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When a government spokesperson is forced to issue a statement saying, as a government spokesperson did earlier this month, that “it is simply untrue to say that relations between the two governments [of Scotland and England] have broken down”, observers can be forgiven for considering the question, in the same way that you’d take a good look out of the window if the pilot of the plane you were on made an announcement to categorically deny any rumours that the wings had fallen off.

The statement was issued in response to a report from parliament’s Scottish Affairs Select Committee, which heard evidence from a number of experts on the constitutional relationship between Scotland and the UK. The experts cited the referendum on Scottish independence in 2014, a lack of shared political goals, and the febrile aftermath of the Brexit referendum as factors corrosive to the union. In particular, they drew attention to the fact that information and authority were not shared as they had been: one MSP told the committee that the Scottish government was shown the Withdrawal Bill just two weeks before it was published. The committee warned that “the frequency and nature of the disputes we have seen in recent years have been exacerbated by a fundamental – and avoidable – deficit of trust in the relationship” and that “the current system of intergovernmental relations is not able to cope with the pressure being placed on it”. Both governments, it concluded, need urgently to improve their ability to work together.

But this relationship will only become more fraught if, as now seems inevitable, the new Prime Minister of the United Kingdom is one of the people who forced Scotland – which voted 62 per cent to remain – out of Europe. The tax cut that Boris Johnson has promised is a boon for the SNP, because it will not apply in Scotland, and can therefore be cast as forcing Scottish workers to subsidise wealthy English people. But it is the threat of a no-deal Brexit – also a campaign promise, in the absence of a deal, by Johnson – that makes independence, in the words of Nicola Sturgeon, an issue that is now “urgent, to protect ourselves”. A new Prime Minister may be able to delay the issue of independence, but the future of Scotland’s economy will be determined by its relationship with Westminster, and the UK.
Gas production starts in North Sea

Jonny Ball

Production has started at the new Culzean gas condensate field in the central North Sea, located 140 miles east of Aberdeen, near Norwegian waters.

Once it reaches peak production, Culzean, discovered in 2008 by Maersk Oil, and billed as the largest gas find in a decade, will provide between five and ten per cent of the United Kingdom’s gas needs, according to the principal operator Total, the French oil and gas multinational.

BP also holds a 32 per cent stake in the project, while JX Nippon owns 18 per cent. Maersk Oil was acquired by Total in 2018 for $7.5bn.

Around 100,000 barrels of oil-equivalent gas per day will be transported along an existing pipeline to Teesside. The field was brought on-stream on schedule and $500m under budget, for a total cost of $4.3bn.

The project benefited from a tax break announced in 2014, the high pressure, high temperature (HPHT) cluster area allowance, designed to increase investment in HPHT oil and gas projects, boosting commercial viability and improving the UK’s energy security.

Schools set limits on red meat

Rohan Banerjee

Scotland will become the first country in the United Kingdom to impose strict limits on the consumption of red and processed red meats in schools. Following a study by the University of Strathclyde which found that 29 per cent of Scottish children are at a risk of being overweight, the Scottish Government set itself the target of halving childhood obesity by 2030.

The new rules, due to come into effect in the autumn of 2020, will set caps on the number of food products high in salt and saturated fat that children can eat in a week. Fruit juices and smoothies will also be banned from school canteens and vending machines in an attempt to reduce sugar intake.

The new rules state that primary and secondary school students will not be offered any more than 175g of red or processed meat during school hours. Additionally, fresh fruit and vegetables must also be available elsewhere in schools, such as in tuck shops.

Last month the food and farming charity, the Soil Association, suggested schools across the UK should have one meat-free day a week to improve public health and the environment.

Scotland’s ferry services face criticism

Jonny Ball

Scotland’s ferry services, essential to the economies of island communities across the West Coast and Highlands, have come in for criticism from experts due to the poor reliability and suitability of ageing fleets. Delays and the spiralling costs of new ferries have led to calls for an independent review into...
In 2018, 74.6 per cent of Scotland’s gross electricity consumption came from renewable sources, according to a report published by the Department for Business, Energy and Industrial Strategy (BEIS). Scotland accounts for over a quarter of the United Kingdom’s total renewable electricity capacity.

Although a third of the UK’s electricity comes from renewable resources, Scotland’s geography means that it is particularly well suited to generating power from wind, wave and tidal energy. Scotland broke its 2017 record for renewables-generated electricity by 6.1 per cent, producing 26,708 gigawatt hours – enough to power every Scottish household for over two and a half years.

The majority of Scotland’s renewable electricity is generated by onshore wind farms, but much of the rise in total capacity is attributed to the fact that offshore wind farm output and capacity has more than doubled since 2017. The Scottish Government’s energy plan aims for half of the country’s total heat, transport and electricity to be generated by renewable sources by 2030. The renewables sector is a key pillar of Scotland’s decarbonisation agenda, employing 17,700 people full-time.

A new £4.5m life sciences building, designed to support the research and development of medical technology, was officially opened by Scotland’s Deputy First Minister John Swinney last month. The 26,500sq ft facility, Solasta House, offers laboratory and office spaces for hire, and was established with funding from the European Regional Development Fund and the Highlands and Islands Enterprise. It is located at Inverness Campus, the area on the outskirts of the city which was purpose-built to grow the life sciences sector.

