National Assembly for Wales
Research paper

Wales and the Scottish Independence Referendum

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On Thursday, 18 September 2014, a referendum will be held in Scotland on whether it wants to remain part of the UK or become an independent state. The poll represents the most important political decision that Scotland will make in several hundred years, since the existing Acts of Union were passed by the English and Scottish Parliaments in 1707. This paper provides a timeline of the events and political developments that have led to the referendum itself, a summary of the main themes and issues in the referendum campaign so far, and an outline of the impact the referendum result will have on Wales.
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Wales and the Scottish Independence Referendum

1. Introduction

On Thursday, 18 September 2014, a referendum will be held in Scotland on whether it wants to remain part of the UK or become an independent state. The poll represents the most important political decision Scotland will make in several hundred years, since the existing Acts of Union were passed by the English and Scottish Parliaments in 1707.

The referendum is the culmination of a number of political developments since the formation of the first SNP Scottish Government in 2007, and it comes on the back of a historical agreement between the UK and Scottish Governments which allows for a referendum on Scottish secession.

Although Wales will not be directly affected by its result, the referendum is likely to have a significant impact on the Welsh devolutionary settlement and on the current constitutional structures of the UK as a whole. Whatever the outcome, the vote will raise fundamental questions about the future of the UK and the nature of the constitutional settlements in each of its constituent nations.

This paper provides a timeline of the events and political developments that have led up to the referendum itself, a summary of the main themes and issues in the referendum campaign so far, and an outline of the impact the referendum result will have on Wales.
2. Timeline: The road to the referendum

2.1. National Conversation, Calman Commission and the Scotland Act 2012

On 14 August 2007, the recently formed minority SNP Scottish Government published Choosing Scotland’s future: a National Conversation: Independence and responsibility in the modern world. The paper was intended as the first step in promoting a ‘National Conversation’ on Scotland’s constitutional future and included options for constitutional change, which included independence as well as further powers to the Scottish Parliament.

However, the publication of the National Conversation document united the three main pro-Union opposition parties at Holyrood. On 13 August 2007 the BBC reported that the then leaders of Labour, the Conservatives and the Liberal Democrats in the Scottish Parliament, the Rt. Hon Jack McConnell MSP, Annabel Goldie MSP and Nicol Stephen MSP, had ‘issued a joint statement setting out their opposition to government plans for a white paper on an independence referendum’.¹

Discussions between the opposition parties on how to take forward their opposition to the ‘National Conversation’ continued through the autumn of 2007 and on 6 December they instigated a debate in the Scottish Parliament on the following motion, entitled ‘A New Agenda for Scotland’:

That the Parliament, recognising mainstream public opinion in Scotland, supports the establishment of an independently chaired commission to review devolution in Scotland [RS emphasis]; encourages UK Parliamentarians and parties to support this commission also and proposes that the remit of this commission should be:

To review the provisions of the Scotland Act 1998 in the light of experience and to recommend any changes to the present constitutional arrangements that would enable the Scottish Parliament to better serve the people of Scotland, that would improve the financial accountability of the Scottish Parliament and that would continue to secure the position of Scotland within the United Kingdom, and further instructs the Scottish Parliamentary Corporate Body to allocate appropriate resources and funding for this review.²

The motion was carried by 76 votes to 46 votes with three abstentions. It was supported by the Labour, Liberal Democrat and Conservative parties and opposed by the SNP. The two Green Party MSPs and one independent MSP abstained.³

¹ BBC News Independence statement in full 13 August 2007
² A New Agenda for Scotland, S3M-00976, 4 December 2007
³ Further information about the Calman Commission’s establishment can be found in House of Commons Library Standard Note, The Commission on Scottish Devolution – the Calman Commission, 4 June 2010
The UK Government announced its support for the Commission shortly afterwards in January 2008 and on 25 March 2008 the Commission on Scottish Devolution, under the chairmanship of Sir Kenneth Calman (‘the Calman Commission’), was formally announced by the then Secretary of State for Scotland, the Rt. Hon Des Browne MP.¹

The Commission published its final report, *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century*, in June 2009. The report made 63 recommendations. These recommendations, according to Sir Kenneth Calman, were intended to:

... improve the financial accountability of the Scottish Parliament, to improve the distribution of powers and functions, to improve joint working between the Parliaments and Governments and encourage cooperation on shared interests, and to strengthen the operation of the Parliament itself. Taken together, we believe these recommendations will enable devolution to serve the people of Scotland better, while also consolidating Scotland’s important place within the United Kingdom.²

The previous Labour UK Government published a White Paper, *Scotland’s Future in the United Kingdom*, in November 2009, which took forward the Calman Commission’s recommendations and set out plans for a Scotland Bill that would be introduced following the UK General Election in May 2010.


The following year, between February and April 2010, the Scottish Government held a consultation on *Scotland’s Future: Draft Referendum (Scotland) Bill*, which set out legislative proposals for the mechanics of a referendum on independence, including the possibility of offering a multi-option question on the ballot. The consultation document emphasised, however, that:

the referendum will be advisory, in that it will have no legislative effect. However, the Scottish Government would expect the UK and Scottish Parliaments and the respective Governments to listen to the views of the Scottish people and act on them.⁴

The Bill, however, was not introduced in the Scottish Parliament ahead of the parliament’s dissolution at the end of March 2011.

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¹ HC Deb 25 March 2008 cc7-8WS
² Commission on Scottish Devolution, *Message from the Chairman, Sir Kenneth Calman*, 15 June 2009
Following the UK General Election on 6 May 2010, the Conservative – Liberal Democrat coalition’s Programme for Government included a pledge to ‘implement the proposals of the Calman Commission’ in Scotland.\(^8\) This resulted in the introduction of what became the Scotland Act 2012,\(^9\) which received Royal Assent on 1 May 2012. The Act enhances Scotland’s financial and taxation powers by providing the Scottish Parliament with:

- responsibility for setting a Scottish Rate of Income Tax;
- legislative competence over taxation on land transactions and disposals to landfill, along with a mechanism for further devolution of responsibility for taxes in the future;
- new borrowing powers; and
- a Scottish cash reserve to manage fluctuations in devolved tax receipts.

