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The impact of the Scottish Independence Referendum on Devolution and Governance in the United Kingdom

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Paper 1: *The Scottish Independence Referendum: Themes and Outcomes*

Introduction: Setting the Scene

The Scottish Independence Referendum of September 18, 2014, will surely be recognised by future generations as a historic moment in the history of these islands. That for the first time the people of one of the countries comprising the United Kingdom were given the opportunity to decide on the future of that country, in this case Scotland, but in doing so they also shaped the ongoing debate about the future of the entire UK.

The Scottish Independence Referendum reminds us once again that the UK is far from being the unified entity that is often presented to the outside world, not least by the main Unionist parties in the UK as well as by the UK Government. But this misunderstands the nature of the UK: as a union state/states of union: a

Knowledge Exchange Seminar Series 2014-15

multinational union of different nations (a pluri-national state consisting of more than once country and one nation), coming together at different points in history, sometimes in ways that were uneasy and tense. We are reminded also that the UK has changed significantly during its history. It is also a union which evolves and is continuing to evolve, as the introduction of devolution in 1999 for Northern Ireland, Scotland and Wales demonstrated.

The history of what we might term the coming-togetherness of different parts of these islands to form the UK matters immensely to where we find ourselves now – and to the many tensions that exist between these component countries – and of course often within them too. The enduring history of the UK's turbulent past works to shape the present and the future:

Nobody asked to design a political system for Britain would ever propose the one it has. The one-and-a-bit large islands (and many smaller ones) that The Economist calls home are a hotchpotch of parliamentary systems, unevenly distributed powers and constitutional uncertainties. The set-up is as uneven as Britain's history is eventful, which is no coincidence: the causes of the mess date back centuries. The latest upheaval - Scotland's referendum on independence, which ended with a "no" vote on September 18 - has made things untidier still. (*The Economist*, September 27, 2014).

The Scottish Independence Referendum represents the latest stage in the evolving story of the political and constitutional shape of the UK. However, and while this may also apply to some within Scotland, the external view of the Scottish Independence Referendum, and the issues that drove the demand for such a ballot, have largely been misunderstood and misinterpreted. For many observers, not least from London and English based newspapers this was a nationalist issue; an issue of national identity, of a national independence movement. Now of course, not least in the shape of the Scottish National Party and other Scottish nationalists, there has been a long-cherished view in Scottish self-determination, based on the not unpopular belief that Scotland has historically been an oppressed nation, held back by England and the UK set-up. However, to interpret the entire pro-independence campaign and wider independence movement as nationalist in this sense would be seriously mistaken.

Such nationalist beliefs, to the extent that they did play a part in the pro-independence campaign, were crucially entangled with other issues that cannot be seen in any simple sense as being 'nationalist', no matter how that might be defined. Central to the entire campaign for Scottish Independence – and this was crucial in shaping the debate that took place over the past two years, culminating of course on the September 18, 2014 ballot – was a concern with what might be broadly termed social policy and social justice issues (Mooney, 2014a).

Since the re-establishment of the Scottish Parliament in 1999, that Parliament has come to be regarded very much as a social policy making parliament. The main policy-making areas devolved to Scotland in 1999 fall largely under the umbrella of social policy/social welfare concerns – notwithstanding that key social welfare

issues (benefit payments, pensions, employment legislation and so on) remain as reserved powers under the control of the UK Parliament in London. But health, education, housing, social work, social care and criminal justice, policing the law, all fall under the jurisdiction of the Scottish Parliament in Edinburgh. Education and the law have always been uniquely Scottish, in that together with the established church in Scotland, they were key areas of Scottish civil society that remained under Scottish control following the Act of Union of 1707 which created the UK Parliament. Thus, while many commentators have focused largely on post-devolution policy-divergences, pre-devolution there were already considerable policy and practice difference and divergence between Scotland and the three other countries of the UK, not least in relation to education and law/policing.

