

Scottish government passes final pre-referendum budget

By Stephen Alexander
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The Scottish National Party (SNP) government gained the approval of Holyrood, the Scottish parliament in Edinburgh, for its 2014-2015 spending plans.

It will be the final budget before this September's referendum deciding whether Scotland will gain nominal independence from the rest of the UK.

The £34 billion budget is currently funded by the UK Treasury in the form of an annual block grant, out of which the devolved Scottish government directly manages health, education, local government, the police and the judiciary. A yes vote would give Holyrood full control over regional tax revenues, allowing it to determine its own budget.

The annual presentation of the Budget Bill is by now a familiar spectacle in Scottish politics, serving as a platform for the nationalists to promote the fiction that Scottish capitalism, freed from the control of Westminster, would provide an alternative to the hated austerity measures that are plunging millions of workers into penury across Britain, Europe and internationally. Scottish finance secretary John Swinney claimed his budget was based on his government's "vision of a nation founded on the principle of fairness and prosperity".

To this end, Swinney seasoned the budget, which includes generous corporate handouts such as £77 million for business rate relief and £8 billion for infrastructure projects, with some minimal social concessions.

His proposals include the introduction of free school meals by January 2015, matching the plans of the Conservative/Liberal Democrat government; the expansion of child care for vulnerable two-year-olds; and compensation for council house tenants who have had their housing benefit slashed under the central

government's "bedroom tax".

Provisions have also been made to continue universal benefits not available in England, such as free university tuition, medicine and personal care for the elderly, while the health budget has been frozen.

The SNP claims that independence would allow it to go much further and reverse all of the coalition government's public spending cuts and welfare reforms. It has pledged to stop cuts to benefits and pensions, renationalise the postal service, and insulate National Health Service (Scotland) from the Cameron government's privatisation drive.

All of these financial calculations are entirely speculative. In the event that Scotland does become independent, it is still unclear what currency it would adopt; whether it would gain entry into the European Union and under what conditions; what would be its share of national resources, including North Sea Oil revenues; and what would be the proportion of British debt with which the new state would be burdened.

The latest budget is part of a cynical and dishonest propaganda offensive mounted by the SNP and its wealthy backers to lure the unwary into voting for the divisive project of Scottish separatism. Not a week goes by without some new empty social promise being offered up in an attempt to bolster a yes vote.

Far from ameliorating the assault on living standards, separatism is an initiative brought forward by a section of the regional bourgeoisie seeking to attract global investment and forge more direct relations with the major banks and corporations. To this end, the SNP will slash Corporation Tax by an initial 3 percent on gaining independence—a policy that would necessarily accelerate the assault on wages and conditions, undermine spending on public services, and escalate the exploitation of the working class.

The SNP administration has already shown where its allegiances lie. It unreservedly supported the multibillion-pound bailout of the British banking system, of which the Edinburgh-based Royal Bank of Scotland was one of the main beneficiaries, and has collaborated fully with the brutal policies of social counter-revolution implemented by central government to recoup the costs.

Government spending in Scotland will have fallen by 24 percent in real terms between 2008 and 2015, only marginally behind the figure of 30 percent for England.

That austerity lags slightly behind England owes entirely to the Barnett regional funding arrangements, under which Scotland receives approximately £1,200 per capita more annually to spend on public services than in England. It has *nothing* to do with the purported “fairness and prosperity” of Scottish capitalism.

Holyrood has only been able to ostensibly distance itself from some of the most hated austerity policies of Westminster, such as the tripling of university tuition fees and health privatisation, by devolving responsibility for the majority of the budgetary cuts onto local government. As an editorial in the *Scotsman* newspaper pointed out when Swinney first outlined his spending plans last September, “He has shuffled most of the cuts burden on to Scotland’s local authorities. It is they who will have to do the dirty work in the coming year—closing more schools, shutting more libraries, cutting back on social care services for the elderly and vulnerable, locking the doors on local swimming pools.”

It continued, “The political benefit for the Scottish Government is, of course, that it is councillors rather than ministers who take most of the flak. But it does mean that the burden of public spending cuts is borne by the poorest Scots, who rely most on the kind of front-line services local authorities provide.”

The devastation of local government jobs and services provides a true picture of what awaits Scotland’s public services across the board.

More than £1.5 billion has been carved from local government spending since 2010-2011 and a further £200 million of cuts are included in the 2014-2015 budget. Scotland’s 32 local authorities will be further squeezed as the SNP has budgeted to freeze council tax for a seventh consecutive year—a regressive measure that primarily benefits wealthy homeowners.

Around 35,000 local government jobs have been axed in recent years, with thousands more tabled by councils for the coming period. Wages have already declined by 13 percent in real terms since 2010-2011, with a steep pay reduction planned for the next two years.

Social care services, one of the principal outlays for local authorities, are at “breaking point,” according to the charity Age Scotland. In Edinburgh alone, 15 percent of residential care accommodation has been declared unsafe due to understaffing and inadequate training. Free home care for the elderly and disabled is rapidly being hollowed out, with a growing number of visits limited to as little as 7 and 15 minutes.

This deterioration of standards is the outcome of a long-term cost-cutting and privatisation drive by cash-strapped councils seeking to undercut in-house services by utilising a low-paid, unskilled workforce.

The United Kingdom Homecare Association calculates that in 2011, of the 809 care home services operational in Scotland, only 122 were run directly by Local Authorities, with the other 85 percent managed by the private or voluntary sector. The situation is set to worsen as Local Authorities have announced a combined care funding shortfall of £35 million for this year.

In this context, the fraudulent character of the Scottish government’s defence of the NHS becomes clear. The SNP intends to integrate health and social care as a means of alleviating pressure on NHS Scotland. Instead of taking the load off hospitals by providing more care in the community, the purported aim of the reform, it is a means of introducing the very same cost-saving methods into the NHS that have brought social care to its knees.

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