Inverness Campus, which first opened in 2015, is home to several private and public-sector organisations. Eight life sciences companies have signed up to be based at Solasta House so far, with more expected to join over the summer.

Swinney told reporters at the building’s opening ceremony that he was excited about its potential to “bolster the region’s reputation as a place for state-of-the-art facilities and company growth support” in the life sciences.

The total value of residential property sales in Scotland rose to £18.2bn in 2018-19 – a year-on-year increase of 1.6 per cent. This represents an 11-year high, according to the annual report from Registers of Scotland (RoS), but the figure is still less than the pre-financial crisis value of £23.1bn in 2007-8.

The average Scottish house price over the same period increased by 2.2 per cent to £178,991, which marks a 16 per cent increase on the pre-crash average cost of £154,817.

Since 2003-04, when RoS started to compile Scottish house price data, the average cost of residential property has gone up by 77 per cent, but even factoring in this growth, Scotland’s average does not come close to England’s, which is £247,886. The average house price in London is £468,120.

Nearly a third (28 per cent) of Scotland’s total residential sales, the RoS reported, were made within one of Scotland’s seven cities. Two-thirds of the most expensive individual sales – 119 properties costing more than £1m – were completed in Edinburgh.
Kezia Dugdale, the former leader of Scottish Labour, is leaving frontline politics. She spoke to Rohan Banerjee about how the party’s position on EU membership could prove costly north of the border.

“The best-case scenario for Brexit in Scotland is that it doesn’t happen”

The walk from Edinburgh Waverley station to the Scottish Parliament features nearly as many flags of the European Union as it does saltires. Draped from windows, flying proudly from souvenir shops and even pinned to one Sikh gentleman’s turban, Edinburgh wears its metropolitanism, its global reputation, its multiple languages and cultures like a badge of honour.

Kezia Dugdale, the former leader of Scottish Labour and the MSP for Lothian (a post she will leave in July), says she supported a second vote on EU membership “before it was cool”. She is convinced of the first vote’s “illegitimacy”. The campaign to leave, she says, ran on claims and promises that were “false”, and “the best-case scenario for Brexit in Scotland is that it doesn’t happen”.

To her frustration, however, the Labour Party has “suffered from not having a clear position” on the EU, “flip-flopping” on the single market and customs union, and “glossing over” the concerns of those who voted to remain. Does she see Labour as a party in favour of Brexit? “If it’s not prepared to stop Brexit then it’s enabling Brexit... therefore, it is a Brexit party.”

After 12 years in the Scottish parliament – four as a researcher and adviser, eight as an elected representative – Dugdale has decided to leave Holyrood. As of next month she will be the first director of the newly established John Smith Centre for Public Service, a think tank based at the University of Glasgow that will research and challenge the rise of populist and nativist politics.

Dugdale “didn’t plan to walk away”, she says, but she began to suffer from “disillusionment with party politics”. Her decision to leave was precipitated by her party’s withdrawal of financial support during a legal case in which she was sued for £25,000 by a pro-Scottish independence blogger whom she accused of writing a homophobic post on Twitter. Dugdale’s comments were found by the judge to have been fair. Despite having won the case, she says that she felt “abandoned” by her party during “some of the lowest points in my life”.

But while Dugdale has, she says, “lost heart in this concept of solidarity”, she
will not cease to be a Labour Party member when she leaves Holyrood. Defection to a more explicitly pro-European party has “not once crossed my mind... It’s my party, even if it is in a difficult time at the moment.”

In the recent European elections, Scottish Labour failed to win a single seat. Finishing in fifth place, the party lost both of the MEPs it had returned in 2014. Asked how politics and the Labour Party compare to when she first entered Parliament, Dugdale responds that they are “categorically worse on both counts.”

Dugdale believes that an “obsession” with the Scottish constitution – particularly the debate around devolution and independence – has “distracted” from the more pressing issues that led her into public service to begin with. “I came here wanting to spend my time in politics tackling poverty and inequality, talking about homelessness and what we can do to eradicate that. But, in fact, I’ve spent my time in elected office talking about the constitution.”

Despite her support for a second vote, Dugdale says the “binary choices” offered by referendums have made politics “more tribal. These are yes or no questions and they force people to pick a side. You join a side and you become more convinced of your own righteousness and less willing to understand someone who might have the opposite opinion to you. You’re less likely to want to work together towards that grey area where consensus, compromise and ultimately progress are found.”

So why leave now? If politics is in such dire straits, why not stay and fight? After an “exhausting” experience on Holyrood’s frontline – she replaced Jim Murphy as the leader of Scottish Labour in August 2015, shortly after the party had lost all but one of its Westminster seats in Scotland to the SNP – Dugdale says she could be understood in wanting to “take a step back... to understand the political system better. I wanted to study the system, check its pulse, check its health and be part of a think tank that is about sharing evidence and offering prescriptions on how we can make things better.”

Dugdale says that personality, rather than policy, has been prioritised in the new politics. Her first Labour leader was pilloried for the way in which he ate a bacon sandwich, while the second has “been cheered on the stage at Glastonbury”. Still, Dugdale says she “always got on with Jeremy Corbyn on a personal level”. But while she “can respect his anti-austerity principles”, she is “not confident” that the Labour leader’s popularity in London will translate to votes north of the border.

