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Review Article: Social Policy in Scotland Since Devolution

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Introduction

With the advent of devolution, it is increasingly difficult to talk about a unitary UK social policy as policy developed by the Parliament in Westminster does not apply automatically or equally to the non-English UK nations. Devolution in 1999 created not only opportunities for increasing policy divergence across the UK, but has provided the potential for more research specifically focussed on Scotland. These opportunities are clearly reflected in the growing body of literature in recent years on devolution in general and its impact on various policy fields. This article considers the effects of devolution on social policy in Scotland since 1999. The aim of this review is to identify the key literature and to present the main debates and findings from relevant research.

In the following sections, the main aspects of the academic literature will be discussed. First, we will present the main strands of research involving comparisons of Scotland with other European nations and regions and in particular other constituent countries of the UK. Central in relation to the latter is the question around the potential for the convergence or divergence of policies. The ‘distinctiveness’ of Scotland and Scottish social policy merits a detailed discussion as it is often the leitmotif of analyses. While certain social policy areas were already different across the UK long before the Scottish Parliament was re-established – e.g. separate housing legislation existed for Scotland, Scottish education policy was different from that in England (Arnott and Raab, 2000) and some authors pointed to a distinct policy environment of Scotland in general (e.g. Kellas, 1989; Paterson, 1994) – the diversity of social policy across the UK has increased since the late 1990s, though this is uneven between and across different areas of social welfare. While England has no self-government and is ruled directly by the UK Parliament, Scotland, as well as Northern Ireland and Wales, has been enjoying varying degrees of autonomy due to an asymmetrical devolution of powers. The situation, however, is complicated through the fact that for certain policy areas, including the welfare state, overlapping responsibilities exist between the UK and the devolved governments. Comparisons between Scotland and the rest of the UK and, in particular, England are therefore common across a number of different social policy areas. The main focus here will be on the key areas of education, health and poverty and inequality. In a further section, the main constraints on devolution being identified in the literature – fiscal, institutional and political – are briefly addressed. Finally, an interesting new development of research results from the recent change in the political composition of the Scottish government following the May 2007 Scottish Parliament elections, and we thus shed some light on questions pertaining to social policy under an SNP government.
Elke Viebrock

Considering social policies in a devolved Scotland in comparative perspective

Comparing Scotland with other devolved countries or regions

As is well known, the UK is not the only country which devolved responsibilities for public policy making to the regional or sub-national level. Consequently, a number of comparisons have been made between Scotland and other regions, either with other unitary states like Italy or Spain or traditional federal states such as Belgium, or Canada which recently granted increased autonomy in policy making to some of its provinces. Such international comparisons should help our understanding of social policy in a devolved Scotland. The most notable references in relation to comparative studies of social welfare policies in this respect are the edited volume by McEwen and Moreno (2005) and the study by Béland and Lecours (2008) of Quebec, Flanders and Scotland.

This literature offers an opportunity to reflect on the relationship between social policy and nationhood. Social policy is an important aspect of devolution to the regional level due to the nation-building effect of the welfare state (McEwan, 2002 and 2006). Arguably, while the central state might lose this symbol of nationhood through devolution, it opens up possibilities for fostering solidarity on the sub-state level in turn and thus legitimises devolved governments just as it used to legitimise the formation of the nation-state (as famously analysed by Stein Rokkan, see Flora, 1999). Mooney and Williams (2006: 624) confirm that social policies are used to legitimise the construction of a ‘new’ national identity, the ‘new Scotland’. Their interpretation of this process of redefining national identity, however, sees this process not as one that stresses benefits based on social solidarity but rather one that tries to legitimise neoliberal market ideologies. Although the political language concentrates very much on social justice, social cohesion or social inclusion, they assert that instead the concept of ‘entrepreneurialism’ and the market are both key defining elements and objectives of the ‘new Scotland’ as constructed by successive Scottish and UK governments. It has to be briefly noted here, and will be elaborated on in more detail further below, that not all welfare areas have been devolved and that crucial areas, especially in relation to poverty and social security, remain in Westminster control.

