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Neoliberalism meets social democracy

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Poverty and Social Justice in the Devolved Scotland: Neoliberalism Meets Social Democracy?

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Drawing on current debates in social policy, this paper considers the extent to which social justice has and is informing social policy making in devolved Scotland. Relating to the work of social justice theorists Young, Fraser and Lister in particular, it critically examines some key Scottish social policy measures since 1999, considering some of the ways in which these have been constructed in terms of social justice and which make claims to the Scottish national. Through a focus on the issue of anti-poverty policies, the paper explores the ways in which the dominant policy approaches of the Scottish Government have reflected an uneven and tension-loaded balance between the enduring legacies of Scottish social democracy and the influences of neoliberal economics.

Introduction

Much of social policy analysis, especially in the sub-branch of comparative social policy, has tended to use the nation-state as the unit of analysis. The nation-state, argues Clarke, ‘provides the conceptual foundation for most national studies of social policies, politics and ideologies’ (Clarke, 2005: 410). Certainly most analysts agree that the post-war welfare state in the UK rested upon and sustained the integration of class and sectoral interests within nations (Keating, 2007; Miller, 1995; Williams, 1989). The mitigation of the effects of economic inequality, and the promotion of shared citizenship and social solidarity were essential principles. As has been argued elsewhere (see Mooney and Williams, 2006), the enduring legacies of the post-war welfare state for political rhetoric and national identity should not be taken too lightly. However over the last two decades the ‘golden age’ of welfare states in the post-1945 era has been increasingly disrupted (Clarke, 2005: 407), often alongside neoliberal globalisation and Europeanisation but also together with arguments of reconfigured nationalities and sub-nationalities (Keating, 1997; Bartolini, 2005).

It is difficult to deny that national state policy is one of the most significant factors that affects poverty; taxation, employment policy and social security are, in the UK at least, highly centralised and the main forms of government interventions to reduce poverty but, as with the rest of Europe, the last two decades have witnessed a trend towards decentralisation in a number of social policy fields. As a result, sub-state governments are increasingly the providers and guarantors of the social well-being of the people they represent or are perceived to be such by the electorate in the devolved countries (see
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Schmuecker, 2008). In the case of the UK, this means an added significance to the role of newly devolved governments in Northern Ireland, Wales and Scotland. One of the recurring claims made about devolution in the UK since 1999 is that it has provided an opportunity for significant change and policy differentiation in relation to social welfare but also for new forms of citizenship (Greer, 2009; Mooney and Scott, 2005; Mooney et al., 2006; Parry, 1997; Paterson et al., 2001; Stewart, 2004). Free personal care for the elderly and the abolition of up-front student fees are just two of the key policy changes in Scotland that have been heralded as marking a growing degree of policy divergence. In Wales, the abolition of prescription charges (which the Scottish National Party (SNP) has subsequently indicated will be abolished in Scotland by 2011) has occupied a similar position in policy commentary in recent times. Nevertheless, whether this constitutes the beginning of real, deep and significant change and greater social justice is much more difficult to argue and whether it represents improvements to social justice is something that deserves analysis.

Scotland, devolution and social justice

Social justice, whether representational or relational is a notoriously difficult term to define (see Craig et al., 2008; Newman and Yeates, 2008) but it has been used regularly by politicians as a term driving their ambitions for Scottish social policy since devolution as, for instance, when the then Scottish Secretary of State and subsequent first First Minister in the re-convened Scottish Parliament, Donald Dewar, stated that a devolved Scottish Government would reflect the values of Scotland:

a country where equality of opportunity and social justice are central to our sense of self. (Dewar, 1998)

Social justice was a key term that came to be used in 1999 by the newly formed Labour-Liberal Democrat administration in Scotland. This new Scottish Executive recognised that material inequality/poverty combined with group identity can bring about powerful process of social exclusion but also saw it as a way of gathering and incorporating the voices of poor and other disadvantaged groups (Mooney and Johnstone, 2000). It was a relatively bold, but not significantly different, move at a time when a Labour administration was also in power in Westminster. Recognition of identity politics was present in policy formulation. Social justice was interpreted as addressing material inequality and social exclusion. Identity politics was in many ways incorporated not simply as reacting to Scottish problems but also problems rooted in gender, ethnicity, religious and sexual identity.

