

## **Towards Scottish Independence? Examining the Scottish Government's White Paper**

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In September 2014, Scots will be asked to decide on the following question: *Should Scotland be an independent country? Yes/No*. This blunt proposition would normally be interpreted as a 'hard' referendum question, offering a clear and stark choice between political independence and the constitutional status quo. However, the Scottish Government's vision of independence, set out in its White Paper *Scotland's Future*, published in November, incorporates a nuanced understanding of how a small European nation-state might exercise its sovereignty when navigating its way in an inter-dependent world.

### **The case for independence**

The case for independence, set out in the White Paper, is built around three inter-linked themes: democracy, fairness, and economic prosperity. Underlying all of these is the belief – undisputed by any side in the debate – that Scotland is a distinctive nation with a right to determine its own future.

At the heart of the democratic case is the doctrine of self-determination and a belief in self-government. 'Independence', it is argued, 'means that the people of Scotland will take responsibility for our future into our own hands' (p.40). In effect, since Scotland would maintain a representative democracy, this would mean ensuring that the government of the day was reflective of Scots stated preferences in elections, and directly accountable to them. Under the current system, this is only (partially<sup>i</sup>) guaranteed in those policy fields which are under the constitutional competence of the Scottish Parliament, including health, education, housing, the legal system and policing, the environment and rural affairs. The Westminster parliament and government still controls key areas of domestic policy, including taxation, social security, energy, employment regulation and equal opportunities law, as well as defence, foreign affairs, immigration and other matters of high politics. Since Scots elect 59 out of 650 MPs, the party or parties in government will often not have secured the popular vote or the majority of seats in Scotland. As the White Paper notes, for 34 of the 68 years since 1945, Westminster governments have been elected without majority representation in Scotland, such that 'policies are imposed on Scotland even when they have been opposed by our elected Westminster MPs' (p.41). That the same could be said of other nations and regions of the UK is neither here nor there from a nationalist perspective. The SNP's principal goal is that Scotland's right to determine its own affairs be recognised, and that right, it is claimed, cannot be guaranteed within the Union. Suggestions that there is a democratic deficit in the UK political system were most powerful in the 1980s and 1990s during the height of the home rule movement, which led to the since the establishment of the Scottish Parliament. This democratic case still holds some sway, especially in light of the fact that the current UK coalition government is led by a party with only one MP in Scotland.<sup>ii</sup>

The democratic case is supported by, and reinforces, the social case for independence. Independence, it is argued, would release Scotland from undesirable policies implemented by Westminster governments, and instead hand power and responsibility to Scottish

governments to develop policies in line with Scottish priorities and preferences. The deficit-reduction programme of the Westminster government has brought issues of social justice and the future of the welfare state centre-stage in the referendum campaign. In particular, the UK government's welfare reform agenda – deeply unpopular among large sections of civil society across the UK for the restrictions it imposes on some of the country's most vulnerable citizens – has created an opportunity to contrast a neo-liberal future within the UK with the promise of a more equal, socially progressive Scotland. Inspired by our Nordic neighbours, the White Paper argues that an independent Scotland could combine economic prosperity with solidarity and social justice within a more equal society: 'The UK ranks 28<sup>th</sup> out of 34 nations in the OECD on a measure of overall inequality... (and) since 1975, income inequality among working-age people has increased faster in the UK than in any other country in the organisation... We want the powers of independence so that we can build a different and better Scotland' (p.44).

Using the welfare state in pursuit of territorial goals is not unique to Scotland. The territorial politics of welfare is a common feature of nationalist claims across advanced democratic nations and states. It was a feature of the Scottish home rule movement in the 1980s and early 1990s, against the backdrop of the welfare retrenchment of the Thatcher/Major governments, when a Scottish Parliament was presented by its advocates as a necessity to protect public services, develop 'Scottish solutions to Scottish problems', and to guard against the regressive policies of a right-wing government. Likewise, in the 1995 sovereignty referendum in Quebec, the *projet de société* presented by the PQ government and its partners provided a useful contrast to the deficit-reduction and retrenchment programme of the federal government of the day. In the current context in Scotland, it is met by a counter-narrative which both appeals to solidarity across Britain and questions the affordability of the SNP's social democratic vision.

The third strand of the case for independence is an economic one. Since the key economic levers under the control of government remain with Westminster, independence is presented as essential to enable the Scottish economy to prosper. Again, inspired by Nordic success, the White Paper points to other similar small nations at the top of world wealth and well-being league tables, asserting that 'unlike Scotland, they are independent and are able to take decisions in the best interests of their own economies. They do not leave the important decisions about their economy to parliaments whose interests necessarily lie elsewhere' (p.43). Surveys consistently suggest jobs and the economy are a primary concern of the electorate when reflecting on independence and its consequences. The White Paper dedicates over 20 pages to outlining Scotland's current public finances to underline the Scottish government's view that there is no question of Scotland being able to *afford* to be independent. Indeed, few would dispute this basic affordability issue. Moreover, the assumption that an independent Scotland would own around 90% of North Sea oil & gas deposits is barely questioned. What is disputed is whether the finances would be sufficient - given the level of inherited debt and Scotland's revenue-raising capacity both at home and in international markets - to underwrite the costly universal public services delivered in Scotland today, as well as those promised as part of the independence vision.

