

**Competitive Nationalism: State, Class and the Forms of Capital in
Devolved Scotland**

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Abstract

Devolved government in Scotland actively re-constitutes the unequal conditions of social class reproduction. Recognition of state-led class re-constitution draws upon the social theory of Pierre Bourdieu. Our analysis of social class in devolved Scotland revisits theories that examine the state as a 'power container'. A range of state enabling powers regulate the legal, economic, social and cultural containers of class relations as specific forms of what Bourdieu called economic, social and cultural 'capital'. The preconditions of class reproduction are structured in direct ways by the Scottish state as a wealth container but also, more indirectly, as a cultural container and a social container. Competitive nationalism in the devolved Scottish state enacts neoliberal policies as a class-specific worldview but, at the same time, discursively frames society as a pan-class national fraternity in terms of distinctive Scottish values of welfare nationalism. Nationalism is able to express this ambiguity in symbolic ways in which the partisan language of social class cannot.

Keywords: Scotland, Class, Nationalism, Devolution, Neoliberalism

Competitive Nationalism: State, Class and the Forms of Capital in Devolved Scotland

Introduction

In the UK the pattern of political support is becoming more territorially uneven. Devolution did not create political differentiation and segregation but, rather, expresses and entrenches it (Tijmstra, 2009: 738-739). While never a simple 'north-south' divide, the geographical isolation of Conservative support is an increasingly pronounced feature of UK electoral politics, a process confirmed by the 2010 General Election (Dorling, 2010). Support for Conservatives increased wherever they were already strongly placed - the most affluent constituencies in England, above all, south east England. In contrast even affluent voters in Scotland rejected the electoral appeal of revived Conservatism, which has proven singularly incapable of recovering from the electoral disaster of 1997. Then the percentage vote for Conservatives was almost halved and they failed to win a single seat after 18 years of steadily declining representation (see Table 1). At the May 2011 Scottish elections, Conservatives failed to improve on their existing poor performance, with their share of the constituency vote declining further from 17% in 2007 to 13.9% (see Table 2). In a desperate gamble to arrest decline, Murdo Fraser, deputy Conservative leader at Holyrood recently proposed abolishing the Scottish Conservative and Unionist Party altogether and replacing it with a 'less toxic brand', threatening a damaging split in the leading party of UK co-government.

While Conservatives are in political crisis and unable to command wide support in Scotland, Scottish nationalism exerts minority, if growing, political traction. At UK General Elections the Scottish National Party consistently poll

around one in five voters but gained almost forty-five per cent of constituency votes for the Scottish Parliament in 2011, enabling them to form the first majority government since devolution was introduced in 1999 (Table 2). Nationalists anticipated 'a Westminster breakthrough' at the 2010 UK election as a prelude to forcing the pace of political independence. Instead, the Labour Party won two out of every five votes in Scotland, consolidating their position as the official opposition in Scotland to the Conservative-Liberal Democrat UK coalition government – at least at UK level.

In making sense of these shifts we extend our gaze beyond the relatively narrow discussion of contrasting electoral fortunes. Electoral results reflect profound changes in Scottish society, requiring an understanding of the structuring, shaping and alteration of social relations, social class above all. However, in many of interpretations of devolution and Scottish society, the structuring effects of class relations are largely absent. For example, Tijnstra (2009) usefully explores how issues of legitimacy helped to fuel the rise of 'regionalist' demands and a rising sense of Scottish national identity, but neglects to account for the part played by the restructuring of social classes in the dialectic of nation and state. In other accounts, Scotland's peculiar political arithmetic seems to defy the electoral logic of a society seen by some to be possessed of a transformed, predominantly middle class, social structure (Paterson et al, 2004). A new, open and upwardly mobile social system in Scotland appears to strongly favour the symbolic trans-class appeal of the SNP: 'The fluidity of the class system opens up further possibilities to a party without a historic class profile' (Keating, 2009: 65).

Taken in its subjective form, class is often treated as an identity, interchangeable with other markers of difference such as ethnicity, age, community, gender or nation. In this form, class is reduced to data about attitudes to work and consumption. In its objective form it is equated with the market position of aggregated individuals. However, class is reproduced neither through the perfect competition of equal agents in markets nor as a voluntary identity. Following Bourdieu (2006), class is 'accumulated history'. As such, class is an enduring condition that persists as a series of constraints through an 'economy of practices'. Relative amounts of economic capital, holdings which can be directly converted into money, remain central to this conception of class, but only as a special case of more general processes of class formation through unequal exchange. Any totality of class practices must also include other forms of capital (cultural, social and symbolic), their distribution, volume and composition.

Famously, Bourdieu (1984; 2006) calls these forms of class practices and resources cultural capital, social capital and symbolic capital. Variegated marketisation strategies enable the value of different capitals to be reconverted, say using social capital of elite networks to access economic capital through market advantage. Extra-economic forms of capital fail to be recognised as class domination as such. Indeed, the success of class reproduction depends precisely on the misrecognition of class interests as the disinterested practices and spontaneous attributes of national social agents. Each form of capital is both embodied in the durable dispositions of people and objectified in particular forms, for instance, in cultural goods like books or home furnishings. Importantly for our purposes, each form of capital also acquires an institutionalised state form set apart from the initial investment of

time and effort in the home and school. Initial investment in class reproduction is sanctioned and legitimated by the state in a continuing process.