In 1999, the Scottish Executive, went on to set out its first wide-ranging social justice strategy – Social Justice . . . A Scotland Where Everyone Matters (Scottish Executive, 1999) – and presented this as ‘the most comprehensive framework ever for tackling poverty in Scotland’. Incorporated into policy development was the setting up of a Social Inclusion Network that was supposed to be consulted at various stages of policy development. Whilst the Network later became defunct, the notion of empowerment for the socially and economically marginalised was a strong one in the political rhetoric of policy formulation. These principles – of empowerment, social inclusion and, to a lesser extent, redistribution – have remained as part of the political rhetoric of both New Labour and the SNP.
throughout the period of devolution. The year 2003 saw the beginning of a revised strategy in Edinburgh, ‘Closing the Opportunity Gap’ represented a reaffirmation on the part of the Labour Government of the commitment in Scotland to a reduction in poverty. Never a fully radical approach, it nevertheless went further in some ways to New Labour in England and over the next three years saw a greater reduction in child poverty than in England. In the 2008, *Achieving Our Potential: A Framework to Tackle Poverty and Income Inequality in Scotland* (Scottish Government, 2008a) the SNP government restated the importance of anti-poverty policy to the development of Scotland as a nation:

The overarching Purpose of this Government is to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. Delivering on that Purpose will mean delivering greater Solidarity in Scotland. (Scottish Government, 2008a: 1)

The principle of Solidarity is one that holds great resonance elsewhere in Europe. Within the European Community it is claimed as a fundamental principle based on sharing both the advantages — that is, prosperity — and the burdens equally and justly among members. In the Scottish context the SNP-led Scottish Government seems to have evoked a similar principle with the use of the term in its two key texts *Government Economic Strategy* (Scottish Government, 2007) and *Taking Forward the Government Economic Strategy: A Discussion Paper on Tackling Poverty, Inequality and Deprivation in Scotland* (Scottish Government, 2008b). Of some interest is the reference made to other European countries in the documents, particularly the Nordic countries, as examples of how Solidarity can be achieved, highlighting how some European countries are often trying to find the right balance between economic competitiveness and social cohesion but also highlighting the role of social policy in developing supra-national as well as national identity. In its *Economic Strategy* paper Solidarity is quite clearly based on some notion of social justice as it is presented in terms of equality between income groups and is supported by a Strategic Target – to increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017. This notion of social equity is presented as having the ‘potential to reconnect large numbers of people in disadvantaged groups and communities to the mainstream economy, fulfilling their potential, increasing participation and growth and building stronger and safer communities’ (Scottish Government, 2007: 11–12).

Therefore, in its more recent approaches to social policy, the capacity for Scottish Government to address poverty is presented as a key focus of debate for the future development of Scottish society – and for the future prosperity of Scotland itself. Identity politics has been transformed from differences between groups and related social exclusion to a greater focus on a more essentialist and social democratic notion of ‘Scottishness’. Territorial justice has become part of the policy exercise; addressing poverty is seen to contribute to a better and more prosperous Scotland. The Consultation Document, *Taking Forward the Government Economic Strategy: A Discussion Paper on Tackling Poverty, Inequality and Deprivation in Scotland*, moreover, highlighted the lessons that other small nations can offer, citing Finland and Norway as sources for emulation and policy transfer. It makes the case:

for Scotland to have fuller, and eventually full, responsibility for personal taxation and benefits, to allow the development of approaches that better fit with Scottish circumstances. (Scottish Government, 2008b: 17)
The Scottish Government is not unique in focusing on social policy and anti-poverty policy as a specific target for decentralization. Beland and Lecours’ (2007, 2008) discussion of nationalism and social policy decentralisation in Canada and Belgium provides a valuable analysis of why this type of argument occurs. They argue that sub-state nationalism represents a powerful force for the decentralisation of social policy (Beland and Lecours, 2007: 405) and provide two reasons for why this is the case:

First social programmes are more likely than other types of programmes to touch people in everyday life. As a consequence governments running these programmes can establish direct and tangible links with a population – a potent nation building tool. Second, discussion around specific social policy alternatives can easily be conducted as a debate over core values, principles and identities. In this respect the language of social policy is similar to discourse of nationalism insofar as one group can argue to have more of a certain quality (e.g. egalitarian or entrepreneurial) than the other.