She warns that Scottish Labour voters in favour of remaining part of the United Kingdom may not “trust” Corbyn’s resolve on the issue. “Labour is the best lever by which to redistribute wealth and power, yet when Jeremy’s come here on some occasions, he’s come across as very sympathetic to the idea of independence. He’s certainly not been ruling it out as staunchly as most [Scottish] Labour voters would want him to. [Voters have] become more unionist,” she says, “and Labour has found itself on the wrong side of lots of its target voters.”

This suspicion could be made worse, she warns, by a general election. “Even if you do believe [Corbyn], you might think that he’d easily trade that away in order to get into power. If the SNP continues to win MPs in Scotland and they say to Jeremy Corbyn that he’s 20 seats short of having a majority in the House of Commons, that they’ll back every budget for the next five years if he gives them IndyRef2, what does Jeremy Corbyn do at that point? Is he prepared to forego a Labour government in order to stop a second independence referendum? That seems very unlikely.”

Beyond Brexit and independence, Dugdale says the main concern for voters in Scotland will be their own “economic security... People in Scotland want the best they can possibly manage for their family. But they don’t like injustice. They want the people around them to have the opportunities that they didn’t have. They’re prepared to pay taxes for high-quality public services, but they don’t want people to take the mickey, and they don’t want to be held back. That’s classic Labour territory, which is why the focus for me should be on progressive taxation. The richest aren’t paying their fair share, so let’s make them pay their fair share, and from the receipts we get from that, let’s invest in the things that people care about. Like education, because that helps us to grow
“Labour is on the wrong side of many of its target voters”

Labour is on the wrong side of many of its target voters.”

In Edinburgh’s Old Town, the average price of a home is over £329,000 and a haircut costs £22. For £30,000 to be “no longer viewed as a decent salary here”, Dugdale says, is a sign of successive governments’ failures to control the “market forces” that have led to serious inequalities in society.

For Dugdale, the private rental sector in many ways “reflects the state of the world we’re in”. A study by the Chartered Institute for Housing found that central Edinburgh has over 10,000 short-term lets, while two of every 13 houses in the city are listed on Airbnb. This has, Dugdale says, contributed to a shortfall of housing for the people “who really need it”.

Partly this is to do with Edinburgh’s flourishing tourism industry. “Landlords can make almost as much money in August [during the Edinburgh Festival] leasing out their properties on Airbnb as they can from leasing out the property for eight to 12 months across the year, to a student or young person, for example. People in the city who buy properties and put them on Airbnb... they get a small business owner’s scheme [of tax relief]; they’re not even paying the proper tax. We could fix that so easily, and in Edinburgh that would create an additional £6m in revenue which you could then pay into temporary accommodation provision, or use to build more houses. The private rental sector in Edinburgh is getting bigger and for many it’s out of reach, so people are being forced to move out of the city. I’ve got a huge number of constituents who are living in temporary social housing and shelters, even if they have full-time salaried jobs in Edinburgh. It’s not about condemning an entire industry – I use Airbnb – but it is about being fairer about who is taxed and how they are taxed.”

For Labour to succeed in Scotland, and elsewhere, Dugdale says the party needs to “get back to basics” and put its energy into “ideas” as opposed to individual people. She is not optimistic – “and it breaks my heart to say that” – about Labour’s immediate chances of forming a majority government. And while she is keen to advance beyond the Brexit conversation, she admits that so long as it remains unresolved, it is the prism through which all policies must be viewed.

“That’s why I moved quickly after the EU referendum to establish the Scottish Labour campaign for [staying in] the single market,” she explains. We can only hope to retain the benefits of the single market by also accepting the free movement of people. It is critical to keeping the best academics in Scotland’s world-leading academic institutions. We need inward migration to support public services and our tourism sector. Scotland has huge growth potential, particularly in fintech and the life sciences, but both are reliant on the free movement of big brains and big ideas.”

Edinburgh voted 74 per cent in favour of remaining in the EU.
Setting up Scotch for a sustainable future

Every industry has a responsibility to this planet and its people, writes Jean-Christophe Coutures, chairman and CEO at Chivas Brothers.

Recent United Nations reports on the ongoing climate and biodiversity crises have underscored the necessity of taking bold and ambitious action to reverse the course of humanity’s adverse impact on the planet.

As a leading Scotch whisky company exporting products worth over £1bn annually, Chivas Brothers supports the Scottish Government’s efforts to ensure a sustainable future with the most ambitious statutory targets in the world: achieve net-zero greenhouse gas emissions by 2045, with a 70 per cent reduction in emissions by 2030 and 90 per cent by 2040. The Scotch Whisky Association (SWA) has set similarly ambitious targets, with an aim to move the industry towards net-zero emissions by 2050.

Maintaining momentum
The collective effort of Scotch producers “has made significant progress”, according to the SWA. Greenhouse gas emissions have fallen by 22 per cent since 2008. Net water use has fallen by 29 per cent since the 2012 base level, saving over 1bn gallons of water. These are figures to be very proud of, but we know that there is a lot more work to be done.

At Chivas Brothers innovation is at the heart of everything we do. Our founders pushed boundaries in the 19th century by pioneering the art of blending whisky, and since then we have worked with equal passion and drive to create a positive legacy for future generations. Today, we are pushing boundaries again, creating an ever more sustainable business.

