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# THE WAY FORWARD



## What is Labour's Vision for the future of Scotland?

The result of the General Election has once again left many asking what, if any, future the Labour Party has in Scotland. The constitution continues to dominate Scottish politics and Labour continues to find itself squeezed between the SNP, who want independence, and the Tories and Liberals, who want no change and want to continue with the current status quo.

The Scottish Labour Party has continued to make the case against independence but has not been able to articulate fully what it stands for.

The Scottish Labour leader, Richard Leonard, has said he wants a discussion with all members on the future of Scotland. It is worth remembering that it was the Labour Party who delivered the Scottish Parliament with the intention of it being a driving force for social and economic change in Scotland.

Sadly, the focus in recent years has been more about division and constitutional change and less about social and economic change. However, we have to face the fact that despite the massive failings of the current SNP Government across most areas of public service; they continue to get the largest share of the votes and seats. The country is split and the SNP enjoys the support of those who support independence regardless of their performance in government and this will continue as long as the constitution dominates people's voting intention.

Labour in Scotland must therefore come to a position on our policies and vision for the future of Scotland. I don't believe we can stand alongside the Tories and Liberals saying no change - as it is clear to most that the current Westminster settlement is alienating a majority in Scotland. I also do not believe that independence would be in our best interests and indeed it is my view that it would result in decades of cuts in public services, job losses and a move towards an increasingly low-paid low-skilled economy.

I have set out some of the issues in this leaflet along with links to further information and reading. I believe the Labour Party must engage with members and agree a settled view on the way forward and take that view to the people of Scotland. I am also happy to join members to discuss these issues at any meetings.



# THE GROWTH COMMISSION AND THE ECONOMICS OF INDEPENDENCE



The Sustainable Growth Commission was established by Nicola Sturgeon in September 2016 with the purpose of providing the economic case for an independent Scotland. Its remit included assessing projections for Scotland's economy and public finances post-independence, as well as examining the range of transitional costs associated with any departure from the UK. The membership of the commission was at the First Minister's invitation under the Chairmanship of Andrew Wilson, a former SNP MSP and founding partner of the PR firm Charlotte Street Partners.

The final report set out 50 recommendations on a range of economic topics and was published in May 2018 and officially adopted as SNP policy in April 2019.

The Commission Report calls itself "a strategy for inter-generational economic renaissance" however, this in reality is nothing more than a fancy way of endorsing the current ongoing status quo politics of austerity. Is it not telling by the fact that the commission did not meet with any trade unions during its process? Or the fact that it uses terms like "flexicurity" when talking about labour markets? Or the commitment to match the UK in its corporation tax levels? Inter-generational economic renaissance looks like business as usual politics where working people are overlooked in the drive for economic growth.

For example, the report acknowledges at the outset that an independent Scotland would cost around the £450m mark to set up and commits to an independent Scotland paying its share of the UK's existing national debt amounting to an "Annual Solidarity Payment" of £5bn a year. On top of this, it recognises that an independent Scotland would start out with an annual budget deficit of just under 6%. For comparison, the current UK deficit is 2.3%. The plan is to reduce the projected unsustainable deficit rate, over a 10 year period, to a rate of just under 3% of GDP per year. This approach would see spending on public services and benefits fall by about 4% of GDP over that decade, in other words, not only more cuts, but larger cuts than we have already seen over the past number of years.

It also raises the question again of Scottish membership of the European Union. The SNP are presenting the Scottish public with the idea of an independent Scotland within the EU. However, EU entry requirements state that Government deficit must not exceed 3% of GDP. So what happens to Scotland in the SNP envisaged decade that it will take to reduce the deficit of a newly independent Scottish state?

Further to all this, the mantra of "deficit reduction" is nothing more than the politics of austerity. We know the politics of austerity don't work. Austerity drives up poverty and damages our public services. Is the vision of an independent Scotland one where we are trapped in austerity for at least a decade worth it? Independence will not in itself tackle poverty and inequality, properly fund public services or redistribute economic power. Indeed, if the Growth Commission is anything to go by, these key issues of remodeling our society for the better will be made worse.