The Act also devolved legislative competence over certain air weapons to the Scottish Parliament and the following executive powers to Scottish Ministers:

- The powers to issue addicts’ licences (i.e. a licence to administer, supply or to authorise the administration or supply of certain controlled drugs to a person addicted to controlled drugs) to doctors acting in Scotland;
- The power to make regulations in relation to the prescribed alcohol limit that applies when driving in Scotland;
- The power to determine the level of certain Scottish national speed limits and the power to make regulations to specify traffic signs to indicate those limits.

\(^8\) Cabinet Office, The Coalition: our programme for government, May 2010, p.28
\(^9\) Scotland Act 2012 (Chapter 11)
2.2. 2011 Scottish Parliament elections

The May 2011 elections produced an outright victory for the SNP, who won 69 of the 129 seats and gave them a majority for the first time in the Scottish Parliament. This enabled the SNP-led Scottish Government to take forward its manifesto commitment to bring forward a Referendum Bill and for a referendum on Scottish independence to take place during the course of the Parliament.

On 25 January 2012, the Scottish Government launched another consultation on a draft Referendum Bill, entitled Your Scotland, Your Referendum. In relation to the referendum question, the paper stated that ‘The Scottish Government’s preference is for a short, direct question about independence’. The paper also, however, sought views on the possible inclusion of a second question on the ballot paper, adding that ‘The Scottish Government has consistently made it clear that it is willing to include a question on further substantial devolution in the referendum’.

The paper also emphasised the Scottish Government’s willingness to:

- work with the UK Government to agree a clarification of the Scotland Act 1998 that would remove their doubts about the competence of the Scottish Parliament and put the referendum effectively beyond legal challenge by the UK Government or any other party.

It also stated that the Scottish Government’s preference would be for the UK Government to bring forward a section 30 Order under the Scotland Act 1998, which would devolve legislative powers to the Scottish Parliament to enable it to bring forward ‘paving’ legislation for the conduct of a referendum. The Scottish Government added that ‘As a matter of democratic principle it is for the Scottish Parliament to decide on the timing and terms of the referendum and the rules under which it is to be conducted’.

The consultation closed on 11 May 2012. A total of 26,219 valid responses were received.

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12 Ibid, paragraph 1.26
13 Ibid, paragraph 1.8
14 Scotland Act 1998 (Chapter 46)
15 Scottish Government, Your Scotland Your Referendum, January 2012, summary
16 Ibid, paragraph 1.9
17 A detailed analysis of the consultation responses received has been published by the Scottish Government, Your Scotland, your referendum: an analysis of consultation responses, 2012
2.3. **Edinburgh Agreement**

On 15 October 2012, the UK and Scottish Governments signed an [Agreement on a referendum on independence for Scotland](#) (also known as the ‘Edinburgh Agreement’). Under the agreement, the UK Government would bring forward a section 30 Order, which would grant the Scottish Parliament powers to bring forward legislation to hold a single question referendum on Scottish independence to be held before the end of 2014. The agreement also paved the way for 16 and 17-year-olds to take part in the ballot and ensured a significant role for the Electoral Commission in advising on the wording of the question, the running of the referendum and overseeing campaign finances.

A memorandum of agreement, a draft Order and a policy note formed part of the Agreement. The subsequent [Scotland Act (Modification of Schedule 5) Order 2013](#) was laid before the UK and Scottish Parliaments on 22 October 2012 and considered and approved by the House of Commons on 15 January 2013 and by the House of Lords on 16 January 2013. The Scottish Parliament approved the Order on 5 December 2012, following consideration by its [Referendum (Scotland) Bill Committee](#). The Order came into force and the powers were formally devolved to the Scottish Parliament on 13 February 2013.

The content of the Edinburgh Agreement and the Order was also considered by the House of Lords’ Constitution Committee, which published a report on 13 November 2012, entitled [The Agreement on a referendum on independence for Scotland](#). The report questioned whether a ‘section 30 Order’ would be robust enough to protect the decision to hold a referendum from legal challenge. The Committee conceded, however, that any challenge would be unlikely to succeed, a fact reiterated subsequent to the report’s publication by some Scottish legal experts.

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18 [The Scotland Act 1998 (Modification of Schedule 5) Order 2013](#) SI 2013/242
19 [HC Deb 15 January 2013 c742](#)
20 [HL Deb 16 January 2013 c694](#)
22 [The Telegraph](#), Lords: Scottish independence referendum deal could be declared 'unlawful', 13 November 2012
23 The Scotsman, [Scottish independence: Single question was 'red line issue' for Westminster – Sturgeon](#), 15 November 2012
2.4. The Referendum Bills

Following the coming into force of the Order, the Scottish Government has introduced the following Bills, which aim to provide a legal framework for the conduct of the referendum:

- **The Scottish Independence Referendum (Franchise) Bill**\(^{24}\) was introduced by the Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities, Nicola Sturgeon MSP, on 11 March 2013. The Bill was passed by the Scottish Parliament on 27 June 2013. It received Royal Assent on 7 August 2013.
- The franchise Bill was followed on 21 March 2013 by the introduction of the **Scottish Independence Referendum Bill**\(^{25}\). The Scottish Parliament agreed to the general principles of the Bill at Stage 1 of the legislative process on 12 September 2013. It is currently at Stage 2 of the legislative process. The Bill is expected to receive Royal Assent later in the year.