For the SNP maintaining social justice policy as a significant focus of devolved government could be interpreted as ensuring demands for greater powers for a Scottish Government, that is more devolution, remain alive. What we need to ask here, though, is whether the demand for greater Scottish autonomy that the SNP have spearheaded will automatically lead to representational and redistributive social justice. In many ways, it is timely to ask whether the greater Scottish autonomy in social policy demanded by the SNP could lead to greater social justice. During 2008 the Scottish Government announced its new Framework to Tackle Poverty (Scottish Government, 2008a) and presented a Local Income Tax Bill to the Scottish Parliament (proposals that were initially advanced by the Scottish Socialist Party), evidence perhaps that social justice and greater devolved power went hand in hand for the SNP.

In addition, 2008 also saw a significant victory for the SNP in Glasgow East, an area where rates of income poverty exceed 50 per cent, and a perception by some media commentators that the electorate saw a stronger SNP voice from Scotland as a means to shift UK policy in relation to poverty – and to other policies of an ‘old Labour’ hue (see Mooney et al., 2008). In this respect the SNP, playing the social democrat card, wrong-footed Labour by introducing and advocating policies which the majority of Labour supporters (and most politicians) in Scotland would support.

Again in 2008 the Calman Commission (Commission on Scottish Devolution, 2008), set up by the main pro-Union parties in Scotland as a counter to the SNP’s ‘Independence Conversations’ (see Scottish Executive, 2007) published its interim review of the experience of Scottish devolution since 1998 and recommended numerous, albeit limited, additional areas of policy governance but no greater fiscal autonomy, and the SNP’s proposals for local income tax to increase the potential for greater Scottish policy and accountability were rejected by the Scottish Parliament.

Nationalism, social justice and the politics of recognition

The developments reflect the ongoing – and contested – nature of the discussion of the devolution settlement and a strong connection between national (and in the context of the UK multi-national) governance issues (see McEwen, 2006), perceptions of social justice and policy matters. However, for many social justice theorists, a resort to nationalism is not
seen as the answer for questions of social injustice. Indeed the political philosopher Iris Young (2000) argues quite passionately in her discussion of ethnic nationalism that, whilst the ‘politics of difference’ is essential if oppression of social and culturally distinct groups is to be avoided, nationalism, with its conceptual ties to sovereignty, can be externally exclusionary and internally oppressive. It is important to recognise here that Young is largely talking about ethnic diversity and nationalist ethics: in Scotland the SNP’s brand of nationalism concerns a focus on civic rather than ethnic nationalism. Nevertheless, it still means that at a simple level the problems of social injustice in Scotland are seen to be best addressed through the promotion of some element of separation – or at least through ways that promote greater Scottish national-specific policy formation and intervention.

Social justice theorist Nancy Fraser (2000) further argues that a politics of recognition is important but that contemporary theories of justice have often moved from a crude materialism to an equally one-sided emphasis on cultural and identity politics. She argues (particularly in relation to gender inequality) that the two forms of harm addressed by materialist and identity politics, although analytically distinct, are deeply intertwined. Her work highlights the reality that addressing one injustice does not solve others. Women’s poverty, for example, cannot be addressed by simply recognising the different causes and experience of women’s poverty but nor can poverty be fully addressed without recognising those differences. Where a concept of social justice recognises cultural/group as well as material difference, she feels there is more likely to be policy that promotes redistribution as well as recognition. Ruth Lister (2004) also highlights that social justice depends on a culture of equal respect – a politics of recognition that could include sub-national identities but more importantly recognition of the voices of poor and marginalised sections of the population. Like Young, she argues forcefully for a relational politics of social justice – for a form of respect and caring that sustains and promotes equality in income and wealth, access to services and neighbourhood quality, an approach that recognises how group and individual issues are inextricably related to the organisation and structure of society. A political theory of recognition, moreover, where the material basis of difference is as important to address as any lack of participatory parity: both are essential for social justice. Is this relevant to the question of social justice in Scotland today and to Iris Young’s argument that ‘politics of difference’ is not automatically the answer when nationalism is invoked?