## Further Reading:

**To read the Growth Commission visit:** [www.sustainablegrowthcommission.scot](http://www.sustainablegrowthcommission.scot)


**For analysis by the Fraser of Allander Institute visit:** [www.fraserofallander.org/scottish-economy/fiscal-policy/some-early-thoughts-on-the-sustainable-growth-commission-report/](http://www.fraserofallander.org/scottish-economy/fiscal-policy/some-early-thoughts-on-the-sustainable-growth-commission-report/)

**For analysis by the IFS visit:** [www.ifs.org.uk/publications/13072](http://www.ifs.org.uk/publications/13072)

**Article by Commonsense:** [www.commonspace.scot/articles/13060/na-ve-growth-commission-policies-won-t-improve-scottish-growth-or-productivity-pro](http://www.commonspace.scot/articles/13060/na-ve-growth-commission-policies-won-t-improve-scottish-growth-or-productivity-pro)



# THE QUESTION OF A SECOND INDEPENDENCE REFERENDUM



The SNP has called for a second independence referendum to be held in 2020. Labour has opposed this and made clear that first, there is no majority in Scotland calling for a referendum this year and second it is our view it would be impossible to set out a clear proposition in the middle of the Brexit negotiations. The SNP say they want independence in Europe but what would that mean for the relationship with England? It would almost certainly mean a hard border and tariffs on goods and services with our largest trading partner.

I don't think the SNP are actually serious about a referendum in 2020. I take the view they knew the Johnson Government would say no and they want to use that to build more division and resentment which in turn will build more support for independence as well as making the 2021 Scottish Parliament election a referendum on the right of Scotland to decide its own future.

What is clear is that Nicola Sturgeon does not want the 2021 election to be a referendum on the performance of her government. If it were a referendum on the performance of the SNP Government, on education, health and social care and the economy then she would be out of government.

There are those within the Scottish Labour group who want us to rule out any referendum for the foreseeable future. This would put us alongside the Tories and Illiberal Liberals and would play direct into the hands of Nicola Sturgeon.

For me the issue of a second referendum is a deliberate deflection tactic for the reasons set out above and because the SNP do not actually want to engage in a serious discussion on what is the best way forward for Scotland. We must stop fighting over process and create a debate on the substantive issues surrounding both independence and the other options for Scotland moving forward.

And, we must never forget it was a UK Labour government that delivered devolution for Scotland 20 years ago. Indeed we can and should be proud of that fact. I believe we must also be confident in recognising that much has changed over the last two decades. Devolution has been a success that should be built on. As the Party of devolution Labour must set out a clear programme of change that recognises the success of devolution and how we will take it to the next level given the circumstances that as a country we now find ourselves in.

This cannot be the sole property of a small band of MSPs but must involve the membership of our Party in those discussions and the democratic decision-making processes of the party in reaching our vision for the future of Scotland.

We should also be clear that Labour supports the sovereign right of the Scottish people to determine their own future and we should not weaken that position by being caught in this false argument about another referendum. Right now in Scotland there is no majority demanding a referendum so let us focus on our vision for Scotland.

## Further Reading:

**Information from Institute for Government:** [www.instituteforgovernment.org.uk/explainers/second-referendum-scottish-independence](http://www.instituteforgovernment.org.uk/explainers/second-referendum-scottish-independence)



# HOME RULE FOR SCOTLAND



Keir Hardie founded the Scottish Labour Party in 1888 on a Home Rule Platform; but what does that mean today?

## Extension of Devolution

The Scottish Parliament is now 20 years on from its inception and has more powers now than back in 1999 mainly due to the Smith Commission post the 2014 referendum. There are areas where it is increasingly clear that more powers are required. Rather than trying to list individual powers, I suggest we need to develop a framework that establishes the principle of devolving all areas of social and economic policy unless otherwise stated.

This would require a process with a realistic timescale to transfer the relevant powers. A small proportion of welfare is now devolved to Holyrood and that has taken years longer to achieve than was envisaged due to the complexity of unravelling the system at the UK level and designing a system fit for Scotland's needs. The idea that you can break away from the rest of the UK, and do so in a year, was just utter fantasy from the SNP back in 2014.

Our vision for Scotland needs to be established and alongside that our intention for the transfer of substantial powers from Westminster to Holyrood. As the party of devolution, we must also challenge the centralisation of powers within Scotland that has taken place since 1999 and been accelerated by the SNP these last 12 years.

## Who makes the decisions on Scotland Future?

The current sideshow on the question of a second independence referendum raises legitimate questions about who decides these things. The SNP claim that there is a mandate for another referendum right now does not stack up; but neither does that view of those who think this is simply a matter for Downing Street. This standoff has been engineered to sow further seeds of division and discontent.

Therefore, I do think we have to answer this question in order to move forward. My own view is that the option of the power sitting in the Scottish Parliament with a requirement of a two thirds majority to trigger any future referendum is worth serious consideration.

## What do you think?

If you have any views on these issues please feel free to drop me a note. I am also encouraging CLPs to have these discussions and let the leadership know your views. I am happy to come to any meetings and join the discussion.

## Further Reading:

**Article from Gordon Brown:** [www.theguardian.com/politics/2017/mar/18/gordon-brown-to-push-patriotic-third-option-for-more-powerful-scotland-after-brexit](http://www.theguardian.com/politics/2017/mar/18/gordon-brown-to-push-patriotic-third-option-for-more-powerful-scotland-after-brexit)

