

Editorial

The moderniser: Alex Salmond's journey

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It is a curious, but pleasing, coincidence that the most gifted centre-left politicians of recent times were all born in Scotland: Gordon Brown (born in Giffnock, 1951); Tony Blair (born in Edinburgh, 1953); and Alex Salmond (born in Linlithgow, 1954). Different in upbringing, beliefs and political style, this trio can nonetheless be classed together as the outstanding representatives of a single political generation.

Salmond is rarely viewed in this context. Party differences are assumed to trump any similarities, while a lifetime devoted to the SNP meant that Salmond's career trajectory was out of synch with the rise and fall of Blair and Brown. Salmond is only now enjoying the peak of his public career, after his contemporaries have been vanquished from office. But a comparison with Blair and Brown is illuminating. Amid the recent effusion of metropolitan commentary on Salmond, it is easily forgotten that he has also been on a political journey, like Blair and Brown weathering the slow erosion of positions once firmly held in the face of bleak and implacable circumstances.

The generation of Blair, Brown and Salmond rose to political maturity in the 1970s, and to positions of political leadership and influence in the late 1980s and early 1990s. In spite of their differences, this generation therefore shared a disagreeable burden: crafting a left response to the victories of Thatcherism and, in effect, presiding over as orderly a retreat as possible from the positions entrenched by the left in the 1940s.

The spirit of '79

Salmond of course chose a different path from Blair and Brown. He rejected the comforting embrace – and career advancement – offered by the British labour movement. But the labour movement was an influential factor in Salmond's thinking as he rose through the ranks of the SNP during the 1970s. Salmond first stepped into the political limelight as a result of his participation in the '79 Group, an organisation which aimed to promote a more decisively left-wing agenda within the SNP. The Group was formed in response to the political disappointments of 1979, notably the failure of Scottish devolution to win greater popular support in the referendum of that year and the loss of nine of the SNP's eleven MPs in the subsequent general election. The '79 Group argued that Scottish nationalism would only become electorally successful if it won over working class Labour voters, and to attract their support it was necessary to present Scottish independence as a means of advancing socialist objectives. As Stephen Maxwell, one of the most important members of the Group, observed a few years later:

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Among the chief intellectual influences on the '79 Group must be counted the Labour Party, or, more precisely, the Labour Party's success in retaining its working-class support in Scotland when it was being steadily eroded in England. (Maxwell, 1985, 12)

The members of the '79 Group therefore adhered to a relatively traditional form of Labour socialism – supplemented by an admixture of New Left-style community politics – and oriented themselves towards Labour voters and institutions, especially the trade unions. As Maxwell noted, Alex Salmond – one of 'the "discoveries" of the Group' – enjoyed influence and prestige among his colleagues because of his involvement in the campaigns against factory closures in his home constituency of West Lothian. The model offered by the West Lothian SNP's fight against deindustrialisation 'helped to confirm a model of Scottish society in which the industrial working class figured as the only potential challenger to the British state' (Maxwell, 1985, 13).

The '79 Group was ultimately seen as too factional and provocative by the rest of the SNP. Among other things, its commitment to civil disobedience caused discomfort to the SNP mainstream. Salmond himself was briefly expelled from the SNP in 1982-83 as a result of his association with the Group, though a deal was quickly brokered that soldered the Party back together (the full story is recounted in Torrance, 2011, 97-117). Yet the basic idea that animated the '79 Group, that the SNP should present itself as on the left, not as a party that transcended the left-right divide, was a fertile one, and was an important part of Alex Salmond's strategy when he first became party leader in 1990.

Repositioning the SNP

While Blair and Brown marched to the centre ground in the 1990s, Salmond sought to occupy the space in Scottish politics that they were vacating. Yet the space that Salmond sought to colonise was not precisely that envisaged by the '79 Group. Scotland was not immune to the eclipse of 'socialism' as an organising rhetoric and economic programme, and the rapid deindustrialisation of the 1980s had undercut a left political sociology that was grounded solely on the agency of the industrial working class. The '79 Group emphasis on socialism and the working class was displaced by a new positioning: 'I've given the SNP a social democratic identity', Salmond argued in 1997 (quoted in Young, 1997).

Key to Salmond's presentation of the nationalist case in the 1990s was an emphasis on economic rather than cultural nationalism, on an independent Scotland as a haven from the depredations of Thatcherite economics and New Labour-style compromises. Salmond himself was a credible bearer of this message. He had studied economics (and, intriguingly, medieval history) at St Andrews University and worked as an economist at the Royal Bank of Scotland between 1980 and 1987. Salmond presented himself as an economist who had come to believe 'that Scotland would be better off running its own economy' (quoted in Davidson, 1992).

