

ANALYSIS by Peter Gibb, Roger Sandilands and Fred Harrison

THE PEOPLE of Scotland elected a new parliament on May 6, but will it forge a new social contract for the benefit of every citizen?

In 1707, the Scottish lairds who voted their parliament out of existence lined their pockets when they arrived in Westminster. This time, an intense spotlight will expose every act by politicians who claim to be renewing the culture of Scotland.

Labour, whose 56 seats failed to secure a working majority, was forced to construct a coalition. Will they build a democratic consensus in which privileged and unequal access to power is a thing of the past?

The litmus test will be land reform. Every party except the Tories proclaimed the need for land reform, but their proposals were nebulous. The key issue is the taxation of the rental income from land: the source

of unearned riches for the landowners who forged the 1707 union against the interests of the people.

Taxation was the main election issue. The Scottish Nationalists, who won 35 seats, failed to secure a mandate for independence. They campaigned on a promise not to adopt Labour's plan to cut income tax by 1p – they offered “a penny for Scotland”. That penny-pinching policy was rejected. The SNP had failed to campaign on the issue that mattered: what's important is not how MUCH public revenue is raised, but HOW it is raised.

For taxes on earned incomes damage incentives to work, save and invest. Revenue from the rent of land is neutral: it literally liberates people. To hear that message, voters had to go to the periphery of the election and listen to academics like Aberdeen's Professor John Bryden. As an assessor to the Scottish Office's Land Reform Policy Group, he noted the consensus among the political parties on land reform was built on tepid proposals. He says absence of a commitment to land taxation exposes a gap in policy which should be re-examined by the new Parliament: talk of empowering people was rhetorical if not backed with practical policies. “This is where the land tax comes in. We had one in the 18th century. This is not something that is particularly radical, historically.”

For Labour, Lord Sewel, then Minister of State in the Scottish Office, reaffirmed their commitment to a serious study of the impact of land value taxation. He said: “Land taxation and the position of sporting estates and the fiscal system, all these require further work which will be done and may lead to legislative proposals.”

But the issue of justice in property rights and public finance was left to the Greens. A core manifesto pledge was “priority to a land value tax to replace Council Tax.” Their policy document explained: “Land value taxation [is] one of the basic foundations of the new Green society. The Green Party recognises that land reform is as much an issue for urban land as for rural areas.” With the introduction of proportional representation to the electoral system, the Greens secured one seat in Holyrood through Robin Harper.

The Conservatives were the lone voice opposing reform. Their manifesto declared: “We oppose any attempts to introduce land taxation”

THE LONE voice of the Greens may still be loud. For the political composition of the new Parliament will not, by itself, determine the legislative agenda. The new politics aims to return power to the people.

Labour now relies on support from the Liberal-Democrats, who secured 17 seats. They have a long tradition in favour of land-taxation, and should be receptive to voices outside Holyrood. Parliament will have to engage with important new civic institutions in the renewal of Scottish society. How will this new politics work?

Last autumn the Scottish Land Reform Convention was established. The four founding partners are local government (COSLA), the trades unions (STUC), the churches (ACTS) and the voluntary sector (SCVO). Participants include World Wildlife Fund, the Crofters, Union, Shelter, and Land Reform Scotland. The Convention will act as a civic gateway to parliament, giving the public access to – and influence over – the legislative process. It is a model for other forums currently being developed, including the Poverty Forum and the Scottish Civic Forum.

At stake is the distribution of power, as emphasised by land reformer

Andy Wightman, a director of the John Muir Trust that owns 40,000 acres. “Land is power”, he says, “and land reform is about changing where power is derived, distributed and exercised. We have a land tenure system which involves property rights but no legal responsibility. We also have the most concentrated pattern of land ownership of any developed country.”

The 1872 census revealed that 50% of privately owned land in Scotland was held by 100 owners. In 1970 the number had risen to 313. Today it is 343. At that rate, says Wightman, the number would be 494 at the end of the next century. He says: “We will still enjoy a more concentrated land ownership than countries like Brazil. Is this an acceptable division of power? If not,

what is Parliament going to do about it?”

Wightman attacked the caution of the political parties who see land reform mainly in terms of piecemeal community buyouts in remote rural areas. This is a palliative “based on a flawed analysis of the problem” that legitimises the existing power structure. “How can you have community involvement if you are not going to change ownership?”

Wightman is Specialist Adviser to the Land Reform Convention. He said: “Parliament should at an early stage commit itself to the principle, if not the introduction of land value taxation. The inequality in the pattern of land ownership has allowed those in possession to profit from the endeavours of the rest of society”. This “has promoted booms and busts and land speculation. Taxation of the annualised rent would lead to the socially just and efficient society, while reducing the call on private labour to support public spending.”