Table 1

Table 2

Table 3

In this paper we revisit state theory and Bourdieu's approach to the social sources of state power to account for the active role of the devolved Scottish government in shaping the unequal conditions of class reproduction. Here the devolved state in Scotland functions as a power container filled by specific kinds of class content but where state legitimacy derives from a trans-class people-nation. Although the Scottish state lacks full sovereign power it nevertheless exercises considerable economic, cultural and symbolic power, with profound consequences for the reproduction of class relations. Each type of capital in Bourdieu's sense corresponds to different state containers: economic capital to the wealth container; cultural capital to the cultural container; social capital to the social container; and symbolic capital to the power container. Territorial politics is filled with different, often contradictory, class content, not least in the appeal to values of social justice at the same time as enacting neoliberal policies in the service of global economic competitiveness (Law, 2005; Scott and Mooney, 2009; Mooney and Scott 2012).

The nationalisation of Scotland

The conundrum of class, nation and territorial politics in Scotland requires closer examination. Nationalism is not a unified 'thing-like' substance. As philosophers of language claim, it is not the meaning of a word like 'nation' (or

'class' for that matter) that makes it useful but, rather, only in its use does the word become meaningful. While 'nation' has become increasingly meaningful in Scotland, 'class' has been rendered relatively meaning-less as political discourse. In social attitude surveys the more Scottish that people felt the less that they identified with non-Scots of a similar class. While a quarter of respondents in Scotland surveyed in 2006 identify with those from the same class but a different nationality more people, around half, identify with people of the same nationality from a different class, compared to only a third in England that place national identity before class identity (Bond, in Bechhofer and McCrone, 2009: 112).

One explanation for the 2007 and 2011 election successes of the SNP is that devolution has shifted the focus of territorial politics more emphatically from class to nation as a collective 'frame of reference' (Bechhofer and McCrone, 2009). Before the 1990s social class played a significant role in political beliefs and collective identity across Scotland and England since their socio-economic structure was broadly similar (McCrone, 1992). Scotland's tribal loyalty to Labour and visceral hostility to Conservatism, at least from the 1960s, was typically explained as reflecting, first, the national egalitarian values of an 'industrial nation', and, later, the rapidly deteriorating conditions for the industrial working class in the 1970s and 1980s (see Table 3). Surplus labour expelled during Scotland's crisis of manufacturing in the early 1980s was only haltingly, if at all, reabsorbed by service employment as an extended form of class reproduction. In the past two decades this has been replaced by an expansion of highly qualified professions, mainly in public services and financial services (Paterson et al, 2004). Today the traditional classes on which political support depended – landowners, industrial bourgeoisie and organised labour – have undergone radical transformation, losing the social

weight to shape electoral preferences (Keating, 2009). There is no longer a cohesive ruling class of the kind that once delivered the votes of skilled and unskilled Protestant workers for the Conservative Party, who remained the dominant force even in industrial Glasgow until the mid-1950s. At the same time organised labour is increasingly confined to the public sector, now experiencing severe contraction following decades of growth and expansion. With the general growth of public sector employment in Scotland until recently, a new interest coalition was constructed as a potential electoral bloc over which New Labour and the SNP contend fiercely.

Much has been made in this account of the legacy of administrative meso-level autonomy of the Scottish sub-state around the Scottish Office and the distinctive institutions of Scottish civil society, principally law, religion, and education as reproducing a distinctive national fraternity (Paterson, 1994). Here, British identity was limited to a pragmatic 'state-nation identity', attributed historically to an internal British market for goods and services, the British empire and British militarism, a shared Protestant religion and, since the 1940s, a British welfare state (Morton, 1999). Scots thought of themselves as equal partners in the Union, a condition which produced a dual sense of national identity, Scottish *and* British (Davidson, 2000). As the 'banal nationalism' (Billig, 1995) of Britishness as a state-defined way of life began to lose its lustre in Scotland with the impact of relative industrial decline and conflict in the 1970s and 1980s, the unitary British state appeared to be too small to cope with globalisation but too large to deal with the demands of its constituent national populations (Philips, 2008).

State authority depends on a special claim of competence to transform the arbitrary arrangements of its own power into something necessary and essential:

... powers based on (physical or economic) force can only obtain their legitimation through powers that cannot be suspected of obeying force; and that the legitimating efficacy of an act of recognition (homage, a mark of deference, a token of respect) varies with the degree of independence of the agent or institution that grants it (and also with the recognition that he or it enjoys). (Bourdieu, 2000: 104)

The state imposes the symbolic apparatus through which it is itself to be perceived, above all as the embodiment of the nation. 'Through the structuring it imposes on practices, the State institutes and inculcates common symbolic forms of thought, social frames of perception, understanding or memory, State forms of classification or, more precisely, practical schemes of perception, appreciation and action' (Bourdieu, 2000: 175). Hence state legitimacy does not depend mainly on propaganda or self-conscious collective deliberation. Outside of an exceptional crisis, legitimacy is generated routinely through the nationalising dispositions inscribed in things, institutions and bodies. Symbolic power rests on the everyday appeal of nationalism, concealing conflicting social interests behind the disinterest of national unity (Billig, 1995).

