

REVIEW ESSAYS

Scotland's future – really?

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Scotland's Future: Your Guide to an Independent Scotland

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If you are in need of a doorstop, look no further. At 675 pages, an inch and a quarter thick, and three pounds in weight, the SNP's independence manifesto, *Scotland's Future*, will do that job admirably. Whether it also meets its stated aim of being 'Your Guide to an Independent Scotland' is another matter entirely.

It's hard to say what kind of beast this baggy monster is. It's neither a measured government White Paper setting out policy detail, nor a political tract making an impassioned case for independence. Sometimes it describes options open to an independent Scotland, and sometimes (wrongly, for a government document, published at taxpayers' expense) sets out SNP party policy on which option to choose. The SNP would have been wiser to have a dry civil service document setting out the mechanics of transition to independence, and party publications making the case for separation, and how they would run an independent country. As it stands, the White Paper does none of these well.

Where it does succeed is in showing that, where these different aims conflict, the SNP's partisan advantage trumps everything else.

Constructing a constitution

Start with the constitutional. The White Paper rightly proposes post-Yes vote negotiations to break up the UK, divide its assets and liabilities, and determine that the relationship between the separate state and the rest of the country, the European Union, NATO and so on. So much, so obvious. Less obvious is the proposition for this all to be done in less than 18 months, before the Scottish elections of May 2016, so those become the first elections to a new, sovereign parliament. Given the

complexity of those negotiations, and the intrusion of a UK general election, 18 months is far too short: it took longer than that to negotiate the terms of the independence referendum itself.

Indeed, a small country in these negotiations should keep all its options open, and not tie itself to an end date which it needs agreement to deliver. Scotland's negotiating hand, not strong in the first instance, has just been weakened. The driver is narrowly political: until 2016, the SNP are guaranteed a majority in the Scottish Parliament. After that, they might lose power or have to share it, and Salmond might be unable to wield in the creation of a new state the domineering control that he has exercised over devolved Scottish politics.

A new Scottish state, the paper acknowledges, would write its own constitution. Scotland will have its own Philadelphia moment, and a commission is proposed to do the constitutional drafting. No doubt SNP councils all over Scotland are bidding to host it. Of course a new, codified constitution for a separate state is essential. A drafting commission of the great and the good is a perfectly sensible way to start. You might think it could then be ratified by another referendum, giving the new state a firm foundation. But the White Paper then goes on to prejudice most of the big constitutional choices. Scotland has, apparently, to be a constitutional monarchy, to be reigned over by the House of Windsor. While one can be pretty sure the House of Windsor won't welcome the disintegration of today's realm, it won't turn down the job. Scots are not to be given a choice over that, as the SNP have concluded promising continuity makes a Yes vote marginally more likely.

Similarly a separate Scotland is to have a single chamber parliament, the same size as its devolved parliament, and elected by the same list system. That might not be the right solution for an independent country, but it is that parliament which will ratify the new constitution. All this is to make independence look less a dramatic change, just a bit of tidying up. The new constitution is to include various rights announced in the White Paper: not just the civil and political rights in the European Convention, but some social rights too. You might like to think this represented an abiding commitment to social welfare. But like much of the rest of the White Paper, it is actually just an electoral gambit. Women are thought to be less supportive of independence, so the SNP have discovered a commitment to free childcare, only available under independence – even though it is within their devolved competence now.

Just how lite can independence get?

Before the referendum, the SNP vacillated about just what sort of constitutional choice should be put to Scots. Mr Salmond of course hoped to win the 2011 Scottish election, but even against a weakened Labour, didn't expect an overall majority. So a manifesto promise of an independence referendum was a win-win: nationalist fundamentalists would accept this decision was for the sovereign Scottish people, but the unionist majority in Holyrood would deny them a voice. So an overall majority was a problem: the dog that liked to bark at cars had finally caught one.

Cue much public toying with the idea of a multiple option referendum. Independence didn't command majority support, but maybe more devolution would, and the reality is that many in the SNP are more 'autonomist' than separatist. (By contrast with nationalists in Quebec, the SNP gets very hot under the collar if called separatist.) But the UK government – which played the tactics cannily – was having none of that, and nor were many inside the SNP. It's a yes/no question on independence.

In part as a consequence, the White Paper vision of independence is very circumscribed. More effort is putting in to promising things will stay the same than setting out how they might be different. This process of de-risking has a simple political purpose: even those tempted to vote for independence can see it's a risky project. But the result is an independence plan that is incoherent, and highly dependent on an assumption that the rest of the UK will simply agree to whatever the SNP want.

The currency is the most egregious example, but there are others. Scots are promised for the same licence fee both a Scottish broadcaster (with the enticing prospect of a Scottish Eurovision Song contest entry) as well as all present BBC services, especially *Strictly Come Dancing*. Similarly they are told Scottish universities – a key sector of the economy – will enjoy the same shared research funding with the rest of the UK as they do today. At the same time Scotland will discriminate uniquely against UK students, while cheerfully offering free higher education to the rest of the EU. Similarly, if you believe the White Paper, the rest of the UK will be happy to agree to administer the Scottish welfare system and pay more generous benefits than to their own people.

In short, the SNP's vision is of Scotland which is independent in the matters the SNP would like to run, but still part of the UK for things that are popular with the

Scottish people. The essential offer is that you can keep everything you like about the UK (so long as London is not curmudgeonly) but all the things you don't like will be decided in Scotland – where, naturally, they would be better. The challenge for the UK Government and No campaigners is to make the obvious point that Scots cannot have their British cake and eat it, without that swiftly being presented as a vindictive reaction to a reasonable request.

It's the economy...

