

# Scottish National Party's anti-austerity hypocrisy exposed

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The growth in support for the Scottish National Party (SNP) is largely due to its professed opposition to the austerity policies of successive British governments, both Conservative-Liberal Democrat and Labour.

The party has pledged to reverse spending cuts and establish a fairer society by renegotiating Scotland's 300-year-old status within the United Kingdom. Now the third-largest party in the House of Commons after Labour, the SNP is seeking to position itself as the only "real" and "progressive" opposition to the Conservative government, in the words of the party's parliamentary leader Angus Robertson.

No one should be fooled by this.

The progressive pretensions of the SNP are a cynical cover for core neo-liberal policies aimed at radically reconfiguring social relations in favour of big business. Such policies would facilitate Scottish capitalism in outcompeting rivals in the rest of the UK and internationally as an investment location, a centre of financial speculation and as a tax haven for the world's super rich. The SNP has already gone a long way toward this goal within the limited powers exercised by the devolved Scottish parliament, which it has led since 2007.

Billions of pounds have been made available to private firms through corporate handouts, public service privatisation and lucrative infrastructure projects. Just this year, the SNP set aside £617 million in tax relief for businesses, while at the same time cutting £500 million from public services.

The Scottish government is launching a tendering process at CalMac, the state-owned ferry operator that runs services in the Clyde and to the Hebrides Isles. The main bidder is the outsourcing multinational Serco, which took over NorthLink Ferries from the Scottish government in 2012. Tendering will undermine wages and conditions, whatever the outcome.

After a work-to-rule by CalMac workers in the RMT

union, the Scottish government has delayed tendering until the autumn to ensure the RMT bureaucracy is fully on board. A one-day strike was called off by the RMT at the last minute. Some 100 salaried staff, members of the TSSA union, voted to strike last week.

Scottish-based firms have done well too. Awards of public sector contracts to Scottish firms doubled to 12,000 last year, prompting John Swinney, the deputy first minister and finance secretary, to announce Scotland as "the best place in Europe to do business with the public sector."

The Holyrood parliament in Edinburgh spends £10 billion directly in the private sector, just under one-third of the devolved budget. This includes £1 billion on public-private initiatives for building schools, health centres and infrastructure, and hundreds of millions more on the predominantly privatised arms-length organisations which run leisure, transportation and care services for local councils.

These policies have helped to expand the ranks of Scotland's super-rich. The *Sunday Times Rich List 2015* reported that Scotland is now home to nine billionaires, up from seven last year, including Jim McColl of Clyde Blowers, who sits on the SNP's Council of Economic Advisors, and Stagecoach owner Brian Souter, who recently donated £1 million to the nationalists.

Meanwhile, around 40,000 public-sector jobs have been axed in recent years and pay frozen. In education, 4,000 teaching posts have disappeared in primary and secondary schools, over 100,000 college student places have gone and student debt tripled last year as university tuition grants were slashed. Elsewhere, social care has been privatised to levels comparable with England, and NHS Scotland has become dangerously overstretched through repeated rounds of "efficiency savings."

Recent figures published by economists at the University of Stirling indicate that the income of

Scotland's richest has risen by more than 25 percent since 1997, while the poorest experienced a 10 percent real terms decline.

This yawning social chasm will be compounded by a further £12 billion in cuts to centrally-administered welfare payments tabled by the Conservative government. Just under half of all families in Scotland depend on tax credits to sustain a basic standard of living and reductions will affect seven million children across the UK as whole. Disability allowances and housing benefits will also be cut back.

Far from seeking to reverse this savage course, the SNP offers only the most cosmetic alterations. Responding to the welfare reforms in a letter to the British Chancellor George Osborne, Swinney reiterated the SNP's fundamental agreement with austerity, stating, "The deficit needs to be reduced," with the perfunctory qualification that "this should be done in a more gradual manner."

Since the defeated referendum on Scottish independence last September, the political strategy of the SNP has hinged on fraudulently promoting further devolution under the new Scotland Bill as a means of protecting welfare and public services from the Tory government.

As the bill stands, Scotland would gain limited new powers to set welfare payments combined with full control over income tax and 50 percent of VAT sales revenues. At most, this arrangement, which the SNP helped draw up as part of the cross-party Smith Commission, would allow derisory changes to austerity funded through cuts or tax increases.

The nationalists have also claimed a mandate for additional powers beyond the Smith proposals and tabled an amendment for fiscal autonomy—full tax raising and budgetary powers.

This is nothing to do with reversing austerity. Rather, the SNP's paramount goal is to gain the power to slash corporation tax—the UK already has the lowest rate in the G7—and eliminate other regulatory barriers on profits to affect the further enrichment of its wealthy backers.

During the referendum campaign, the nationalists were able to paper over the glaring contradiction between their vigorous promotion of corporate interests and their pretensions of anti-austerity, by claiming that with direct control of North Sea oil Scotland could afford both.

No more. In response to a slump in world oil prices, the SNP has slashed estimates for North Sea revenues by up to 80 percent and aggressively lobbied Westminster for £1.3 billion in tax cuts for the oil industry.

The idea that fiscal autonomy would somehow result in any social concessions is a delusion and a lie, with perilous ramifications for the working class.

The Institute of Fiscal Studies estimates that fiscal autonomy would result in a £10 billion black hole in Scotland's finances, necessitating severe spending cuts. Professor Brian Ashcroft of the Fraser of Allander Institute at Strathclyde University has calculated that "stratospheric" eight percent growth rates would be required to make ends meet.

Entailed in this vision is an equally stratospheric hike in the exploitation of the working class. To put it in perspective, Scotland would have to outstrip growth rates in the Chinese economy, which rests on a brutal regime of sweated labour and is struggling to retain seven percent growth projections amid contracting world demand and a stock market crash.

The Scottish government's fraudulent living wage policy, the so-called "Scottish Business Pledge", is entirely compatible with this. Presented in terms of "increased productivity", a "distinctive Scottish approach to growth", the derisory living wage will form a baseline for the compression of public-sector wages, and businesses will be able to gain accreditation by committing to pay a living wage "over time."

That this right-wing party of big business has been the beneficiary of growing hostility to austerity in Scotland owes entirely to the opportunist machinations of Britain's pseudo-left. The Scottish Socialist Party, Solidarity Scotland and their fellow travelers in the Radical Independence Campaign, were the main foot soldiers of the nationalists during the referendum, promoting it as a left alternative to Labour during the general election, and even hailing it as a "new mass workers' party."



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