**Social justice and poverty policy: the developing approach of the SNP**

So what does all this mean for those trying to examine whether devolution has led to greater social justice – at least in Scotland. In this section of the paper we are primarily concerned with the picture as it is developing in 2007–9, that is the first two years of the SNP administration. Social justice is an issue that takes us to the very heart of the kind of society in which we live – and which we would like to see existing. What makes for a ‘good’ society – the good Scottish society? Would a transition towards greater devolution, as favoured by some of the pro-union parties and the majority of Scots voters, or to independence, as favoured by the SNP, create the potential for greater social equality? This involves critically interrogating the role of the state, the position of the rich and powerful
and tackling structurally generated inequalities. Certainly social justice cannot be divorced from an understanding of the wider economic and social relations that characterise, in this case, contemporary Scottish society. Such relations encompass poverty, deprivation and social exclusion. It also certainly includes material inequalities, inequalities in income and wealth, health inequalities, educational inequalities and so on (see Kenway et al., 2008; McKendrick et al., 2007; Morelli and Seaman, 2007), and at this point we have to ask seriously whether the approach proposed by the Scottish Government in its Achieving our Potential (AoP) (Scottish Government, 2008a) can deliver the reductions in inequalities that have been suggested at the same time as producing solutions that empower individuals, communities and ‘the nation’. It remains a real challenge for the SNP Government. The SNP’s political commitments to solidarity and to fairness and cohesion have, until the economic crisis, been couched in a neoliberal framework of economic growth and competitiveness and history shows that at the very least there are massive tensions between these opposing objectives.

The Scottish Government’s AoP framework was launched in November 2008. Supported by funding of £7.5 million, it sets out the joint approach of the Scottish Government and the Convention of Scottish Local Authorities (COSLA) to addressing poverty. The partnership with local authorities is felt to be a very important one, as considerable funding has been devolved from the Scottish Government to local authority areas in order to ‘allow partners locally to take decisive action that meets local needs’. The framework outlines the key actions required by government and its partners, such as the strengthening of income maximisation work, launching a campaign to raise awareness of statutory workers’ rights and supporting people who find it hardest to get into jobs or use public services. It also calls for the UK government to transfer responsibility for personal taxation and benefits to Scotland, simplify the tax credits scheme and promote the greater availability of childcare vouchers.

Interestingly the document positions itself to the left of the UK poverty policy by stating very clearly and early that the framework aims to enable the ‘major inequalities in Scottish society’ to be addressed and to ensure ‘people are paid fairly for the work they do’. It is this stress on the term inequalities, the acceptance of the use of the term ‘poverty’ for policy formulation and recognition of low paid work that has probably endeared the SNP to some on the left since it took power in 2007. It is, however, worth asking whether the framework offers much more than previous approaches that prioritise work as the route out of poverty and fails to address inequalities of assets and income. When we examine the actual policy we find that ‘tackling income inequality’ involves ‘giving everyone the chance to contribute to Scotland’s economic growth’ by increasing work-based learning, helping people manage their finances and enabling benefit and tax credit maximisation, both of which are determined at a UK level. Although a campaign to raise awareness of employee rights is included, it is not clear how big or significant this campaign will be. Work is, as with the UK government, prioritised as the main way of addressing income inequality. The ability of the Scottish Government to develop new policies here is limited by the existence of reserved powers. However, poverty is seen essentially here as a drag on economic growth and it is economic growth that remains the primary aim of the government. It is not clear in the document how inequality of income and wealth, both significant causes of poverty, will be addressed. What is even more worrying is that despite the claims to have prioritised the reduction of inequality and the existence of some innovative ideas for local work, the indicators used to show
whether progress is being made and desired outcomes achieved are relatively restrained. They include at national level:

- improved public perceptions of the quality of public services delivered;
- increased numbers of school leavers into work, training or further or higher education;
- reduction in the number of people with severe literacy and numeracy problems;
- fewer alcohol related hospital admissions;
- increased life expectancy in the poorest areas.