Our Dalmunach distillery is leading the way towards envisioning what all whisky distilleries should look like in the future. Among many state-of-the-art features, we have installed third-generation, energy-efficient wash and spirit stills that employ heat recovery and high-efficiency condenser arrangements to reduce the amount of heat lost in the production process. As a result, the Dalmunach uses 40 per cent
Venture global finalists have impacted over 2m lives in 50 countries around the world – blending profit with purpose to drive major change, including providing over 34m litres of safe drinking water, recycling 1,300 tonnes of waste, and helping over 2,500 farmers’ families out of poverty.

In addition to this, on 6th June, over 1,000 UK-based employees from Chivas Brothers and sister affiliates Pernod Ricard UK and Pernod Ricard Travel Retail, joined to drive circular making projects in England and Scotland. Projects ranged from plastic removal to up-cycling and more. The united effort across England and Scotland marked the company’s eighth annual “Responsib’All Day” which sees staff in Scotland and round the world dedicate time and resources to support the group’s long-term global sustainability commitments. This activity supports the work Chivas Brothers has been doing with the Marine Conservation Society, for example, to ban plastic straws.

Drinking responsibly
This all forms part of our ambition to bring good times from a good place – of which responsible drinking is a key part. As a long-standing member of the Scottish Alcohol Industry Partnership Chivas Brothers supports two key campaigns relating to the responsible consumption of alcohol: You’re Asking For It and 125ml measures. In partnership with Police Scotland, the You’re Asking For It campaign challenges local authorities to clampdown on adults purchasing alcohol on behalf of minors and raises awareness of the consequences.

The 125ml measure is a voluntary initiative that aims to tackle alcohol related harm and promote responsible drinking in Scotland by encouraging outlets to make the 125ml measure more widely available to customers in bars, clubs, hotels and restaurants across Scotland.

We also sponsor the Best Bar None Awards. Best Bar None is a unique national accreditation and award scheme aimed at rewarding and recognising licensed premises that undertake positive management practices in support of a great and safe night out.

A brave new world
We are entering an era that calls for bold action, radical change and innovative thinking. Chivas Brothers wants to help define this new era, to show bold and decisive steps towards a better future.

Why collaboration is key
We believe lasting change can only occur through collective effort, and that not only means working closer together as a company, but also collaboratively outside the business. In 2014, we started Chivas Venture, a social startup competition that gives away £786,000 in no-strings funding to businesses that blend profit with purpose to have a positive impact on the world. In the four years since the competition started, the Chivas Venture has given away £3.14m in funding. In that time, the Chivas national accreditation and award scheme aimed at rewarding and recognising licensed premises that undertake positive management practices in support of a great and safe night out.

In April, Chivas Brothers’ parent company, Pernod Ricard, released its 2030 Sustainability and Responsibility roadmap, outlining eight ambitious and concrete 2030 targets. These include focusing and committing on nurturing terroir and its biodiversity; responding to the challenges of climate change to ensure quality ingredients now and for generations to come; a commitment to increasing diversity and empowering people across its supply chain, including equal pay by 2030 and gender balance of its top management teams; and training 10,000 bartenders to host consumers in a more sustainable way, including being anti-waste and plastic-free.

By 2025 Pernod Ricard will ban all promotional items made from single-use plastic and all of its packaging will be recyclable, compostable, reusable or bio-based. In addition to which, by 2030 the Group will pilot five new circular ways of distributing wine and spirits and help increase recycling rates in its top ten largest markets with low recycling levels; and reducing the overall intensity of its carbon footprint by 50 per cent by 2030.

The company also has a commitment to fighting alcohol misuse in each and every market they have an affiliate.
A more social Scottish economy

Following the European elections in Scotland last month, I have mixed feelings. Obviously, I was disappointed in the result and the fact that Scotland won’t have a strong Green voice in the European Parliament. However, the Scottish Greens achieved our highest-ever vote share in any election, narrowly beating our previous best in the same elections five years ago. We ran a decent campaign, with three key themes: stopping Brexit, tackling climate breakdown with a Green New Deal, and a pro-immigration, anti-racism position of hope over hate. And we energised new activists and supporters in what was a much-curtailed campaign period.

We know we attracted votes from a range of people who had never voted Green before. Our vote increased by more than 20,000 from 2014. But we were squeezed out of the last seat, losing votes from people who had voted Green in the past to the pro-independence, pro-EU SNP and the anti-independence, pro-EU Liberal Democrats.

The Brexit Party scooped up much of the pro-Brexit vote from UKIP and the Conservatives. And Labour’s vote plummeted. Its position of trying to please both sides of the Brexit debate demonstrates what happens when a party triangulates. As Nye Bevan said: “we know what happens to people who stay in the middle of the road. They get run down.” Labour must rue its failure to heed Bevan’s warning.

But the Greens did well elsewhere. In England, the Green Party is the natural...
home of anti-austerity, pro-EU voters. In Ireland, the Greens made gains (in Dublin and southern constituencies), pushing out Sinn Féin, which had opposed a carbon tax designed to help tackle climate breakdown. And across the continent, more people voted Green than ever before, delivering the largest-ever group of Green MEPs.

