

**What new powers does Scotland need to achieve a fairer society:  
Report from University of Stirling for the Smith Commission**

## Introduction

On the 18<sup>th</sup> September 2014 a record 85% of the Scottish people turned out to vote in the referendum on independence. 45% of them voted Yes: and of the 55% who voted No, over 25% wanted significant additional powers to be devolved to Scotland.

Prior to the referendum, Scotland was politically engaged in a way that was energetic, informed and inspiring. This engagement has continued after the referendum, with grassroots campaigns, rallies, petitions, and it is clear that politics in Scotland can never be the same again. Scotland's people have found their voices.

On 19 September 2014 the Smith Commission, chaired by Lord Smith of Kelvin, was established as a fully independent body to facilitate talks on the devolution of further powers to the Scottish Parliament. The [Smith Commission](#) will publish its Heads of Agreement in November this year.

This timetable was met initially with horror, not least by academics such as myself, who said there was NO WAY that the civic population of Scotland could be meaningfully involved in such a process.

We were wrong.

Lord Smith has invited written submissions from third sector organisations, and invited the public to feed directly into the process by email to [haveyoursay@smith-commission.scot](mailto:haveyoursay@smith-commission.scot), in writing to The Smith Commission, 7th Floor, 144 Morrison Street, EH3 8EX, and via the website <https://www.smith-commission.scot/>.

On the 16<sup>th</sup> October, he paid the University of Stirling the great honour of visiting us in person to ask us what we thought. 32 staff and students gathered to discuss the question: **What new powers does Scotland need to become a fairer society?** I would like to thank all the students and staff who took part in the discussion, the Principal's Office, particularly Jennifer Harrison who organised the event, the rapporteurs, Lord Smith of Kelvin and the staff at the Smith Commission, and BBC Scotland who covered the event, and the ESRC Centre on Constitutional Change who are helping to publicise this report and gather together additional comments from the public on the issues we raised.

These are the ideas we came up with. Between the participants, we wanted 'It all' (ie as much devolution as possible) – but not all of us wanted everything. People are very enthusiastic about the policymaking implications of devolution, but not all agree on what levers we need in order to affect change in the areas we care about.

Please feel free to comment on our answers, and we will gather the responses together and pass them onto the Smith Commission.

Scotland has found its voice: the key question is now, are the politicians ready to hear it?

Professor Kirstein Rummery

University of Stirling and ESRC Centre on Constitutional Change

## **1. If Scotland is to become a more gender equal society, what powers does it need? What powers should remain reserved?**

### **What are the main challenges faced by Scotland?**

1. Scotland faces constraints due to its limited economic power: For example, the minimum wage, spending on welfare, the influence it can exert on national policies, and the limited gendered analysis of policies undertaken at Westminster limits what it can achieve with regards to gender equality.
2. The links between economic and social inequality, and the gendered impact of that.
3. Westminster: its structure; undemocratic nature; distance from civic society; gender imbalance; its approach to policy and gender equality issues; and lack of accountability. The rhetoric on welfare does not reflect the values and aspirations of the Scottish people, neither does the threat of withdrawal from the European Union and the repeal of the Human Rights Act. These all have an impact on gender equality.
4. Economic, political and social inequalities are all linked: women are underrepresented in positions of power across society.
5. Reserved nature of too much taxation leads to challenges in implementing Scottish specific policy.
6. Promoting clear and fair career paths for women (eg in STEMM subjects)
7. The need for cultural change eg in broadcasting

### **To address these challenges, what new powers does it need?**

1. Scotland needs the power to control key policies affecting gender equality, such as minimum wage, representation in the workplace and public life, childcare, and welfare issues. It could then use these policy levers to achieve political, social and cultural change.
2. It needs to have control over its own broadcasting – for example to improve coverage of women's sports, more women's issues, and more gender balanced reporting.
3. Need to change electoral arrangements, because first past the post is completely at odds with equality.
4. Enfranchise 16 & 17 year olds.
5. Welfare – although macro-economic policy would have to be devolved as well for this to be fully effective, and this really would need full independence.
6. Broadcasting – so that it is possible to work towards gender equality in the context of small nation broadcasting, but this needs to be done carefully.
7. A written constitution is needed to protect equalities, social rights and health care (and many other things)
8. Electoral arrangements – need control of Holyrood arrangements (elections, committees) and proportional representation at UK level so that Westminster parliament reflects voting choices better.
9. Greater accountability and taxation for Holyrood, if not full control (eg VAT might be tricky) to be able to generate funds for welfare reform
10. Equality Law
11. Energy policy – want greener sustainable energy.
12. Broadcasting to change perceptions of the population – eg equal coverage of women's sport