Welfare Nationalism and Competitive Nationalism

While there has been a marked consolidation of Scottish national identity alongside growing electoral support for the SNP, this does not necessarily translate into guaranteed support for full independence for Scotland, as voter surveys suggest (Dinwoodie, 2011; MacLeod and Davidson, 2011). Here the policy content of the relationship between class, nation and state requires more precise modelling. First, 'welfare nationalism' generates support for devolution, it is claimed, because the Scottish state is smaller, more responsive and accountable, and can experiment with the various policy

instruments under its control to reduce class inequalities (McEwen, 2002). However, operating against the amelioration of class inequalities in the overall interest of the nation stands the fact that the main instruments of redistribution, taxation and social security, remain centralised 'reserved matters' not devolved powers (see Figure 1).

Figure 1

Second, 'competitive nationalism', in contrast, mobilises the resources of the devolved Scottish state within a neoliberal political economy. As the national economic strategy indicates, to attract mobile global investment and secure the accumulation of indigenous capital, competitive nationalism offers various capital-friendly incentives, including lower relative wage costs, flexible labour supply and infrastructural requirements through higher public spending (Graefe, 2005). Here class inequalities are likely to worsen since redistribution pushes in the opposite, regressive direction towards private capital. In the long run, competitive nationalism projects that private capital will raise the absolute standard of living even if wealth and income distribution become grossly unequal within and across regions, a process identified in Southern Italy some time ago by Stuart Holland (1976). A third position holds that devolution has made little difference to the class-state-nation nexus since constitutional change in a peripheral sub-state is unlikely to affect the global structures of capital accumulation. This perspective has little to commend it. Scotland has some of the widest powers of any devolved state (Keating, 2010). While it has little direct control over redistribution, considerable policy discretion is exercised over the competing priorities of social justice and capital accumulation (Figure 1).

Class reproduction is bisected by the vectors of competitive nationalism and welfare nationalism. Devolved policy in Scotland combines unevenly with reserved policy to actively structure class relations, albeit in contradictory ways. Competitive nationalism envisions the devolved state as an enabler for capital accumulation; welfare nationalism envisions the devolved state as an enabler of social justice (Law, 2005). Successive devolved governments in Scotland have used their powers to affect a number of original policy developments, some tending towards welfare nationalism and others to competitive nationalism. The former includes free personal care for the elderly and land reform, while the latter is apparent in neoliberal programmes for public services, urban regeneration and successive economic strategy documents (cf. Andrews and Martin, 2010; Burchardt and Holder, 2009).

Competitive nationalism and welfare nationalism are rarely identified as specific types of class project. This neglect of the class structuring effects of state power excessively restricts analyses of territorial politics. Both are nation-building projects. Both advance an image of Scottishness, of authentic Scottish values and interests beyond narrow class interests and ideologies. As a key part of its nation-building endeavours, SNP social imagery pictures Scotland as a vibrant, competitive North Atlantic society, a 'new' Scotland in the making, transforming the dominant labourist image of Scottishness in the process. This important and all too frequently over-looked shift crucially entails an ideological assault on the remaining vestiges of an unnamed, yet simultaneously widely understood 'problematic' working class culture and way of life resistant to behavioural reform and the entrepreneurial spirit (Gray and Mooney, 2011).

Class relations are actively recomposed in Scotland through a state-imposed vision of the competitive nation, though Scotland is not unique in this respect (Graefe, 2005). Shortly after it assumed governmental power, the SNP mobilised the symbolic power of a single unified national 'Purpose' in *The Government Economic Strategy* (Scottish Government, 2007), reinforced by the second SNP Government's Economic Strategy:

Scotland has real strength in the most vital factor for modern economies - the human capital offered by our greatest asset, Scotland's people. We need to build on this strength and, importantly, make more of it in broadening Scotland's comparative advantage in the global economy. (First Minister, Executive Summary, Scottish Government, 2011)

In these and other statements (see Salmond, 2011a, b), 'the economy' is mobilised as a neutral means to realise the greater symbolic end of a shared National Interest. Just months before economic crisis overwhelmed neoliberal Ireland, First Minister, Alex Salmond, argued that the Scottish state's 'one central Purpose' was to transform 'Scotland's comparative advantage in the global economy' into 'a Celtic Lion economy, matching, and then overtaking, the Irish Tiger' (Scottish Government, 2007: v). Its unifying National Purpose envisaged 'opportunities for all of Scotland to flourish, through increasing sustainable economic growth' (Scottish Government, 2007: 1; 2011).

