

# Scotland, Separation and the Brexit Question

**The SNP has abandoned 'True Independence' and Sturgeon is forcing Scotland to choose between a more powerful Scotland inside a Federal UK, or a less powerful one inside the EU and most likely the Eurozone.**

I remember the SNP's 2015 manifesto commitment very clearly: the more seats they won in Westminster, the more powers they would get back for Scotland. It was not their most original manifesto commitment, but it was consistent with the main theme of Scottish politics for the past few decades: that devolution should bring power closer to the people of Scotland.

It is not an idea which most of us who support devolution tend to argue with, nor was it the majority of Scottish voters who, on 7 May 2015, returned 56 SNP candidates out of a possible 59 to the House of Commons.

It puzzles me therefore, in this Brexit age, why Nicola Sturgeon was so counterintuitively against the United Kingdom leaving the European Union in the referendum last year, and why she is fighting so hard for Scotland to secure a bespoke deal on membership of the EU's Single Market.

Of course, the First Minister is trying to manufacture a pretext for a second referendum in Scotland. Forget that for a moment: Nicola Sturgeon is playing political games. She has a 'Party management issue' following the influx of die-hard nationalists who swelled the SNP's membership figures after their referendum defeat in 2014. Also, forget (but only for a minute) that since occupying Bute House the SNP has sought to

find differences with England wherever there aren't any; it's all part of the drive towards so called 'independence'.

I always imagined that the First Minister after a Leave victory would have been "champing at the bit" to empower her own office and Scotland. After all, she has a manifesto commitment to keep... Alas, no.

Constitutional observers will have noticed in recent years how the SNP has instead empowered the Scottish Government by centralising almost everything – from policing to planning for wind turbine projects – away from local government and into the hands of Edinburgh. Their attack on localism is an idiosyncrasy I fail to understand given their commitment to bring power "closer to The People". But equally difficult to understand is the SNP administration's shunning of the opportune moment that Brexit presents to "grab" yet more power.

Perhaps Nicola Sturgeon genuinely believes she can win the second referendum on so-called 'independence', despite recent opinion polls consistently showing Scotland would vote to stay part of the United Kingdom. Indeed, the Leader of the Scottish Conservatives Ruth Davidson, in a recent interview in The Daily Telegraph's Scottish edition, warned the SNP that they would lose a rerun of the 2014 vote by an "even larger margin".

Yet, despite a recent opinion poll by BMG Research showing that only one in four Scots want a second independence referendum before Brexit talks are complete, the Scottish Parliament voted through a request for a Section 30 order from Westminster, giving the Scottish Government the power to hold a legally-binding referendum on so-called 'independence' between the Autumn of 2018 and Spring of 2019.

Theresa May is adamant that there won't be a second referendum... at least not until after the Brexit negotiations

have been completed, and the United Kingdom has left the European Union... So another referendum could still yet take place at some point in the future.

For the sake of this paper, let's imagine Nicola Sturgeon eventually gets her way, and the UK Government grants the Scottish Parliament's request for a Section 30 order. What would a second referendum look like?

**Timing is everything... And so is the question...**

Regardless of your views on 'independence', it must surely be fair to both sides of the argument, and most importantly to the Scottish people, that voters be able to make their choice at the ballot box based on full knowledge of how Brexit will work.

As First Minister Alex Salmond was more or less allowed to dictate the terms of the first referendum on Scottish 'independence' which was set out in the Edinburgh Agreement of 2012.

I recognise that the Agreement was signed at a time when the SNP had a majority in the Scottish Parliament so it must have been hard for the then Prime Minister David Cameron to reject the Nationalists' mandate to hold a referendum following the Scottish Parliamentary elections in May 2011. Two crucial things however did disadvantage the Unionist cause.

The first was effectively allowing Alex Salmond to hold a two-year referendum campaign which gave him the time he needed to build support for a Yes vote; a calculation which almost paid off.

The current occupier of Bute House is presumably pushing so hard for a second referendum now because she hopes to benefit from a similar time advantage. Sturgeon has an enthusiastic base of core supporters left over from three years ago, and she no doubt wants to put them to good use instead of waiting,

possibly beyond 2020, for her second bite at the cherry.