The 2007 Concordat signed by the Scottish Government and Convention of Scottish Local Authorities (COSLA) provides evidence of the Government's desire to give greater local control over how the national outcomes will be achieved (although some might say it is a desire to shift responsibility away from the Scottish Government). The two-stage development of Single Outcome Agreements involving local authorities and their service provision by 2008/9 and widening out to Community Planning Partnerships by 2010 is viewed by the Government as a way to ensure ownership and local commitment to anti-poverty strategies. The result is a wide range of outcomes being chosen by local authorities in the first Single Outcome Agreement process by 2008: according to SPICE an average of 38 outcomes per Single Outcome Agreement (SPICE, 2008). They generally include the following:

- reductions in work-related benefit claimants per 1,000 of the population;
- reductions in under-16-year-old pregnancies per 1,000;
- increased percentage of adults rating neighbourhood as ‘very good’ or ‘fairly good’;
- increased percentage of social housing above quality standard;
- reductions in percentage of children in benefit dependent households;
- increased number of affordable homes.

These are worthy and important indicators for social well-being in Scotland but whether they represent a significant move towards the social democratic nation that the SNP would like to see and would be able to achieve is questionable. One of the reasons for this, the SNP would argue, is their current lack of power to tackle the causes of poverty. As a result, the document does highlight a desire to for greater power for the Scottish Government within UK anti-poverty measures, even though the scale of the problems would make this a difficult way to actively reduce poverty:

The Scottish Government will work in 2009 to develop these principles in the context of the National Conversation, and will present a range of policy options for tackling poverty and income inequality in the event of additional fiscal autonomy or independence. (Scottish Government, 2008b:18)

The Framework does, therefore, recognise the role of policy in reducing poverty but at the same time distances itself from significant areas of policy formulation, in particular areas where the UK Government has power and responsibility. At the same time it attempts to clarify a different and distinctive role for Scottish Government in reducing poverty and one that involves new types of partnership with the Scottish electorate, local authorities and Community Planning Partnerships. Its commitment to reducing poverty becomes one that it presented as a ‘collective’ enterprise where government can guide rather than deliver. Indeed the framework announced that the Scottish Government and Convention
of Scottish Local Authorities would publish a community empowerment action plan and an online ‘tackling poverty toolkit’ for use by Community Planning Partnerships in the second stage of the Outcome Agreement process.

The document, then, highlights a different way of developing anti-poverty policy for Scotland, however at its centre the idea that economic growth is the key to reducing poverty remains very powerful. It notes, for example, that:

Respondents to our consultation were impressed by those countries which have managed to combine economic growth with lower levels of poverty and income inequality, for example Finland and Norway . . . . The Scottish Government will develop stronger links with all levels of government and public services in these countries and use the resultant learning. (Scottish Government, 2008a: 18)

Will the framework make a difference? Maxwell (2008) is not convinced. He argued, even before the current recession, that the main defect in the SNP approach to poverty and inequality was the conflict between its stated social ambitions and overall bias towards a liberal market approach for economic development.

**Economic crisis: consequences for the SNP government**

For many commentators of Scotland’s political scene, the SNP enjoyed a prolonged ‘honeymoon’ period during its first year in office and the combination of its economic framework and anti-poverty framework could be seen as statements of a Government confident that it could contribute to real, positive and identifiably Scottish developments. The honeymoon period, however, was brought abruptly and suddenly to an end in mid to late 2008 as a result of the deepening financial crisis that gripped the UK and other areas of the global economy: Scottish banks, long held-up by the SNP as a living statement of Scotland’s ability to survive as an independent country in a competitive global economy, had to be bailed out by the UK exchequer, effectively bringing them under the control not of the Scottish Parliament, but the UK Parliament in Westminster. The basis of their earlier confidence of economic growth and reductions in social inequality was seriously dented.

