

Creating a Just Scotland - with a mix from The Joy of T...

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I have [mentioned that I am speaking at an event today](#) on Creating a Just Scotland. This event is part of the Radical Book Festival and is organised by Quakers. This is roughly what I plan to say (although I never deliver to plan):

There is [larger version here](#) or for once, as there are no sub bullet points, it's easy to share here:

- * Scotland needs its own economy
- * It can't have that unless it has its own tax system
- * And it can't have an effective tax system unless it has control of its own currency
- * Which it can only have if its independent and not in the EU
- * That's something of a conundrum but a state on the periphery of the European economy can't reflect its own values, strengths and weaknesses, as well as its social priorities in its economy unless it is willing to state that its own identity matters
- * And for tax this matters
- * Because for centuries we've thought that governments tax and spend
- * But that's not true: we spend and tax
- * You can't pay tax in a currency until someone has created it
- * A government with its own currency creates that money: it decides how much it spends into the economy and how much it wants to claim back by way of tax
- * What that means is that a government with its own currency can run a fiscal policy
- * And by definition it has a central bank and so must have a monetary policy
- * Which means it is in control of its economic decision making
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But if it does not have its own currency it simply has to balance its books - because it will always be in debt to someone else in that case, which is not true if it has its own money

- * We know that because QE has now proved a government with its own currency can cancel its own debt
- * And even pay for public services without tax
- * And in that case tax becomes something really important. Although it has a key role to play in preventing inflation resulting from money creation the way it is used to do that makes tax a key element in the delivery of social policy
- * So redistribution is key
- * And repricing to compensate for market failure is key
- * As is the way tax subsidies are given vital to make sure social justice is delivered
- * But that also means unpaid tax is not then just an issue of the books not balancing - it's also a failure to deliver social policy
- * So tax avoidance increases inequality - because avoidance is something only the better off can afford to do
- * And evasion matters because it usually means a cheating business gets an unfair competitive advantage over an honest one
- * And subsidising the savings of the wealthy, the rental activities of the best off, the investment activity of big business and not small, and so much more, are all ways to ensure that social and economic inequality increase
- * My message then is a simple one: those who want a socially just Scotland have to understand the essential linked elements of money, economic policy and tax and how tax has an essential role in delivering social policy in that environment, and not paying for services. Only then can Scotland understand what it would mean to be a truly independent and socially just society
- * And if you do that, would you send me an invitation?