



POWERS FOR A PEOPLE'S PARLIAMENT

The Case for Progressive Federalism

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The Red Paper on Scotland has united those on the left across the trade union and labour movement committed to advancing the interests of working people. Through a series of publications and events we have sought to ensure that issues of class are kept to the fore throughout the referendum debate and now as further devolution is being devised we are continuing that work.

We welcome the commitment to more powers for the Scottish Parliament. But we also stress that what matters is not the powers themselves but how far these powers are used - to challenge inequality, to redistribute income and enhance economic and social democracy, above all by increasing the collective influence of working people.

Although more powers for Scotland, in the timescale expected, are essential to deliver the promises made during the Scottish Referendum period – it is also essential to counter balance the ever increasing power of London generally, including the gerrymandered London City Corporation. A Constitutional Convention for the UK should consider the creation of regional assemblies in England, what powers should be retained at a more local level and what would be ceded up to a UK wide Parliament. Such a federal arrangement would enable nations and regions to unite to resist further neo-liberal advances.

In light of the above we believe:

- That the Barnett formula should be retained but revised so that it is based on need rather than population with due consideration for any short term impact on the Scottish budget.
- That the principle of raising income tax based on an adjustment to the block grant contained in the Scotland Bill should be extended to include all income tax in order to allow the Scottish Parliament more flexibility for creating a progressive tax system and extending and improving public services and providing for increased redistribution including fair pay and conditions for public servants. This will also enable the Scottish Parliament to limit the financial impact of public service privatisation in England.
- That the capacity to borrow for capital and revenue purposes must be extended well beyond the limits set out in the Scotland Act to allow the Scottish Parliament to end its dependence on Public Private Partnership/Private Finance Initiative (PPP/PFI) which includes Non-Profit Distributing (NPD) projects.
- That the Scottish Parliament should have the power to form enterprises that are publicly owned with a view to rebuilding Scotland's industrial base on green technology, renewables, and high value manufacturing as part of a full and fulfilling employment strategy creating a better and sustainable future especially for young people.
- That there should be a Scottish style "Marcora Law" giving workers and communities the chance to convert an enterprise to democratic ownership when it is put up for sale, facing a takeover bid, threatened with closure or asset stripping. There may be a need for additional powers for the Scottish Parliament to support a re-invigorated Co-operative Development Scotland to encourage and promote co-operative and common ownership generally, beyond cases where companies are facing financial difficulties, including at the point of start-up and establishment of new businesses.
- That the Scottish Parliament should also have the right to take land and enterprises into public control. These rights could be used to safeguard jobs and industries or where the best interests of those dependent on the land or the enterprise are in jeopardy or where absentee landlordism is preventing the development and use of land in community and economic interest.
- That there should be a process put in place between Westminster and the Scottish Parliament on EU decisions affecting areas within the Scottish Parliament's jurisdiction to ensure the Scottish Parliament's consent to changes agreed by Westminster on areas such as health, food safety, employment rights and agreements that have a range of impacts like TTIP, on the understanding that such consent is required before agreement with the EU is reached.

- That Welfare benefits are a key element in the redistribution of wealth and in tackling poverty. Council Tax is already devolved and the devolution of Council Tax Benefit has been agreed. Attendance Allowance and control over employment schemes should be devolved and Housing Benefit should be separated from Universal Credit because of the close link to housing policy, a devolved issue.
- That the state pension should remain at UK level but public service pensions for devolved services should be fully devolved and democratised. At present devolution is limited to regulatory powers only. Experience with the recent UK Public Service Pensions Act shows a one size fits all UK approach is not appropriate for this issue.
- That the Scottish Parliament should make enshrine an explicit commitment to equality for all its citizens and be required to demonstrate how it is addressing inequalities. The Scottish Parliament should also have the power to enact legislation in the area of human rights.

- That the Scottish Parliament, alongside any other nation or region of the UK, should have the right to challenge the continued deployment of nuclear weapons.

For all the debate around fiscal powers we should always return to the question of what we want these powers for. Fiscal policy should support the creation of a more equal society that allocates resources to tackle poverty through progressive taxation and welfare support. Devolution of powers must maintain the ability to redistribute a significant portion of tax income geographically on the basis of social need and enhance not only political democracy, but democratic control of the economy.

We believe in the development of a form of Progressive Federalism. It is progressive because at its heart it has a commitment to the greatest equality for all its citizens no matter where they live. That process started with devolution to Northern Ireland, Scotland, Wales and London, but it is also important for other regions of the UK to have the power to put the brakes on neoliberalism and develop economic and social policies appropriate to regional needs.

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