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radical feminist green

Perspectives

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RECOVERING FROM RECESSION



THE CASE FOR A GREEN NEW DEAL

PLUS

LAP-DANCING, BANK LENDING AND ECONOMIC CRISIS

EDUCATION AND THE CREDIT CRUNCH

AGRICULTURE, THE ENVIRONMENT AND SCOTLAND

MAGAZINE OF SCOTLAND'S DEMOCRATIC LEFT

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EDITORIAL

BANKING ON CHANGE?

Inevitably the financial crisis continues to dominate public and political life and that is reflected in this issue of *Perspectives*. At the time of writing press coverage of the crisis has been distracted by the revelations surrounding MPs' expenses – bad enough at any time – but compounded by the popular resentment felt by people suffering as a consequence of the banking fiasco. There is a real sense of crisis: not just with the government but with the whole political class. We intend to return to this in future issues.

In the current magazine two articles directly address the financial crisis and both sketch ways forward that reject the idea that gross domestic product (GDP) indicating a return to growth will mean our problems are solved.

Barbara MacLennan sees the crisis in banking as a microcosm of an unequal society and shows how women are affected disproportionately. She argues that measures of the economy like GDP are partial, omitting many factors that might give us a better informed picture of the social nature of the economy as a whole, and how its functioning impacts on our wellbeing. The outcome we need as a society is a better quality of life, but not neces-



sarily a greater standard of living. The two are *not* one and the same.

David Purdy addresses the issue of how we recover from the recession and, given that the environmental crisis has not receded, suggests that a Green New Deal might offer a way of killing two birds with one stone: “a better solution to the twin problems of economic recession and climate change.”

Adam Ramsay looks at how the collapse of credit bubble is impacting on students and the implications of this for post-school education and Shetland crofter David Smith makes a plea for politicians to, so to speak, listen more and talk less.

We continue our cultural coverage with a piece by Dave MacLennan, director and occasional actor, well-known for his work with 7:84 and Wildcat theatre companies, about the problems of public funding for the arts and the success of his A Pie A Pint and A Play series at Glasgow's (private sector) Oran Mor. Willy Maley, following up his pieces on James Kelman and Irvine Welsh, argues the case for Muriel Spark as another great voice of Scottish literature.

Sean Feeny

Editor

■ Letters and contributions (which we may edit) are welcome and should be sent to the editor – contact details alongside.

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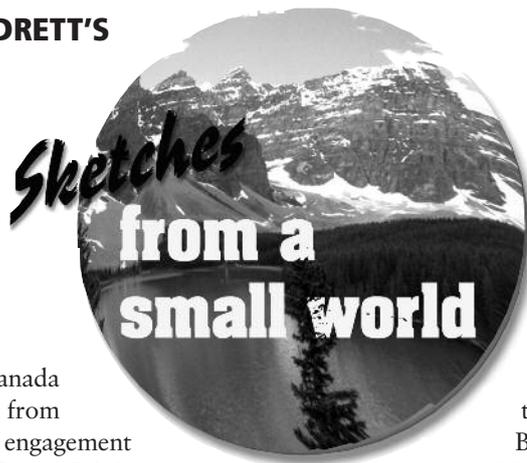
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EURIG SCANDRETT'S



I start writing after the news that Canada has banned George Galloway MP from entering the country on a speaking engagement because, it seems, of his support for Hamas. It is interesting to note the extent of Zionist influence on the immigration service of Canada. Hamas is a religious fundamentalist but democratically elected government which is prepared to use violent means to defend its population from its perceived aggressors. In that it is identical to the Israeli government. The similarities break down when you realise that Israel's electorate is artificially constructed by importing foreign Zionists and evicting the former Arab residents, and that whilst Hamas's weapons are small arms smuggled through tunnels, Israel's violence is conducted with the most sophisticated and deadly weaponry supplied by the world's biggest arsenal. If there had been any doubts about this, the illegal destruction of Gaza will have clarified it.

Dr Binayak Sen's name is not as well known as it should be. I've recently been at two events of politically active people who hadn't heard of him. Increasingly, he has come to represent a fault line between global capital expansion and humanity. Binayak Sen is in prison in the Indian state of Chhattisgarh.

To understand the implications of this, we could follow the adult education exercise made popular in the Training for Transformation books: "but why?"

Dr Binayak Sen is in prison in the Indian state of Chhattisgarh. *But why?*

Because he has been accused of supporting the Maoist insurgency. *But why?*

Because, as a public health doctor and human rights advocate he has provided health care and legal assistance to the tribal people of Chhattisgarh who are amongst the poorest in India. *But why have they imprisoned him for this?*

Because in this capacity he has exposed the role of the police and their proxy militias in the massacres of tribal villages. *But why has this led to the accusation of being a Maoist?*

Because the Maoists are supporting the tribal people, and some of the tribals support the Maoists. *But why?*

Whilst Hamas's weapons are small arms smuggled through tunnels, Israel's violence is conducted with the most sophisticated and deadly weaponry supplied by the world's biggest arsenal.

Because the government is evicting the tribal people from their land. *But why?*

Because their land contains valuable minerals to which multinational companies want access. *But why?*

Because the multinationals need to make a profit, for themselves and for their investors, such as ABM Amro – which is part owned by the Royal Bank of Scotland – which is part owned on our behalf by the British State. *But why?*

Because that is how India is developing.

Dr Binayak Sen got in the way of global capital expansion. Recently, Binayak's wife, Professor Iliana Sen, also a human rights activist and academic feminist, was visiting Scotland as part of a UK tour, with Kavita Srivastava of the People's Union for Civil Liberties. They were here to raise awareness of Binayak's imprisonment and the widespread abuses of human rights by the Indian security state which is intent on attracting international capital and displacing anyone whose livelihood gets in the way of investment.

Another example is in the neighbouring state of Jharkhand where Dayamani Barla, a tribal woman and campaigning journalist has been leading the battle against Arcelor-Mittal's plans to set up a giant steel plant. In December I was able to attend when she was awarded the 2009 Chingari prize for women fighting corporate crime.

It is tempting to compare India in the 00s with Latin America in the 70s, being at the forefront of attracting capital into Special Economic Zones (= Free Enterprise Zones), with rising levels of state repression, popular unrest, social movements and (some) armed resistance. The comparison is interesting but inevitably more complex. India's conversion is late, at the tail end of the neoliberal experiment, now that it has failed. Latin America was the testing ground for neoliberalism. Any resistance was violently suppressed, not just by national state apparatus but by direct US military intervention (Guatemala, Chile, Bolivia, Nicaragua, El Salvador, Granada, Haiti ...). Cuba, uniquely, has survived and sustained its revolution for 50 years this year.

Happy anniversary compañeros.

LAP-DANCING, BANK LENDING AND ECONOMIC CRISIS

The economic crisis reflects the sexism in society at large with – surprise, surprise – women bearing the brunt. **Barbara MacLennan** looks at the shortcomings of the indices used to measure wellbeing and sketches a response to the crisis that focuses less on GDP and more on the common good.

The economic crisis started with the banks. They lent money for house purchase to people on low wages or with poor credit histories. To save administrative costs, they allowed people to certify their own incomes. To spread the risk of default on any particular mortgage, they bundled loans together and sold them on international money markets as income earning securities. In expectation of a continuing property boom, they granted loans in excess of the value of the property. Meanwhile, the regulatory authorities focused on the stock exchange and left the banks to their own devices, believing the lending policies unremarkable and their business practices acceptable.

BANKING: MICROCOSM OF AN UNEQUAL SOCIETY

Public outrage has focused on the exorbitant remuneration and bonuses of executives who have bankrupted the banks and plunged the economy into crisis. Bankers say that bonuses are necessary to retain top staff who would otherwise go elsewhere. When opportunities for employment in finance are falling, this can be disregarded. More significantly they defend the bonus culture by saying that, at the low end of the pay scale, employees earn, deserve and need bonuses. But bonuses and commissions given to low-paid women workers for the number of deals or contracts they complete pressurise them to pressurise, in turn, members of the public to take out loans, which they are unable to afford. It is predatory lending of which the

There are gross inequalities of income in banking – a microcosm of the inequality in society.

worst form is getting the customer's house as security for consolidating credit card debt into a single loan.

There are gross inequalities of income in banking – a microcosm of the inequality in society. Few women reach positions of power and the ones that do also experience discrimination. Cases of unlawful sex discrimination settled by employment tribunals from time to time have attracted attention not so much because of the huge discrepancies between the bonuses going to men and women doing the same job (one case found that male colleagues received bonuses twelve times that paid to the complainant) but because of the high compensation (over a million pounds in that case) and the large salaries of the individual women who had the resources and stamina to fight gender inequality.

Harriet Harman, accusing the banks of fostering a sexist working environment, cites the practice of taking clients to lap-dancing clubs. At her instigation, the Equalities and Human Rights Commission (EHRC), in January 2009, announced an inquiry into sex discrimination in the City. The wage gap between men and women is 40 percent, almost double the national average of 23 per cent and though 60 per cent of bank employees are women nearly all the bosses are men.