The multiple strategic objectives, priorities, targets and national indicators underlying the National Purpose draw deeply on the infrastructural power of the devolved Scottish state. 'Strategic Priorities' were outlined to create what Bourdieu (2006) meant by forms of 'capital' - cultural, economic, social, political and symbolic: 'Learning, Skills and Well-being' contribute to cultural and educational capital; 'Supportive Business Environment' stimulates economic capital through fiscal, technical and intellectual support to attract

'mobile factors of production'; 'Infrastructure Development and Place' generates the conditions for social capital through transport, communications and planning efficiencies; 'Effective Government' enhances political capital by demonstrating state competence and authority; and 'Equity' functions as symbolic capital for a national fraternity based on equal opportunities and more geographically even and greener development.

Scotland as a Power Container

In his critique of Marxist accounts of the state, Anthony Giddens (1981, 1985) developed the idea of the state as a 'bordered power container' to account for the historically complex relationship between class, state and capitalism. First, while capital and labour have conflicting interests they are also mutually dependent on each other and, second, the capitalist class do not personally populate the functionary positions of the state. While the state's revenue is dependent upon the accumulation process it does not control this directly (1981: 212). The state concentrates power through technologies of surveillance and communications; it monopolises the use of internal and external violence; private capital, and with it class conflict, is formally divorced from political institutions; and 'industrialism' concentrates private means of production in particular locations (Giddens, 1985).

At the heart of Giddens' definition of the state as 'power container' is the exclusive capability for organised violence within the post-Westphalia inter-state system. Here military-political states gradually transmogrified from an apparatus of war-making to an apparatus in defence of bounded populations. Clearly, the Scottish state does not possess the full panoply of sovereign powers: it cannot declare war or set up independent border controls. In the

devolved settlement, the organisation of military violence and border control rests with the UK state within the context of the European Union. Scotland might still be characterised as a 'stateless nation' since it lacks geopolitical power to assert the interests of its ruling groups, assuming that these could be disaggregated from British or transnational capital (McCrone, 1992).

Nevertheless, the Scottish state does possess some core features of the power container in its distinctive legislative and criminal justice system (Croall et al, 2010). Scots law, for instance, is taken to reflect the compassionate values of the nation, illustrated by the controversial release of the convicted Lockerbie bomber, the Libyan national Abdelbaset Al-Megrahi, by the Scottish Justice Secretary Kenny MacAskill in August 2009. MacAskill used the powers available and defended his decision by appealing to the trans-class humanist values of 'the Scottish people':

In Scotland, we are a people who pride ourselves on our humanity. It is viewed as a defining characteristic of Scotland and the Scottish people. The perpetration of an atrocity and outrage cannot and should not be a basis for losing sight of who we are, the values we seek to uphold, and the faith and beliefs by which we seek to live. (MacAskill, 2009)

More broadly, devolution politicised the Scottish criminal justice system, challenging its welfarist assumptions as it converged more closely with the class biases of populist punitivism in England and Wales (Croall et al., 2010). Scotland's growing prison population, one of the highest in Europe, shows a 'near absolute correlation' between the rate of imprisonment and the worst areas of urban deprivation (Houchin, 2005).

Legal-judicial powers apart, the Scottish state is not a classic power container. Moreover, Giddens' institutional separation of state and capital seems naïve in light of the market-constituting practices of the neoliberal state. Devolution possesses many of the features that Michael Mann (1984) characterised as 'infrastructural power'. By this Mann means a much wider range of powers through which the state regulates social life by deploying communications, political participation, welfare rights and economic planning. Peter Taylor (1994) further developed the idea of the state as a power container to account for other functions of the state - as a 'wealth container', as a 'cultural container', and as a 'social container'. Combined, the territorial shape of the state container is twisted in different directions to produce a 'triple territoriality'. As a power container the state attempts to preserve its territorial integrity; as a wealth container the state tries to extend its territorial reach within the world system; as a cultural container it restricts recognition to smaller territorial nations or regions.

Conceiving the multiple spatio-temporal logics of the devolved state seems a useful point of departure for tracing different, inter-related sources of class reproduction. A devolved UK state in pursuit of neoliberal policies is subject to the storms and stresses of multiple and leaky territoriality. Contrary to Giddens' false opposition of the bounded state and the borderless economy, the UK state has always been a 'leaky container' (Taylor, 1994). It shed some institutional power externally to the world-system and ceded other powers to internal nationalist movements. As the central state becomes more porous, devolution does not mean the loss of state capabilities as such but their territorial redistribution and recombination in different magnitudes. However, Taylor (1994) tends to naturalise state power as a linear process, where the state first captures politics, then economics, followed by culture, finally absorbing society to become a fully-fledged nation-state.

Devolved Scotland is a leaky container. As a *power* container it encompasses controls over law, home affairs, and the police; second, as an *economic* container it exerts some control over agriculture, fisheries, planning, economic development, training, and tourism; third, as a *social* container it controls health, social work, housing, and local government; and fourth, as a *cultural* container it controls education, the arts and sport, and the natural and built environment (Scotland Office, 2009). Of course, these functions may pass between two or more containers, for example, education is not only about cultural transmission but also socialises subjects into economic values or civic behaviours. This requires us to examine the substantive class content of devolved state containers.

