

Professor John Foster writes.

When it comes to the limited additional powers enshrined in the Scotland Bill and the alternative SNP proposal that would grant full fiscal powers to the country, **the bigger picture is important.**



Financial overexpansion is being resolved **across the world** by the concentration of capital on an unprecedented scale and a **political drive to shift the balance of power decisively against labour.**

The **biggest potential loser** in this struggle is **democracy** - in its proper sense of rule by the people - and the ability to exercise some form of **collective control over the power of capital and its market forces**

This **attack on democracy** can be seen today across the **EU and in Britain**, and **this is the context within which to judge** current pressure for constitutional change in Scotland.

It is important to recall that the **modern movement for a Scottish parliament** was initiated to assert precisely such a **class understanding of democracy.**

The **first Scottish Assembly** met in the Usher Hall in Edinburgh **40** years ago in the winter of 1972. Its demand was a Scottish parliament that would **politically consolidate the industrial power exerted by the shipyard workers of the Upper Clyde and the miners of Fife and Lanarkshire.**

Scottish Trades Union Congress general secretary Jimmy Jack foresaw a Scottish parliament as a "workers' parliament."



It would give the people of Scotland the **economic powers** required to **defend employment and industry** and, as a workers' parliament, it would **strengthen the power of working people** across **Britain**.

On these terms **neither of the two current alternatives** - the Scotland Bill or the SNP alternative of full fiscal autonomy, known as Devo Max - takes us very far.

Full fiscal autonomy has some immediate attractions. It would provide the power to **tax** capital. It would also give control of national insurance and **welfare**, allowing Scotland to escape from the current Con-Dem attempt to reintroduce the Poor Law.

Yet its tax powers would **struggle to meet existing levels of expenditure** even with control of oil and gas revenues, especially as these resources **will run down** over the next 10 years.

Worse still, its model for growth **relies on cutting taxes on capital in order to attract it** from other parts of Britain and Europe. In terms of the touchstone of democracy it would **deepen dependence on big business**

and

weaken class cohesion across Britain

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The **Calman Commission** proposals on devolution, as embodied in the Scotland Bill, provide **some**

borrowing powers to permit investment in infrastructure and job creation, but these are only at the

margin

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Their powers to tax are limited to personal income and would be broadly neutral in terms of stimulating economic growth.

Neither proposal assists the political dynamics required to redevelop labour movement cohesion across Britain, although **the Scotland Bill would do less direct damage**. Nor does either proposal measure up to the challenges currently facing the trade union and labour movement.

On the economic front these challenges hardly need repeating.

There is the **assault on the public sector and public sector trade unionism, the main remaining bastion of organised labour.**

standards

service sector, and industrially there is the drastic loss of ownership to external companies - increasingly

private equity speculators

focused on

short-term profits

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Politically the ma