This success is, in no small measure, due to the awakening of the public consciousness about the climate emergency. Greta Thunberg, the schoolgirl leading the School Strike for Climate movement, and other activist groups such as Extinction Rebellion, have shifted popular opinion more quickly than party politics has managed, highlighting the importance of social movements and an inclusive approach to politics. Greens need to work much more closely with progressive social movements which can help to make the case for change in the way that no political party can.

In Scotland, our context was a little different – a little more complex – than elsewhere in the United Kingdom. It is worth reflecting on how we achieved what we did in 2014. Five years ago, we ran an unapologetically pro-immigration campaign: Vote Green for a Just and Welcoming Scotland. This was a brave move given the broader context of other parties either being too timid to talk about immigration, or being overtly in favour of stoking up anti-immigrant and racist hate (remember Labour’s “controls on immigration” mugs?).

It was popular, too. Scotland was one of only two European constituencies in which Greens increased their vote in 2014. In doing this, we changed British politics. We were the first parliamentary party to run an election campaign explicitly in favour of immigration. And other parties followed us; the SNP started talking about immigration in a way it had not done prior to our campaign. This shows the power of a strong message that was distinctive and resonant. It may not have delivered electoral success for us then, but it changed the nature of our politics.

The Scottish Greens have a track record of leading the way on the big, decisive (and often brave) issues of politics. We did it with immigration in 2014. We did it with participatory budgeting in Edinburgh (as a councillor I championed the Leith Decides – now Leith Chooses – project). We did it on payment of the Living Wage (I was the first politician in Scotland to call for this, back in 2008). And we did it on the scrapping of tuition fees. Other parties, perhaps especially the SNP, have tracked us on these issues, making them “normal” and often taking them up as their own ideas.

Now that the severity of the climate emergency is becoming clear, we need to shift the debate further. We need to move from rhetoric to action on climate...
A Green New Deal would provide high-quality jobs

breakdown. And we need to do that by being much clearer on the way forward, and having a coherent and systematic plan. And that is the Green New Deal, something which Greens in the UK have been talking about for over a decade. A Green New Deal would deliver a massive increase in renewable energy generation and storage. It would transform our labour market, providing high-quality, well-paid, sustainable jobs, improved living conditions and better environmental and public health.

And it would see investment in social infrastructure to enable us to do the things we are good at (and are not valued in our current economic model): caring, creating and cooperating with each other. We need to make the case that the free market cannot and will not deliver this.

Political parties must recognise how angry citizens are at our broken economy. But we also need to work with social movements to develop real solutions to that broken economy. A Green New Deal would shift government (and private) investment so that it becomes all about decarbonising and re-socialising the economy. That way, when we pull other parties into our space (again) they will actually be transforming the economy and dealing with climate breakdown, rather than just setting targets.

Greens do not yet hold the outcome of our elections in our own hands. We will always be subject to the broader political weather. But we do control what we do and what we talk about. We need to have the courage of our convictions. From making the case for immigration, to our work over the past decade on a Green New Deal, Greens have led progressive politics. But we need to keep bringing transformative ideas to the fore, and we need not to be cowed by centrist demands.

We need a new economy and a new society. Not just to deal with the climate emergency, but to create a world where increasing social wellbeing and protecting the environment are what our economy exists to deliver. The free market has failed and we need to create a new economy based on human needs and sustaining an environment in which we can survive. The Green Party is the only party that has that vision, and we need to work with social movements to make this vision a reality.
The connected economy works for everyone

City regions will profit from informed decision-making, writes Jarmo Eskelinen, executive director of the Data-Driven Innovation Programme at the University of Edinburgh

Most people get the idea that data science can help you to turn large amounts of complex information into something more digestible that you can understand and use. But it goes further than that. When these large datasets are used in context with each other, data science becomes more than simply a tool that can save some time or money – it becomes a new approach to the way we run public services, businesses and cities.

Take, for example, two ostensibly unrelated datasets – the road traffic counts collected by Transport Scotland, and the health data collected by the NHS. If we combine these datasets, they can give us new insights into how traffic affects air quality, and how this translates into respiratory health. With more data, we can start to ask what this means for other parts of society and the economy, such as healthcare spending, housing and education. We can also make better decisions about the responses that are needed, from traffic management to prescribing medicine.

This use of contextualised information is the guiding principle of an integrated economy, in which public services can be made not just more efficient, but also more personalised and responsive. At the University of Edinburgh, we’re helping the NHS to create a “data loch” in which we’ll pool patient data, securely and privately, in a way that allows us to make those contextual connections. We believe this will allow us to see, in the health data of different demographics across Scotland, trends that wouldn’t otherwise be visible. As any doctor will tell you, the sooner you treat, the better the outcome, and this is as true for populations as it is for individuals.

This approach is becoming a major part of planning Scotland’s future through the Edinburgh and South East Scotland City Region Deal, a £1.3bn initiative that includes a £751m investment in research and development – and within that, over £600m towards a programme of data-driven innovation. The aim is not only to make better decisions through data science, but also to create the jobs and economic opportunities that come with a flourishing technology sector.

The University of Edinburgh is a proud signatory to the City Region Deal, along with the six local authorities that cover the region and other educational institutions. As one of the world’s top research universities, our expertise in data science, machine learning and informatics will help to create partnerships between the organisations that will deliver this new era of growth. Just as importantly, we’ll also play a crucial civic role in training a new generation of data scientists, attracting highly skilled people to the area and creating the opportunities in education and employment that will encourage them to settle and prosper in the region.