Scotland as a Wealth Container

Any conception of the devolved state as a 'wealth container' of economic capital has to address the relative degree of integration between capital and state. In the twentieth century the British state assumed overall responsibility for economic activity. This transformed the meaning of *political* economy from Adam Smith onwards (Meek, 1967). Wealth containers are caught in a never ending cycle of renewing the basis for their existence (Hobson, 1997). State infrastructural power depends on the extent of its reach into society to generate revenue through taxation, which depends on the size of GDP, which in turn depends on state spending on infrastructure, locational incentives, social policies, education, stable currency, and so on (Mann, 1984). Such multiple interdependencies make the wealth container among the most leaky of all state containers (Taylor, 1994). Economic activity flows across borders and global conditions limit the room for manoeuvre. Nevertheless, the UK

state remains a significant wealth container. Although the Scottish state has scope for raising taxes and economic development it stands in a dependent relationship to the unitary UK state and its relationship to financial institutions in the City of London. This was demonstrated graphically by the bail out in 2008-2009 of Scotland's major clearing banks, RBS and HBOS.

As a wealth container, inequalities are less pronounced *between* the nations of the UK than they are *within* them. Where absolute levels of paid employment are taken as an indicator of economic success, Scotland manages to score relatively well compared to other UK nations and regions. Only London has a higher level of full-time employment (NEP, 2010: 122-3). Clearly some groups do better than others. Median hourly wages of £10.84 for men and £8.78 for women in Scotland in 2006-8 are roughly comparable to England (£11.29 and £8.91 - but not London at £13.94 and £12.32) and are higher than Wales (£10.15 and £8.30) and Northern Ireland (£9.40 and £8.50) (NEP, 2010: 153). Moreover, the relative value of earnings is also higher, thanks mainly to lower property and rental values in Scotland than other UK regions, with the exception of Wales, Yorkshire and North East England. After housing costs are factored in, household income is more evenly spread across the UK but inequalities become more pronounced within regions, especially London (NEP, 2010: 203; Dorling et al. 2007).

At the same time the capital-enabling devolved state is also market-constituting. Where the relative value of income fails to keep up with the cost of culturally essential commodities personal and social needs are increasingly met through processes of financialisation, including historically high levels of personalised debt in Scotland (Law and Mooney, 2010). Traditionally, class-

imposed sobriety and asceticism was inscribed in Scots law for debt recovery and enforcement. Until 2002 debt enforcement in Scotland relied on the public humiliation of poindings and warrant sales. Creditors need to be protected from default but in ways which do not call the foundations of the wider credit-debt economy into question. In 2003 the Scottish Executive issued contradictory proposals to reduce the stigma of bankruptcy but at the same time 'encourage responsible risk-taking' (Scottish Executive, 2003).

Higher levels of class deprivation in Scotland are often explained by higher public spending than England. Such levels of public sector 'dependency', it is argued, are perpetuated by a self-interested political bloc, creating national disincentives for entrepreneurial activity (Nelson, 2005). In an article titled 'Welcome to the People's Republic of Scotland', *The Sunday Times* commissioned a report from the Centre for Economics and Business Research (CEBR) to demonstrate that Scotland is entrenched in state dependency comparable to China, Cuba and Iraq (Allardyce and Bellguttay, 2010). While claims about public sector 'feather bedding' are fiercely contested (see Cumbers and Birch, 2006), public sector workers in Scotland are seen by some as 'a relatively privileged class of employees' who enjoy higher average wages and pensions, better terms and conditions compared to private sector employees, and are protected by high trade union densities (McWhirter, 2010b). In 2009/10 labour cost around 52 per cent (£18.8 billion) of devolved spending (Audit Scotland, 2009: 13). Of 620,000 public sector jobs (somewhere between 24-26 per cent of all employees in Scotland) 83 percent relate to devolved bodies and 17 percent to reserved bodies (National Statistics Scotland, 2010). Such figures conceal the uneven public sector penetration in urban areas like Dundee, where it accounts for 40 percent of all employment, leaving it highly vulnerable to cuts in public finances (Dundee Economic Profile, 2010).

Growing disparities in earnings are apparent within public administration, education and health, the latter two sectors, with high concentrations of female labour, fare worse across the bottom deciles than average earnings in Scotland as a whole (Table 4). Higher qualifications needed for public administration, health and education helps explain increased earnings for higher deciles. In a study by the Scottish Government's advisor on public sector pay, David Bell (2010) found that public sector workers in Scotland are paid less on average than the UK overall (see Table 5). Public sector workers with a higher degree earn 7 percent more than private sector workers in Scotland but 5 percent less than the UK public sector overall. Public sector pay compares favourably to the private sector in Scotland because of lower levels of investment by private capital in the Scottish economy, particularly in higher-skill, upper knowledge labour.