Opinion polls confirm what most politicians know: voters regard this primarily as an economic question, and might be persuaded to vote yes if they thought they would be better off. It's a strange sort of national identity which might be donned or doffed for £500 a year, as one polling question consistently suggests, but certainly economics has dominated the debate so far.

Here the White Paper is interesting. It lists a series of objectives that in principle could be achieved by an independent Scotland, and to which no one would object. Who would not want a richer country, with a more balanced economy, better paid jobs...? But the detailed policies are about keeping the same economic union with the rest of the UK as today. In particular, there is to be a currency union, under which the Bank of England would continue to be Scotland's central bank, to which the UK will agree, as it would obviously be in its interest to.

In fact it's not at all clear that a currency union would suit an independent Scotland. Currency union works fine inside a fiscal and political union. Taxpayer resources can be redistributed across the union to cope with economic imbalances, and in the end the taxpayers of the whole union can stand behind financial institutions that get into trouble, which Scottish ones have recently shown a worrying tendency to do. But those conditions fall away if Scotland separates, and without them currency union would suit neither side – the rest of the UK would be carrying Scottish risks with little or no control over them, and Scotland would get the monetary policy and exchange rate that suited a separate economy.

Here again we see how in the White Paper political calculation trumps economic logic. The vast majority of Scots want to keep the pound, and it is an overriding requirement for the SNP that this shouldn't get in the way of the independence project.

The White Paper is also in denial about Scotland's fiscal position. This is an emotive subject, as the SNP were not wrong to say that North Sea oil – which

would mostly belong to an independent Scotland – financed UK public spending in the 1980s. Had Scotland been independent then, it would have run a substantial surplus, for a while. Inside the UK, the funds have been recycled back to Scotland, through the Barnett formula, to provide consistently higher levels of public spending. But oil is a wasting asset, and the high days of the 1980s are long over. Projections differ, but oil is already in decline, and so Scotland's relatively strong fiscal position in recent decades turned into a much weaker one in 2013, as oil revenues fell. The White Paper deals with this by the simple device of ignoring all fiscal realities beyond 2017. Other commentators have not been so blind, notably work from the IFS and academic economists pointing out the fiscal reality that an independent Scotland would have to make a big fiscal adjustment – markedly bigger spending cuts and tax rises than the whole UK already faces. The SNP's sole fiscal promise (apart from maintaining or increasing different elements of public spending) is to cut air passenger duty, and probably corporation tax.

But Scotland is a social democratic country...

An appeal to patriotism may be the last refuge of the scoundrel. But the SNP's last refuge is a call for social democracy. The White Paper is littered with references to the Tory policies which would be ditched the minute Scotland became independent. The bedroom tax, universal credit: both would cease. More generous pension increases are promised. All this is predicated on the unpopularity of the Conservative Party. Vote yes, and get rid of the Tories for good. Perhaps this is the Yes campaign's strongest card: they certainly seem to think so, if repetition is any measure.

This approach is replete with irony. Scotland is indeed determinedly anti-Conservative, because the Labour Party successfully painted Mrs Thatcher as anti-Scottish. It returns one solitary Tory MP. But it's not in fact all that more social democratic than the rest of the UK. On most issues, Scottish opinion tracks English quite closely; and in both, the proportion of the population who would like taxation and public spending to grow is a decreasing minority. And the party which was at one time successfully labelled by Labour as the 'Tartan Tories' – the SNP – these days brands itself as left of centre, but contains – to put it politely – a very wide range of opinion. Historically its electoral roots lie in former Conservative areas, and it was only when it made its first progress into Labour heartlands that it was able to secure a majority in Holyrood. Its policies have been uniformly populist – freezing the council tax, making higher education free, abolishing tolls on bridges – and as

a result are redistributive, but to the better off. Naturally, the White Paper mentions this not at all.

The White Paper's big retail offer is a huge increase in state-provided childcare. This has only the most tenuous connection with constitutional change, as these powers are already devolved to Holyrood. The SNP argument that they cannot do this today because the additional tax revenue from working parents accrues to the Treasury, and not them, is no more than a feeble excuse. Arithmetically, more non-working parents than currently exist would have to be drawn into work and pay taxes to cover the costs of the policy. But the White Paper does no arithmetic.

Conclusion

It is relatively easy to pick apart an intellectually incoherent and dishonest document. But in the end, it's not the document that matters. The Scottish government has distributed it, at taxpayers' expense, all across the country. But few will read it. Its main purpose is to enable Mr Salmond to claim that all people's questions are answered, if they would but study the 200 pages of FAQs at the back ('Will Scotland still be in the same time zone? Will I lose my British citizenship? What will the national anthem be?' Yes, no, and don't know, respectively, in case you were worried).

In the months since its publication SNP Ministers have talked about the White Paper less and less. Unfazed by its policy incoherence, they hammer simple, populist messages – vote yes and be Scottish is the core of their message, and on their coat tails a set of lazy, left-leaning commentators fantasise about a Tory-free, nuclear-free, Scotland unshackled from a wicked Westminster which is the source of all problems. Those on the left who want genuine social progress might smile indulgently at this, were the risks it brings not so real. Instead, those who support the union need not merely to unpick the SNP's plans, and identify the risks they bring, but present a coherent case for hanging together with the rest of the UK. This White Paper needs to be matched by a coherent argument for the strength of economic union. From the left there needs to come a moral as well as an instrumental case for security and solidarity in a social union, as Gordon Brown has recently argued. Overall, those who care about Scotland and the UK must at the same time present a compelling picture of how political union can deliver these while providing the significant decentralised power that Scots clearly want. That is where the real Scotland's Future is to be found.

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