This time the Nationalist calculation is that a snap poll in the middle of what will of course be challenging Brexit negotiations can exploit apparent 'uncertainty' and deliver them victory – before Scotland is 'dragged out' of the European Union 'against her will'.

The UK Government's position is therefore right. It not only takes away the initiative of the SNP to 'gerrymander' the timing in their favour, but it also ensures that any second referendum in Scotland is based on fairness and experience of an independent United Kingdom after Brexit.

The second crucial thing was the question; 'Should Scotland be an independent country?' The very word 'independence' has a positive and proactive meaning which handed the argument to the Nationalists.

Objectively, few of us would ever choose to be 'dependent', and yet as you will read later, it was completely disingenuous for the Yes campaign to argue in the positive that Scotland would have been 'liberated' or 'emancipated' when 'true independence' was never actually on offer.

Undoubtedly, the question handed Nationalists the advantage. Voters were given a binary choice between another Nationalist positive, and a Unionist negative: 'Yes' and 'No'. It was a loaded question, which is exposed as such when compared with the process undertaken to compose the question for the EU referendum.

After much debate, and representations from all sides, the UK's Electoral Commission ruled that a simple 'Yes' or 'No' vote would not be fair, nor indeed suffice, in a complex and multifaceted debate on whether we should 'remain' or 'leave' the European Union. In the end, they came up with a neutral, unemotional question which handed neither 'Leave' nor 'Remain' the advantage.

And so it must surely be right that if Scotland does hold a second crucial referendum on our constitution, the UK Electoral Commission be handed the responsibility again of writing the question.

The situation is now different from that in 2011: the SNP has no mandate to pursue another referendum, nor a majority in Holyrood. This time, Downing Street is just as entitled to have a say on the timing and question as Bute House.

The UK Government should make it clear that Scottish voters have a right to experience life in a truly independent United Kingdom, both the pros and cons of life after Brexit.

If there is to be a second Scottish referendum, it should only be held two or three years after the United Kingdom has left the European Union. And only then!

But whatever decision the Scottish people make in that ballot, the choices before them will be much more nuanced than last time.

### **The choices before the Scottish people**

At this point it is important to clarify what the SNP mean by 'independence'. Cast your mind back to the Scottish Government White Paper in 2014 and you will remember that they proposed a formal currency union with the rest of the United Kingdom in the event of a 'Yes' vote.

This was soon rejected by the then UK Chancellor George Osborne, forcing the Scottish Government to propose the 'Sterlingisation' option which meant unilateral use of the Pound, but with the disadvantage that Scotland would have no control over monetary policy, nor have a Central Bank which could act as a lender of last resort.

In short, what the Yes campaign proposed on the ballot paper was separation, with dependency on the impulses of a foreign

power Scotland would have spurned.

Scotland would have been unable to set interest rates, print money, or devalue. Ceding the fundamental levers of power which shape your economy does not allow you to claim true independence.

'True Independence', the preferred option of 'more committed' Nationalists who make up a significant tranche of the SNP's grassroots, means full fiscal and monetary autonomy; a Scottish currency with its own central bank and interest rate; and the ability to levy taxes and borrow money.

A 'True Independence' supporter resists membership of global institutions such as the European Union, some even NATO, and demands a Scottish Armed Forces made up of whatever the UK Government agrees to share with Scotland once she has left the Union. For them her own territorial waters, including the much-discussed North Sea oil and fishing, a land border with the UK and her own immigration policy, are an important part of reclaiming Scottish sovereignty.

Without EU membership, a 'truly independent' Scotland would of course not be part of the EU's Single Market to which she exports £12.3bn of goods and services, but free from the rulings of the European Court of Justice. Perhaps more crucially in financial terms, she would no longer be a 'member' of the UK's 'Single Market' where her exports are worth £49.8bn.

The path to 'true independence' is rocky, and the SNP know this!

It is why when a Currency Union and then Sterlingisation was rejected by the UK Government in 2014, they announced that the latter would be a transition currency. But a transition to what? Official SNP policy up until the 2008 Financial Crash had always been for an 'independent' Scotland to join the Euro.