Comparisons between Scotland and other parts of the UK

Not surprisingly, much attention has been paid to issues around differences and similarities between the devolved parts of the UK (see, for example, Adams and Robinson, 2002; Adams and Schmuecker, 2006). The related question of policy convergence or divergence is a key topic addressed in the literature (cf. Jeffrey, 2002; Keating, 2002, 2005a and 2005b; Mooney and Scott, 2005; Wincott, 2006; McGarvey and Cairney, 2008). It seems that the most comparisons are made between Scotland and England. However, references to Wales, and, to a lesser extent, to Northern Ireland, are frequent too. Inevitably, these comparisons focus on issues of differences or divergence and similarities or convergence of policies in the devolved parts of the UK. Central is the question of a Scottish particularity or ‘distinctiveness’ which will be reviewed in the next section.
The distinctiveness of Scottish social policy

Public opinion and attitudes in Scotland compared to the rest of the UK

Traditionally, and somewhat contentiously, Scotland has had the reputation of being more ‘welfarist’ (McEwan and Parry, 2005: 43) and more social democratic (Mooney and Poole, 2004) than England, or even as having a Scandinavian model of politics (Hassan and Warhurst, 2002). The real extent of this often a priori assumed distinctiveness has been the subject of empirical investigation. Indeed, Scotland since the 1960s had strong Labour majorities and elected representatives have supported increases in social expenditure and the maintaining of social services (McEwen and Parry, 2005). Parry (2004) cites some examples of a particular pre-devolution social welfare history, noting for instance the wide-ranging anti-poverty approach deployed by Strathclyde Regional Council between 1975 and 1996.

What is probably the key difference in electoral politics in Scotland since the 1970s is not so much the popularity of Labour, but the unpopularity of the Conservatives and particularly Thatcherism. Trade union membership rates have been higher on average in Scotland than in England or the UK average, but not as high as in Wales or Northern Ireland (Gall, 2005). The fact that with the Scottish Socialist Party (until May 2007) and the Scottish National Party (SNP), two parties to the left of Labour (though to markedly varying degrees) are represented in the Scottish Parliament, adds to this general impression of Scotland being more ‘socially democratic’ or left than the other parts of the UK.

Further, successive public opinion surveys have demonstrated a tendency towards pro-welfare state attitudes amongst many Scots. However, Bromley et al. (2003) as well as Mooney and Johnstone (2000) showed that the Scottish population is not really that different from the majority of the population in England in this respect. For example, regarding the high profile cases of free personal care for the elderly or university tuition fees, which are usually cited as a proof that devolution has made a difference (Mooney and Poole, 2004; Silburn, 2004; Ormston et al., 2007), public opinion is very similar in Scotland and England. It seems that the Scottish Parliament has simply put in place a personal care policy which has UK-wide support. In other words, it is not so much Scotland, but rather England that is diverging from the post-war public sector welfare state model (Adams and Schmuecker, 2006).

Another example of similarities in public opinion is that in both countries it is widely accepted that students should contribute something to the costs of university education and no clear distinction is made between the two options available in England and Scotland, namely contributing during the time of study or afterwards. While the example of personal care demonstrates that it is not only many people in Scotland who express ‘welfarist’ opinions, but that also many people south of the border would approve free care for older people, the example of the acceptance of at least some kind of tuition fees points towards more consumerist attitudes in relation to public sector services in both Scotland and England.