## **Continuity and Change**

The rest of the 650 page White Paper sets out the case in more detail, stating the government's view of the difference that independence would make across a range of policy fields from the economy, health and social welfare, education and employment, international relations and defence, justice and home affairs, the environment, and energy and culture and communication. In each case, the document asserts the limitations and problems of the current settlement, the choices and possibilities that independence would create irrespective of who was in power, and – unusually for a government white paper – the priorities of action for the SNP were it elected to govern an independent Scotland in 2016.

During a transitional period, the White Paper confirms that the Scottish negotiating team would negotiate ownership of resources in and around Scottish territory, including oil and gas, as well as Scotland's share of those shared assets like the armed forces or the civil service bureaucracy. In international relations and defence, Scotland's independent membership of the EU and NATO would be negotiated during the transition to independence. The Scottish negotiating team would also prioritise agreement on removal of the UK's nuclear submarines, which are currently located in Scottish inshore waters. Among the SNP's priorities for action if it is elected to government in 2016 are: an immediate halt to the UK government's welfare reforms, pending the design of new system of social protection; protection and enhanced entitlements for low paid workers and pensioners; the return of Royal Mail, the main postal service, into public ownership (it was privatised in 2013); a reduction of Corporation Tax and Air Passenger Duty; and the commitment – which took centre stage at the launch of the White Paper – to a 'transformational extension' in child care provision, to enable and encourage working-age mothers into the labour market.

There is a desire for continuity over some shared assets. Most notably, the White Paper reaffirms the Scottish government's commitment to press for a formal currency union with the rest of the UK, with Scotland's government effectively becoming a shareholder in the ownership and governance of the Bank of England. In broadcasting, a Scottish Broadcasting Corporation would participate in a joint venture with the British Broadcasting Corporation, ensuring access to existing BBC services and programmes. The White Paper underlines commitment to maintaining the British Isles Common Travel Area (currently operational between the UK and the Republic of Ireland) to facilitate cross-border travel and avoid the need for border posts. There are many more institutions where the Scottish government wants continuity and shared service delivery. Many of these are functional, low profile institutions, like the Office of Rail Regulation, the Civil Aviation Authority and the Green Investment Bank. The National Lottery and the Big Lottery Fund would also continue as now, and the UK research councils – an issue dear to the heart of many academics – would be shared and co-funded.

Managing institutions and services on a cross-border basis would require some mechanism for joint decision-making, oversight and governance. Yet, the White Paper says very little about how such governance arrangements would be designed. Experience from elsewhere suggests that a variety of treaties and bilateral agreements would be necessary, supported by less formal day-to-day co-ordination and communication. But some formal mechanism for

intergovernmental relations would be needed to underpin and facilitate informal coordination, not least to resolve any disputes that may emerge.

All such shared arrangements would of course be subject to negotiation with the UK government if Scots vote YES next September. The White paper presents Scottish-rUK co-operation and co-ordination as the common sense approach, which would be in the interests of both an independent Scotland and the rest of the UK. This is somewhat presumptuous, optimistic and perhaps a little naïve. The Scottish government may legitimately claim to be in a position to determine what is in Scotland's best interests, but it can't define the interests of the rest of the UK. The UK government, for its part, has given heavy hints that formally sharing a currency and other such arrangements may not be in their interests, with the Secretary of State and others demanding a 'plan B' from the Scottish government in case such offers of partnership and co-operation are refused. This is clearly a politically pragmatic response, raising doubts in advance of a referendum without offering a definitive position. If there is a YES vote, political pragmatism may point towards a more accommodative approach. On the other hand, competing political pressures and perceptions of national interests may point toward other outcomes.

### **Defining Independence and Union**

The debate, then, is in large part about whose vision of independence one believes would transpire after a YES vote. The soft vision of independence articulated by the SNP, which would dissolve the parliamentary union between Scotland and the rest of the UK, but see Scotland embedded in a range of other economic, defence, social and cultural unions in the British Isles and Europe. Or a starker vision of independence as separation, cutting Scotland off from the rest of the UK, with all the financial, political and security risks that is thought to entail, while placing a question mark over the position and terms of Scotland's membership of the European Union.

But the referendum campaign is not just a debate about independence. It is also a debate about Scotland's place within the UK, and the opportunities for Scottish influence through enhanced devolution. The establishment of the Scottish Parliament in 1999 transferred significant powers from Westminster to Scotland, but much still remains centralised – the Scottish Parliament remains constitutionally weaker than Canadian provincial assemblies. Consequently, there are many constitutional scenarios between the current constitutional settlement and independence. Surveys suggest that some form of strengthened devolution would likely find favour among the electorate. What is less clear is how willing the leading UK parties are to cede further autonomy. As 2014 unfolds, we can expect the Labour Party and the Conservatives to come under increasing pressure to spell out how they would strengthen Scotland's place in the Union were Scots to choose to stay in the United Kingdom.

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<sup>i</sup> In fact, no governing party or coalition elected since the Scottish Parliament's establishment in 1999 has secured over 50% of the party list vote, though the party to secure a plurality of the vote in Scotland has

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always formed the government, either alone (in the case of the SNP since 2007) or in coalition (as was the case of the Labour Party, who formed a partnership with the fourth-placed Liberal Democrats in 1999 and 2003).

<sup>ii</sup> The junior partner in coalition, the Liberal Democrats, won 9 Scottish seats at the 2010 Westminster elections, and holds the office of Secretary of State for Scotland. However, it has since suffered significant electoral decline largely as a result of its decision to enter coalition with the Conservatives.