At the heart of this economic analysis lay the claim that the British state consistently ran economic policy in the interests of the affluent south-east and the City of London. As a result, the Treasury tended to keep the pound over-valued and pursue deflationary measures to prevent the south from over-heating when reflation was needed for the still moribund Scottish economy. An independent Scotland, in control of the economic levers held by Westminster, could therefore achieve a better record on jobs, growth and social justice than would ever be meted out from the decaying quasi-imperial institutions of the metropolis. In effect, then, the mid-1990s SNP offered a vision of a Keynesian or

Scandinavian-style Scottish state, playing a full part in European integration, and proudly standing in the European social democratic tradition.

But a further strand of nationalist discourse became ever more prominent in the course of the 1990s. This was the parallel not with Sweden or Norway, but Ireland, which suggested that small European economies could unleash great investment and prosperity in the era of globalisation by driving down levels of business taxation. Salmond seems to have found the example of Ireland particularly useful. As he wrote in 1996:

Ireland has only one striking difference from Scotland: it is no longer ruled from London. With the advantage of full independent membership of the European Union it has used that membership to attract resources and invest in the future. And it has used its sovereignty to develop and apply policies that first of all benefit its own people and its country. (Quoted in Torrance, 2011, 219-20)

Stripped of the euphemistic language, the key policy lesson to be transferred to an independent Scotland was the capacity to attract inward investment via low business taxation. In an act of political cross-dressing worthy of Blair himself, Salmond hypothesised that Irish levels of corporate tax would actually increase Scottish tax revenues. In support of this proposition, he brandished the Laffer Curve, the traditional recourse of the neo-liberal right when faced with awkward questions about the revenue implications of tax cuts (Torrance, 2011, 241-2, 297).

The political currents that dragged Blair and Brown far from familiar shores had begun to tug at Salmond too. His growing caution about associating the SNP with higher taxation was reinforced by the first elections to the Scottish Parliament in 1999. For the SNP, this campaign was comparable to Labour's experience at the 1992 general election. Under Salmond's leadership, the SNP entered the elections committed to using the new parliament's tax-raising powers to increase income tax in Scotland by one pence in the pound to fund public services. The heavy artillery of New Labour duly unleashed a barrage of negative campaigning, essentially recapitulating the Conservative assault on Labour in 1992. Defeated in the election, the SNP dropped the policy in 2002. The SNP never again mooted the possibility that income taxation might be increased to pay for social benefits.

The neo-liberal embrace

Having started with the firm intention of creating a clear political identity for the SNP on the left, Alex Salmond's journey has followed in the footsteps of the other politicians of his generation. By the time the SNP entered office in 2007, Salmond's agenda was similar to that of Labour after 1997: an acceptance of the neo-liberal parameters of the post-Thatcher economy combined with an emphasis on public sector investment and redistribution to ameliorate the resulting social inequalities (Cuthbert and Cuthbert, 2009). This position left unresolved the tricky economic trade-offs and choices that would be entailed by Scotland separating from the United Kingdom.

Salmond's March 2008 speech about an 'arc of prosperity' on the northern rim of Europe was later ridiculed for its pre-financial crisis argument that Iceland and Ireland were examples of the kind of successful small trading economy that an independent Scotland could emulate. Just as arresting is that in the same speech Salmond included Norway, Finland and Denmark in the 'arc', as if cut from the same cultural and economic cloth as Ireland (Salmond, 2008). But the suggestion that Ireland and Norway represented the same economic model evaded a key strategic choice: a low tax economy such as Ireland cannot support a Nordic welfare state (Keating, 2009, 115-16).

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The ready use of the Irish example suggests that Salmond's economic nationalism now lacks much of its former social democratic flavouring. This impression is strengthened by Salmond's recent confirmation that SNP policy is for an independent Scotland to retain sterling as its currency. While at one time the SNP supported the introduction of a separate Scottish currency, this policy was later retired in favour of Scottish membership of the euro. With the euro now a less attractive proposition than it previously seemed, Salmond's fealty to sterling is a striking example of how his economic case for Scottish independence has been progressively diluted.

The implications of this commitment seem clear: not only would an independent Scotland lack control over its monetary policy, it would also have to comply with tough, eurozone-style fiscal rules to retain the Bank of England as Scotland's lender of last resort (Ashcroft, 2012; Young, 2012). Salmond's proposal is that key economic powers should remain in London, but without any corresponding representation of Scottish interests at Westminster. So the 'economic levers' to be subject to Scottish sovereign control are no longer those that would facilitate the development of a Keynesian social democracy with a strong public sector; rather, they are the levers that would enable a supply-side drive for growth in the context of prolonged fiscal conservatism.

The careers of Blair and Brown abounded with ironies and indignities. It would be a fitting climax to the modernising career of Alex Salmond if his crowning achievement were to be a new Scottish state bound hand and foot by the Bank of England.

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