The Scottish Parliament as a Social Policy-Making Parliament

From the very beginning of Scotland's devolution journey in 1999, issues of social justice were at centre stage. The first First Minister, the late Donald Dewar, for example, stated that (on the re-establishment of the first devolved Scottish Parliament):

We are committed to promoting social justice and equality of opportunity for everyone in Scotland... we can build on the commitment to social justice which lies at the heart of political and civic life in Scotland. We need to harness the efforts of many to the greater good of all, and establish social justice as the hallmark of Scottish society. (Dewar, 1999)

Fourteen years later politicians on both sides of the Independence debate claimed social justice was a defining feature of Scotland's future. Gordon Brown (2014), who was to play a key part in the NO to independence campaign in the week before the September Referendum, argued that social justice lies at the heart of Scottish political values but commends the current union as 'a union of social justice'. The current SNP-led Scottish Government's vision for Independence, *Scotland's Future: your guide to an Independent Scotland*, asserted the centrality of social justice but within an independent state:

The Scottish Government's vision is of a Scotland, fit for the 21st century and beyond, which is founded on the fundamental principles of equality and human rights and characterised by our economic success and social justice and the ability of our people to have control over the decisions which affect them: the opportunity for all Scotland's people to play a part in our future. (Nicola Sturgeon, Deputy First Minister, Scottish Government, 2013)

Social justice and a more equitable form of social welfare, have frequently appeared to be essential part of Scottish political rhetoric and a rhetoric, moreover, that has been continuously claimed as more effectively pursued by a devolved (with more powers) or an independent Scottish government. The claims by Dewar and Sturgeon, albeit made at different times, go to the heart of long standing and on-going debates about the nature of Scottish society – and of Scottish identity, indeed of 'Scottishness' itself (Mooney and Scott, 2012).

They also show that despite changes in the political colour of the Scottish government, the concept of social justice, together with notions and ideas of fairness and equality, play a central role in the rhetoric of Scottish politics and in the rhetoric of policy making.

The political map of Scotland and the rest of the UK is very different today from those of the early years of devolution. The 2010 UK and 2007 and 2011 Scottish elections showed Scotland and the rest of the UK as diverging, and emerging with different political parties forming the governments in Edinburgh and in London. By 2010 a Conservative Liberal Democrat UK Coalition UK Government took office whilst in Scotland a majority centre-left SNP Government was in power. Markedly different responses to the financial crisis of 2008 by both governments have highlighted this even more as sharply contrasting approaches to social welfare in Scotland and across the UK have emerged (Bell, 2010). Indeed the Scottish Parliament has questioned UK welfare policy continuously since the start of the 'austerity cuts' introduced by the UK Coalition Government, and took the unprecedented step in December 2011, of withholding 'consent' from the Westminster Welfare Reform Bill. The questioning of the policy direction of Westminster became more explicit during the two years prior to the 2014 Referendum. It raised the profile of social policy in political debate in Scotland to ever greater heights and as we review what this means for the future we have to recognise that territorial issues and social policy have become strongly intertwined.

Towards the Break-up of the UK Welfare State?

We need to ask at this point whether the debate has produced real differences in the welfare directions of the UK and Scotland. In Scotland this has often been articulated in terms of a commitment to what is seen as a uniquely 'Scottish' form and understanding of social democracy. Scottish Government policies offer proof to Scottish voters that devolved administrations could make a difference and withstand the austerity cuts of the Westminster Government (Haydecker, 2010; Lodge and Schmuecker, 2010; Mooney, 2014b; Mooney and Scott, 2012). The flagship policy decisions of Scottish government since the beginning of devolution have included free prescriptions for all, abolition of fees for higher education students resident in Scotland, free travel for the over 60s, free care for the infirm elderly, early introduction of the smoking ban. They all highlight a growing and deliberate divide between the policies of Scotland and the rest of the UK (Keating, 2010; Greer, 2009; McLean, Gallagher, and Lodge, 2013; Mooney and Scott, 2012; Mooney and Wright, 2009; Stewart, 2004).