13. Immigration – eg student visas, make Scotland more appealing to overseas students and researchers and to take into account Scotland’s demographics, eg brain drain, ageing population
14. Policy/law/ and cultural change needed
15. Demographically representative voting system
16. A Scottish Constitution

### **What powers should remain reserved at Westminster?**

1. It makes sense to retain defence, immigration and the constitution at Westminster, as if these were devolved Scotland would be effectively independent without a border – but it would be good to be able to provide better support for immigrants and asylum seekers eg through benefits
2. It would be difficult to devolve immigration but welfare policy needs to be devolved to provide better support to immigrants and asylum seekers
3. Foreign policy
4. Defence – mainly a political weapon (eg Trident)
5. Macroeconomic policy
6. External affairs
7. Cooperation of taxes
8. Minimum wage

### **Main areas of agreement**

1. It’s a challenge to distinguish between policies and powers – which will have an impact on how meaningful devolution will be in such a short timeframe
2. Need to devolve \*all\* the powers that could deliver gender equality, particularly welfare

### **Main areas of disagreement**

1. What specific taxes and borrowing powers Scotland should have
2. Employment and equality laws – forward without rUK or solidarity with rUK?

## **2. If Scotland is to become a more age-friendly society, what powers does it need? What powers should remain reserved?**

### **What are the main challenges faced by Scotland?**

1. Need to bring power closer to the people: People need to feel their needs are being addressed, and need to engage younger people more.
2. Youth disenfranchisement
3. Youth unemployment
4. Voting power
5. Economic muscle
6. Ageing population
7. Geographical spread
8. Divide between higher and further education and not enough respect or funding for non-academic training
9. Elitism
10. Training
11. Inequality – gender, wealth, race etc
12. Lack of control over revenue, constraining ability to fund devolved areas
13. Inability to direct resources at areas of need, not WM priorities
14. Brain drain

### **To address these challenges, what new powers does it need?**

1. Broadcasting
2. Redirect financial muscle – ie macroeconomic policy, particularly taxation, education, funding, jobs – a Keynesian anti-austerity approach, and progressive policies
3. Welfare
4. Access to politicians, knowledge and changing the voting system: electoral reform: change the voting system so it is more reflective of the population – more local, accountable governance, more citizen involvement in policy making
5. Energy policy and regulation.
6. A Scottish Constitution – to frame Scottish values
7. Targeted immigration policy: filling the skills gap, attracting the best students
8. Ability to join up welfare and taxation policies – eg end withdrawal of housing benefit from young people and graded benefits payments for those out of work
9. Citizens Basic Income so people could develop their own businesses/creative industries/IT projects without having to rely on the market.
10. Inclusive governance including the voices of young people
11. Social welfare to reflect the needs of Scottish Youth
12. Vocational training and education
13. Devolution of broadcasting – more appropriate programming and training and representation – Scotland-focussed broadcasting
14. Encourage immigration

### **What powers should remain reserved at Westminster?**

1. Majority of immigration

2. Foreign affairs
3. Defence – but Scotland should have the ability to opt out of unpopular wars
4. Currency

### **Main areas of agreement**

1. The need for a written constitution – frame values
2. Devolve voting
3. Public participation in the devolution process on a wider scale
4. Maintain civic involvement in all levels of government
5. Devo Max to be crafted by people, not politicians – like Iceland's constitution

### **3. If Scotland is to address health inequalities, what powers does it need? What powers should remain reserved?**

#### **What are the main challenges faced by Scotland?**

1. The main problem for NHS Scotland is that their budget is reliant on Westminster – this can affect us detrimentally eg reduced spending and privatisation of NHS England and Wales
2. Devolved but the level of funding is problematic
3. Environment – pollution and new ways of developing energy and the impact on human health
4. Needs to be able to control level of funding
5. Lack of control over disability benefits

