Scotland stays in

In a historic vote, Scots say “No” to independence. But Britain faces change anyway

BY ALISTAIR SMOUT, KYLIE MACLELLAN AND KATE HOLTON

UNITED: a No campaign placard and Union flag on the Isle of North Uist, in the Outer Hebrides, September 2014.
REUTERS/CATHAL MCNAUGHTON
When 3.6 million Scots voted on Thursday on whether to leave or stay within the United Kingdom, they were answering one simple question: Should Scotland be an independent country?

But for a time some politicians on both sides of the debate wanted to include a third choice on the ballot: maximum devolution of powers to Scotland within Britain, or so-called devo-max. Even Alex Salmond, Scotland’s First Minister and leader of the Scottish National Party (SNP), backed including such an alternative, arguing that he was “not for limiting the choices of the Scottish people.”

British Prime Minister David Cameron and many of Salmond’s SNP colleagues, though, were against the idea. Scots, Cameron said at the time, would be faced with “what I’ve always wanted, which is one single question. Not two questions, not devo-max, not different options; a very simple, single question.”

Scots answered that question decisively on Thursday, voting 55 percent to 45 percent to stay in the United Kingdom of Great Britain and Northern Ireland. Cameron, who may well have faced calls to step down if the union had broken, said he was “delighted” with the referendum decision, and there should be “no disputes, no re-runs.”

“We got a chance to vote. So that’s what I’m proud of, I’m proud that I voted yes,” said Lindsay Burgar, a nurse from Oban.

However, what Scots also got – even though it wasn’t on the ballot paper – was the promise of greater autonomy, something approaching devo-max.

Unionists had always said they would offer Scots more autonomy if they voted to stay, but had not detailed what that would look like. That began to change as panic over a possible Yes vote took hold in the two weeks before the vote.

Those promises open up a Pandora’s box of further problems. Many voters outside Scotland see Scotland’s gains as a bribe and have grumbled that Scots are getting special treatment.

Cameron’s words sought to address a thorny constitutional problem: Scotland, Wales and Northern Ireland elect representatives for their own regional parliaments and for Westminster. English voters, on the other hand, have representatives only in Westminster.

If his proposed changes don’t go far enough, it may lead to increased support for populist parties, such as the eurosceptic UK Independence Party, in the UK’s 2015 general election. That, in turn, would increase the chances of Britain pulling out of the European Union.

“There can be no disputes, no re-runs – we have heard the settled will of the Scottish people.”

David Cameron
Prime minister of the United Kingdom
should have a federal political structure with a constitutional arrangement which defines the demarcation of powers between Westminster and the rest of the United Kingdom.”

That will be fraught with difficulty, which may explain why politicians have spent so long ignoring the issue. It was Labour lawmaker Tam Dalyell who in 1977 first posed what became known as the West Lothian Question, named after his Scottish constituency: Should lawmakers elected to Westminster from Scotland be able to vote on English matters, if English lawmakers could not vote on matters devolved to Scotland?

It’s more pertinent now that assemblies in Edinburgh, Belfast and Cardiff control domestic affairs over which English lawmakers have no say. As a result, some English politicians argue that England should have its own, purely English parliament.

Graham Allen, Labour lawmaker and chair of a parliamentary committee that has said it will hold an inquiry into the future of devolution, is one of those who believe England does not need its own parliament, but should combine over-arching union with more devolution to regions. Change, he said, was both much needed and inevitable.

“I think they (the politicians) have proved ... that they can move like lightning when they need to,” Allen said. “We need all the parties to actually stiffen up, show some leadership and some boldness and just commit themselves publicly to devolution and union, the twin pillars for the next 200 years in the United Kingdom ... Otherwise it is trench warfare and piecemeal change, crisis and anxiety, and I don’t think that is necessary.”

THATCHER’S LEGACY?

To understand how Britain feared it might lose Scotland, and why its leaders felt compelled to offer so many goodies for it to stay, look at Scots’ growing dissatisfaction with the direction Britain has taken in the past few decades. Many see their rulers in the British parliament, and the rich southeast more generally, as arrogant, uncaring, and elitist.

“Whoever has been in government in Westminster just hasn’t really interacted with and understood fully the concerns of Scotland,” Simon Reevell, a Conservative lawmaker and member of the Scottish Affairs committee in Westminster, said. “It is not something that has just sprung up over the last few weeks. It is tapping into a deep-rooted feeling that they would be better on their own and I think that reflects on the governance of Scotland under all the major political parties, probably over the last 30 years.”

The Scots, to be sure, have not been voiceless in London. Cameron’s predecessor was a Scot: Gordon Brown of the Labour Party, who served at No. 10 Downing Street for nearly three years and, before that, was the powerful finance minister for 10 years under Prime Minister Tony Blair. Several other Scots held senior positions in Blair’s governments, prompting one TV presenter to quip in 2005 that Britain was living under a “Scottish Raj.”

What began to make independence economically enticing for Scots was the development of the North Sea oil industry - mostly in Scottish waters - which started delivering large tax revenues in the 1970s. A 1979 vote on a devolved Scottish assembly won a slim majority of those who voted, but went nowhere because the turnout was lower than required.
The mood changed further in the 1980s, when a shift to the left that had begun in Scotland in the 1960s intensified after Margaret Thatcher’s Conservative government reformed Britain. Thatcher and the Tories privatised state firms and took on the unions. Scottish heavy industry was decimated, and there is lingering bitterness at the way Thatcher used Scotland as the testing ground for a regressive, flat-rate poll tax.

“It is undeniable that the radical Toryism of the 1980s confronted Scotland with a new challenge which it had never had since the mid-18th century,” Tom Devine, a Scottish historian, told an audience at the University of Glasgow earlier this week.