In addition, the onset of financial crisis was heralded as seriously weakening the economic case for independence (The Herald, 2008; see also MacWhirter, 2008; Mooney et al., 2008). This gave rise to a spate of newspaper headlines proclaiming, for example, ‘Financial mayhem has exposed the fantasy of independence aspiration’, The Scotsman, 13 October 2008; ‘Financial meltdown leaves nationalist vision in tatters’, Sunday Times, 12 October 2008; ‘Scottish independence: the dream that just melted way’, The Independent, 21 October 2008. At the time of writing, this has not led to serious questions of the anti-poverty framework but the ability of local authorities and Community Planning Partnerships to achieve their expected outcomes needs to be carefully monitored in the next 12 months. Certainly, the crisis has led to a reduction in statements of the SNP’s longer-term vision and increasing questions over which government in the UK had the greater capacity to weather the financial storm and protect communities affected by it. Following its electoral success in Glasgow East in July 2008, the SNP entered the Glenrothes by-election in November 2008 with high expectations of a repeat victory. This election was widely presented as a final opportunity for beleaguered Prime Minister
Gordon Brown to rescue his political position. That New Labour won, and won well against all the odds was attributed to Brown’s response to the UK’s financial crisis, bailing out the banks and far-reaching state intervention in key areas of the economy. In Scotland New Labour, long out-manoeuvred on the left by the SNP proclaiming that they were the true inheritors and protectors of Scotland’s social democratic traditions, were able to point to New Labour’s pseudo-Keynesian policies as a counter to such claims, in the process raising important questions about the role, and general impotency, of the Scottish Government in such a crisis.

**Conclusion**

There is little doubt that the election of an SNP Government in Scotland has allowed space to be opened up for challenges to neoliberalism and new approaches to immediate problems of poverty to be mounted (see MacWhirter, 2007). As has been noted, the SNP’s period in government has been characterised by a greater desire for the Scottish Government to distance itself from the UK New Labour Government, which has invoked claims to policy-making which is more in tune with assumed Scottish social democratic values. Leading SNP politicians as well as First Minister Salmond have made repeated claims that their policy agenda is ‘part of our social democratic contract with the Scottish people’ (Alex Salmond, quoted in *The Guardian*, 13 April 2007) and anti-poverty strategy is an important part of that contract.

As Beland and Lecours (2007: 416) have highlighted in the context of Flanders and Quebec, for nationalist movements ‘social programmes’ are an important element of the drive for decentralisation and devolution. Social policy is highly significant in a public’s perception of government. In the context of Scotland, social policy development and Scottish political identity are closely interrelated, at least at the level of policy rhetoric and legitimation.

The return to a form of Keynesian-style interventionist policies at the level of the UK state, in response to the financial crisis of 2008–9, throws-up important questions about the space for the nationalist government in Scotland to play the social democratic ‘card’ in ways that bring it continuing support. Indeed, arguably the links between national identity (at a Scotland level if not at UK level) and social policy could become increasingly hollow as a result. In addition, while the SNP may stress the ‘social’ dimensions of their policy-making strategy and vision, as we have seen it remains wedded to a neoliberal world view and economic framework. This too means more constraints on the policy space for more radical social democratic type policies at a Scotland level.

Rodriguez-Rose and Gill (2003) have described devolution as a key ‘global trend’ in recent decades. The deepening entanglements between nationalism and social policy have been important aspects of this process but an important question now in the context of a deepening and widening global economic crisis is the extent to which this will unravel.

**Notes**

1 By sub state here we are referring to states within states such as Scotland and Wales in the UK.

2 Although in the case of Scotland, there was considerable autonomy in key policy areas prior to devolution in 1999, e.g. education, law, children’s services, local government (cf. Stewart, 2004).

3 See Chapter IV (Articles 27–38) of the Charter of Fundamental Rights of the European Union.
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