Together, these Bills provide that:

- The referendum will take place on 18 September 2014;
- The question on the ballot paper will be ‘*Should Scotland be an independent country?*’;
- The electoral franchise for the referendum will include 16 and 17-year-olds;
- The referendum will be regulated by specific campaign rules as set out in the **Scottish Independence Referendum Bill**, which amend existing referendum campaign rules as set out in the **Political Parties, Elections and Referendums Act 2000**\(^{26}\) (‘the PPERA 2000’) (further information about the referendum campaign rules can be found in the [House of Commons Standard Note: Scottish referendum – campaign rules](https://www.parliament.ukresearchguides/parliamentary-guides/scottish-referendum/1/campaign-rules/)).

These amendments include enabling the Electoral Commission to make a designation on one side of the campaign only, if there is only one suitable organisation. This is in contrast to the campaign rules for the March 2011 referendum on further powers to the Assembly, which, following the PPERA 2000 rules, enabled the Electoral Commission to designate official campaigns only if suitable organisations were found on both sides. This allowed the ‘No’ campaign group ‘True Wales’ not to seek official designation, thus limiting the amount of money the official ‘Yes’ group could spend during the campaign.

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\(^{24}\) [Scottish Independence Referendum (Franchise) Bill](https://www.parliament.uk/researchguides/parliamentary-guides/scottish-referendum/) [as introduced]

\(^{25}\) [Scottish Independence Referendum Bill](https://www.parliament.uk/researchguides/parliamentary-guides/scottish-referendum/) [as introduced]

\(^{26}\) [Political Parties, Elections and Referendums Act 2000](https://www.legislation.gov.uk/ukpga/2000/8) (Chapter 41)
In addition to both Referendum Bills, the Scottish Government has also indicated that it will publish an independence White Paper later in the year, which, according to the Deputy First Minister, Nicola Sturgeon MSP, ‘will help provide the answers for undecided Scots ahead of next year’s referendum’.  

2.5.  Scottish Affairs Committee Inquiry

Since **October 2011**, the House of Commons’ Scottish Affairs Committee has held an inquiry into the **Referendum on Separation for Scotland**. To date, the Committee has published the following eight reports on individual issues relating to the independence debate:

- Eighth Report: *How would Separation affect jobs in the Scottish defence industry?*
- Seventh Report: *Separation shuts shipyards*
- Sixth Report: *The proposed section 30 Order—Can a player also be the referee?*
- Fifth Report: *Terminating Trident—Days or Decades?*
- Fourth Report: *A multi-option question?*
- Third Report: *Making the process legal*
- Second Report: *Do you agree this is a biased question?*
- First Report: *Unanswered Questions*

The inquiry is on-going, with oral evidence still being gathered.

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27 The Scotsman, *Scottish independence: white paper answers vow*, 18 September 2013
3. Referendum campaign: Themes and issues

The most prominent themes and issues in the referendum campaign to date are summarised below, along with details about the official campaign groups and the latest public opinion data.

3.1. The Campaign Groups

‗Yes‘ and ‗No‘ campaign groups for the referendum were established in May and June 2012. It is expected that they will apply to be the designated organisations under the referendum campaign rules. Their details are included below:

- **Yes Scotland** was launched in May 2012. It is chaired by Blair Jenkins, a former head of news and current affairs at BBC Scotland. It is a non-party organisation supported by the SNP, the Scottish Green Party, the Scottish Socialist Party and the Solidarity Party.

- **Better Together** was launched in June 2012. It is chaired by the former Chancellor, the Rt.Hon Alistair Darling MP, and supported by the Scottish unionist parties.

Under the proposed campaign rules, the regulated referendum campaign period will not start until 30 May 2014 - the final 16 week referendum campaign leading up to a referendum. Within this period, the Electoral Commission’s campaign rules will apply, which limit campaign spending as follows:

- The designated organisations, expected to be Yes Scotland and Better Together, will be given a limit of £1.5m each;
- The two main pro-independence parties, the SNP and Scottish Greens, would be allowed to spend £1.49m in total;
- The pro-UK Labour, Conservative and Liberal Democrats have a collective limit of £1.43m;
- Trade unions, business groups and other civic groups will also be able to register as permitted participants in the campaign.29

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28 A bibliography on articles and publications relating to the Scottish independence referendum has been published by the House of Commons Library, *Standard Note: Scotland: Referendum and independence. A select bibliography*, 31 July 2013. The House of Commons Library have also set up a dedicated [Scottish independence section](http://www.parliament.uk/) on their website.

3.2. Public opinion

Recent opinion polls demonstrate that support for independence fluctuates between a quarter and a third, a trend that has not changed since regular polling on constitutional attitudes in Scotland began with the advent of devolution in 1999.30

Since the ballot paper question was agreed in January 2013, a further eight opinion polls have taken place, with the ‘Yes’ side scoring an average of 33 per cent. However, Professor John Curtice of Strathclyde University, writing on the non-partisan website What Scotland Thinks, stated that:

This headline figure is misleading. The remaining two-thirds of Scots are not all against independence. In all of the polls there is a not inconsiderable group of ‘Don’t Knows’, ranging from 10% in an Ipsos-MORI poll conducted at the beginning of May to 20% in a Panelbase poll undertaken later that same month. (Ipsos-MORI’s figure is low because their headline figures are based only on those who say they are certain to vote, a group that, unsurprisingly, is more likely to have a view on the subject.)

To see the referendum outcome to which the polls are really pointing, we need to take out the ‘Don’t Knows’ and calculate what percentage of those with a stated view say they will vote Yes, and what proportion, No. This, after all, is standard practice when it comes to Holyrood or Westminster vote intentions – and our poll explorer enables you to see what the results are when calculated in that way. Doing so reveals that the average Yes vote is not 33% but 39% (with 61% saying No). Rather than being two to one behind, the Yes side is seemingly more like three to two behind.