Insert Table 4

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A consensus exists across the political spectrum for greater fiscal autonomy for the Scottish state. In 2006 the Liberal Democrat-sponsored Steel Commission proposed a system of 'fiscal federalism' (Steel, 2006). In 2009 the Calman Report argued for a system of fiscal devolution based on equity, implying no fiscal disadvantage to Scotland, autonomy to raise taxes, political accountability and public transparency (Commission on Scottish Devolution, 2009). At the same time, the SNP government reflected 'the growing consensus' with what they called a 'National Conversation' for full fiscal autonomy as a prelude to political independence from the UK state (The Scottish Government, 2009a). In June 2010 business interests and academics formed the Campaign For Fiscal Responsibility to end Scotland's 'dependency

culture' and ease institutional tensions in the UK by making the devolved state responsible for raising all taxation (Hughes-Hallet and Scott, 2010).

Claims and counter-claims about Scotland as a 'subsidy junkie' have persisted since the 1980s (Rosie, 2000). Despite large concentrations of urban deprivation and responsibility for the administration of one third of the UK land mass, competitive nationalists claim that 'Scotland' is a net contributor to the UK state based principally on oil and gas revenues and, before 2008, the 'financial success of companies such as the Royal Bank of Scotland' (Leask and Fraser, 2007). In their *State of the Nation 2010* report the CEBR (2010) concluded that high public spending in Scotland has been financed largely by stronger market economies of south east England, particularly London. This is complicated by the CEBR's own evidence that the share of GDP represented by public spending increased since devolution by a greater amount in London (16%) than Scotland (11.6%), even with added costs of creating a new system of government. Official public expenditure statistics reveal that public spending per head of population is broadly similar across London and Scotland (Table 6).

Table 6

Such arguments revisit the old canard that public spending 'crowds out' the entrepreneurial spirit in Scotland (Bacon and Eltis, 1976; Mooney, Morelli and Seaman, 2009: 102-103). Even some mainstream commentators in Scotland accept that a large public sector inhibits the energetic efficiency of private capital. As the journalist Iain McWhirter (2010a) put it: *'An economic cold bath could perhaps shock Scotland out of its post-industrial torpor and boost private investment which many economists believe is being "crowded out" by the state'*. Here the Scottish state is seen as more of a 'wealth constringer'

than a wealth container. Yet, this voids the extent to which the Scottish state functions as a neoliberal enabling state, attempting to 'crowd in' marketed wealth, assisting, nurturing and promoting private capital in every conceivable way, from labour supply to roads to buildings to contracts to subsidies to education to enterprise agencies, in keeping with the Scottish government's 'one central Purpose' of territorial wealth containment.

Scotland as a Cultural Container

While the Scottish state has little geopolitical authority as a power container and limited economic autonomy as an integrated state-capital wealth container, this is compensated by a surplus of collective sentiment as a cultural container. It is the state's duty to express or constitute the collective will through cultural, social and educational policies, and so preserve the apparently spontaneous autonomy of civil society (Paterson, 1994). Much store is invested in educational capital in Scotland as a means to equalise class inequalities. For more than a century educational access and qualification achievements have been celebrated as central components of Scotland as a meritocratic nation. Education is widely seen as one of the distinctive egalitarian national institutions of Scottish civil society, alongside law and religion, yet it reflects, reinforces and deepens class entrenchment in Scotland.

Two facets of educational policy are particularly important for equalising initial class inequalities in Scotland: a more inclusive public comprehensive system and higher participation rates than elsewhere in the UK (Iannelli, 2007). Despite this, class inequalities in educational outcomes are persistently higher than in England and Wales. A wider gulf exists within Scotland for Secondary

4 level results between the most deprived and the least deprived neighbourhoods (a difference of 49 points) than for comparable results in England (35 points) (NEP, 2010: 93-5). In the 1990s children from the 'service class' in Scotland entered higher education in much greater proportions than their counterparts in England. As higher education expanded, middle class groups in Scotland were strategically positioned to colonise it faster and more deeply. In the most affluent neighbourhood decile in Scotland even more people (38 per cent) attained degree qualifications than in England (29 percent) (NEP, 2010: 108-9).

It is well understood that higher education valorises the arbitrary practices and values of middle class habitus (Bourdieu, 2006). Education reflects a class-specific habitus where working class speech is internalised as inferior and marginalised by a Scottish education system that consecrates standard English in a predominately middle class academic environment (Tett, 2000). An additional factor behind middle class entrenchment is the way that the employment and educational fields intersect in Scotland. Affluent households in Scotland over-invest in educational attainment because of the higher proportion of credentialed employment opportunities in middle class, public sector labour markets compared to the greater opportunities for less-qualified private sector employment in England (Iannelli, 2007). Yet middle class labour markets do not exist in an undifferentiated way: both public and private service sector employment is increasingly fragmented but also polarised, experiencing work intensification and growing precarity in much of what once was regarded as secure and rewarding 'middle class' employment (see Mooney and Law, 2007).