Overall, the empirical evidence in support of the stereotype of Scotland holding distinctively more left-wing or collective attitudes than other parts of the UK is limited and such assumptions seem to be part of a series of myths about political and social values in Scotland which have become widespread and accepted wisdom in recent times (Mooney and Johnstone, 2000; Mooney and Poole, 2004).
Scottish particularities due to political institutions

There is a strong argument that some of the distinctive Scottish features result from differences in the institutional and organisational fabric of Scottish politics. Most notably in this respect is the inclusion of Proportional Representation (PR) in the Scottish election system. On the one hand, PR increases the chances for smaller and less mainstream parties to gain seats in parliament and, on the other hand, it decreases the likelihood of strong political majorities, thus leading to coalition and minority governments. Indeed, to date no party could govern without a coalition partner and the parliament looks rather diverse with representatives from up to six parties and some independent candidates. Finally, a strong emphasis on more open and consultative decision-making processes and a reliance on committees theoretically open up possibilities for more citizen engagement (Bromley and Curtice, 2003).

This represents a sharp distinction with the UK Parliament elections which deploy a first-past-the-post system. While it was hoped by some that this would lead to changes in the overall policy outlook and a break with ideologies dominant in the London government, the conclusion that some researchers draw are rather disillusioning. Despite the potential for innovative development in social policy due to devolution and the different political environment, at least in the first years of the re-established Scottish parliament, some authors argue that no significant departure from Westminster policies has taken place (Mooney and Johnstone, 2000; Mooney and Poole, 2004; Hellowell and Pollock, 2007). However, these views can be disputed given the differences in education or personal care policies which will be discussed in more detail below.

Alternatively, if Scottish social policies are becoming too divergent from that of other regions in the UK, this might fuel resentment outside Scotland, as it undermines the principal of having equal living conditions throughout the UK (Mooney et al., 2008). Consequently, devolution matters not only for the devolved regions but also for the centre (Mooney et al., 2006). Such territorial inequalities regarding welfare and citizenship rights, often termed ‘postcode lottery’, are definitely brought sharper into relief through devolution (Mooney et al., 2006; Adams and Schmuecker, 2006; Williams and Mooney, 2008).

Scottish distinctiveness across different social policy areas

The edited collections by both Adams and Robinson (2002) as well as Mooney and Scott (2005) explore in some detail the question of Scottish distinctiveness before and after devolution by looking at different social policy areas in turn. A significant proportion of social policy literature from Scotland engages with particular policy making areas, for instance the criminal justice system (Croall, 2005), education (Rees, 2002; Arnott, 2005; Arnott and Menter, 2007), family (Wassoff and Hill, 2002), health and long-term care (Woods, 2002; Greer, 2004; Stewart, 2004; Tannahill, 2005), homelessness (Pawson and Davidson, 2008), housing (Taylor and Sim, 2000; Sim, 2004), urban planning (McWilliams and Johnstone, 2005) and, particularly, inequality and poverty (Scott et al., 2005; Law and Mooney, 2006; Scott, 2006). The following sections consider three of these areas of exemplary Scottish social policies, namely education, health and poverty.
**Education**

Education is an area of social policy that lends itself to an analysis of Scottish ‘distinctiveness’ due to long-standing Scottish autonomy in this matter since the 1707 Act of Union (Paterson, 1994; Mooney and Poole, 2004; Arnott, 2005; Ozga, 2005). One of the most frequently discussed topics in this respect is the example of university tuition fees. Here the Scottish Executive used the freedom created by devolution to clearly diverge from Westminster policy. While it was initially inaccurate to talk about an abolition of tuition fees, it was true that since 2001 Scottish students do not have to pay for their university education while they are studying, but instead should make a contribution to the cost of their education once they start earning (a so-called graduate endowment fee). This endowment fee was abolished in 2008 under the SNP government. As public opinion polls on educational issues have shown, the differences between England and Scotland should not be exaggerated. However, the case of secondary education is quite interesting. In Scotland, support for comprehensive education is substantially higher than in England (Bromley and Curtice, 2003; Bromley et al., 2006). For more recent discussions of the Scottish approach to comprehensive schooling and education policy see Arnott and Menter (2007) as well as Humes (2008).

**Health policy and ill-health**

Health is another important area of devolved policy. Tagged the ‘sick man of Europe’ due to problems with drug and alcohol abuse, comparatively high mortality and morbidity rates, and, in particular, enormous and widening health inequalities between the richest and poorest areas of Scotland (see NHS Scotland, 2004; Leyland et al., 2007), health policy is an area that deserves particular consideration.