Moreover, the polls do not all agree with each other. One company, Panelbase, has persistently painted a brighter picture for the Yes side than everyone else. Panelbase’s average rating for the Yes side – once the Don’t Knows are taken out – is 44%. Everyone else’s, in contrast, is just 37%.31

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30 BBC News, Q&A: Scottish independence referendum, 15 October 2012
31 What Scotland Thinks, Yes are behind – but how far? 19 June 2013
3.3. **Economy, Currency and North Sea Oil**

To date, the Scottish Government has published findings in a number of papers, which outline how independence could affect the Scottish economy and the changes required to Scotland's current macroeconomic infrastructure in the event of independence.

In February 2013, the Scottish Government’s [Fiscal Commission Working Group](#) (itself a sub-group of the Scottish Government’s [Council of Economic Advisers](#)) published a [Macroeconomic Framework](#), which outlined a proposed macroeconomic model for an independent Scotland, the main features of which would include:

- **A Monetary union** with the rest of the UK through the creation of a ‘Sterling Zone’, with the Bank of England to remain as Scotland’s Central Bank with formal Scottish Government input into its governance and remit as explicit shareholder.
- Scotland becoming responsible for all financial regulation – significantly driven by EU regulations and directives.
- Scotland gaining control over all taxes, including full revenue and expenditure autonomy (thus gaining full economic sovereignty).
- Scotland gaining full membership and representation of international financial organisations.

The Scottish Government responded to the Working Group’s report shortly afterwards in April 2013 in a paper entitled [Currency Choices for an Independent Scotland](#). In relation to the proposed monetary union with the rest of the UK, the paper agreed with the Fiscal Commission Working Group’s findings, concluding that:

> Agreeing a formal currency union would provide a workable currency from day one of independence. It will ensure that both future Scottish and UK Governments are able to use the economic levers of independence to secure growth for their respective countries - something which cannot happen under the status quo, whilst also securing benefits for both countries in terms of trade and competition and seeing both countries play a part in securing the future financial stability of the Sterling Zone monetary union.  

The Scottish Government accepted, however, that the nature of any framework will be subject to negotiation, and called ‘on the UK Government to enter into dialogue to work-up the detail of such a framework that will be attractive to both Scotland and the UK’.  

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33 Ibid
Further Scottish Government findings on how the Scottish economy would operate in the event of independence were included in a subsequent paper, *Scotland’s Economy: the case for independence*, which was published in May 2013. The document provided an analysis of the Scottish economy including details of how additional levers in the event of independence could potentially enhance its performance. In launching the paper, the First Minister said that it offered a consolidated picture of the country’s financial foundations and proved that Scotland can ‘more than afford’ to be a successful independent country.

This was followed on 23 July 2013 by the publication of a Scottish Government paper, entitled *Maximising the return from oil and gas in an independent Scotland*, which sets out the Scottish Government’s plans for the oil and gas industries in the event of independence. The paper stresses that there are no plans to raise the sector’s overall tax burden and also confirmed the Scottish Government’s intention to establish an expert commission to develop the proposals outlined in the paper. The paper states that:

The Oil and Gas Expert Commission will build upon the approach and overarching principles set out in this paper, and provide advice on the technical application of the policy framework, which would underpin Scottish government policy in an independent Scotland.

In response to this approach, the Chancellor, the Rt. Hon George Osborne MP, stated in a speech to the Offshore Europe Conference in Aberdeen on 3 September 2013 that:

As part of the UK, Scotland doesn’t have to cope with the challenge of managing volatile oil revenues. This is no small challenge – Scottish tax revenues from oil can fluctuate from year to year from £2 billion to £12 billion. They are the most volatile tax revenues that exist. Finance ministries are always at risk of being over optimistic about how much revenue they’re going to get in … So when you hear big numbers bandied about that aren’t impartial, and it sounds too good to be true – it probably is.

He added:

The UK government can provide the oil and gas industry with a long-term commitment to decommissioning relief. This commitment represents around 1 per cent of UK GDP. It would represent around 12 per cent of Scottish GDP. It’s for the Scottish government to explain how they would pay for that.
In contrast to the Scottish Government’s publication, the UK Government has also produced a series of papers summarising its own findings on the economic impact of Scottish independence. On 23 April 2013, HM Treasury published *Scotland analysis: Currency and Monetary Policy*, which concluded that the case for agreeing to a currency union was ‘not clear’ and that an independent Scotland would have to accept ‘significant policy constraints’ under such an agreement.\(^{40}\) In a speech accompanying the document’s publication, the Chancellor added that there would be no guarantee that the UK and Scotland would be able to come to an agreement on a currency union.\(^{41}\)

In May 2013, HM Treasury published a further document, entitled *Scotland analysis: Financial services and banking*, which claimed that thousands of Scottish banking and finance jobs could shift to England after independence because major Scottish finance firms would want to chase much larger markets in England.\(^{42}\) The paper also claimed that an independent Scotland could have ‘significant difficulties’ providing protection for savers and raised concerns about the future of mortgage products, car insurance, pension funds and the usability for Scottish consumers of price comparison websites.\(^{43}\)

The House of Lords Select Committee on Economic Affairs has also conducted an inquiry into the economic implications for the United Kingdom of Scottish independence and published a report on its findings on 10 April 2013. The report called on both the UK and Scottish Governments to be ‘more open’ about what happens after the independence vote, and said that they should publish ‘red lines’ on issues such as currency, defence, division of assets and debt, and membership of the EU.\(^{44}\)

\(^{40}\) BBC News, *Scottish independence: Osborne says currency plans 'dive into uncharted waters'*; 23 April 2013
\(^{41}\) Ibid
\(^{42}\) The Guardian, *Scottish independence could threaten thousands of banking jobs*, 20 May 2013
\(^{43}\) BBC News, *Scottish independence: Treasury claims savers would not be protected*, 20 May 2013
\(^{44}\) BBC News, *Scottish independence: Lords' committee calls for debate clarity*, 10 April 2013
3.4. **Energy**

In **February 2013**, the Scottish Government issued a paper on *Economic and competition regulation in an independent Scotland*, which argued that an independent Scotland could simplify the regulatory landscape ‘to one that is more appropriate for a country of Scotland’s size, by bringing together these functions to form a combined economic and competition regulator’.