Scotland’s technology sector is already highly regarded. In a survey, published this month, of 446 senior staff at foreign companies, Scotland’s attractiveness for foreign direct investment was found to have more than doubled in the past year, and the digital economy is the most attractive sector for inward investment. By building on this success, creating new connections in business and the public sector just as we do in data science, we can help to create inclusive, sustainable growth that will bring real benefits to people’s lives.

For more information, please visit: www.ddi.ac.uk

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Data-Driven Innovation

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Dr Carey Lunan is chair of the Royal College of General Practitioners Scotland, and a partner in a general practice in Craigmillar with the highest deprivation rating of any patient population in Edinburgh. “We’re one of a group of practices in Scotland that calls itself the ‘Deep End Group’,” she explains. The group, established in 2009 with funding from the RCGP and the Scottish government, unites 100 of Scotland’s 940 GP practices into a network serving the most deprived patient populations in the country. It is one of a number of projects that have been created in recent decades to attempt to counteract what doctors call “the Scotland effect” of lower life expectancy in the country. The “Deep End” practices are not evenly distributed across the country. Fully 80 per cent are in Glasgow, a reflection of the fact that the Scotland effect is often referred to, more specifically, as the Glasgow effect. But by bringing these practices together with others in deprived areas, the project aims to share challenges and come up with solutions to the persistent problem of poor health outcomes.

“Working in an area like Craigmillar,” says Lunan, “there’s a huge amount of resilience in local populations given the adversity they face. But for a GP in those areas there’s a huge intensity of workload, because people tend to develop chronic diseases at a much younger age than they would if they were living in more affluent areas.” For Lunan, providing proper resources to frontline and primary care services has to be part of the solution to health inequalities. “We have higher consultation rates,” she says. “We tend to see more problems within a consultation, and they tend to be more socially complex. And we tend to see much higher levels of mental health issues, and often addiction issues, which are often a symptom of living with high levels of adversity. That can create, as a GP, a lot of emotional labour.”

Scottish citizens of the United Kingdom can expect, on average, to die approximately two years younger than their English counterparts. According to statistics published by National Records of Scotland, the life expectancy of people born in Scotland between 2015 and 2017 is 79 – that’s 77 for males and 81 for...
females – which is the lowest in Western Europe. Improvements in life expectancy have stalled since 2015, as they have in the rest of the UK. In England, the average life expectancy currently stands at 81.4 years of age. But this relatively small two-year difference masks much greater disparities between the wider UK and Glasgow, where life expectancy is 73.3 years for men and 78.7 years for women – an average of 76.

In the rankings of all 44 European countries by life expectancy, Scotland as an independent country would stand somewhere between Cyprus and Albania, states with per capita GDPs of around $29,000 and $13,000 respectively. But Scotland’s GDP per capita is far higher, at $44,000 per person. Glaswegian men have a lower life expectancy than men in Algeria, Mexico, Jamaica or Iran.

This stubborn discrepancy between Scottish and English life expectancies has flummoxed public health experts and policymakers since it was first identified in the 1980s. But what explains it?

“Lifestyle is hugely important,” says Lunan. “We have a very complicated relationship with alcohol in Scotland, which accounts for a lot of our healthcare problems and may account for some of the persisting health inequalities we see across the rest of the UK.” The so-called “excess mortality” amongst younger age groups in Scotland is driven by higher rates of death from alcohol and drug misuse, suicide and violence. “The use of alcohol is a really complex area,” Lunan explains, “because often people use it to treat psychosocial distress as much as anything else. So helping people to reduce their alcohol intake requires you to understand why they drink in the first place, and whether some of it is cultural, some of it is social, or some of it is to deal with trauma.”

A common, and logical, response to the Scotland effect is to cite poverty as a root cause. Scotland can certainly be said to have suffered disproportionately from the loss of traditional industries and deindustrialisation, particularly on the banks of the Clyde, where shipbuilding went into steady decline in the latter half of the 20th century. The links between health outcomes and wealth, income, class and socio-economic indicators such as employment and concentration of welfare claimants is undisputed, and has long been established by public health research. Socioeconomic deprivation is the primary factor behind poor health across the world, and in this regard Scotland is no exception.

But other factors are also at play. A 2016 report, History, politics and vulnerability: explaining excess mortality in Scotland and Glasgow, co-authored by the Glasgow Centre for Population Health, NHS Health Scotland, the University of the West of Scotland and
Scotland’s “excess mortality” equals 5,000 lives per year

University College London, showed that deprivation was not an adequate explanation for poor health outcomes and differentials. Scotland, and Glasgow, are not alone in experiencing above average levels of deprivation as a result of economic changes, and many places in England were not immune to the often painful transition from a manufacturing economy to one based on services and high finance.

Liverpool and Manchester are the two most similar and comparable cities in the UK when measured by multiple indices of deprivation. Together with Glasgow, they are former industrial and trading powerhouses. The three cities are almost identical in terms of their deprivation indicators, with around a quarter of the total population of each classified as income deprived. They also have similar distribution patterns of deprivation across the cities. Liverpool and Manchester have the lowest life expectancies in the UK. And yet, when they’re compared with Glasgow, premature mortality (deaths before the age of 65) in Scotland’s largest city is 30 per cent higher, and death rates across all age groups are 15 per cent higher. Across the whole of Scotland, premature mortality is 20 per cent higher than in England and Wales. “Adjusting for differences in poverty and deprivation (the main cause of poor health in any society),” says the report, “5,000 more people die every year in Scotland than should be the case.”