Already prior to devolution in the 1990s, differences in health services organisation and policy between Scotland and the other parts of the UK existed (Woods, 2002). These have become more significant since (for a good overview on the NHS structure in Scotland, Wales and Northern Ireland see Talbot-Smith and Pollock, 2006). A prime example of Scottish distinctiveness is the case of long-term care policies. Unlike England, Wales and Northern Ireland, Scotland has introduced free personal care on a universal basis for the elderly in 2002 (Stewart, 2004; Bowes and Bell, 2007). This has usually been heralded as a proof for Scotland’s more leftist policy outlook as argued above. However, the overall picture does not look particularly progressive. Most strikingly, health inequalities between wealthy and poor areas in Scotland are immense and the situation in Glasgow, the city with the lowest life expectancy in Britain, is a frequently cited example (e.g. Shaw et al., 1999; McIntyre, 2007).

A different picture also emerges in relation to attempts of privatising the NHS. Although efforts to establish a market in health care have not been as far reaching as in England, the Scottish NHS has not been immune from these trends which were initiated under the Conservatives in the 1980s and continued by New Labour since 1997 (Pollock, 2004). A telling example is the extent of privatisation which has taken place under the heading of ‘public–private partnerships’ or the Private Financing Initiative (PFI) as it is known in the UK. During the first two terms under devolved administrations, the use of private finance to fund hospital buildings has been no less popular in Scotland.
than in England (Hellowell and Pollock, 2007). Although the current SNP government announced before their election to abandon the use of PFI in favour of a Scottish Futures Trust (Stewart, 2004; Hellowell and Pollock, 2007, Mooney et al., 2008), it is debatable how far this has been realized (see the paper by Hellowell and Pollock in this issue).

**Poverty and inequality**

Together with ill-health, inequality and poverty are social problems with a particular Scottish dimension (Mooney and Poole, 2004; McKendrick et al., 2007). However, we have to bear in mind that the UK as a whole over recent decades has become one of the most unequal countries in the West. Yet, there are huge inequalities within Scotland which tend to be overlooked in some of the representations of the ‘new’ Scotland which is sometimes presented as if it was a society that had overcome its old class structures (see Morelli and Seaman in this issue; see also Mooney and Johnstone, 2000; Mooney and Poole, 2004; Mooney and Scott, 2005; Law and Mooney, 2006). Just as in the rest of the UK, disability, age, ethnicity and lone parenthood are key correlates of poverty and ‘worklessness’. New Deal programmes for these particular groups have been implemented by the UK Department for Work and Pensions in Scotland as well as in England and Wales. The ‘Pathways to Work’ programme for Incapacity Benefit recipients was piloted in a Scottish region; thus anti-poverty programmes can be said to be centralised despite devolution due to their focus on activation or ‘welfare-to-work’ measures which remain in the responsibility of Westminster. The interface between devolved and reserved areas makes the evaluation of particular Scottish policy making and implementation in this area difficult as will be discussed in more detail below. However, there are also projects emanating directly from Scotland, such as the ‘New Futures Fund’ of Scottish Enterprise, which have their focus on fighting poverty through labour market inclusion. Part of the explanation for the predominance of activation policies is probably also the role of the European Union, which finances many programmes through the European Social Fund and promotes a strong activation framework (Scott, 2006).

Mooney and Poole (2004) conclude that anti-poverty measures in Scotland have been no more successful than in England and did not bring about a notable improvement in living conditions for the majority of the population. Despite differences in rhetoric and institutions, Scotland is no less affected by the general neoliberal agenda – with some exceptions in education and health – thereby curtailing and limiting Scottish distinctiveness in relation to social welfare.

This conclusion leads us to the question of why successive Scottish governments have not made full use of the powers available to develop much more distinctive and radical social policies after devolution or, in other words, what are the constraints on a Scottish social policy?