#### **To address these challenges, what new powers does it need?**

1. Devolved powers for all benefits and taxes
2. Needs a Scottish Constitution – stand on its own two feet in the world
3. Extensive taxation powers – needs a wide range of powers to secure the future of vital services – need a variety of sources of funding to control services
4. Control over welfare and benefits to address areas of social inequality that lead to health inequalities – eg poverty, bedroom tax etc
5. Some borrowing powers – but already has them for health, capital investment etc
6. Environmental policy
7. Research funding for medical institutions and universities
8. Some borrowing powers
9. Be able to regulate corporate social responsibility – eg corporation tax, air pollution
10. Control the sources of funding for the NHS
11. Control training and staff development and standards in the NHS
12. Devolve research funding directly to universities and institutions

#### **What powers should remain reserved at Westminster?**

1. Some borrowing powers
2. All borrowing powers

#### **Main areas of agreement**

1. Tax
2. Environment
3. Benefits
4. Welfare

#### **4. If Scotland is to address poverty and income inequality, and disability and race equality, what powers does it need? What powers should remain reserved?**

##### **What are the main challenges faced by Scotland?**

1. People of Scotland have different needs to rUK, and different needs across different LA areas, and different needs across urban/rural, central belt and remote areas
2. Lack of civic engagement in political process: gap between those who have power and those whom policy affects
3. Lack of inclusivity in society
4. Gap between rich and poor
5. Lack of celebration of diversity
6. Land ownership
7. Centralisation of power at Holyrood and Westminster: Top-down policy making not flexible enough
8. Lack of representation from different groups
9. The unwritten constitution

##### **To address these challenges, what new powers does it need?**

1. Need further devolution of taxation and social welfare – pensions and benefits – be able to reinvest tax
2. Constitution to enshrine social values regardless of political landscape and which party is in power
3. Be able to reinvest taxation into progressive policies that enable those in poverty to prosper
4. Positive discrimination – quotas at government and board level and financial institutions to combat race/disability/gender inequality – but need to think about the fairness and impact of this
5. Long term goals for Scotland, longer than 4-5 year parliamentary term
6. Retain education
7. Make certain ideas non partisan and avoiding political football – eg guaranteeing welfare spending at a certain level
8. More consultation with user groups & more civic engagement in the political process
9. More civic engagement
10. Environmental
11. Scottish owned media and broadcasting
12. Equalities legislation
13. Proportional representation in a devolved process
14. WM should not have the ability to leave EU or rescind the Human Rights Act without Scotland's agreement
15. Immigration policy – increase and support diversity in Scotland

##### **What powers should remain reserved at Westminster?**

1. Pensions and benefits
2. Defence, foreign policy, international relations



3. 'It's commonly accepted that foreign policy and defence should stay with the UK but I am grief-stricken at being taken – yet again – into a war where we should not be'
4. Minimum equalities legislation – baseline to build on

### **Main areas of agreement**

1. Constitution
2. Nothing about us without us!
3. Need to strengthen accountability and consultation

### **Main areas of disagreement**

1. What level of devolution is needed – national, regional, local – don't want a postcode lottery in Scotland for services
2. How to get the level of taxation right – what is fair?

## **5. If Scotland is to become a more economically prosperous society, what powers does it need? What powers should remain reserved?**

### **What are the main challenges faced by Scotland?**

1. Demographics – ageing population and implications for public sector spending and revenues
2. Few major corporations based here, and high # of SMEs who don't tend to be very enterprising or dynamic
3. Needs more inward and capital investment
4. Needs to be fairer – more control of redistribution
5. Graduate job opportunities – how to retain undergraduates in Scotland
6. Devolution to local authorities
7. Geography – central belt plus Aberdeen (concentration of wealth) versus remote communities
8. Large public sector
9. Energy
10. Lack of graduate jobs – brain drain and perception that graduates have to leave Scotland to gain good employment
11. Uncertainty caused by possibility of another referendum
12. Impact of tax raising powers driving people away