That welfare issues have become even more entangled with the constitutional debate is not surprising. Social welfare was central to discussions in the post-1945 era of Britishness and of the UK itself. UK wide institutions such as the NHS and social security have long been held up as pivotal elements in the Union, a union which in many respects has been a 'welfare union'. Nevertheless it should be noted that even in the so-called 'classic period' of the Beveridgean welfare state during the 1950s-1970s, the welfare state in Scotland was in

some ways different from other parts of the UK. There is a powerful narrative that the historical development of the welfare state in post-1945 Britain played an important role in binding the UK together, forging Britain as a nation.

It is this background that many cite, including Scottish nationalists such as Alex Salmond, when they argue that Independence for Scotland is not just about changing the constitutional settlement but also about 'preserving' in some ways the founding principles of the post-'45 UK welfare state in Scotland, at a time when the UK Coalition government is diverging more and more from Beveridgean ideals (Mooney 2014b; Scott & Wright 2012; Brown, 2014). In this respect there is considerable leverage in the argument that it is 'England' that is diverging more from the principles of large-scale state welfare provision as opposed to the devolved areas of the contemporary UK.

Over the last few years this divergence has increased. Scotland has seen, alongside strategies to ameliorate the damaging effects of welfare reform policies and 'austerity cuts' originating in the Westminster Conservative/ Liberal coalition government, increased demands for control over what have been the reserved policy areas, particularly those of social security. Such issues also came to the fore during the Scottish Independence Referendum campaign. The political and policy landscape of contemporary Scotland has been increasingly shaped by resistance to social welfare and 'austerity' policy objectives of the UK Conservative-Liberal Democrat Coalition Government. The 'bedroom tax'/'spare room subsidy', for example, came to prominence not only as a mark of the continuing challenges of policy interdependence which exist in the context of devolution (housing being devolved and housing benefits being a reserved power), but also as symbolic of growing political difference between UK and Scottish Governments, and between the policy climate in Scotland and England, and in this respect it is also deployed by supporters of independence as a way of advocating the distinctiveness of Scottish values and approaches. In relation to the bedroom tax, the Scottish Government gave way to popular protests in Scotland for this to be abolished and in turn committed funds on an annual basis to ameliorate its impact on those affected.

The September 2014 Referendum offered an opportunity for many in both the YES and NO camps to highlight the potential for a Scottish political settlement that further resisted the neo-liberal direction of social and economic policy that has come to characterise what in Scotland has been and remains a deeply unpopular Conservative-led UK Government. Arguing for expanding the powers of devolution – for a 'devo-plus', 'devo-max' or the independence solution – became an important route for resisting UK Government austerity policies and welfare 'reforms'. At a time when it seems the larger parties in the UK see the only answer to economic crisis as cuts and public austerity, nationalism and what Paul Mason calls small-country independence movements are attractive alternatives (Mason 2014).

Nationalism Social Welfare and Social Justice

Nicola McEwen argues that co-existence of a critique of UK welfare change and the independence debate has been a striking development in Scotland since 2011. She claims that:

The welfare state is being used to bolster support for independence in the current debate, in attempts to underline Scotland's distinctive values, to diminish the appeal of the Anglo-Scottish political union, and portray a picture of an independent Scotland that would preserve the rights of social citizenship. (McEwen, 2013)

In this respect divergences in social welfare as well as in claims for transfers of more power to Scotland are not unique (Keating, 2010; McLean et al, 2013). Indeed Beland and Lecours (2008) study of nationalism and social policy in Scotland, Quebec and Flanders highlight, like McEwen, the importance of social policy as an instrument of territorial differentiation in struggles over political autonomy.