The SNP has rather bashfully always put great faith in the idea that the best path to 'freedom' is to separate Scotland from the UK and join a Federal United States of Europe. Its belief has always been that the rights of its citizens, security and economic future can be protected inside a Federal Europe, but you could be forgiven for not knowing this. It's not a policy they advertise with any great enthusiasm.

In fact, since the then First Minister Alex Salmond was forced to drop his much-vaunted idea of an 'Arc of Prosperity' (the proposed economic and trading alliance between Ireland, Iceland and Norway), and then subsequently drop formal plans to adopt the Euro, the SNPs silence has been deafening.

Before a second referendum takes place in Scotland, the SNP will need to come clean. If 'True Independence' is left off the ballot paper again, then they need to be clear what exactly it is they will be asking the Scottish People to vote for.

To me the choice they want to offer Scots is becoming more and more apparent:

- Separation from the UK and dependency on the EU

A second Scottish referendum could end up being a hybrid plebiscite, not so much debating 'independence', but answering a refined Brexit question. And that is no bad thing for Unionists.

Assuming the Scottish Government were successful, and Spain did not veto their membership, re-entering the EU would mean adopting the Euro – taking the SNP back full circle to 2008; a more honest time for manifesto promises.

There is no avoiding the fact that Scotland would have formally to adopt the currency. Scotland would be forced to inherit the European Central Bank's interest rate, and a monetary policy geared towards maintaining the success of the

German economy. Much like Greece, Scottish jobs and inflation would be secondary concerns.

But all this assumes that Scotland could meet the convergence criteria of a less than 60% debt to GDP ratio, and reducing the deficit to GDP ratio below 3%. Such a feat is likely to take the Scottish Government years. According to the TaxPayers' Alliance in 2015/16 Scotland had a deficit to GDP ratio of 9.5% – the highest in the EU, twice that of the UK, and even higher than that of Greece. Scotland under the SNP is some way off meeting these targets.

If the timetable remains on track, in two years the United Kingdom will leave the Common Fisheries Policy and Common Agricultural Policy, both of which have caused significant damage to Scotland's fishing and farming communities. It is clear from reading the Scotland Act that competency over rural affairs and fishing, not to mention the environment, business regulation, and transport, rests with the Scottish Parliament.

There can be no doubt that powers and responsibilities returning from Brussels in these areas are going straight to Scotland. The UK Government is committed to this aim, and I am encouraged that it is right, and will happen.

Having already created the most powerful devolved Parliament in the world, Brexit is going to make the Scottish Parliament even more powerful.

It seems extraordinary therefore that a Party which said in its manifesto, and has argued for decades, that it wants more powers for Scotland, is now committed to giving them away. At a time when the SNP could empower the Scottish Parliament, they are preparing the ground for a referendum which would see them giving newly returned powers back to Brussels. It is a bizarre paradox.

Make no mistake, 'independence' would not be on the ballot paper. A vote for the SNP's interpretation of 'independence'



would be a vote to make Scotland less powerful. Scotland would be anything but an 'independent nation', but instead a small separated one with hardly any voice inside the EU and Single Market, while losing access to the UK's Single Market and the trade deals which the UK is seeking to sign with the more prosperous parts of the world.

It is why, following the EU referendum in which pro Leave SNP MPs and MSPs were allegedly 'gagged', Eurosceptic Nationalists are finding their voice. The SNP's former Deputy Leader Jim Sillars has said he would not vote for so-called 'independence' in a second Scottish referendum if it meant re-joining the EU after Brexit. In a recent interview with The Herald newspaper he said he would abstain and believed many SNP supporters would follow suit:

"I do not want to be run by an unelected, self-serving elite... I, for example, could not vote Yes if on the ballot paper it said, 'We wish the Scottish state to be a member of the European Union', and I'm not alone in that... One of the biggest miscalculations by Nicola Sturgeon is to believe that the 1.6m Scots who voted Remain would automatically then vote to go back into the European Union... That means Ruth Davidson, the leader of the Tory party, and all the Tories who voted to Remain, would in fact vote to leave the United Kingdom and take a Scottish state into the European Union. I think that's fantasy."