PRIVATE DEBT PUBLIC FUDGE

Debt has grown, in stages, to be more socially acceptable among low-to-middle income groups. Mortgages became more

widespread in the population after 1980 when council houses were sold at discount prices with 100 per cent local authority mortgages available. Deregulation allowed banks to offer mortgages. Demutualisation gave building societies access to more funds through the stock exchange. When university tuition fees were introduced in 1998 students were encouraged to finance their studies with loans. With the complicity of the banks and other financial institutions, credit cards and store cards were pressed on customers. Consumer culture targeted women especially, to persuade them that shopping is a satisfying way of spending free time. In the UK and US banks collude with the urgency of material consumption. French banks, by contrast, control credit card debt by blocking a transaction if there are insufficient funds in the account. The slow growth of the French economy is sometimes attributed to differences in banking custom and practice, part of the broader culture that makes France such a desirable place to live.

While private debt has been encouraged by British governments, public debt has been minimised, kept off balance sheet by Public Private Partnership arrangements that now have to be bailed out because the businesses involved cannot raise the credit needed to carry projects through. Gordon Brown's target ratio of government debt to GDP at 40 per cent was set lower than the 60 per cent norm in the EU. Actual percentages in 2007 were 58.7 for the

UK, 64.8 for Germany, 72.5 for France, 73.2 for the US, and 173.0 for Japan in 2007. Public debt in the UK is relatively low while private indebtedness is high reflecting a historic shortfall of public investment and excessive private consumption. This distinction is wilfully blurred by the Conservatives suggesting that public expenditure and public debt are too high. They want to keep tax low and reserve as large a sphere as possible for capitalist enterprise.

This government, in thrall to business in general and the City of London in particular, have shown the utmost reluctance to use their economic power. They disregarded the advice of Vince Cable, the only politician who understands economics, to nationalise Northern Rock, until an expensive time-consuming exercise by the investment bank Goldman Sachs gave its seal of approval. Instead of nationalising HBOS, the government waived competition law and persuaded Lloyds TSB to take it over. The trade union Unite expressed concern about likely job losses but did not support the Merger Action Group which mounted a legal challenge to the takeover. In short order Lloyds turned into a failing business overwhelmed by HBOS debts. The banking crisis became a black comedy.

THE LONG SHADOW OF NEO-LIBERALISM

Had the government early in 2008 advised businesses and individuals, unable to get credit from their usual banks, that they could get loans from one of the nationalised banks – Northern Rock or Bradford & Bingley – it might also have induced other banks to lend. But by the time the government in 2009 instructed Northern Rock to resume (mortgage) lending, though on more sensible terms than before, what had started as lack of credit had become a problem of deficiency of demand as business confidence drained away. The balance of opinion even

Instead of being galvanised by the crisis and the prospect of a decade of depression, the Labour government is paralysed by fear of the Conservatives who have no credible remedies.

among the most committed neo-liberals is swinging towards Vince Cable and a growing army of Labour MPs and trade unionists to favour bank nationalisation. What is needed is nationalisation that finances business and implements an employment and industrial policy – not the absentee ownership with which the government has sought to appease the City.

The term “quantitative easing” seems designed to suggest that the monetary authorities have devised a brand new policy. In fact this is just a new term for a method of increasing the money supply. And whereas buying bonds from the public at large may induce people to increase demand for goods and services, buying bonds from banks and other financial institutions in the current situation just puts more money into a black hole from which it is futile to expect it to emerge again as loans to ease the so-called credit crunch. This latter policy undertaken in the middle of March 2009 suggests that, if Mervyn King and his staff at the Bank of England have consulted John Maynard Keynes’s *General Theory of Employment, Interest and Money*, they have not read beyond page 197 to discover that at low rates of interest the demand for money becomes infinitely elastic and monetary policy is ineffective.

Instead of being galvanised by the crisis and the prospect of a decade of depression, the Labour government is paralysed by fear of the Conservatives who have no credible remedies. What is needed is investment and, when businesses are uncertain about the future, it has to be undertaken by the state. It is an opportunity to build ecologically sound housing, to produce electric vehicles, solar panels etc. and to invest in new technologies. This will create profitable openings for private enterprise to follow, taking the economy in new directions to combat climate change. The problem is not a lack of ideas but reluctance to exercise power. It is possible to specify a sequence of short run, medium term and long

term investment projects to cut carbon emissions, at the same time as boosting employment and putting the economy on a sounder footing for the long run. The missing prerequisite is the political will, energy and resolution.

The priority now has to be employment and retraining. Women’s jobs are at risk. They work in sectors – finance and retail – that are badly affected. The finance sector is shedding labour and is bound to contract more. In 2007, 194,000 women and 121,000 men were employed in banking. More women than men will become redundant. Women’s jobs are precarious: people working part-time and agency workers are in danger of being laid off, as employers cut back.¹ Most part-time workers are women and agency work is common among secretarial and nursing staff though the latter, mainly in the public sector, should be more secure in their jobs. Women’s unemployment has a direct impact on child poverty and for this reason, but also because it will reliably increase demand, child benefit should be raised with immediate effect.

THE TROUBLE WITH GDP

Increases in unemployment and changes in employment, like short time working, are more important social indicators of recession than the definition given by economists: two consecutive quarters of falling Gross Domestic Product. This rule of thumb is mainly of interest to business: it measures the volume of trading going on in a country with no necessary relation to the quality of life.

When economic pundits on radio or television are asked how long the recession will last, most rise to the bait. They swallow and make a wild guess. The sober answer, of course, is that it depends on the policies put into effect. With the right measures, the recession could have been over within the year. Otherwise, a depression could last ten or fifteen years. The question of how we will

know when the recession is over is easy for economists to answer: once GDP stops falling or begins to rise. But growth may occur through increased efficiency and productivity without generating jobs – one of a number of reasons that GDP is a deficient index of well-being.

One motive for politicians being so wedded to growth in national income is that as GDP rises, tax receipts rise without the necessity of making the case for increases in tax rates. Over its years in office, the Labour government supported by the electorate has made the political case for public expenditure. But it has failed to make the case for taxation. Can politicians be weaned away from the pursuit of GDP growth?

Present conventions of national income accounting take production in capitalist enterprise as the norm and, relative to that, underestimate or give no value at all to what is done in different social settings. The value ascribed to chicken soup and nursing care provided within a business, such as a private nursing home, would comprise the cost of materials, wages and profits; in a public sector hospital it would include only the cost of materials and wages; in a household just the cost of materials purchased – the chicken, onions, carrots etc; if you raise poultry on a small-holding and make chicken soup for your bed-ridden grandmother, no value at all will be recorded in the national income accounts. Thus the value of goods and services appearing in the national accounts depends on the ownership of property and on the nature of the social relations existing between the persons involved in their production and delivery. As Arthur Pigou noted long ago, even if the same services are provided as before, the national income falls when a housekeeper marries her employer!

In the post-war period negotiations took place at the United Nations to agree a common basis for estimating national income. Until that time, diverse statistical

In neither the private sector nor the public sector where funds may be raised by borrowing, do women in the UK have much influence on investment decisions.

measures were used by different countries for purposes of taxation and other economic policy. Norway's national income accounts included a valuation of housework. But in 1947 women were being encouraged to give up their wartime jobs, return to the home and dress in Christian Dior's more "feminine" fashions. The British statistician, Richard Stone, prevailed over the Norwegian statistician, Ragnar Frisch, to have production in the household omitted. The conventions of measuring and counting subsequently adopted by all UN members are arbitrary not in the sense of accidental but in the sense that they represent certain perspectives, to the exclusion of others.

Structural changes appear as changes in magnitudes. What is called growth can be described instead as the expansion of commodity production. Increases in GDP measure the value of goods and services not previously produced as commodities. GDP does not give a good measure of economic welfare because the more self-sufficient people are, the lower their GDP will appear to be. Decreases in GDP may measure decline in amounts of goods and services bought and sold, falling employment or de-commodification: cooking at home rather than buying a take-away.

MEASURES OF INEQUALITY

Since 1990, the UN has introduced broader measures of well-being, adding longevity and education to income per head for calculating a human development index.² The GDI³ adjusts this for gender inequality and the GEM⁴ index takes account of women's participation and decision-making in the political and economic spheres including their control over economic resources such as land. Studies of the effects on societies of large income inequalities⁵ attract more attention now (when high salaries invite opprobrium instead of congratulation) than they did when Labour took office in 1997.

In neither the private sector nor the public sector where funds may be raised by borrowing, do women in the UK have much influence on investment decisions.⁶ Such investment decisions determine the structure of the economy and society. Conversely, in community associations where women may have more influence, no finance for investment has been obtainable. When this crisis is over and the time comes for the reform of the financial system, banks should be obliged by a Community Reinvestment Act to make available a certain proportion of their loans, say 15 per cent, for community development projects in the neighbourhood of each branch. Banking as an occupation need not rely on money incentives nor need it be boring. Employees would gain job satisfaction each day in travelling to work, seeing all the community facilities that their decisions had helped to finance.

Eventually the bailed-out banks should be broken up into smaller businesses. The banks that have not required a government bailout, HSBC and Barclays, will remain as they are in competition with other international banks.

LOOSENING SCOTLAND'S FISCAL CORSET

The SNP minority government is hamstrung by the financial arrangements of the Scotland Act. It cannot engage in fiscal expansion because the budget is fixed by the block grant and the government itself cannot borrow. At the urging of the Liberal Democrats, it agreed to put the case for borrowing powers to raise finance for capital investment to the Calman Commission on Scottish Devolution which it previously disdained because the terms of reference exclude consideration of independence. The Liberal Democrats in turn offered co-operation in tackling the economic crisis. But Calman's report is not due until the summer. This means that there can be no new investment for job creation though projects already approved may be expedited.