The mortality statistics of Glaswegians, compared to their counterparts in equally deprived Liverpool and Manchester, make for concerning reading. Deaths caused by lung cancer amongst Glaswegians were 27 per cent higher, by suicide 70 per cent higher, by alcohol-related causes 130 per cent higher, and by drug-related poisonings 250 per cent higher.

But Scotland’s status as the “sick man of Europe” isn’t simply down to poor diet, tobacco and alcohol intake. The History, politics and vulnerability report shows that high mortality persists even after “adjustments for differences between countries in a range of well-established behavioural (e.g. smoking status, alcohol consumption, diet, physical activity) and biological (e.g. body mass index, blood pressure) risk factors.” The differences continue both amongst resident Scots and those who have moved to separate parts of the UK. The Scotland effect, then, is more than a side-effect of unhealthy habits. It is a symptom of public policy failures.

Cited in the report are a series of controversial schemes launched by local and national governments that have had adverse effects on public health across Scotland. In the 1950s, in response to post-war housing, health and economic problems, the Scottish Office embarked on a programme of “modernisation” that relocated thousands from their homes in
the city to nearby New Towns. Places such as East Kilbride, Irvine, Glenrothes and Houston became a priority for private investment and public infrastructure, whilst the city itself was neglected. “Redeployed” New Town residents were generally younger, employed, skilled workers and their families. Meanwhile, the old, unskilled and unemployed became concentrated in the city proper, leading some to describe the policy as “skimming the cream of Glasgow.” Later, in the 1980s, as councils across the UK were forced to make swingeing cuts to their budgets, Glasgow’s local authority became early promoters of inner-city gentrification and commercial development. This is in contrast to the actions of its comparator cities, Manchester and Liverpool, which attempted to ameliorate the worst effects of austerity and, in the case of Liverpool, launched a mass council-house building programme that mobilised and politicised large swathes of the population. In the post-war era, Scottish city planners favoured large, low-quality, within-city but peripheral high-rise council estates. Historically, less has been spent per capita in housing repairs and maintenance. Other factors include the actual “lived experience” of poverty in Scotland compared with the rest of the UK, which goes beyond what is usually measured by statistics, including more negative physical environments, proximity to vacant or derelict land, and lack of social capital.

Health policy is now devolved to the Scottish government in Holyrood, and the Scottish National Party has made much of its record, which includes abolishing prescription charges and presiding over improved patient satisfaction. Joe FitzPatrick, Scottish Government Minister for Public Health, told Spotlight: “The Scottish government has been working to address the underlying causes that drive health inequalities – not just in Glasgow but right across Scotland. Our bold package of measures to help tackle key issues such as smoking, obesity, inactivity, and alcohol misuse will support people to live longer healthier lives. We are also investing in affordable housing, providing free school meals and continuing commitments like free prescriptions and free personal care. This is on top of an investment of more than £125m a year to mitigate the worst impacts of welfare reforms and to protect those on low incomes.”

Dr Lunan will continue to work in Craigmillar, one of the many places across Scotland where the cold statistics on public health, still the worst in Western Europe, manifest themselves in the sickness, pain, loss and grief of real people. “That’s where the NHS is needed most and that, in many ways, was one of its founding principles.”
The forecast for Scotland’s economy

**Spotlight** considers reasons to be cheerful or fearful

### CHEERFUL

**A record year for Scotch whisky**

In 2018-19, the export value of Scotch Whisky increased by 7.8 per cent to a record £4.7bn, while the number of 70cl bottles sold also soared, to 1.28bn.

**Edinburgh experiences tech boom**

The Scottish capital has the eighth-highest number of tech jobs across all UK cities, and the highest median salary (£42,500) for the sector outside of London.

**Edinburgh airport completes £75m terminal expansion**

New gates, aircraft stands, waiting halls and baggage reclaim areas will support a capacity increase of 20m passengers at the Scottish capital’s airport.

**Scottish Power commits to ambitious battery project**

The company will connect an industrial-scale battery, with a storage facility the size of half a football pitch, to the Whitelee onshore wind farm in 2020, generating power and jobs.
The £1bn budget black hole

The Scottish Fiscal Commission has warned ministers that tax receipts are likely to fall by £229m next year and £608m the following year.

2018 growth lower than the UK

Scottish Government figures have shown that the economy grew by 1.3 per cent in 2018, lower than the whole-UK figure of 1.4 per cent.

Productivity appears to be stalling

Five more years of sluggish growth have been forecast by the Scottish Fiscal Commission. Productivity flatlined in 2016 and 2017, and improved slightly in 2018.

Foreign investment falls by a fifth

According to figures released by EY, only 94 projects came into Scotland in 2018, down from 116 in 2017. Each project only employed an average of 60 people.
Building Scotland’s future today

Entrepreneurship and expertise should be celebrated and encouraged, writes Steve Dunlop, chief executive at Scottish Enterprise

The pace of change and degree of uncertainty in today’s economy is staggering. In these unprecedented times, we’re seeing a shift in the definition of economic success. Throughout the world, nations are seeking not only to create wealth, but also to ensure this wealth is distributed more evenly.