Jim Sillars is not alone. Survation estimates that 34.9% of surveyed voters who backed the SNP in last year's Holyrood elections voted to leave the EU in the UK-wide referendum, presenting Sturgeon with a difficult conundrum.

As a Leaver, I share Jim Sillars sentiments towards the EU, and as a Unionist I part company with him over 'independence'. But as someone who fought hard in 2014 to preserve our precious 300-year-old Union I believe the UK Government must do all it can to find a new settlement that Scotland and the

Scottish people can be comfortable with; a settlement that has broad support, and longevity.

This is where the second option on the ballot paper can play a significant part in answering the Brexit Question.

–           Staying in an independent Federal UK

This second option should be an invitation to Scottish voters to empower their Parliament through Brexit. Scotland is a divided country so this invitation needs to be open to both Nationalists and Unionists alike. With 45% of voters demonstrating very clearly in 2014 that they are not content with the status quo, it will be hard in the future to maintain the Union without reforming the way that it works for all its people.

The second option needs to say that if it is independence you crave then look no further than the United Kingdom which, having invoked Article 50 on 29th March 2017, is well on the path to regaining hers, and is committed to sharing sovereignty among the family of nations.

The UK constitution has undergone dramatic changes in the last twenty years which has seen the creation of devolution in Scotland, Wales and Northern Ireland, and since then further powers devolved.

The Scottish Parliament is the most powerful devolved parliament in the world. In financial terms, it is more powerful than most federal states with comparative legislatures, including Germany, the United States and Australia.

Brexit presents Scotland with an opportunity to repatriate to existing institutions even more powers over fishing, farming, the environment, business regulations, transport, and the law.

Should Scotland choose this second option she would naturally

keep Sterling and continue to be part of the decision-making process which sets interest rates and determines money supply.

She would be protected by HM Armed Forces, remain a member of the Commonwealth, NATO and have access to the 30 or so trade deals on offer to the UK which amount to roughly 60% of the world's GDP. She would also continue to benefit from the Barnett Formula.

But if Scotland is to benefit from Brexit by staying in the United Kingdom, then others within the family of nations should benefit too by having the same powers and responsibilities.

After years of patchwork reform, we have ended up with a constitutional 'dog's breakfast'; an unfair and unclear system where the West Lothian Question remains unanswered and political and democratic inequality exists between the nations.

In November 2014, the Conservative MP Andrew Rosindell sought to rectify this by introducing a Ten-Minute Rule Bill in the House of Commons to create a federal United Kingdom, with separate parliaments for each of the four nations, leaving the UK Parliament responsible for defence, foreign affairs, national security, and the macroeconomy. Unfortunately, his Bill didn't make progress.

Many nationalists in Scotland however, and not just those who voted Leave, would be attracted by a second option which incorporates this thinking. Federalism would constitutionalise the existing and newly repatriated powers of the Scottish Parliament, and further enhance its role in deciding policies which the governing party believes will directly improve the lives of the Scottish people.

The attraction of the second option to those who up until now have identified themselves as 'Yes' voters is an obvious one, as a federal constitutional arrangement inside the UK is a

more empowering alternative to the emasculating option that separation and EU dependency offers.

## **Brexit and Federalism can save the Union**

In a post-Brexit, independent Federal UK, the new beginning a second option offers would address the problem of our politics being far too centralised, and our country being far too divided.

Federalism would clearly set out in statute the powers and responsibilities of the Governments of each federal state, be it England, Scotland, Wales or Northern Ireland, and of course the principle of pooling resources across the nations of the UK.

There could be no disputes from nationalist governments in the Celtic fringes playing a game of divide and rule with Westminster, and where there might be disputes, these could easily be resolved by The Supreme Court. We would move towards a more harmonious constitutional settlement.

Post-Brexit federalism would see off divisive nationalism and set the glue that would bind us together as one People sharing this new unique island at the centre of the world, and which we all call our home.

David Roach

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