance of forces is different”... as both Labour and SNP, together a majority, are “strongly rooted in the public sector.”



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