As Scotland’s national economic development agency, Scottish Enterprise echoes this sentiment. We firmly believe that all growth must be inclusive, and our mission is to make a lasting and positive impact that delivers real and enduring benefits for all our people and communities. We’ve served Scotland well in recent years, securing our reputation as a location of choice for inward investors and growing exports in lucrative markets. We’ve also helped build homegrown successes in fields such as fintech and robotics.

But Scotland, along with many developed countries, still struggles with an uneven spread of economic success. Deprivation and affluence all too often sit side by side, with low employment and stunted business growth in some parts of Scotland. In fact, despite all our strengths, we’re still ranked 21st of the 36 OECD countries for income equality.

These challenges, alongside a complex global economy and the unknown impacts of Brexit, automation and an ageing population, mean that more of the same economic development will, at best, deliver more of the same outcomes – and inequalities will likely remain.

We need to take a new approach, one that taps into Scotland’s past to build a brighter future today, because we don’t just want to navigate these stormy waters, we want to emerge on the other side a thriving nation with a vibrant and fair economy.

Although small in stature, Scotland is one of the original industrial powerhouses and has always packed an impressive punch economically. We’re a nation of thinkers and innovators, with inventions and ideas that have provided the foundation for much of the modern world – from whisky, shipbuilding and penicillin, to the television, jet engines and nano-satellites.

Our reputation is growing as a place to do business, not just because of our rich skills, talent and resources, but because we’re innovative, progressive, welcoming and dynamic. Businesses of every size – from homegrown ones to those that chose to locate here – all recognise the opportunity to be part of a growing economy that does things differently, to contribute to sustainability, equality and wellbeing, to give something back, be kind and do good. We’re proud to stand with these companies, and we need to be as entrepreneurial as the people and businesses we support.

It’s essential that we work with others – most notably our fellow enterprise and skills agencies and the business community – to build a better, fairer future for all. Together, I firmly believe we can deliver the conditions for growth, build business resilience, nurture and inspire ambition and create more, high-quality jobs to support Scottish families. We want all of Scotland’s children, and their children, to have the future they deserve – a future where every community, every family, and every individual benefits from economic success.

For more information, please visit: www.scottish-enterprise.com
At the SNP’s recent spring conference, party delegates voted against the wishes of the leadership to ditch a policy held since the 2014 referendum – that post-independence, Scotland would keep the pound. Having been accused of playing down the significance of the policy change, a spokesperson for Finance Secretary Derek Mackay told Spotlight: “Scotland will keep the pound immediately after independence. The SNP’s policy is to make a managed and responsible transition to an independent currency, only when it is safe, secure and practicable to do so.”

Speaking from the podium of the conference, delegate Timothy Rideout advocated what he described as “real independence”, or full monetary sovereignty. “The fact is that if we use sterling, our monetary policy, that’s the interest rate, the exchange rate, the money supply and the inflation rate will all be set in London, and our scope for fiscal policy, what we tax and spend, will be limited,” he told the hall. “Worse, there will be no lender of last resort in Scotland and no viable insurance of bank deposits… If we are ‘sterlingised’ and there is a financial crisis we won’t be unable to do anything about it. We’ll be grovelling to the Bank of England asking for a bailout.”

It’s a lesson that southern eurozone economies learned the hard way. Without its own central bank to couple fiscal retrenchment with monetary expansion, and with a currency that was unable to depreciate to regain competitiveness, Greece was left at the mercy of the European Central Bank after 2008, and its economy contracted by around a third.

With the first period after any vote for independence likely to be characterised by business uncertainty and market volatility, Nicola Sturgeon would do well to embrace her party’s new policy, rather than resist it.

In 2008, Northern Rock received emergency liquidity from the Bank of England, borrowing £3bn in the first days of the financial crisis. Around a year later, Lehman Brothers filed for the largest Chapter 11 bankruptcy in US history, shaking financial markets around the world.

In July 2007, just before the beginning of the crisis, interest rates in the UK stood at 5.75 per cent. By March 2009, in the wake of the chaos, the Bank of England has slashed them to 0.5 per cent. To stop cash machines running dry, the UK’s banks were shored up by a £500bn rescue package, which included £200bn in loans from the central bank. Since 2009, the Old Lady of Threadneedle Street has injected £435bn into the economy through quantitative easing.

None of this would have been possible had the UK not enjoyed the benefits of its own central bank and its own currency. Without expansionary monetary policy to stimulate demand, the last recession, which has been followed by years of anaemic growth, would have almost certainly turned into a long depression, and could even have led to the collapse of capitalism itself.

The SNP’s new policy should be embraced by the leadership, writes Jonny Ball
At Chivas, we believe that blended is better – in life, in business and in Scotch – and that you don’t need to choose between making money and making the world a better place. This belief was instilled by our founding brothers, James & John Chivas, who supported their local community as their business grew in 19th century Scotland. That’s why, every year since 2014, Chivas gives away £800,000 in no-strings funding to social entrepreneurs, who blend profit with purpose to have a positive impact on the world.

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Xilinat converts agricultural waste into a natural sugar substitute that looks and tastes like normal sugar yet is low in calories; helping tackle obesity while providing a sustainable alternative for diabetics and the health-conscious.

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