The negotiating parties had to use the fixed 2009 budget for maximum job creation, training, and retraining at the same time as meeting a green agenda. Labour MSPs demanded extra apprenticeships. These would have to be in the public sector since most business is not currently in a position to take on apprentices, unless subsidised. There was no mention of the job segregation that is mirrored in apprenticeships – most for young women are in hairdressing. Their long-term earning prospects would be better in the building trade with apprenticeships in a social housing programme. The Greens overplayed their hand when they rejected the SNP offer of £22 million for home insulation with £11 million to come from other sources. Local authorities can borrow while Housing Associations, though permitted to borrow, may not be able to get credit from the banks, but the SNP government must conserve its block grant. While awaiting a new settlement, the Scottish Government should steer local authorities towards issuing municipal bonds for the finance of comprehensive home insulation.

For the health of the people and the planet, cities could also issue bonds to install solar arrays for energy generation; they could create parks, allotments, orchards, and community gardens; they could plant green roofs, street trees and urban forests.

If borrowing powers are approved, Scots would probably be willing or could be inspired to buy Scottish Futures Trust bonds for public finance (without public-private complexity) to invest in improved public transport and enterprises to manufacture solar panels, wind and water turbines, small electric vehicles, light bulbs, refrigerators and other electrical goods that turn themselves off to save power.

There is a life-threatening shortage of midwives in Scotland. Some of this can be met by improving pay and conditions of work to retain and attract back qualified

This would be the last chance for Labour to deliver a robust policy that ... could succeed in staving off years of economic depression.

midwives. Part-time study with child care places for a midwifery qualification would offer a fulfilling career for women with children. This sort of arrangement would suit retraining for other areas of labour shortage.

Short time working imposed by employers facing business losses cuts workers' incomes. But, looking to the future, reduction in the long hours worked by men, in particular, would give both men and women a more balanced life. Trade unionists sometimes oppose shorter working hours on the grounds that to earn enough low-paid workers have to work long hours.⁷ This is a challenge that trade unionists must address. It is the job of trade union leaders to negotiate higher hourly wage rates to ensure a living wage with shorter working hours.

A dedicated unit of the Scottish TUC is committed to closing the gap between the wages of women and men. But the more general aim of reducing wage and salary differentials does not get much public debate. Increases in the minimum wage have been beneficial to women and other low-paid workers in the past but must be postponed while businesses are struggling to cover costs and survive. A few isolated cases of reduced remuneration for high earners should initiate a general drive to reduce inequality of income and replace money incentives with other incentives. Labour shortages or surplus labour in particular sectors might be rectified by changing hours, conditions of work and conviviality.⁸

CONCLUSION

Alistair Darling in his budget should have ignored the perfidious Mervyn King and gone for a bold investment programme to address climate change, restore business confidence and stem the rise in unemployment. If Gordon Brown would step up to save the world by reforming the global financial system, Harriet Harman, the elected deputy leader of the Labour Party, could take the helm.

Labour would then have one more chance to defy the neo-liberal exaggeration of public debt and the Tory rhetoric of cuts which will only prolong the years of depression and inequality. Harman would lead us into an election relying on the electorate to understand the difference that jettisoning New Labour trappings could make.

If not that, we may be reduced to praying for a hung parliament – because tactical voting is tricky – with Vince Cable to manage the economic recovery.

■ *Barbara MacLennan is a member of the International Association for Feminist Economics. She has taught economics at the universities of York and Manchester and convened interdisciplinary gender seminars at the European University Institute.*

NOTES

1. A more fraught issue of insecurity is that of foreign workers' employment. In the recession, the economy of love – attachment to people and to place – takes over from the economy of the global labour market. Poles go home, Scots return from Dubai.
2. HDI <http://hdr.undp.org/en/statistics/>
3. GDI – gender related development index.
4. GEM – gender empowerment measure.
5. Richard Wilkinson and Kate Pickett (2009), *The Spirit Level: Why More Equal Societies Almost Always Do Better*.
6. From 2008 it became compulsory for Norwegian companies to appoint 40 per cent of women to their management boards.
7. There is an analogy here with the argument used to defend the bonus culture.
8. This is different from the proposal of basic income for everyone, regardless of whether they work or not, in that high rates of tax would not be required to pay for it.

EDUCATION AND THE CREDIT CRUNCH

Adam Ramsay argues that social mobility will be crushed by the financial crisis.

Education is about much more than social mobility. But an education system which enshrines elites is a major barrier to equality. For almost a decade, the government has been pushing universities to “widen participation” in higher education. Yet private school pupils are still much more likely to go on to university than state school pupils. Similarly, privately educated students are particularly likely to get into “better” institutions. Once there, this success is not maintained. A student at Edinburgh University who came from a private school will, on average, do around 10% worse in their final exams than a student from state school.

Partly because of this anomaly, and partly because of government targets, universities are looking to find ways to get more students from state backgrounds. They have introduced recruitment offices which actively recruit pupils from schools in poorer areas. They run summer schools to give these pupils a taster of university life. They even put on free buses from worse off areas of Scotland and the North of England to university open days.

Similarly, admissions policies have improved. Many universities do – at least a little – take into account the context in which grades are achieved. If, like me, you went to a top private school, good grades are not much of an achievement. If you go to a hard up school with no tradition of sending pupils to university, good grades require serious intelligence. Edinburgh University now recognises this when it assesses applications.

Yet Edinburgh – like most universities – will not meet its targets on time. The boom in student numbers over the last ten years is a welcome contribution to a more educated society. Yet it is, mostly, fueled by middle class students who wouldn't have bothered with a degree a generation ago. While there is an increase in the number of students from working class backgrounds – particularly in science subjects – it is proportionally small. The government targets to widen participation were supposed to ensure the expansion in student numbers benefited all. But before the collapse of the banks, progress towards targets was at a snail's pace.

SOCIAL MOBILITY CRUSHED

Now, the credit crunch will crush social mobility. The average Edinburgh student graduates with £14,000 of debt. Those without financial support from their parents can expect to rack up debts of more than £20,000 when they graduate. This is not because of frivolous living. I know people who live off little more than lentils. Most students have a part time job. The majority who do say they need it to buy basics like food and electricity. 10% work enough hours that the university is seriously concerned about the impact on their degree. The maximum level of state student support at the moment is £4,510, most of which is loan. This is around the same as the average Edinburgh rent. The official poverty line is above £7,000.

Getting into such massive debt is a big problem. A bigger problem is

For a decade, the expansion in student places has been funded by banks, happy to charge desperate students high interest rates and risk losing the odd one to bankruptcy.

not being able to borrow – especially when the part-time-job market has dried up. For a decade, the expansion in student places has been funded by banks, happy to charge desperate students high interest rates and risk losing the odd one to bankruptcy. But no longer. Recently a trickle of students came into the Edinburgh University Students' Association Advice Place with a problem we have never seen before. The banks are refusing to lend. The tiny government loan had gone on their rent. They couldn't get a job. They had no money to buy food, or pay the bills. For months we had been holding our breath, and hoping this wouldn't happen. But we knew the day would come when newly risk averse banks would give up on students who are now unlikely to quickly find well paid jobs. That day, it seems, is here. University bursaries were able to tide these early victims through. But they come from a small pot, and will not last long. Napier University ran out of funds some time ago. When the money runs out, students will be forced to abandon their degrees and their plans for life. Sorry, they will be told, being the first person in your family to go to university was just a dream.

Students need money to survive. Labour has relied on forcing us into huge debts in a decade when banks were happy to lend. But as the credit crunches, this model is no longer viable. Education will rapidly become the preserve of the wealthy. There are many demands on government funding. Most of them are worthy. But if the government ignores this one, it will force a generation to divide based on their parents' wealth. And every initiative universities enact to encourage worse off students to apply will be little more than a reminder that, in Scotland, education is something for rich kids.

■ *Adam Ramsay is President of Edinburgh University Students' Association and a member of Democratic Left Scotland.*

RECOVERING FROM RECESSION BY COMBATING CLIMATE CHANGE: THE CASE FOR A **GREEN NEW DEAL**

Times of crisis can be times of opportunity ...
and a Green New Deal, **David Purdy** maintains,
offers a sustainable solution to the twin problems
of economic recession and climate change.

The current recession is not like those of the mid-1970s, the early 1980s and the early 1990s. These were recessions of choice, deliberately induced or tolerated by governments seeking to quell inflation without resort to some form of prices and incomes policy. A closer historical parallel to the present downturn – at any rate as regards its antecedents, though not (yet) its scale – is the slump that followed the Wall Street Crash of 1929: both began in the US and both were preceded by a speculative asset bubble which, when it finally burst, unleashed a systemic banking crisis.

There are, of course, important differences between now and then, not least as regards crisis response. Since the credit crunch went nuclear last September, governments throughout the world have intervened to bail out banks and shore up aggregate demand, at heavy cost to the public purse. Keynes, whose arguments for deficit spending were ignored by policymakers in the 1930s, whose General Theory was never really assimilated by the economics profession, and whose very name has been anathema these past thirty years, is suddenly back in fashion. Are we, to paraphrase Richard Nixon, all Keynesians again?

We need to distinguish between prevention and cure. It is one thing to forestall recession by timely and effective counter-cyclical action and quite another to rescue capitalism from a slump once it is under way. Keynesian demand management helped to stabilise economic activity during the “golden age” of capitalism from 1945 to 1975. Rescue action is much more problematic. In the 1930s, only two countries staged a full recovery from the depression prior to the Second World War: social democratic Sweden and Nazi Germany. Elsewhere in the capitalist world, including the US and the UK, industrial production did not regain its 1929 peak until 1935 or 1936, and mass unemployment did not disappear until 1940.