The paper was followed on **7 July 2013**, by the creation of an **Expert Commission on energy regulation in an independent Scotland** by the Scottish Energy Minister, Fergus Ewing MSP. The Commission aims to build on the Scottish Government’s February 2013 paper and, in doing so, consider the following issues:

- The role of a Scottish Regulator
- The role of market mechanisms in ensuring an independent Scotland can participate efficiently in an integrated GB-market
- How a new strategic energy partnership with the UK will operate
- Options for an optimal policy and regulatory environment to support renewables, innovation and the supply chain
- Options for the enhancing the promotion of fairer energy prices to address fuel poverty and improve energy efficiency.

The Commission aims to produce a report by the end of 2013.

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The case against Scotland gaining independence on energy grounds was set out by the Secretary of State for Energy and Climate Change, the Rt. Hon Ed Davey MP in a speech to a conference in Edinburgh on 11 December 2012. He told delegates that there were five key arguments in favour of retaining the union when it came to energy matters:

First, I believe that it is precisely because Scotland is part of the GB energy market and part of the United Kingdom that its energy industry has been able to flourish …

Second, the need to match energy supply and demand requires the sophisticated networks and diverse sources that we have across the whole UK this will be critical as Scotland brings on increasing levels of intermittent renewables generation, such as wind, which will need to be balanced by other forms of generation …

Third, the billions of pounds of investment in Scottish infrastructure that I’ve mentioned must be paid for. Under our current approach we spread this cost across the UK on the grounds that the whole of the UK benefits from the energy produced and the contribution to our renewables targets …

Fourth, Scottish consumers benefit from the integration of our markets …

Fifth, the single market has overwhelming support from industry. Its continuation is one their primary concerns and I noted with interest the figures published last week by Ipsos MORI that found that 72 per cent of businesses felt independence would have a negative impact.47

3.5.  **Defence and Trident**

On 25 July 2013, the First Minister, the Rt. Hon Alex Salmond MSP, made a speech outlining how an independent Scotland would approach matters relating to defence. He stated that ‘Independence will allow Scotland to devise more appropriate capabilities – based on our modern needs and those of our neighbours and allies’ and that Scotland ‘will no longer be tied to UK policies which are overwhelmingly rejected by most people in Scotland’. He added in particular that:

> It is inconceivable that an independent Scotland would have taken part in the illegal and costly invasion of Iraq – costly not just in terms of money, but in terms of human life. And an independent Scotland will no longer keep Europe’s largest concentration of weapons of mass destruction within 30 miles of our largest city.

The First Minister’s speech also reaffirmed a commitment that an independent Scotland would remain part of a wider defence union as a non-nuclear member of NATO. This would entail disarming and removing the **Trident nuclear missiles**, which are currently held at the Faslane naval base on Gare Loch.

The First Minister’s position of banning nuclear weapons while joining NATO was also questioned by the Secretary of State for Scotland, the Rt. Hon Michael Moore MP, who said it was ‘absolutely clear’ that Scotland would have to accept that NATO was a nuclear alliance as a precondition of membership and that it would be an ‘extraordinarily difficult thing to do’. UK and Scottish Ministers have also disagreed on which government would pay for the removal of the Trident nuclear weapons in the event of independence.

Trident has also been the subject of a report, *Terminating Trident – Days or Decades?*, which was published by the House of Commons Scottish Affairs Committee on 25 October 2012 as part of its on-going inquiry into the referendum on separation for Scotland.

In terms of formulating defence policy, the First Minister also emphasised that a future independent Scottish Government ‘should work with Parliament to reach a consensus on Scotland’s defence strategy’ that would ‘build on the example of the cross-party Danish Defence Commissions’. In a speech on 16 January 2013, the First Minister also suggested that a written constitution for an independent Scotland could encompass issues relating to nuclear weapons and the use of Scotland’s armed forces in future conflicts (further information about the

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49 Ibid
50 Ibid
51 The Guardian, *Alex Salmond told nuclear ban out of line with being in Nato*, 15 August 2013
52 BBC News, *Scottish independence: Ministers at odds over Trident removal costs*, 2 July 2013
proposed written constitution for an independent Scotland is included in section 3.6 below):

Scotland is currently the home of Western Europe’s largest concentration of weapons of mass destruction. They are based on the River Clyde, within 30 miles of Scotland’s largest city. A constitutional ban on the possession of nuclear weapons would end that obscenity.

And thirdly, is the issue of the use of our armed forces and what constitutional safeguards should be established for the use of Scottish troops. This is of great and recent relevance. In 2003, the Westminster Parliament was effectively misled into sanctioning the illegal invasion of Iraq. We should therefore explore what parliamentary and constitutional safeguards should be established for the use of Scottish forces.54

The UK Government’s position on the defence implications of Scottish independence is outlined in its written evidence to the House of Commons’ Defence Committee, published on 17 October 2012. Commenting on the evidence’s publication, the Secretary of State for Defence, the Rt. Hon Philip Hammond MP, outlined the defence benefits of Scotland’s continued membership of the UK:

As part of the UK, Scotland benefits from high levels of protection and security provided by the UK’s sophisticated defence capabilities, including highly capable, well equipped and well supported armed forces. The UK also has a strong network of alliances and relationships, which, together with our defence capabilities, ensure national security and resilience, protecting our people, economy, infrastructure, territory and way of life. They help to shape a stable world through actions beyond our borders to reduce the likelihood of risks affecting the UK or our direct interests overseas.55

He added that Scotland:

...is home to major Navy, Army and RAF bases and other key facilities. Scots and Scottish-recruited units are an integral part of the UK armed forces. And the defence industry in Scotland, including its shipbuilding industry, plays a key role in equipping and supporting the UK armed forces.56