The Referendum and its Outcomes

As is now well known, this was held on Thursday September 18, 2014 and resulted in a majority NO to Independence vote, with 55 per cent of voters voting NO to Independence and 45 per cent voting YES. Despite the rejection of Independence, however, it was clear from the 45% who voted for Independence and from the significant number from the 55% NO voters, that all parties involved in the debate recognised that more powers than those to be implemented in 2016 as a result of the Scotland Act (2012) (Scottish Parliament, 2012) are needed. In fact even during the last week of the Referendum campaign there was the now (in)famous 'Vow' (published on the front page of the *Daily Record* newspaper on September 16), from Labour, Conservative and Liberal parties that further powers would be considered and established within a reasonable time period. At the time of writing in October 2014, it is not clear what the precise nature of powers that result from this vow will be. Nevertheless a commitment to move towards new legislation for extended powers for the Scottish Parliament by 2015 was a relatively clear outcome of the referendum process and one that voters expect. According to the Ashcroft post-result poll, 25% of No voters voted that way because they believed that Scotland would receive significant devolved powers while remaining as part of the UK (Ashcroft, 2014). One result of this was that the Lord Smith Commission was set up in the wake of the referendum to produce proposals for a safe and secure transfer of more powers to Holyrood by the end of 2014. With all the political parties providing members for the Commission and engagement promised with civic leaders and the Scottish public it will be an important means of defining issues such as the real potential for federalism as well as clarifying agreement over the extension of the powers of the Scottish Parliament in relation to taxation and social security (Smith Commission, 2014).

The commitment of the Smith Commission to engage with the public and civic leaders is an important one. As mentioned earlier the level of community based political activism as well as high level debate about future policy was a defining feature of the referendum campaign. Disaffection with the territorial settlement in Scotland was high amongst YES voters but the geographic spread of voting also suggests that there was a

strong connection with disaffection with the welfare policies of Westminster and the insecurities of labour, income and housing that have arisen with neo-liberal policies. Across Scotland's 32 council districts the income deprived areas were more likely to YES in large numbers. The four areas with a majority YES vote, Dundee, Glasgow City and its two neighbouring Central Clydeside areas, West Dunbartonshire to the West and North Lanarkshire to its immediate East, contain the most deprived areas in Scotland and the vote for Independence could be seen as a largely urban working class rejection of both Westminster politics and 'traditional' Labour Party support. The capacity of both the UK state and the political status quo to protect the life chances of individual families and guard against future insecurities could be read as reasons for the pattern of voting.

Even if this is not the case there can be no doubt that the widening of debate during the referendum campaign beyond mainstream political debate provided evidence of a belief that a Scottish state following a different route to that of Westminster could play a strong role in developing policy and public services that would be socially inclusive. The debate was not simply one of territorial justice but highlighted political struggles over issues such as taxation, social entitlements, state-provided services, financial institutions, land ownership and so on. It was one moreover where many on the left strongly supported the movement for Independence because of its offer of hope for change. The opportunity for debate offered by the Referendum encouraged many to consider new ways of thinking about welfare and measures to address social and economic inequality in a way that was different from the rest of the UK.

The SNP positioned itself during the Independence debate away from mere discussions about lack of power and accountability towards more defined ideas about what a new Scotland could look like and how it could differ from the rest of the UK (Salmond, 2012). They were not the only ones to do so. Academics, political activists and others from the non-governmental and civic sector contributed, generally in a more radical tone, to debates on how the issues of poverty and insecurity could be addressed and explored in the event of a move towards greater independence (Scottish Futures Forum 2013; SCVO, 2013; Danson and Trebeck, 2013). In a series of papers published by the Jimmy Reid Foundation (2013), for example, proponents of the Common Weal advocated a far reaching vision of Scotland as a fairer, progressive and more sustainable society. Looking to some of the fairest economic and social policies in the Nordic countries, it placed an attack on entrenched inequality and wealth by a completely revamped taxation system that would enable better quality, well-funded public services. Social goals would drive economic development, not the pursuit of private profit. A new set of principles would underpin a Scottish welfare state, in the form of contract between people in Scotland delivered through the state. The papers often presented innovative and radical ideas for a new Scotland and whilst all agreed that alterations to national/sub national government relationships represent an important dynamic for change, not all agreed that independence was the only route to achieve the most efficient reductions in poverty and insecurity (Scott and Mooney, 2014).

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Knowledge Exchange Seminar Series 2014-15

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