A prime cause of the current recession is what Colin Crouch calls “privatised Keynesianism”.¹ By this he means that after the dotcom crash in 2000, private households took on the role, assigned by Keynes to governments, of borrowing in order to sustain total spending. Given the grip of neo-liberal ideas, increased public spending – other than on defence – was ruled

out. Hence, the only way the US government could stimulate demand was to cut taxes and lower interest rates, encouraging consumers to spend and borrow in the belief that owning, earning and spending hold the key to personal happiness. But low interest rates and easy credit gave rise to a new asset bubble in the housing market. In this sense, the current banking crisis, the collapse in house prices and the hangover of private debt are the price we are paying for having avoided a (less severe) recession in 2000.

Capitalism has reached the end of the long consumer binge and cannot be revived by efforts to get the private sector to take on yet more debt. Thus, we face two broad options: either we endure a painful contraction in output and employment until such time as market forces engender a “spontaneous” recovery, a process that Keynes’s Austrian rival, Joseph Schumpeter, called “creative destruction”; or government acts as “spender of last resort” in a bid to lessen the depth and duration of the recession. The Schumpeterian option might take many years and is hard to sustain in the face of popular pressure for government to do something. The Keynesian option raises difficult problems of public finance, for deficit spending risks unnerving financial markets and damaging business confidence.

BUDGET DEFICITS AND CROWDING OUT (OR IN)

For those who favour deficit spending, three questions arise: What should public money be spent on? How should the deficit be financed? And will the resulting stimulus be offset, in whole or in part, by an induced fall in private spending (“crowding out”, as economists call it)? Here I focus on the second and third issues, postponing the first until later.

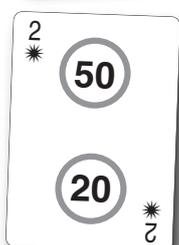
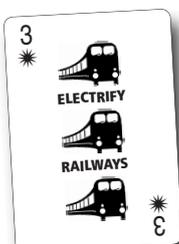
There are two ways to finance a budget deficit: the central bank can provide the government with credit (i.e. create more money); alternatively, the government can borrow from private investors (i.e. issue government bonds). When credit is tight and demand is falling, creating money for government to spend makes good sense, but the trick cannot be repeated year after year without raising the spectre of inflation – in the prices of assets, goods and services or both. So if it takes a succession of budget deficits to halt and

Are we, to
paraphrase
Richard
Nixon, all
Keynesians
again?



THE CASE FOR A GREEN NEW DEAL

More equal societies are better for everyone, including the rich.



reverse the downturn, bond-finance is the only feasible option.

Deficit spending is beset by three problems, all currently being played up by the Conservative Party, which loses no opportunity to condemn Keynesian reflation, presumably in the hope that by the time it wins the next election, the worst will be over. If large budget deficits are thought to signal a return to “big government”, they could unhinge business confidence and deter private investment. In any case, repeated deficits, sustained over several years, will swell the national debt and, with it, the cost of servicing the debt. There is also the risk that as the stock of government bonds grows, private investors will become less willing buy or hold them, depressing their prices, raising long-term interest rates and increasing the cost of borrowing for private firms and households.

To allay fears of “big government”, I argue later that reflation should focus on decentralised projects which create local jobs, boost local economies and bequeath lasting benefits for society as a whole by bringing together central government, local authorities and civil society in a concerted effort to combat climate change. Indeed, the revival of hope and the emulation of Obama’s “can do” politics could rekindle what Keynes called the “animal spirits” of enterprise – the will to act and create without knowing for certain whether the venture will succeed – thereby “crowding in” private investment and reducing the need for deficit spending.

In a recession, the budget deficit is bound to grow as spending on unemployment benefits rises and revenue from taxation falls. If this “automatic stabiliser” did not exist, cyclical fluctuations would be even more vicious than they are. The Tories say they accept this, but fail to point out that most of the extra borrowing the government is budgeting for stems from precisely this source. So far, the scale of its discretionary fiscal stimulus is distinctly modest – just over £20 billion or 1.4 per cent of GDP, at a time when GDP may well fall, from peak to trough, by four or five times this figure.

DEMYSTIFYING PUBLIC DEBT

Similar obfuscation surrounds the national debt. Nowadays, this tends to be reckoned as a percentage of GDP, but the two magnitudes have no intrinsic connection with one another. Leaving aside the liabilities which the government has acquired by becoming the sole or major shareholder in five insolvent or distressed UK banks and which, in the interests of rational debate, should be treated separately from its other financial obligations – because, for the moment, their scale is unclear and because it makes no sense to count liabilities without counting the corresponding assets – the national debt is simply the cumulative result of all the net borrowing (new bond issues less redemptions) carried out by all UK governments from time immemorial. GDP is a measure of the unduplicated value of the goods and services produced by UK residents in the course of year. The only reason for

expressing the former as a percentage of the latter is to facilitate comparisons over time or across countries. Fear that the UK population could somehow end up in debt-slavery is florid fantasy.

According to the Pre-Budget Report presented to parliament last November, the government expects the UK’s (non-bank-related) debt ratio to climb from just below 40 per cent in 2007–8 to a peak of just below 60 per cent in 2013–4. Is this a scary prospect? The Tories would have us think so, judging by the poster that has recently appeared on public hoardings showing two pictures of a bonny, sleeping baby alongside the lugubrious features of Gordon Brown. The caption reads: “Mum’s eyes, Dad’s nose, Gordon’s debt.”

But even 60 per cent is not high by international standards and, of course, other governments are also planning to go deeper into debt. True, when the recession is over, the debt will still have to be serviced. Over the past twenty years, the real rate of return on ten-year UK government bonds has averaged 2.5 per cent. If the past is a guide to the future, then on the government’s projections, when the recession is over, our debt-servicing costs will be about 50 per cent higher than today – a rise, at current prices, of about £17 billion per annum, equivalent to just under half the current defence budget.

This is hardly a negligible sum, but it needs to be weighed against the loss of output and employment that would ensue if the government took no discretionary action. Furthermore, in considering the burden borne by future taxpayers, it is important to distinguish between tax rates and tax revenues. Once recovery begins, the automatic stabiliser goes into reverse, generating budget surpluses which can, in principle, be used to pay off debt without having to raise tax rates.

Will private investors eventually balk at the scale of public borrowing required to counter recession, driving up long-term interest rates? The possibility cannot be excluded, but for now this traditional bogey of deficit spending remains dormant as asset-holders switch from equities into government bonds, a trend that will continue as the Bank of England starts buying bonds held by the private sector in order to bear down on interest rates and inject more money into circulation. In the longer term, any government has to reassure asset-holders that its fiscal policy is sound. This need not, however, entail supine acquiescence in conventional notions of fiscal prudence. Higher taxation of the rich is an obvious source of additional revenue. After all, more equal societies are better for everyone, including the rich, and with Sir Fred Goodwin’s bloated pension lingering in the public memory, the proposal could even be a vote-winner.

LABOUR AND THE BANKERS: WHISTLING IN THE DARK

If the Tories’ response to the crisis has been opportunistic, the government’s is marked by undue optimism about the timescale of the recession; by naïve faith in the power of the Bank of England to compen-

sate for a collapse in business and consumer confidence by cutting base rate and expanding the money supply; and by a benighted obsession with trying to resuscitate bank lending at a time when the urgent need is to bolster total spending. The banks – at any rate, RBS and the Lloyds Group – should be taken into full public ownership, not so much to unblock the supply of credit as to begin a complete overhaul of the banking system. Once the remaining shares have been acquired, the nationalised banks can be treated as a group, making it easier to detoxify balance sheets, dismantle the bonus system, downsize payrolls, de-merge activities and devolve control (thereby, incidentally, enabling reborn Scottish banks to return to their homeland). Banking reform on these lines would be hugely popular, though it would, of course, take several years to complete. But that is the point: we cannot and need not wait for a new banking system to emerge before taking action to tackle the recession.

Besides being modest in scale and over-reliant on a temporary cut in VAT, the government's fiscal stimulus is designed as a one-shot response to a sharp, but short-lived downturn. It is, in other words, classic pump-priming: the government gives a temporary boost to aggregate demand and then withdraws the stimulus as private spending recovers. But pumps work on reliable physical principles: economies do not. And two factors vitiate the pump-priming analogy in the current recession: the overhang of personal and corporate debt built up during the boom, and the signs that workers are accepting pay cuts in order to save their jobs. In these circumstances, households and firms will tighten their belts, and private consumption and investment will remain subdued. In old-fashioned Keynesian terms, the multiplier effect of increased public spending will be small, making it less likely that a one-shot injection will be enough to spark a sustained recovery. What is needed, therefore, is an altogether more ambitious recovery plan. This, in a nutshell, is the macro-economic case for a Green New Deal. It remains to consider the environmental arguments.

A GREEN NEW DEAL²

New Labour's record on climate change is lamentable. The UK's carbon emissions have actually risen since 1997, even ignoring the carbon-content of the manufactures we once produced here, but now import from China; the proportion of energy we produce from renewable sources – between 2 and 3 per cent – is among the lowest in Europe; and little has been done to improve household energy efficiency or to develop transport systems that do not depend on oil. But just as the onset of severe recession throws into question the neo-liberal, market-based paradigm that has governed economic policy for the past thirty years, so the prospect of catastrophic global warming challenges the basis of current environmental policy.