The House of Commons’ Defence Committee’s final evidence session relating to its inquiry was held on 2 July 2013. The Committee has not yet published its report.
3.6. **Written constitution**

In a speech to the Foreign Press Association in London on **16 January 2013**, the Scottish First Minister stated that:

Following a yes vote in 2014, the first independent Scottish parliament will be elected in May 2016. One of the first, most fundamental and exciting tasks of that parliament will be to establish the process for Scotland’s first written constitution through a constitutional convention …

We will make it one of the first duties of the parliament of an independent Scotland to establish a convention to draw up that written constitution. And we will return to our older constitutional tradition of the people’s sovereignty, by making sure the people are directly involved in that process.⁵⁷

He added that the ‘Scottish Government has specific proposals about some of the measures which could be included in a written constitution’ and outlined three examples that could be considered by a future Scottish Constitutional Convention:

At the moment, the UK Government’s austerity measures and welfare cuts are raising questions about how people’s rights to vital social services can be protected. In Scotland we have a policy of the right to **free education** in keeping with our history as the nation which pioneered universal education. We also have **homelessness** legislation which is proving effective by granting rights to people who are made involuntarily homeless. **There is an argument for embedding those provisions as constitutional rights.**⁵⁸

The First Minister’s speech was followed in **February 2013** by the publication of *Scotland’s Future: from the Referendum to Independence and a Written Constitution* by the Scottish Government. The document in particular outlines a process for creating a written constitution should Scotland vote in favour of independence. It states that:

The Scottish Government’s proposal is that an independent Scotland should have a written constitution which expresses our values, embeds the rights of its citizens and sets out clearly how institutions of state interact with each other and serve the people. This will contrast with the UK’s largely unwritten constitution in which the Westminster Parliament can do anything except bind its successors.⁵⁹

It adds that ‘The process by which Scotland adopts a written constitution is almost as important’ and that:

The Scottish Government proposes that a newly elected independent Scottish Parliament should convene a constitutional convention to draft the written constitution.⁶⁰

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⁵⁸ Ibid
⁵⁹ Scottish Government, *Scotland’s Future: from the Referendum to Independence and a Written Constitution*, February 2013, paragraph 1.4
⁶⁰ Ibid, paragraph 1.7
The BBC reported on 8 March 2013 that the Deputy First Minister, Nicola Sturgeon MSP, had told a local authority conference that a new written constitution would also enshrine the rights of Scottish councils. She was reported as saying that:

I can announce today we will also argue for Scotland’s constitution to guarantee the status and rights of local government. The role of Scottish local authorities should be entrenched in a written constitution; a democratic settlement that only independence offers. Such constitutional protection is mainstream in developed democracies such as Germany, Denmark and Sweden.\(^{61}\)

Calls for a written constitution in the event of a ‘no’ vote in the referendum were also made by the former Prime Minister, the Rt. Hon Gordon Brown MP, at a meeting of the ‘United with Labour’ group in Glasgow on 2 September 2013. He told delegates that:

We pool and share resources and we do so so that we have equal economic, social and political rights for working people, for pensioners, for people in need of healthcare or unemployed people in need of a job, throughout the whole of the United Kingdom.

I believe we should write this into the constitution, for the first time making it explicit that the purpose of the Union is not just defence security, is not just trading relationships, but to pool and share our resources for the benefit of working people, the elderly, children and families, in all parts of the United Kingdom.

I believe it makes sense now, and is something we should have done in government, to write down in British law, that the purpose of the Union is to achieve these goals. I would also write in the British constitution that the Scottish Parliament is permanent, irreversible and indissoluble.\(^{62}\)

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\(^{61}\) BBC News, *Scottish independence: Clash over Scottish constitution*, 8 March 2013
3.7. European Union membership

On 26 February 2013, the Scottish Deputy First Minister, Nicola Sturgeon MSP, confirmed that she would seek to negotiate the continued membership of Scotland in the EU in the event of independence, stating that:

By March 2016, we would have agreed necessary transitional arrangements with the UK Government and we would have established a constitutional platform for independence. We also expect that Scotland’s independence would have been accepted by the international community, and that agreement would have been obtained for our continued membership of the European Union. 63

She added, however, that:

the Scottish Government does not take the process of EU membership for granted. We understand that it is essential to respect the legitimacy of existing EU treaties. We also understand that our continued membership will require negotiations, and the agreement of other nations. 64

In relation to such negotiations, the Deputy First Minister stated that the Scottish Government had already been in correspondence with the European Commission about Scotland’s continuing membership of the EU in the event of a ‘yes’ vote, and confirmed that ‘the Commission has made clear that it will only give a detailed opinion if presented with a ‘precise scenario’ by an EU member state’. 65

She added that:

We consider that it is possible to prepare and publish a “precise scenario” that will provide the European Commission with the information it needs to consider Scotland’s intention to remain in the EU after independence, and we continue to call on the UK government - as existing member state - to join with us in making such a submission. 66

Shortly before the Deputy First Minister’s speech, on 12 February 2013, the UK Government published its findings on the impact that independence would have on Scotland’s membership of the EU. The paper, Scotland analysis: Devolution and the impact of Scottish independence, also included detailed legal opinion from Professor James Crawford and Professor Alan Boyle on the legal status of an independent Scotland and the remainder of the UK in international law. In relation to EU membership, the legal opinion states that ‘it is difficult to see how Scotland could evade the accession process for new states in the EU Treaties’. 67 The paper adds that this would involve the following processes:

63 Scottish Government, Deputy First Minister Nicola Sturgeon, Scotland’s relationship with Europe, European Policy Centre, Brussels, 26 February 2013
64 Ibid
65 Ibid
66 Scottish Government, Deputy First Minister Nicola Sturgeon, Scotland’s relationship with Europe, European Policy Centre, Brussels, 26 February 2013
67 Ibid
According to Article 49 of the Treaty of the European Union, new states need to apply for membership, obtain unanimous support of the European Council for this request and have membership approved through an accession treaty, ratified by the parliaments of all the Member States.68

In an earlier speech on 11 December 2012, the Secretary of State for Energy and Climate Change, the Rt. Hon Ed Davey MP, argued that the Scottish Government would not be able to give guarantees on the terms of EU membership for an independent Scotland, adding that:

The ramifications of this are huge on a whole range of matters - currency, subsidies, the rebate, border controls - and it cannot be assumed that Scotland would simply keep hard-won concessions negotiated by the UK.69

Further information about the debate surrounding Scottish independence and EU membership is included in the House of Commons Library Standard Note on Scotland, independence and the EU, published in November 2011.