**Considering the constraints on ‘Scottish’ social policies**

**Resource constraints**

Probably the most important constraint relates to the Scottish budget, and the general financing of public services in Scotland. Since the main funding sources for social policies – namely taxation and social security contributions – are levied and collected by...
Westminster the possibilities for any major Scottish solutions are inevitably limited. The power of the Treasury and the regulations under the Barnett formula (which determines the money available under the ‘Scottish Block’ grant) pose very concrete limitations on the scope of social policies at the devolved level. Scotland’s share of the budget is decided by the Treasury and based on its share of the UK population. Scotland does not have full fiscal autonomy and cannot raise its own taxes, but possibilities for tax variation are contained in the Scotland Act. There has been a discussion about the advantages and disadvantages of using such tax-varying powers, but they have not been exercised so far (Taylor and Sim, 2000; Parry, 2004). The debate is particularly heated under the new SNP-led government, which is striving for complete independence, about the allocation of the revenues from Northern Sea oil and of the distribution of other taxes generated from within Scotland. Furthermore, the Treasury imposes the same fiscal rules in Scotland as in England that favour the use of private funding for public sector projects in the form of private finance schemes (Mooney and Poole, 2004; Pollock, 2001).

Institutional constraints

Another limitation stems from the fact that certain policies represent ‘reserved matters’, i.e. the prime responsibilities for these remain the central government in Westminster (for a list of all reserved areas see Keating, 2005b: 22). Although the devolved matters include key areas of social policy, the picture is not that straightforward as often the necessary instruments for achieving significant changes are outside the remit of the devolved governments. Most important for the context of social policy development are macro-economic policy, employment policy, tax credits and social security (Mooney and Johnstone, 2000; Parry, 2002). The interface between devolved and reserved areas also has an impact on the development of devolved social policy.

A UK-wide common market and a common labour market impose similar limits on Scottish distinctiveness (Keating, 2002). This explains, for example, why Jobcentre Plus does not utilise a Scottish brand name (unlike, for example, utility firms which substitute the prefix ‘British’ with ‘Scottish’) (see Parry, 2004).

Political constraints

Finally, constraints of a political kind need acknowledgement. First, concerns about ‘welfare migration’ from other parts of the UK if a devolved unit is offering more generous benefits or services might act as barrier to welfare reform, although such fears seem to have proven groundless so far (Keating, 2002).

Second, it has been argued that a lack of political will has constrained the development of a radically different social policy in Scotland (Mooney and Poole, 2004), particularly under the Labour-led coalition governments. While the institutional design of devolution and the way it is financed present externally set limitations, this constraint is more of an internal Scottish nature. As mentioned, the limited tax raising powers that the government in Edinburgh possesses have not been used so far. Parry notes that there has been no political pressure to devolve social security over many decades of administrative and legislative devolution as it was a ‘low-value issue for Scottish ministers and officials’ and promised nothing but trouble (Parry, 2004: 170). A move away from the
formula-based block funding was rejected by the then Scottish Executive under Labour on the grounds that Scotland would risk running a financial deficit if it had fiscal autonomy (Parry, 2004). With the new SNP government and its clear ambition of an independent Scotland full fiscal autonomy has been brought on the agenda though.

Political constraints also arise out of the fact that no political party to date has enjoyed an absolute majority in the Scottish Parliament. The first two Labour-dominated governments (1999–2007) had to rely on their coalition partner, the Liberal Democrats, and the minority government of the SNP has thus far relied upon votes from the Greens and the Conservatives to push through proposals for social policy projects and budgets (Stewart, 2004; Mooney et al., 2008). The political alignment of the parliaments in Edinburgh and London under Labour until 2007 was another reason why the full potential of devolution was not used. There is evidence of close parallels in the principles driving Labour social policy both north and south of the border, as well as a similar style of civil service administration (Parry, 2002; Fyfe et al., 2006).