The scale of the cuts in greenhouse gases to which the UK government is committed under the Kyoto Treaty – a reduction of at least 80 per cent below the

1990 baseline by the year 2050 – cannot be achieved without a change in our whole way of life. Relying on market mechanisms to promote green consumerism and changes in personal lifestyle will not be enough. To paraphrase Trotsky, you may not be interested in climate change, but climate change is interested in you, or at any rate in your children and grandchildren. It follows that public policy must become transformational. The closest historical parallel we have is the conduct of the Second World War, which required the mobilisation and commitment of the entire population. But whereas the "People's War" lasted only six years, the war on climate change will last for decades.

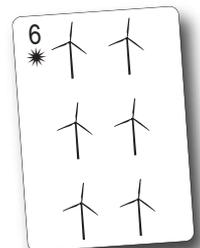
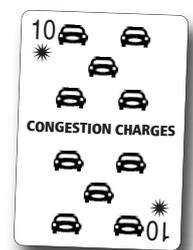
Such a prolonged, collective effort is inconceivable without broad consensus on the general direction of public policy. And consensus in turn is unlikely to be forthcoming unless, as in the Second World War, policy is marked by a strong commitment to fair shares, equitable treatment and social solidarity. In one respect, however, the analogy with the "People's War" fails, for this was waged against an alliance of foreign states in order to defeat fascism and defend democracy. The war on climate change has no such obvious enemy and aim. We might say that the "enemy" is a rapacious, profligate and unsustainable economic system. But we are not outside the system. On the contrary, we are all to varying degrees complicit in producing the problems we are trying to overcome. Thus, our collective task might be better described as a struggle to transform ourselves, both as individuals and as a society, an attempt to master the powerful psychological and social pressures which consumerist capitalism breeds or feeds and which impede the transition to a new civilisation.

Democracy, consensus, fairness, equity, solidarity and cultural renewal, all at the same time: clearly, a tall order in a society which has been fractured and pulverised by thirty years of neo-liberal social engineering, and in which the political class is now dangerously disconnected from the people. But the longest journey starts with a single step and we can get off to a good start by making the war on climate change the central focus of a programme for countering the recession. If it is to reach out to civil society and sow the seeds of cultural change, the programme will have to be based on genuine partnership between government and ordinary citizens. Consider two specific policy areas, transport and housing. Both are issues that belong to the remit of devolved and local government, and both have wide ramifications both for any realistic plan to tackle global warming and for the various stakeholders involved, from local businesses and commuters to residential communities and environmentalists.

DECARBONISING TRANSPORT AND DECENTRALISING ENERGY

As a first step towards an integrated and sustainable transport system, central government should instruct all local transport authorities to prepare plans for

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THE CASE FOR A GREEN NEW DEAL

Our situation is not unlike that faced by our forebears in the 1930s, when economic radicals ... had plenty of ideas for escaping from the great depression, but were unable to make much headway against the economic conservatives who held power.

improving public transport, offering to finance the requisite investment by issuing new bonds within the framework of a UK-wide debt package designed to promote local construction and job-creation schemes. Meanwhile, the government should acquire full ownership of Railtrack in order to speed up the electrification of the rail network, and take parallel measures to decarbonise road transport and to charge road users for the costs they impose, both on each other and on everyone else. These might include tighter speed limits on all roads; congestion charges to reduce car use in major cities; public investment in the infrastructure required to support electric cars; subsidies for the purchase of electric vehicles and higher fuel duty and road tax for conventional vehicles; direct state investment in the car industry to expedite the switch from petrol and diesel to electricity; and a major increase in public funding for renewable energy sources.

A similar approach is required to promote cleaner and more efficient forms of energy use in residential housing and public buildings. Decentralised energy (DE) networks in which heat and power generated from a single, local source are supplied to multiple buildings, dwellings or customers represent the way forward here. Combined heat and power schemes have long been commonplace in Scandinavia, the Netherlands, Germany and Austria, in both rural and urban locations. But though not unknown in Britain, they have hitherto been subordinate to centralised energy systems based on fossil fuels and nuclear power. This imbalance should be corrected. Again, local authorities have a key role to play in galvanising, supporting and co-ordinating community initiatives and in resolving conflicts of interest.

To realise their full potential, DE schemes need to be accompanied by programmes for conserving energy and ending fuel poverty by improving the insulation of houses and buildings, starting with social housing and public buildings. They should also be linked to plans for green industrial investment sponsored by central government. Just as Roosevelt's Reconstruction Finance Corporation helped to build and equip the armaments factories that supplied the

US Army during the Second World War, so we need an Environmental Finance Agency to invest in facilities for manufacturing the solar panels, wind-turbines, biomass burners, heat pumps and other hardware required for the war on climate change.

There is no shortage of ideas and vision, or of evidence that these ideas would work, if only they could be implemented. DE systems, for example, have been around for decades. Rather, our problem is political. For the moment, Green New Dealers are a minority with little influence on mainstream politics. We must, therefore, do what we can to change the terms of public debate and bring about a more favourable balance of political forces, both in the UK as a whole and in Scotland.

In this respect, our situation is not unlike that faced by our forebears in the 1930s, when economic radicals – including communists, social democrats, collectivist liberals and even some one-nation Tories – had plenty of ideas for escaping from the great depression, but were unable to make much headway against the economic conservatives who held power. This should not surprise or dismay us. With the collapse of deregulated finance, the temple of neo-liberalism has lost one of its central pillars. But while the damage is serious, the edifice is still standing and even now architects and builders are busy with plans to repair and strengthen it. We need to convince people that a Green New Deal represents an altogether better solution to the twin problems of economic recession and climate change.

■ *David Purdy is a member of Democratic Left Scotland and a regular contributor to Perspectives. His "Keywords" series will resume in the next issue.*

REFERENCES AND NOTES

1. Colin Crouch (2008) "After Privatised Keynesianism", *Think-piece 37*, www.compassion-line.org.uk
2. The proposals outlined in this section are discussed at greater length in Michael Prior (2009), *Beyond Feelbad Britain*, www.hegemonics.co.uk

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AGRICULTURE, THE ENVIRONMENT AND SCOTLAND

The Scottish landscape is famed for its beauty and the quality of its products, yet the role of agriculture is not afforded the recognition it is due says crofter **David Smith**.

Approximately 98% of Scotland is classified as being rural and almost 80% of this is under agricultural use. As a crofter in Shetland (surely the most remote and peripheral region of the country), land use is the part of the rural economy which most directly affects me. As with so many areas of Scotland, Shetland is blessed with its own distinct culture, heritage and landscape, the uniqueness of which is probably to a great extent due to this remoteness. I have often felt that while an area's culture and heritage seem rightly to be readily recognised and revered as important human achievements, the role of the crofter or of agriculture in shaping our landscape is never held in the same regard. I would suggest that we need proper recognition of the fundamental role which agriculture plays in underpinning not only the tourist industry, which is so important to our nation and rural areas in particular, but also to our national identity. For not only do we in agriculture to a large extent provide the natural environment and scenery which sells Scotland to the world, in doing so we also supply the quality produce which goes to feed both visitors and indigenous population alike. Scotch beef, lamb, vegetables and fruit, barley for the whisky industry, even the ingredients for the haggis at your Burns Supper are products of our agriculture industry and, as such, of our landscape. In my opinion all these things

intertwine to blend the identity of a country and its people. That, I would suggest, is the strength of Scotland. For we may be European, we may indeed perhaps be British, but first and foremost we are Scottish.

SCOTTISH UNIQUENESS

There are considerable benefits in enhancing the distinctiveness of our products by promoting them as, for example, Shetland lamb, Aberdeen Angus beef or Glenfiddich whisky. For this reason I feel we need to resist the promotion of Gordon Brown's Britishness, which simply serves to dilute our Scottish uniqueness. As he talks of a "United Kingdom" and a fair society, we in agriculture experience quite the contrary. We are inundated with ever increasing levels of regulation and new European directives which are then gold plated by faceless civil servants in this country. DEFRA (the English Department of the Environment, Food and Rural Affairs) appears incapable or unwilling to ease the burden on those involved in feeding the nation.

We in agriculture can only look on in horror at the lack of regulation in other sectors of society, such as the banks and building societies. The government were prepared, for years, to trust these institutions to police themselves with disastrous consequences for the whole economy, with the government being morally complicit

in their activities, not only turning a blind eye, but actively claiming credit for a booming economy which was ultimately based on a mirage of perceived prosperity. Meanwhile we in agriculture are inundated with rules and legislation, with excessive penalties for the slightest infringement. Surely an equitable system of regulation for all sectors of the economy should be the approach of a fair and transparent government.

STRATEGICALLY IMPORTANT

Stuck on the periphery of this "United Kingdom", Shetland is strategically important to the Exchequer, as the oil which flows through Sullom Voe pours vast millions into their coffers. While this happens, we in Shetland continue to pay hugely inflated prices for our heating oil and vehicle fuel, probably the dearest in the world – commonly 20 pence per litre more expensive than the Scottish mainland. All attempts to persuade the London government of the need for an Office of Fair Trading investigation have been rejected, most recently on the grounds of "not being of a high enough priority". With this response we are only too aware of the contempt in which we are held by the government and its disinterest in the rural areas of Scotland. It serves to highlight the need to bring power closer to the population through a government which not only understands the requirements of a rural economy, but has the desire to see it flourish. This is the role that the Scottish Parliament needs to fulfil, but it lacks the power to do so.

