

The economic crisis: Towards sustainable economies and livelihoods

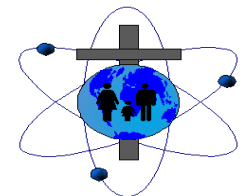
A Scottish perspective

Dr Murdo Macdonald

Church of Scotland

Society, Religion and Technology Project

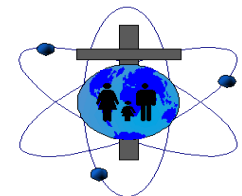
20th January 2009



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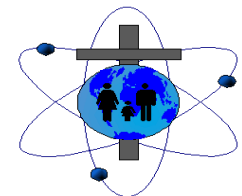
Whingeing Jocks?

- Is Scotland really any different from the rest of the UK?
- Scottish parliament
 - Separate legal/ education systems
- Geography
 - 1/3rd of UKs landmass
 - 1/10th of UKs population
 - Almost 100 inhabited islands



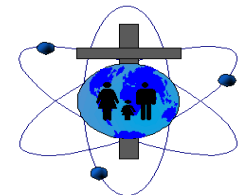
Scottish politics

- Holyrood parliament
 - Proportional representation
 - Scottish National Party minority administration
- Tax varying powers
 - Reserved matters- e.g. defence
 - Health services evolving apart (BMJ)
- Westminster parliament
- Prime minister and chancellor
 - Over- represented in cabinet!



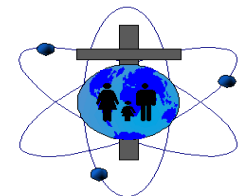
Bank of Scotland: History

- Oldest surviving bank in what is now the United Kingdom
- Only commercial institution created by the Parliament of Scotland to remain in existence when Holyrood parliament established
- First bank in Europe to print its own banknotes.



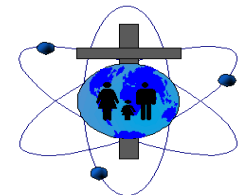
Scottish banks in predatory mode

- Pursuit of NatWest in 2001
 - Royal bank won
 - Motto: Firm
- Bank of Scotland woos Halifax
 - Motto: Uberior (“More trustworthy”)
- Recent history
 - Both over- reached themselves
 - RBS now 70% state owned
 - HBOS taken over by Lloyds/ TSB