Scotland as a Social Container

As a 'social container' the state underwrites the social morphology of class reproduction. Through the appeal of citizenship the social container generates social capital in cohesive and useful populations to meet the economic and military requirements of the wealth and power containers. 'Sustainable communities' is one of the Scottish government's five strategic objectives. Yet according to Scottish Household Survey findings, enduring communities already exist throughout Scotland (Scottish Government, 2009b). Most people, around 90 percent, consistently hold that their neighbourhoods are generally good or very good places to live (ibid: 21). Not surprisingly, the most deprived neighbourhood deciles are significantly less likely to perceive their neighbourhoods as pleasant, safe, friendly, or community-spirited and more likely to experience vandalism, difficult neighbours, and drug misuse or dealing. They also have less access to greenspaces and parks, and are less likely to own or have access to a car. Poorer sections of the working class find that their social networks are confined to their immediate locality.

To address the social capital deficit the Scottish Government aims to develop personal skills and confidence through voluntary activity. Only around one in five households earning under £15,000 volunteered in 2008 for some unpaid role whereas almost half of those earning more than £40,000 claimed to have done so (ibid: 150; see also Danson, 2010). The Scottish government also seeks to attract international graduate labour ('Fresh Talent') to Scotland to compensate for national population decline and generate high skill labour supply for 'the knowledge economy' (Scottish Executive, 2004). Nevertheless, the largest group of migrants typically arrive via the long established two-way employment routes between Scotland and England. Surveys show that a

large proportion of English migrants are professionals and managers (Findlay, et al, 2004). Here the imbrication of class and nation is perceived as pervasive. Geographically mobile professionals reject the fixity of traditional social categories of national 'historical tribes' and employ more fluid, contingent identities. This releases them from becoming absorbed by Scottish identity. National duality – British or Scottish - is therefore strongly imprinted by class affiliation. Senior managers and professionals tend to emphasise Britishness, perhaps reflecting their greater geographical mobility and proximity to national centres of decision-making elites. A strong British identity corresponds to a middle class habitus of career prospects, collegiality and intrinsically worthwhile employment (Christie et al, 2005: 255). In contrast, people who forefront Scottish identity tend to share a working class habitus that sees paid work in instrumental terms of labouring for life's necessities and distractions.

Behind such policy interventions lies a Scottish variant of the 'white working class' discourse. Here a bastion of unenlightened lower class prejudice circulates against outsiders and operates as a significant barrier to competitive nationalism (Haylett, 2001). In Scotland, a negative, collectivist working class are deemed to lack appropriate social and cultural capital and fail to develop necessary tolerant and aspirational values, expressed in the so-called Scots' 'crisis of confidence' (Craig, 2003, 2010; Ferguson, 2010). Another expression of subaltern intransigence is a negative attitude to cultural markers like speaking with what is considered an upper class accent. One study into students at the University of Edinburgh attributes anti-Englishness in the city to a lack of cosmopolitan mobility, aspiration and cultural intolerance among a recalcitrant working class culture (Bond, et al, 2010). Negative perceptions may repel highly qualified migrants from settling in

Scotland and suggests a need for class correctional policies. As the Edinburgh researchers advised the Scottish Government: 'This highlights the need for Scotland's political classes to further address [working class] attitudes to migrants and minorities if they are to meet their demographic objectives by attracting and retaining talented people' (Bond, et al, 2010: 496).

'Scotland's political classes', upon whom responsibility for social containment falls, form a compact, self-legitimizing network, consisting of a relatively small number of people, clustered in the central region with its nodal point in Edinburgh (Moore and Booth, 1989; Keating 2010). With devolution, associational networks became an even more valuable currency as social capital and political capital were more readily converted into the economic capital of market advantage through access to and contact with business insiders (Miller, 2010). Charges of 'McCronyism' followed lobbying scandals in the early years of the Labour-dominated Scottish Parliament involving family relatives and friends, PR companies and Labour politicians (Schlesinger, et al, 2001). Organised around the Parliament, which business interests in Scotland had largely opposed, elite networks created an incestuous personal and professional blurring of roles between business, lobbyists, advisors and politicians (Raco, 2003). Academic insiders are also embedded in policy networks since Scotland is said to have 'the right scale, social capital and communities of trust required for effective knowledge exchange and research use' (Jung et al, 2010: 214). However, 'evidence-based policy' rarely challenges the 'what counts is what works' principle of the capital-enabling state. Policy researchers too often focus on problems of policy implementation not the neoliberal context and share assumptions about the competitive nation. One illustration of this is academic support for the Government's Early Years Framework, established in 2008 to *inter alia* develop 'common values in

the workforce, enhancing workforce skills and developing broader workforce roles' (ibid: 225).

Conclusion

In such ways the active infrastructural power of the Scottish state attempts to naturalise competitive nationalism and nationalise class divisions. That the Scottish state is a leaky container does not lessen the power, social, cultural, economic and symbolic, of dominant groups. Overall, the spatial effect of class reproduction under a neoliberal polity is to expand the territorial reach of the devolved state, even if it falls short of complete independence. As a legal-judicial power container with considerable infrastructural reach, the devolved state accentuates its territorial integrity, despite converging with wider criminal justice regimes of UK punitivism.