I believe we should have the freedom to raise revenue in our own country, to invest in our economy in whichever manner we feel most appropriate. Perhaps with this freedom we would have more than one emergency ambulance serving the whole of Shetland or still have our village Post Office which was recently forced to close, saving the government a mere £20,000 per year. While London finds billions for wars, Trident and the Olympic games, they seem to

We in agriculture are inundated with rules and legislation, with excessive penalties for the slightest infringement.

AGRICULTURE

lose sight of their role in providing public services. It appears that too many MPs and MSPs allow this situation to continue.

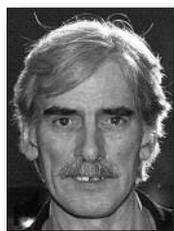
What I feel we need is strong and fair political leadership. Frequently within agriculture in the more remote areas we see interference from civil servants with a central belt bias who fail to recognise the role played by the agricultural sector in maintaining the fabric of their local communities. They are continually chipping away at the support structures which are in place to sustain agriculture in these remote areas, most recently through their attack on the Bull Hire Scheme. This scheme affords smaller agricultural units access to quality bulls in order to improve the quality of their stock, and ultimately to make these units more sustainable. Without strong leadership we inevitably end up with a situation perfectly demonstrated by the Less Favoured Area Support Scheme. This was a European approved mechanism put in place in order to compensate the more remote areas for issues such as distance from markets and natural handicaps. When this scheme was first implemented, the government of the time allowed it to be based on output, skewing the majority of the funds towards the more productive regions of the country and away from its intended recipients. Successive governments since have failed to have political will to redress this balance.

As the SNP are fond of saying "It's Time"; time in my opinion for politicians of all parties to decide where their priorities lie and whether they allow the needs of their country to shape their politics rather than their politics to shape their country. For just as we in agriculture have the ability to mould our landscape and environment surely it's time we as a people have the power to shape our nation.

■ *David Smith runs a croft in the south of Shetland. He is active in the National Farmers' Union.*

THE PLAY THE PATRON AND THE PUBLIC PURSE

Bureaucracy is the curse of public arts funding says theatre director **Dave Maclennan.**



Play Pie and Pint founder and director Dave Maclennan

My first experience of dealing with the Scottish Arts Council was at a meeting with its Director and Director of Drama in 1972. I went with John McGrath to pitch our proposal to tour the Highlands and Islands, the following year, with *The Cheviot, The Stag and The Black, Black Oil*. The response to our plan, from the arts mandarins of the day, was that they had severe doubts about whether the people of the Crofting Counties would come to their village halls to watch a play about their own history. In retrospect what is interesting to me about this reaction, from a couple of desk-bound Edinburgh bureaucrats, is not that their prognosis was so spectacularly wrong but that it epitomised the basic mistrust which characterised the Scottish Arts Council's relations with 7:84 and Wildcat over the next twenty five years. *The Cheviot*, of course, turned out to be a seminal piece of Scottish theatre which packed village halls all over the Highlands and Islands, put up the "Sold Out" signs outside the Citizens theatre in Glasgow and the Royal Lyceum theatre in Edinburgh and went on to be filmed and broadcast on BBC television.

The impact of *The Cheviot* was wider than just the impact of a highly successful play. It influenced the way a whole generation of theatre makers thought about both the form and the content of theatre and who theatre was for. It lit up a debate about Highland land ownership, which led to a profound change in public attitudes, which culminated in the Assynt crofters buy-out of the Vestry lands in that area. In theatre-making it still resonates down to the present day and Vicky Featherstone and John Tiffany of the National Theatre of Scotland have both

publicly acknowledged their awareness of it in when mounting their production of *Black Watch*.

Why was it, then, that the Scottish Arts Council's panjandrum met our proposal with such scepticism? Was it simply a class thing? Was it a recoiling from the overtly political nature of the beast? Was it that we embraced the ceilidh form rather than the "well-made" play? Was it an ignorance of the people about whom and for whom we were making the bid? My guess is that it was a combination of all these things, with a little of the seasoning of self regard which characterises these highly paid officers in the comfortable world of the quango.

We managed to persuade the SAC, against its better judgement, to give us a very small part of the money required and John McGrath bought a transit van with the proceeds of a fee for writing a film. The company subsidised the tour by taking a subsistence wage (plus ça change ...) and the rest is history. But we did prove some thing and so did our friends in Wildcat, TAG, Borderline, Communicado and the host of other small touring companies, which sprang up in the following years. By the mid-eighties, by which time I was writing and producing for Wildcat, it was common to perform in village halls in the Highlands, or in community centres in the urban housing schemes and see the posters of half a dozen other companies who were following each other around the circuit. There was a booming working class audience for theatre and in 1988 Wildcat alone sold 150,000 theatre tickets. So what happened?

Even during the "good years" our relationship with the SAC, the principal conduit for public funding of the arts, remained con-

strained by their deep-rooted suspicion of both our motives and our artistic tastes. The SAC is held up as the epitome of “the arm’s length principle”; the principle that the choice of who receives government funding for the arts should not be influenced by the government’s own political or cultural agendas. We discovered fairly early on that the length of this imaginary limb was fairly flexible. In 1972, when 7:84 was performing *The Ballygombeen Bequest* by John Arden and Margherita D’Arcy at the Jeffrey Street Church Hall on the Edinburgh Festival Fringe, John McGrath was summoned to meet the director of the Arts Council of Great Britain in Piccadilly. The play featured British soldiers torturing IRA suspects in Belfast. McGrath was informed that the General Officer Commanding troops in Northern Ireland had complained that this was undermining the morale of HM Forces in the Province. McGrath declined to change the work but an invitation to self-censorship in the future had been delivered. Attempts by the establishment to cut off the funding to 7:84 and Wildcat or to muffle their voices over the years were seldom that blatant; although, in 1984, when Wildcat was touring my play *Dead Liberty* in support of the miners’ strike, the Secretary of State for Scotland was asked in the House of Commons why a company, who used a poster depicting a mounted policeman baton charging a women at Orgreave, was in receipt of public funds?

But it was not direct political intervention which destroyed the touring theatre circuit. That was not required. The long march of the SAC bureaucrats through the touring companies was quite capable of achieving the same result without the assistance of their political masters. When we first started 7:84, in 1971, the company was a collective of the artists involved which ran the business. There was comparatively little paper work, a tiny adminis-

Perhaps the bureaucrats feared that there were all sorts of Madoffs and Goodwins in our ranks who would fraudulently make off with our grants and retire on our ill-gotten gains.

trative staff (one) and all our energies were devoted to the creation, production and touring of the plays. Over the following years this was not allowed to continue. Boards had to be formed. At first these were Boards of artists but, very soon, lawyers, accountants and “business people” were required to be drafted in, people who both gave confidence to the SAC bureaucrats and who had a similar mind set. Artists could not be trusted with money themselves. Perhaps the bureaucrats feared that there were all sorts of Madoffs and Goodwins in our ranks who would fraudulently make off with our grants and retire on our ill-gotten gains. How ironic that it was the very types they stuffed on our boards who turned out to be what they feared we might be ourselves. Of course such Boards required burgeoning administrations and very soon theatre programmes began to feature “officers” who in time would outnumber, behind the scenes, those who could be seen on the stage. Now bureaucrat could speak to bureaucrat and with the aid of management consultants and government set “performance indicators” a truly Byzantine world of Artspeak emerged. An application for a project grant of £10,000 from the SAC now requires twenty two pages of paperwork to be filled out and is accompanied by fifty seven pages of “guidelines” – Shakespeare at his most verbose was more economical with words.

John McGrath did all he could to resist this trend and the Board of 7:84 were told by the SAC that, if they did not get rid of him, they would lose their funding. McGrath went and 7:84 rapidly became a toothless old mutt. When I was presented with the same scenario, as artistic director of Wildcat, by the SAC drama director soon after that, I refused, and the SAC bided its time and then removed our funding entirely. In my final years at Wildcat I spent far more time reading equal opportunity policies, three year plans, financial projections, and all the other host of

paperwork which emanated from Edinburgh than I did reading plays – and the latter were on the whole the lesser fictions.

Since launching *A Play A Pie* and *A Pint at Oran Mor* in the autumn of 2004 my fondness for alliteration has become well known and, if anyone had any lingering doubts, *A Dinner A Drama* and *A Dram* and *A Concert A Cocktail* and *A Canape* must surely have confirmed my affection for this figure of speech. What is most striking about these events to me, however, is not that they start with the same letter, repeated in their title, or that you get something to eat and drink along with your art, but that all three are run without any contribution from the public purse. As someone who spent thirty years working with 7:84 Theatre Company, Wildcat Stage Productions and Mayfest, this is new territory for me and has, for the first time, made me dependent on private patronage to support my work.

Let me say now that I believe passionately that the arts should be supported by public funding. No civilised society questions that education, health and social services need to be supported by the taxpayer and the same ought to be true of the arts. The arts make our lives happier, healthier, more enjoyable and enriching. They illuminate our understanding of the human condition. I believe they should be within every citizen’s reach. Money should be no barrier to the enjoyment of the arts just as we accept it should be no barrier to access to the NHS or to education.