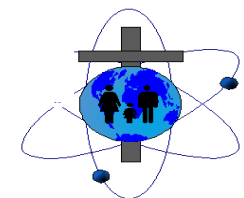
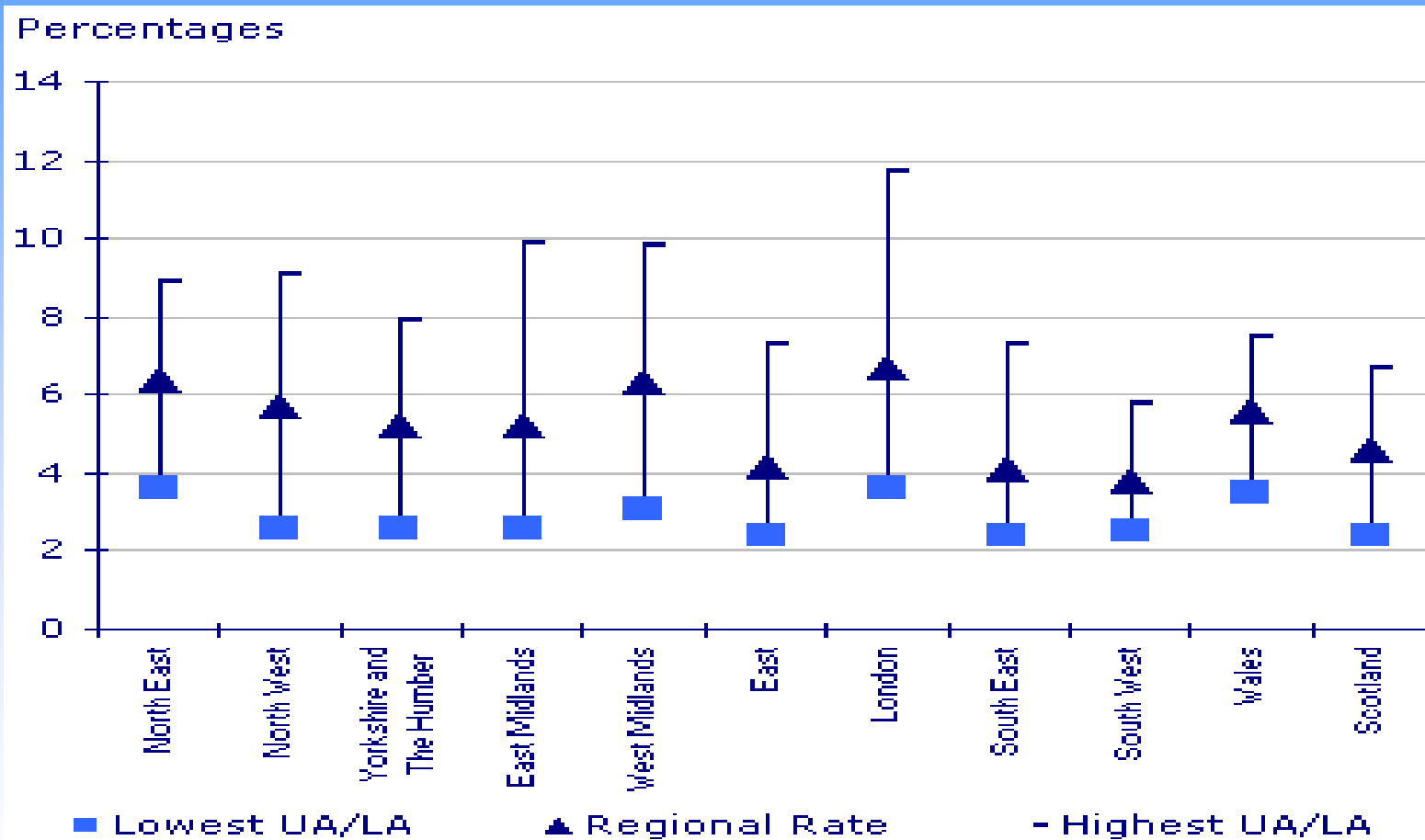