As a wealth container, an emerging consensus exists for greater fiscal autonomy. This not only re-calibrates the territorial politics of revenue distribution between the UK and Scotland, it also aims to extend the Scottish state's capacity to crowd-in global capital beyond its existing capital-enabling functions. As a cultural container, Scotland's educational system reproduces class positions even as it consecrates territorially-specific educational traditions. As a social container, dense policy networks exercise territorial capture and seek to mobilise infrastructural power to secure national solidarity among the population through inclusionary interventions. In such ways, devolution entrenches enabling forms of dominant power through flexible, trusted inter-personal networks, blurring Giddens' ideal separation of state and market power.

The impact of far reaching budget reductions as part of the UK government's 'austerity' measures, together with cuts implemented by the Scottish government will work to increase latent and manifest class and national tensions that are at the heart of the devolution project in Scotland. In this context, as we have seen, the SNP have since their re-election in May 2011 mobilised a contradictory self-image of Scottishness in policy-making pronouncements. Realising this vision will mean overcoming growing opposition to cuts in public sector jobs and services. Envisioning devolved Scotland not as a consensual order where class has been made redundant by a common National Purpose but as field of social retrenchment fraught with tensions is therefore a crucial and necessary starting point for critical analysis of territorial politics and devolved statehood.

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Table 1: Percentage votes in Scotland (number of seats), UK General Elections 1979-2010

	1979	1983	1987	1992	1997	2001	2005	2010
Labour	42% (44)	35% (41)	42% (50)	39% (49)	46% (56)	44% (56)	40% (41)	42% (41)
Conservative	31% (22)	28% (21)	24% (10)	26% (11)	18% (0)	16% (1)	16% (1)	17% (1)
SNP	17% (2)	12% (2)	14% (3)	21% (3)	22% (6)	20% (5)	18% (6)	20% (6)

Table 2: Percentage constituency votes at Scottish Parliamentary elections, 1999-2011

	1999	2003	2007	2011
Labour (%)	39	35	32	32
Conservative (%)	16	17%	17	14
SNP (%)	29	24	33	45

Table 3: Change in manufacturing employment change in Scotland and UK, 1974-84

	1974-79	1979-84	1974-84
Scotland	-10.6	-27.6	-38.2
UK	-7.6	-23.8	-31.4

Source: Adapted from Massey, 1988: 56.

Table 5: Gross weekly earnings (£) in Scotland and UK, public and private sectors by qualification.

	UK			Scotland		
	<i>Private</i>	<i>Public</i>	<i>Ratio</i>	<i>Private</i>	<i>Public</i>	<i>Ratio</i>
Higher Degree	772	650	0.84	580	618	1.07
First Degree	640	539	0.84	509	513	1.01
HNC/HND Equivalent	481	428	0.89	413	414	1.00
NVQ Level 3	375	355	0.95	336	342	1.02
Trade Apprenticeship	429	384	0.90	416	372	0.90
O Level or Equivalent	311	308	0.99	278	290	1.04
Other Qualification	333	316	0.95	289	260	0.90
No Qualification	263	235	0.89	249	236	0.95

Source: Labour Force Survey 2005-2009, in Bell, 2010: 3.

Table 6: Public spending per head (£), 2004-5 to 2008-9 (2008-9 prices)

	2004-5	2005-6	2006-7	2007-8	2008-9
London	8,495	8,818	8,868	9,089	9,464
Scotland	8,354	8,886	9,013	9,238	9,412

Source: PESA, 2010: Table 9.4

Figure 1: Division of Powers between the UK state and the Scottish

Parliament

Reserved Matters	Devolved matters
<ul style="list-style-type: none"> • The Constitution • Foreign affairs • Defence • International development • The Civil Service • Financial and economic matters • Immigration and nationality • Trade & Industry • Social security • Employment • Abortion, genetics, surrogacy, medicines • Broadcasting • Equal opportunities 	<ul style="list-style-type: none"> • Health • Education and training • Local government • Social work • Housing • Planning • Tourism, economic development • Roads and bus policy • Criminal and civil law • The police and fire services • The environment • Agriculture, forestry and fishing • Sport and the arts

Table 4: Gross Annual Earnings Public Sector by decile, Scotland, 2009 (£)

	Employees (000s)	10	20	30	40	50	60	70	80	90
Public Administration, Defence and Social Security	103	10,167	15,185	18,279	21,505	5,439	28,680	32,097	37,148	x
Education	365	6,859	10,536	14,686	17,824	21,041	25,453	29,907	32,934	38,484
Health And Social Work	296	7,101	10,223	13,067	15,954	18,317	21,609	25,951	30,856	38,122
Total Scotland	1,730	7,243	11,338	14,762	17,716	20,704	24,347	28,666	33,710	42,835

Source: adapted from Table 5.7a, Office of National Statistics, *Annual Survey of Hours and Earnings 2009* (x = unreliable)