68 Ibid, paragraph 3.15
3.8. A social union?

A vote in favour of Scottish independence would naturally entail Scotland leaving the UK and taking responsibility for all its own matters (relating to both domestic and foreign policy). The Scottish First Minister has, however, indicated certain ‘areas of common interest’ between Scotland and the UK ‘that will endure after independence’. In addition to a currency/monetary union, he stated that such areas could cover:

- a shared monarchy;
- shared broadcasting arrangements; and
- shared defence and customs (e.g. common island borders).

The Scottish Government has also expressed support for the possibility of dual citizenship, meaning that Scottish citizens would be able to retain a British passport post-independence. The UK Government currently does not exclude dual nationality for those holding citizenship of any other country.

3.9. Consequences of a ‘No’ vote: other constitutional options

According to Professor James Mitchell of the University of Edinburgh, ‘evidence consistently shows that Scottish opinion favours more powers for Holyrood short of independence’ even though this option will not be on offer in October 2014. He argues as a result that a ‘no’ vote is unlikely to ‘bring finality to the debate’. Professor Stephen Tierney, also of the University of Edinburgh, made similar remarks:

We do not know yet how the referendum on independence will go in 2014, but in the more likely event of a ‘No’ vote, we might anticipate not the end of the devolution story but rather the beginning of a new chapter in the constitutional realignment of the British unions.

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70 The Guardian, Alex Salmond’s Hugo Young lecture – full text, 25 January 2012
71 The Scotsman, Scottish Independence: Key questions answered, 26 July 2013
72 The Guardian, The Scottish independence referendum will not offer what most Scots want, 15 October 2012
73 Ibid
As a result of this, Professor Mitchell believes that a number of possible models of devolution could be looked at to meet Scottish demands in the event of a ‘no’ vote in the referendum:

More powers includes a bewildering array of underdefined options advocated by a wide range of individuals and groups. The think tank Reform Scotland proposes “Devo+”, the Liberal Democrats are due to report on a federal solution, the Labour party has set up a commission to look again at devolution, and Scottish trade unionists have been engaged in serious debates on the powers needed to redistribute wealth and protect services in Scotland.⁷⁵

Some of these options are summarised below:

- **Status quo (i.e. following changes made by the Scotland Act 2012):** This would involve no change to the current settlement, with the continuation of the current reserved powers model outlined in the *Scotland Act 1998* plus limited tax devolution and the conferral of legislative and executive powers in certain subject areas (air weapons, addicts licences, national speed limits) provided by the *Scotland Act 2012*.

- **Devo Plus:** This option is mainly associated with the think tank ‘Reform Scotland’ which has set up a Devo Plus cross-party group. According to the website, Devo-Plus would involve the Scottish Parliament, as far as possible, raising most of the money it spends. According to its website, this would include the devolution of income and corporation tax to the Scottish Parliament, while National Insurance and VAT would remain reserved matters at Westminster.⁷⁶ Defence, pensions and foreign affairs would also remain at the UK level. According to the commentator Alan Trench (writing in March 2012), this option is by now ‘the new unionist alternative to Calman and independence’.⁷⁷

- **Devolution Max:** This option would probably entail full fiscal autonomy (i.e. Scotland being responsible for raising and spending its money, with a share paid to the UK Government for common UK services such as defence). The UK as a result would retain responsibility for currency and monetary policy in addition to defence and foreign affairs. None of the unionist parties currently favours this approach.

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⁷⁵ The Guardian, *The Scottish independence referendum will not offer what most Scots want*, 15 October 2012
⁷⁶ Devo Plus, *What is Devo Plus?*
⁷⁷ Alan Trench, *Intergovernmental relations and Scotland’s constitutional debates: Presentation by Alan Trench for seminar on “Scotland’s Constitutional Future”,* University of Edinburgh, 16 March 2012
4. Implications for Wales

Should Scotland vote for independence it would have a significant impact on Wales and the remaining parts of the UK. This is largely because a residual UK would be dominated both territorially and on the basis of population by England. The First Minister, the Rt. Hon Carwyn Jones AM, stated on 8 November 2012 that he would 'enormously regret any decision by the Scots to opt for independence', adding that:

A UK without the Scots would be thrown out of balance. England would constitute nearly 92 per cent of the population of the new state, leaving Wales and Northern Ireland with the remaining 8 per cent.78

He also suggested that a residual UK would be ‘unbalanced politically’ and would weaken the Welsh voice at the UK level:

.. at present we share with the Scots an approach to economic and social policy questions which is broadly social democratic/communitarian in its ethos, whereas the inclination of the current UK Government is for more market-based approaches as far as England is concerned. Losing the Scots would significantly weaken Wales in these debates.79

Scottish independence would also raise fundamental issues relating to the current Welsh devolutionary settlement. These could encompass the following areas:

- The way in which Wales is funded, particularly as some may argue that the Barnett Formula has historically preserved Scotland’s advantage over England (and Wales);
- The mechanisms for intergovernmental and inter-parliamentary relations, particularly how a new Joint Ministerial Council would operate and whether the memberships of the British-Irish Council or the British-Irish Parliamentary Assembly would need to be altered;
- The representation of Wales and Northern Ireland at the residual UK/English level, for example in relation to the make-up of the House of Commons and the House of Lords; and
- Certain practical considerations such as the official name of the new residual state and the design of a new flag.