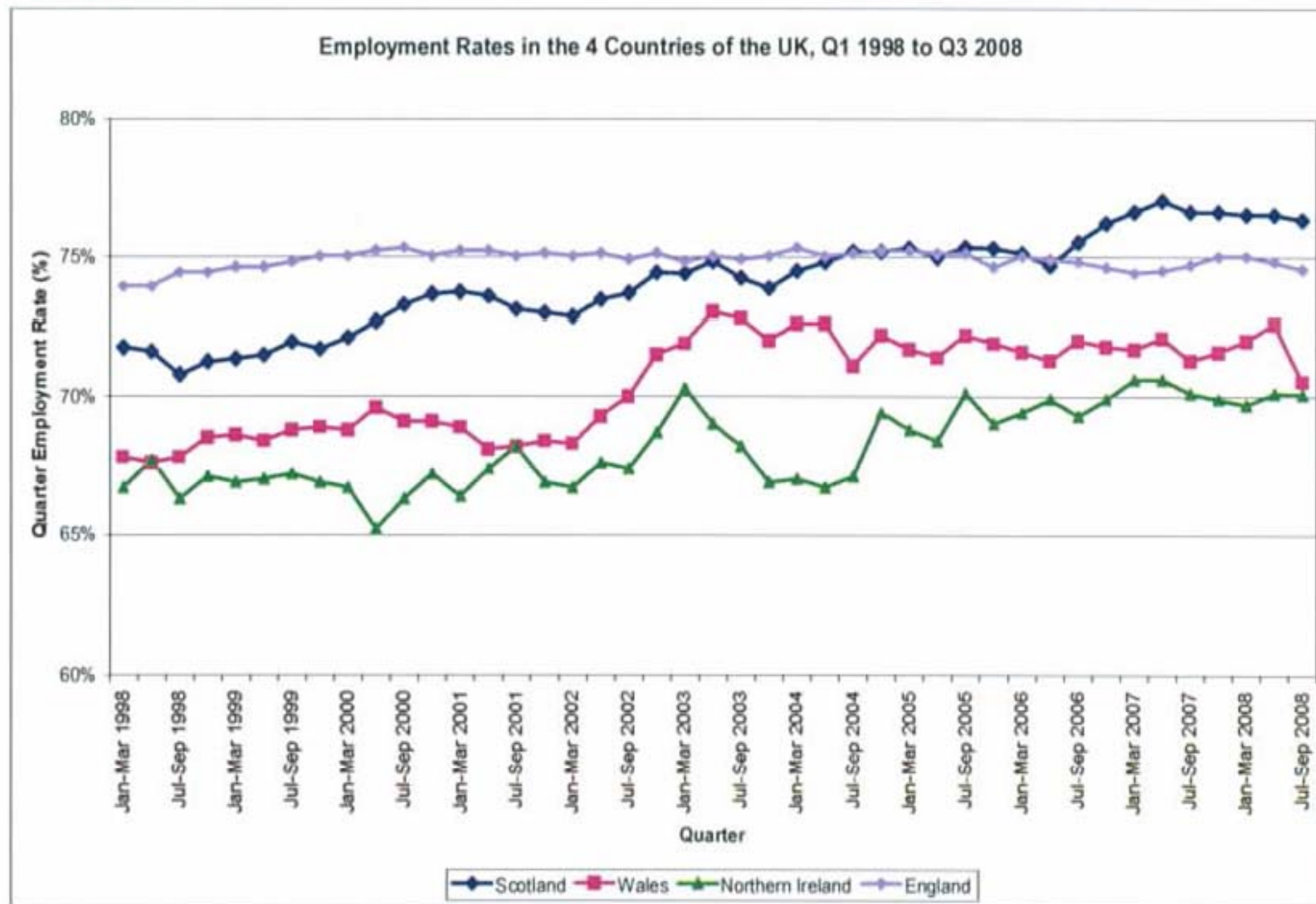
Lloyds TSB takeover of HBOS

- 4th and 5th largest banks in UK
 - 30% of personal current accounts in Scotland
 - 50% of small business services in Scotland
- “Call it off...a mistake”
 - Economist, 8th Nov 2008
- Most senior jobs moving south
- Branch closures

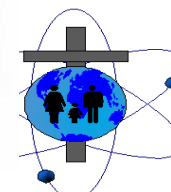


Unemployment rates, Apr 2007- March 2008



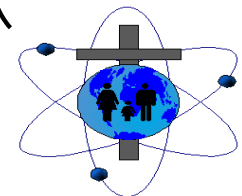
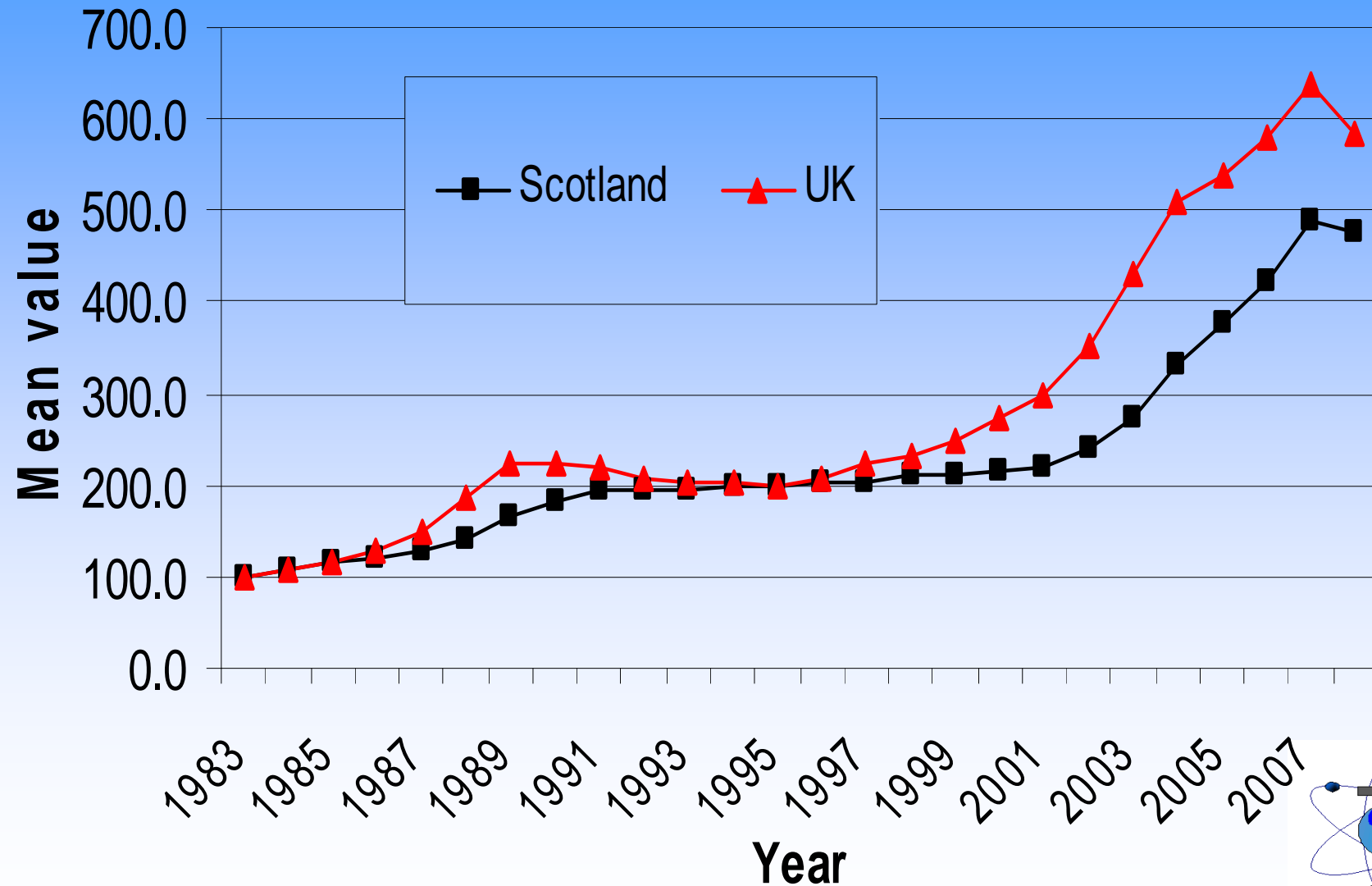