The development of social policy under an SNP government and future research

As long as Scottish Labour was in power in Edinburgh parallel to its UK counterpart in London, albeit in a coalition government, it was not unreasonable to expect a certain conformance between Holyrood and Westminster. While the devolved administration in Scotland had already been reluctant to fully commit to New Labour’s public sector reform to the same extent as in England (Williams and Mooney, 2008), the election of the SNP into a minority government in May 2007 allowed for concerted resistance. This ‘earthquake’ (Paun, 2007: 11) has usually been seen as a turning point as this historic victory marked the end of Labour’s political dominance in Scotland for the first time since 1959 (Lynch, 2007). The election of an SNP government certainly promises new and perhaps greater tensions between Holyrood and Westminster (Williams and Mooney, 2008).

Research on this new dynamic is obviously still in its early stages. A first tentative evaluation of social policies under the SNP was conducted by Mooney et al. (2008). Although being a clearly nationalist party, the SNP positions itself to the left of Labour on a number of issues including public spending and taxation, or nuclear energy and the Iraq war, but also in relation to significant social policies. Most notably, the SNP has announced that it will overturn the public–private partnership model which has been the dominant way of financing public sector projects under New Labour (see Hellowell and Pollock in this issue). Another leftist policy consists of the phasing out of prescription charges for medicines and the scrapping of the graduate endowment fee.

Mooney et al. (2008: 389) argue that although the rhetoric suggests real concerns with ‘fairness’ and growing social inequalities, there was little in practice that could be interpreted as a new anti-poverty strategy. It was likely that the promotion of social justice would be subordinated under the pursuit of economic growth and the promotion of enterprise and that the latter would be the key to reducing inequalities (see Scott and Mooney in this issue). Overall, the differences to Scottish New Labour policies are only nuanced. Both parties prefer the term ‘social inclusion’ (Mooney and Johnstone, 2000), however the current SNP government is at least prepared to talk of poverty directly (Scottish Government, 2008; see also Morelli and Seaman in this issue).
As discussed above, research on social policies under the new SNP government have now began to emerge. The analysis of the further development of social policies in Scotland is thus a key area of future academic scrutiny. In particular, the divergence from privatisation efforts which have become the dominant reform paradigm in the UK since the Conservatives under Thatcher is a fruitful topic for research. New frictions in the Scottish–UK relationship might also result if the Conservative party should win the next general election. Further research questions may result from the worldwide financial crisis given the central role of the finance sector in Scotland’s economy and the knock-on effect on unemployment, poverty, the housing market, and the funding of public policy and public services.

Combining an analysis of the consequences of the economic recession with that of the new governance and policies under the SNP we can ask, for example, what happens to the ‘arc of prosperity’ (comprising Scotland’s Northern neighbours Ireland, Iceland and Norway) which has been heralded by the SNP First Minister Alex Salmond? To pick up the dominant question of the literature so far, will the Scottish response to the crisis be different from that in England? More generally, for many commentators the current financial crisis has dealt a blow to some of the SNP ambitions, including the central aim of Scottish independence. It will be very interesting to see whether the SNP will have to revise its central political aims in the face of this new economic situation.

Notes
1 The Scottish election system is a hybrid system with one part of the MSPs elected on first-past-the-post (FPTP) and the other part on PR based on a closed party list. This particularity of the voting system may well be the real reason behind the above-mentioned circumstance that there are parties to the left of Labour in Scottish parliament and not a difference in attitudes between voters in Scotland and England.
2 The current distribution of seats in the Scottish Parliament is the following: 47 SNP, 46 Labour, 16 Conservative/Unionist, 16 LibDem, 2 Green, 1 Independent, 1 no affiliation.
3 The Barnett formula does not determine the overall size of the Scottish budget but provides that changes to programmes in England result in equivalent changes in the budgets of the devolved administrations calculated on the basis of population shares. The fact that social policy in England relies proportionately more on the private sector, e.g. in the form of PFI, has important implications for the Barnett consequential.

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