78 Wales Online, *In full: First Minister’s lecture to the LSE on the future of the Union*, 8 November 2012
79 Ibid
These issues may therefore also undermine the recommendations of both the ongoing *Silk Commission* and the recent *Mckay Commission*, as a vote in favour of Scottish independence would require a fundamental change to the UK’s constitutional structures. This issue has already been acknowledged by the Welsh Government, which stated in January 2012 that an independent Scotland would lead to 'a radical reconsideration of Wales' constitutional relationships within a restructured United Kingdom'.

In the event of a 'no' vote, however, the Welsh settlement may still be subject to change in order to address existing constitutional anomalies and problems across the UK. According to Professor Stephen Tierney:

> It is widely perceived that the devolution settlement for Scotland, and indeed for Wales and Northern Ireland, is unsatisfactory in that the role of devolved governments in central decision-making through a properly formalised system of inter-governmental relations is potentially a longer-term problem. Scope remains for enduring problems based upon the institutional design of the system stemming from what is essentially the ad hoc, or some might say incomplete, nature of the settlement.

> … the result is that there is not a formalised, and legally protected, set of mechanisms in place for occasions where serious competence disputes arise. Instead, institutions operate largely at the behest of the centre, and therefore depend upon the goodwill of the central Government and Parliament for their continuation. We see this in the informal arrangements for inter-executive co-operation. But in addition, the potential for tensions to be exacerbated is also evident at the level of inter-parliamentary relations between the Scottish Parliament and Westminster.

According to the First Minister, such problems could be overcome by making ‘devolution less of a process and more of an event’, adding that:

> Once the Scottish referendum is out of the way, I want to see reforms which complement one another, reforms which viewed together create the coherent constitution which the UK currently lacks.

The First Minister also said that he wanted to see a written constitution for the UK, which would ‘guarantee the continuing existence of all of the devolved legislatures as permanent features of the Union, unless they themselves agree to their own abolition’. He also reiterated calls made previously to establish a constitutional convention for the future of the UK to look into developing such a constitution.

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82 BBC News, *Wales' first minister calls for end to devolution tinkering*, 17 September 2013  
83 Ibid  
84 Wales Online, *Carwyn Jones calls on UK Government to create 'binding, durable settlement' with Wales*, 17 September 2013  
85 These include: Wales and the *Future of the United Kingdom* (30 March 2012); *Constitutional Convention for the UK?* (12 July 2012); *Written and oral evidence to the House of Commons' Political and Constitutional Reform Committee* (6 August 2012); *Future of the Union* (8 November 2012)
The idea of a UK-wide convention has been supported by the Prime Minister, the Rt. Hon David Cameron MP, the leader of the Scottish Conservatives, Ruth Davidson MSP, and the constitutional academic, Professor Vernon Bogdanor, who stated in March 2013 that:

> The future of Scotland should not be seen in isolation from that of the rest of the UK. The need, therefore, is for a UK-wide constitutional convention, with popular participation, to consider both how devolution can evolve in the non-English parts of the United Kingdom, but also how the English can be better governed even in the absence of an "answer" to the English question. Such a convention would strengthen the unity of the UK.

The House of Commons’ Political and Constitutional Reform Committee recently held an inquiry into whether a UK constitutional convention is required. In his written evidence to the Committee in **August 2012**, the First Minister stated that:

> The driving force for me is the developing constitutional debate in Scotland. Those of us who are committed to the UK cannot pretend that, if Scotland goes, the remaining truncated Union could simply carry on as before. In reality, a great deal would have changed and the long-term consequences might be profound. So, rather than simply allow events in Scotland to unfold, and to react passively to whatever happens when it happens, I believe that political and civil society across the UK should be talking now about what kind of UK we want to see.

According to the First Minister, a convention should consider the following issues, which would provide a new basis for a renewed UK that is politically diverse, looser, and combines several centres of democratic accountability:

- That the four nations of the UK should have equal membership of a **reformed House of Lords on a territorial basis**;
- That a **revised way of dealing with EU business** should be developed so that the interests of the devolved nations are taken into account at meetings of the Council of Ministers (dubbed the ‘Bridgend Question’ by the First Minister); and
- That the UK state should be underpinned by a **written constitution**.

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86 The Telegraph, *Tories back new UK constitutional settlement*, 5 October 2012
88 House of Commons Political and Constitutional Reform Committee, *Written evidence submitted by the Rt Hon Carwyn Jones AM, First Minister of Wales*, 16 June 2012
89 House of Commons Political and Constitutional Reform Committee, *Written evidence submitted by the Rt Hon Carwyn Jones AM, First Minister of Wales*, 16 June 2012
The Committee published its report on 28 March 2013. The report concluded that 'there is some argument for a convention to look at the future constitutional structure of the UK’⁹⁰ but felt that:

the English Question—the fact that England, unlike the other parts of the Union, is still governed centrally, and, outside London, does not have its own devolved settlement—must be addressed first.⁹¹

Calls for the UK to be ‘rejuvenated’ by adopting federal arrangements and structures have also been made by the Deputy Presiding Officer of the Assembly, David Melding AM.⁹² The Vice-Chairman of the Conservative Party, Michael Fabricant MP, has called for a new Act of Union between England, Wales, Scotland and Northern Ireland 'to replace a clumsy, often incomprehensible system of differing powers with one that offers the same rights to all’.⁹³

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⁹⁰ House of Commons, Political and Constitutional Reform Committee, *Do we need a constitutional convention for the UK?*, Fourth Report of Session 2012-13, 28 March 2013, paragraph 112
⁹¹ Ibid, paragraph 113
⁹² Click on Wales, *The Reformed Union: A British Federation*, Chapter 3: Political institutions in a British federation, 20 February 2012
⁹³ The Telegraph, *England’s grievances would be addressed by a new Act of Union*, 22 August 2013