Source: Labour Force Survey, Seasonally Adjusted data, National Statistics website: www.statistics.gov.uk
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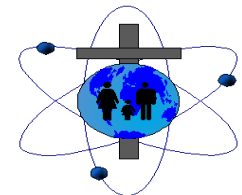


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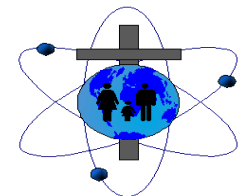
Average House prices (1983= 100)



- Scottish economy more rural
 - Dependent on farming/fishing
 - Infrastructure
 - E- communication
- Housing market
 - Doesn't have so far to fall
- Financial sector
 - Especially Edinburgh
- High street closures
 - Small rural towns
 - Stornoway, Kirkwall



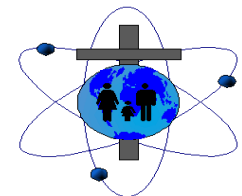
Can they save Scotland?



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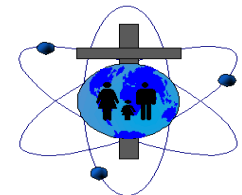
What can the churches do?

- “Holding out the word of life” (Phil 2: 16)
- establishing credit unions
- utilising space in congregational buildings for
 - community food co- operatives
 - community social events: e.g. cinema nights, ceilidhs
- using the practical skills and experiences that many church members have
 - e.g. baking/ cooking classes
 - babysitting circles
- organising “car pools” to help people get to
 - the doctors surgery/ hospital visiting
 - the supermarket/ town centre



What can the churches do?

- Significant sum from church's resources be made available for specific practical projects
 - at parish or presbytery level
- Series of consultation meetings proposed
- Would involve leaders from:
 - business and industry
 - Government
 - Unions
 - Churches
 - other interested parties



Guiding principles

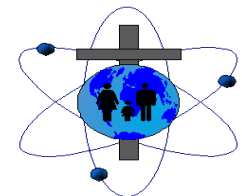
- **“You are the salt of the earth...You are the light of the world”**

Matt. 5 v 13, 14

- **“Wherever the church lacks a presence, that environment becomes impoverished of values and ethics”**

Fr. Claudio Paganini

Four- Four- Two, Sept 2007



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