Well, what has happened at Oran Mor to make the arts more accessible to every citizen? In the last five years we have commissioned and produced 150 new plays which have attracted an audience of close to 100,000 people, people not only from Glasgow but from all over Scotland. We are now the single largest producer of new drama in Scotland. Our plays have toured from Shetland to the Borders, been performed in London, in Dublin,

THE PLAY THE PATRON AND THE PUBLIC PURSE

in Pamplona in Spanish and in Uppsala in Swedish. We have done workshops in schools in Easterhouse, Drumchapel and Govan. Our plays have been broadcast on BBC Radio 4 and BBC Radio Scotland. We have co-produced with Paines Plough from London, The Traverse in Edinburgh, with Bewley's Lunchtime Theatre in Dublin, with the Royal Scottish Academy of Music and Drama, with Sounds of Progress, with North Glasgow College and with the University of the West of Scotland. We have given fifty "rush-hour" concerts featuring the Scottish Philharmonic Orchestra, the RSNO Junior Chorus, the National Youth Choir of Scotland, the National Youth Orchestra of Scotland, the Glasgow Youth Choir and various groups and orchestras from RSAMD. We have sponsored and premiered ten new fifteen minute operas from Scottish Opera and presented a popular music programme which has featured Amy Winehouse, Eddie Reader, The Proclaimers and hundreds of other popular artists. Alongside this programme of the performed arts, Oran Mor has an ongoing commitment to the visual Arts and has, of course, commissioned Alasdair Gray's celestial ceiling in the auditorium, the largest piece of contemporary public art in Glasgow. And all this is in a pub with no public funding?

Apart from box office takings, which form a significant part of the income for our arts programme at Oran Mor, it is the patronage of the venue itself and its proprietor Colin Beattie that is our other main source of funds. Oran Mor provides us with technical staff, front of house staff, administration of our payroll, accountancy, free use of the venues and many additional hidden subsidies in kind. It also injects significant cash sums into Glasgow Lunchtime Theatre, the limited company and registered charity, which is responsible for our arts programme. It is striking enough that a Glasgow pub should have

become such a major player in the arts but what is even more remarkable is the complete trust it puts in me as the producer to handle its investment responsibly. There is no paperwork at all. I don't even have a contract. Colin Beattie and his management team assume that the writers, directors, actors, designers, musicians and other artists will perform to the best of their abilities and operate within the set budgets in so far as they are able. To use that ugly modern phrase, they assume we are "fit for purpose." It is my experience that, when you give people trust, they respond with a heightened performance. It is so much easier to create something remarkable if you are not spending half your time looking over your shoulder and the other half producing, reading and circulating meaningless reams of bureaucratic bumph.

Oran Mor also has had a number of commercial sponsors. Among these have been a mobile phone company, an airline, a building company, a property company, several drinks firms and a newspaper. What they all have in common is that they are far too busy to waste time with endless meetings, minutes, correspondence, reports, sub-committees and all the tail chasing activities which bring a sparkle to the dull eyes of quango man. What companies want to know is how much, when and what do they get for their support. Then it is yes or no, and if it is yes, get on with it. They are interested in the work itself to the degree that it is perceived to be of high quality and reaching a significant audience, but in five years I have never experienced any interference of any kind in my business from people in their business.

At the moment, in the field of the arts, the Scottish Government are engaged in a complete re-designing, re-upholstering, re-varnishing and re-positioning of the deck chairs on the Titanic. The ship has hurriedly been renamed SS Creative Scotland. Millions of pounds are pouring from its ruptured plates

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into the lifeboats, which are skippered and crewed and by arts bureaucrats. The only passengers allowed into the lifeboats are management consultants. It is predicted that the ship's orchestra and all non-first-class-ticket holders will go down with the ship.

So, what is to be done? I would suggest that what is needed is a radical root and branch restructuring of arts funding in Scotland. If it must be Creative Scotland, let it be lean and hungry with the minimum staff and overheads. Perhaps it should move out of its cosy headquarters in Manor Place in Edinburgh and West George Street in Glasgow and relocate in a couple of the communities which are not such major recipients of quango largesse with the taxpayers money. There are tax-payers in Coatbridge and Bathgate and cheap offices abound in such communities. Perhaps the staff should be paid no more than the average wage in the theatre. Let's look at their art form committees and where their members come from. Not too many working class voices drift up to the cornice work of the committee rooms in Manor Place. Never have. Perhaps the money they give should not be used on anything the audiences cannot see. Maybe the first job of the legions of administrators and "officers" in arts organisations should be to find their own wages from other sources than public funds. And then we come to trust. Perhaps the biggest lesson I have learnt from the private patronage I have enjoyed at Oran Mor is that it is less important in the world of the Arts where the support comes from than the spirit in which it is given. For such a small country Scotland has an extraordinary number of gifted and talented artists in almost every field. We should put them back at the centre of our thinking on how to promote diversity, excellence and accessibility of such a vital aspect of all our lives.

■ *Dave MacLennan launched and directs A Play A Pie and A Pint at Glasgow's Oran Mor.*

REKINDLING SPARK: THE MORNINGSIDE STAR OF THE MERCURIAL MURIEL

Arguably the most significant Scottish writer since Scott and Stevenson, her Marxist nuns, bone-deep anti-elitism and stringent economic analyses make Muriel Spark a writer as radical and unconventional as any modern Scottish author, argues **Willy Maley**.

"Fuck your balls Bishop, you are a fart and a shit." So says one of Muriel Spark's many feisty female figures, Sister Marrow, the Novice Mistress known as "the four-letter nun", in her novel *Symposium* (1990). It's a line you'd expect more from Irvine Welsh than Muriel Spark – more Muirhouse than Morningside – but the common misconception of Spark as a writer of high literary fiction, more twin-set than tracksuit, has meant that her rigorous ironising of authority and society has not had the credit it deserves.

As it happens, Spark and Welsh have a hell of a lot in common: both are Edinburgh writers who did management courses at Heriot Watt and wrote about devilish grannies who smuggled contraband – Welsh in "Granny's Old Junk", one of his finest stories in *Acid House* (1994), and Spark in her debut novel, *The Comforters* (1957). These two Edinburgh authors have something else in common that makes them quite distinct from rampant individualist Weedgies like Alasdair Gray and James Kelman. Both Welsh and Spark are fascinated by the politics of group dynamics. In their fiction, we are seldom trapped inside one man's thick skull. The novel has long been a breeding-ground for the Cyclops-view, the lone spirit looking out at life from a single window, hence its essentially bourgeois nature, even when a working-class perspective is proclaimed.

Spark and Welsh are at home in crowds, whether it be the Begbie Set or the Brodie Set. They share the same attachment to crazed collectives, social surrealism and the frantic interaction of small spaced-out communities. Granted, Spark didn't do "dialect", though she could mimic an idiom and nail a type like nobody since Dickens. She does violence better, though – much better. She is an unflinching and at times unhinged writer. Spark got her balls from the



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ballads: "The steel and bite of the ballads, so remorseless and yet so lyrical, entered my literary bloodstream, never to depart." And her heart out of Africa: "It was in Africa that I learned to cope with life." A biographer, critic, playwright, poet and short story writer as well as a novelist with twenty-two books to her name, Spark is still underestimated, despite being widely translated and well regarded worldwide.

WISDOM AND INSIGHT

The paradox of *The Prime of Miss Jean Brodie* (1961) and the 1969 film version with Maggie Smith is that it tends to typify and then take over the public image of Muriel Spark, yet she called that novel "an entertainment". Other touchstone texts, including Spark's own favourite "poetic" novels like the out-of-control psycho-suicidal *The Driver's Seat* (1970) and the hilarious Watergate spoof *The Abbess of Crewe* (1974), are less likely to be read or studied. Her most explicitly political novel, *The Mandelbaum Gate* (1965), a big broth of a book about the Arab-Israeli conflict, Spark's answer to E. M. Forster's *A Passage to India*, should be a set text on courses both in Scottish literature and in post-colonial studies, together with her African stories (based on her formative spell in Rhodesia). Another dark horse of a novel, *The Takeover* (1976), contains passages on money and property that smack of wisdom and insight.

Of course, *The Prime of Miss Jean Brodie* is a profoundly political novel, and is in its own way as poignant and potent a critique of fascism as Sylvia Plath's poem "Daddy". The fact is, Spark lived and breathed politics. She spoke in her autobiography, *Curriculum Vitae* (1994), of the way in which her worldview was shaped by world events: "The years 1936 and 1937 come flooding back; I am there on my rattling tram-car, reading about the Spanish Civil War,

the latest news to come through on 7 September 1936, the burning of Irun, a town on the French border, by Franco's Insurgents."

In Edinburgh, Spark imbibed a "haughty and remote anarchism", a craggy commitment that never left her. She may have written about nuns rather than neds, but she has as much to say about class and politics as any of her contemporaries. She may have been a Catholic convert and a writer whose religious beliefs informed her writing at the most profound level, but although she was always stringent in her use of language she was very far from straight-laced.

Sister Marrow is more than just a "Sweary Mary". She is part of a revolutionary sisterhood who subscribe to the four key disciplines of farming, plumbing, Marxism and karate. In *Symposium*, Margaret Murchie sends a newsy letter to her father, including the following passage: "Sister Lorne is furious because the Bishop sent a dictionary to Sister Marrow. He said he had been given to understand she was at a loss for words, how to express herself. He wrote something like that. And he recommended she should study the dictionary or look it up when the accurate epithet was called for. We had a meeting about the letter. Sister Lorne has written back to the Bishop that this was an insult. She said that four-letter words were the lifeblood of the market place, the People's parlance and aphrodisiac, the dynamic and inalienable prerogative of the proletariat. Sister Marrow added a PS. Fuck your balls Bishop, you are a fart and a shit. I posted the letter myself. The Bishop can't do a thing. Sister Lorne remarked that there is no power in Church or State that can stop the inexorable march of Marxism into the future."