### **To address these challenges, what new powers does it need?**

1. Control over the welfare system
2. Data protection
3. Being able to create laws that protect businesses or give them the benefits of prosperity with fewer restraints
4. Possibly corporation tax, except Scotland and rUK could merely compete with lower ratios and yields
5. Powers over income tax and welfare – but be aware that within the UK and EU freedom of policies is limited
6. More devolution WITHIN Scotland
7. Full control over income tax – although there may be some constraints on how it can be used
8. Corporation taxes
9. Constitution
10. Benefits and social security
11. Trade and industry policy
12. Employment policy
13. Consumer rights and data protection
14. Energy – all – oil and renewables and fracking – and more control over energy policy at a UK level
15. Control of welfare spending – because of different attitudes in Scotland
16. Some control of income tax – but not encouraging flight of tax payers
17. Borrowing powers for capital investment

## What powers should remain reserved at Westminster?

1. Research funding and expenditure: Scotland punches above its weight and its research benefits the whole of the UK
2. Given Scotland's demographic problems the time may come when Scotland would benefit from replacing the Barnett formula with a needs-based assessment so there should be some grant finance
3. Collection of income tax
4. Defence
5. Immigration
6. Foreign policy
7. Research expenditure – benefits whole of UK
8. Corporation tax so that companies do not keep moving and the risk of tax competition

There are clearly a wide range of views represented in this report, and we hope that it gives the Smith Commission a flavour of the kind of policy levers the students and staff of the University of Stirling think Scotland needs in order to become a fairer country. It was not possible within the timeframe to explore what weight should be given to each of these objectives, it is more of a 'wish list' than a final set of demands, but it gives an idea of the range of areas that it was felt Scotland **could** exert greater control over its policy making.

Below is a quick summary of the main areas where there was broad agreement, and some of the areas that were considered more contentious.

## Summary of the main areas of agreement

- **There was broad agreement, with some reservations, that Scotland should have as much control as possible over the following areas of policy:**
  - **Welfare policy, including all benefits**
  - **Broadcasting – to ensure that it reflects Scottish voices and issues, improve gender balance, and provides more opportunities to young people and people from different backgrounds (eg disabled people, people from ethnic minorities, more coverage of local issues, women's sports, local political developments not from an English perspective)**
  - **Energy policy – particularly to encourage the development of green and sustainable energy sources, oil revenue and fracking**
  - **Either control of raising and spending its own taxation, or control over the size of the block grant it receives from Westminster**
  - **Equalities legislation**
- **There was also little disagreement with the principle that Scotland should have more control over the following areas of policy:**
  - **Macro-economic policy – although opinion differed on what this should constitute, and whether full control over spending and taxation should be devolved, or control over the size of the budget. In particular, policies which foster economic development, tackle inequality and help to support youth employment were considered to be important for Scotland to control**
  - **Immigration policy – to be able to support immigrants and asylum seekers, and to encourage immigration in areas of need, attract highly skilled international students and retain them**
  - **Membership of the European Union**
  - **Civic involvement in policy making – ie those affected by the policies should be involved in designing and implementing them at a Westminster AND Holyrood level, as well as at a local level**
  - **Defence: particularly when engaging in wars**
  - **Taxation, including corporation tax levels and tax levels in the rest of the UK (if it controls its own taxation and spending)**
  - **The levels of research funding available**
- **There was broad consensus that the following powers should remain reserved at Westminster:**

- Foreign policy
- Defence
- Currency
- Research funding: Scotland produces some of the best research in the world and it should be funded by, and benefit, the whole of the UK.

## **Summary of the areas of uncertainty and disagreement**

- Some participants felt strongly that Scotland needs a written Constitution that enshrines its own values and social rights, that should be written to reflect civic society's contribution, and that cannot be easily undone by subsequent political changes. However not all participants were convinced of the need for or feasibility of this.
- Scotland should be allowed to do things differently to reflect its different needs and values: but how fair is that to the rest of the UK?
- Scotland should be given as much devolved power as possible to develop its own policies, but it must work together with civic society to do this.
- Would devolving further powers just mean things are controlled by an elite in Holyrood, or would it involve genuine civic engagement, local democracy and co-production?
- It is not unquestionably clear that the politicians and the people of Scotland necessarily share the same 'vision' for a fairer Scotland: for example, some people were very much in favour of the proposals put forward by the Scottish Government (the SNP), the Scottish Greens and others who were in favour of full independence, whilst others are more cautious about the possible risks and benefits of the devolution of further powers, and how effective these powers would be to achieve positive change for Scotland.