THE JUGULAR AND THE JOCLAR

Margaret Murchie is a rather demonic figure, so all this has to be taken with a pinch of snuff, but Spark was always social in her writing, never solitary. She could joust with Proust and bend it like Beckett. I see her as one of the most politically engaged writers of the last century – as important in her own way as James Joyce. Hers are the kind of politics that don't lend themselves to sound bites so much as punctures in the neck. She mixes the jugular and the jocular with panache. She is a very dispassionate Pasionaria, but she is intensely political to the last drop of her pearls.

Later, when Sister Lorne, the deputy Superior says "I smoke too much", Margaret asks, "Is that allowed in a convent?" Sister Lorne replies: "Oh goodness, yes. We're a very modern order, you know. Few people realise how the C of E has marched on. They think the old-fashioned dogmas still prevail; they think the repressive colonial missionary system of the upper classes can bring our message of Good Hope to the Third World. Have they read Marx? – No. Would the under-stand – under-stand with a hyphen – his message to the toiling masses? – No ... There are few real vocations in these days of yuppies and murky capitalism."

Spark's writing has more to do with the Devil than the giro, but she can get down and dirty with the best of them when she needs to.

The following Wildean exchange captures beautifully the double bind of the political artist hamstrung by rigid categories and perceptions: "'I'd rather leave the butler out of it,' said Hurlley. 'Quite honestly, for an artist that sort of thing is counter-productive. At the other end of the scale, so is starvation and ferrets. If the public thinks you're too well off they figure the art must be superficial, and if you're poor they think there's something wrong with the art, and why doesn't it sell?'" And there's the rub that keeps a kind of apartheid alive in Scottish literature, with the likes of Ronald Frame, Candia McWilliam and Muriel Spark on one side, and on the other the wee real cool bunch from the West Coast. They wish. Truth be telt, Spark was always a border-crosser and eagle-eyed exile who refused to recognise such boundaries or make the separations that allow for such easy labelling.

Spark, like Welsh, does murals rather than portraits. Sister Marrow does murals too, and one of her murals is "a depiction of the scene at the railway station in St Petersburg on 16 April 1917, when Vladimir Ilich Ulyanov known as Lenin arrived from Switzerland to be met by a great crowd of comrades." When a BBC TV crew come to visit the nine-nun community, the director, Miss Jones, observes: "That half-naked figure with the beard and the loincloth lying along the cloud of steam and leaning his torso over the cloud to touch Lenin must be God." She's wrong of course – it's Karl Marx.

In 1900, Lenin founded the political journal *Iskra* (Spark). The motto of *Iskra* was a line from a poem by a Siberian exile: "The spark will kindle a flame." Her politics are less obvious and in-your-face than other Scottish writers – she's stylish, subtle, sophisticated and snappy as a garter – but there is a very strong case for seeing Muriel Spark as an old flame with something new to say, a writer red at heart still waiting for the readership her range and richness merits. One of Spark's spikiest short stories, "The Black Madonna" (1958), a brilliant indictment of racist hypocrisy, was reprinted in Carl MacDougall's terrific collection *The Devil and the Giro* (1989). Spark's writing has more to do with the Devil than the giro, but she can get down and dirty with the best of them when she needs to. She has more fire than Burns and more balls than Byron. There's no substitute for reading her and finding out that beyond Brodie there's a weird, wild world waiting to be discovered.

■ Willy Maley is Professor of Renaissance Studies at the University of Glasgow and Visiting Professor of Irish Studies at the University of Sunderland. He has published widely on Scottish literature, and was co-editor, with Brian Donaldson, of the supremely sensible selection, *The 100 Best Scottish Books* (2005). He is the author of *Muriel Spark for Starters* (Capercaillie Books), £6.99 from www.capercailliebooks.co.uk and editor, with Michael Gardiner, of *The Edinburgh Companion to Muriel Spark* (forthcoming in 2010).

DIARY

In which **The Hat** mines the depths ...

What if Lenin had not died in 1924 and thus his and Trotsky's conspiracy to unseat Stalin had been consummated?

What if F.D.R. had lived to implement his plans to continue his war-time alliance with Stalin into the post-war years? These are the sort of questions that counterfactual historians like to ask. Spool forward to the present, the 25th anniversary of the epic contest between the miners and the British state. What if the miners had been led not by the solipsistic Scargill from Yorkshire but the tough-minded McGahey from Scotland? The question is less fanciful than might at first seem since the exclusion of the communist McGahey from the NUM presidency was deliberately engineered by the then president, Joe Gormley, being granted a special dispensation to remain in office beyond his constitutionally allotted term to ensure that McGahey was disqualified by age from succeeding him. No special dispensation for Mick on grounds of age and the presidency was thus delivered to King Arthur. What Scargill's attitude was to this jiggery-pokery is not known.

The Hat invited George Bolton, McGahey's close colleague at the time, to think counter-factually and speculate on history and an NUM led by McGahey. His response was unhesitating and adamant. "There would have been no strike!" The resistance to the National Coal Board's plans for pit closures would have continued but by other means. One can state with some confidence that Mick's strategy would have owed nothing to Scargill's neo-syndicalist fantasies.

There exists no consensus as to the deeper, historic meaning of the strike but it seems at least

What if the miners had been led not by the solipsistic Scargill from Yorkshire but the tough-minded McGahey from Scotland?



possible that it represented not only the miners' last stand, but also the last stand of old-style class politics in Britain.

Avignette from the dying days of the "Great Strike". Its details only became known years later when revealed by the former editor of the *Glasgow Herald*, Arnold Kemp, in his Sunday *Observer* column.

A compromise deal that would end the strike with honour was on the table and McGahey invited Scargill to confirm that he had accepted it. On receiving a negative answer to his invitation McGahey flew at Scargill and had to be pulled off by the media correspondents present.

Astonishingly all the journalists in attendance granted Mick's request that they sit on the story. It is a measure of the regard in which this man of unfailing courtesy was held by even hard-boiled hacks.

More history: there's never any scarcity.

In Alan Bennett's wistful *The History Boys*, one of the play's eponymous boys, the phlegmatic Sturge, is invited to give his views on the subject of history. "Woan foakin' thing after anoather," he replies in broad Yorkshire vowels. Now your faux erudite diarist's store of recondite information includes the knowledge that Bennett owes a debt to RG Collingwood's view of certain kinds of history as "one damn thing after another". (*The Idea of History*, 1948.) As you will know The Hat is unsleeping in his pursuit of disorderly walkers and other miscreants and, finding no evidence of attribution from Bennett (originally a historian to trade), resolved to beard him. A post-card, signed by the

playwright, soon arrived. It read in part (this time The Hat will spare readers further instalments of his phonetic fumbblings), "I though it was Butterfield! But it does sound like Collingwood." He ended irrepressibly and inimitably, "But I didn't pinch it. Only coarsened it." Kindest Regards ...

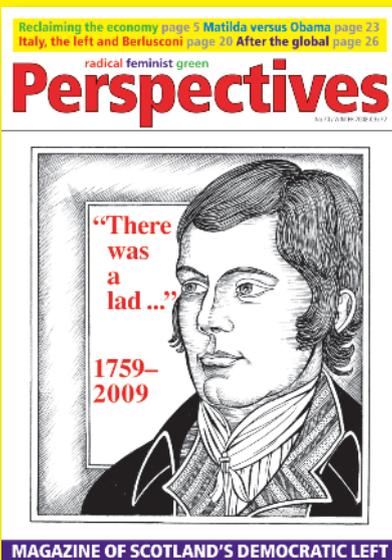
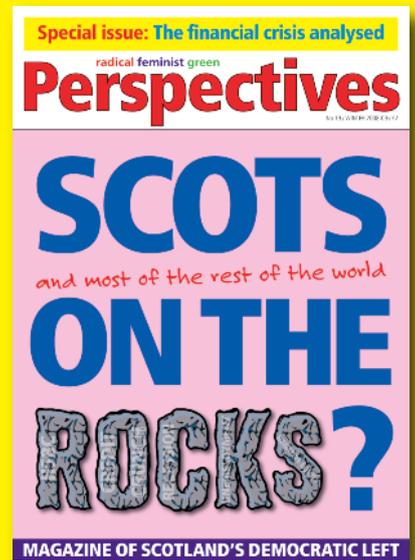
At last! An answer on a post-card.

The Scottish conviction rate for rape has fallen to 2.9% from an already shameful 4% in 2007, one of the lowest rates in the developed world. In the same year The Hat spent the day having his preconceptions shaken at a seminar on sexual abuse held at the Scottish Police College at Tullieallan. The first casualty was his preconception concerning America's FBI as the seminar was addressed by Roy Hazlewood, a former employee. The septuagenarian effortlessly held the attention of a rapt audience for the entire day. The next preconception was felled by his reporting that in many US states the conviction rate for rape is 80% and that a rate of 4% would be considered so unacceptable as to result in heads rolling. The last preconception to fall concerned our police forces and what often seems like their neanderthal attitudes to sex crime. Despite recent reports that the "Met" gives car theft a higher priority than rape, informal conversations with policemen and women at Tullieallan suggests that the reality is more complex and nuanced. It would seem that, as is the case in the wider society, something of a culture war is taking place in our police forces for its soul over such issues as gender equality, sex crime, sexual orientation and race. Further evidence of this can be found in such examples of "Tartan Noir" as the novels of Denise Mina, Ian Rankin and Louise Welsh.

The likely outcome of this war remains uncertain.

And so to bed.

The Hat



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