Though Thatcher won three elections, her policies divided the country; Scots were among her most vociferous opponents. “It wasn’t simply an economic policy that was opposed,” said Devine. “It was an economic policy which was alien ... That’s what many people at the time thought.”

When Labour won power in 1997 the party promised a new vote on devolution. This time it passed easily; in 1999 a Scottish parliament was set up in Edinburgh. Far from dousing nationalist fires, though, the move led to more talk of independence. That chatter increased through the Labour government years, and especially after Blair took Britain into Iraq.

THE QUESTION

The SNP formed a popular minority administration in 2007, but an independence vote was not on the cards until 2011 when sweeping electoral victory brought its first majority government.

“Before the SNP won in 2011, independence had just been this thing which people hadn’t really thought about,” Stephen Noon, the pro-independence campaign’s chief strategist, said. “When the SNP won it became real.”

Even so, the polls still suggested a vote for continued union was a certainty. In the 15 years up to 2012 and the Edinburgh Agreement, support for secession had not topped 35 percent, according to to Scotland’s Social Attitudes Survey. Almost everyone in Westminster believed a split was unthinkable.

The feeling was “let’s have the debate and see if it’s a yes or no,” said a senior British government official. “Clearly we always felt we had the right argument. Clearly the British government thought it could win that argument.”

Cameron’s insistence on a yes/no vote was not just about giving a clear choice. It also rested on the fact that the SNP’s vision of devo-max was wide-ranging, including almost every area but foreign policy, defence and the currency.

“You’d have two different state pensions in a single state. You’d have two different welfare regimes in a single state and two different immigration and citizenship policies in a single state,” said Adam Tomkins, a professor in constitutional law who has advised the No camp’s Better Together campaign and appeared before Westminster parliament’s select committee on the referendum.

“There is no state anywhere in the world that is governed like this. Devo-max as the SNP defined it is undeliverable and wholly without precedent.”

Tomkins thinks Cameron did not want to appear as if London was dictating the terms again.

“Suppose Westminster had been more heavy-handed: That’s exactly how it would have been perceived in Scotland. And you can see the risks,” he said. “What the SNP have thrived on, for as long as I’ve been alive, is a grievance culture of Scottish
politics and the last thing that Westminster wanted to do was give the SNP any more grievances."

But the kid-glove approach handed the SNP power over vital decisions. Not only did the party define the referendum question – the exact wording was tweaked by the Electoral Commission – it also gave 16- and 17-year-olds the right to vote, a decision one Conservative Party lawmaker described as “ridiculous”.

Crucially, the SNP also dictated the timing of the vote. Cameron had wanted the referendum last year. But the Scottish party wanted more time to build its case and got its way.

“Salmond and his advisers always knew that they were behind in the polls and that they would need a long time to prepare the ground,” said David Torrance, a biographer of Salmond. “If you think about the turn in the polls, that was the culmination of a slow-burn campaign, a very, very clever one. And they needed two years to do that.

“Cameron’s calculation may have been that it wouldn’t have made any difference. But actually, by conceding another year you could argue that that was where he went wrong.”

As the nationalists gained ground, London ended up offering Scots greater powers - despite Cameron’s aversion to offering a vote on devo-max at the outset.

THE CAMPAIGN
It came to that because the No camp’s Better Together campaign was lacklustre. Only the efforts of former Labour Prime Minister Gordon Brown gave it some ballast.

Though unionists won the first TV debate in early August, Alistair Darling, a Scotsman and former Labour finance minister chosen to head the Better Together campaign, often came across as dry and distant. He failed to stir passions - unlike Salmond, who has a populist touch and a flair for drama.

The Better Together campaign sometimes muddled its message, in part because it awkwardly combined Conservative, Labour and Liberal Democrat politicians more used to criticising each other. The result was that attempts to appeal to Scottish voters often came across as ham-fisted.

At one point, government officials in the Treasury posted on a government website a list of 12 jokey financial benefits in voting No, including Scots being able to “share a meal of fish and chips with your family every day for around 10 weeks, with a couple of portions of mushy peas thrown in.”

The SNP said this was patronising; it was not until Brown stepped up his efforts in the last few weeks that the No campaign got back on track. By then, though, support for the Yes camp had soared.

“It’s very difficult to run a campaign when you’re saying ‘no’ to anything,” said David Yelland, former editor of the Sun newspaper and now a partner at Brunswick, a PR firm. “It’s was always going to be a difficult task because you need energy, vim and vigour around political campaigns.”

With a superior ground game, the Yes camp “moved the conversation away from statehood into policy: What kind of Scotland do we want?” said law professor Tomkins.

GREATER POWERS
When polls showed growing support for leaving the UK, the No campaign came up with an accelerated timetable to give Scotland greater powers by next year.

Salmond scoffed at the offer. “It is actually an insult to the intelligence of the people of Scotland to rehash these proposals last gasp in the campaign and hope beyond hope that people think it is anything substantial,” the 59-year-old Scottish leader said.

The powers being offered do not go as far as Salmond’s radical vision of devo-max; nevertheless, they give Scotland preferential treatment compared with other regions of the UK.

The reaction from elsewhere in Britain was a mixture of anger and disbelief. “The funding formula for Scotland ... already delivers per capita funding north of the border well in excess of that spent per head in
the other parts of the union,” Conservative lawmaker Claire Perry wrote in a newspaper column the day of the referendum. “Cool, calm analysis, not promises of financial party bags to appease Mr Salmond, are what is needed.”

Politicians from the left of Labour to populist right-winger Nigel Farage of UKIP said the UK now needed a new constitutional settlement. Conservative lawmaker John Redwood demanded an English parliament, though others, including the prime minister, said that was going too far.

The prospect of a less centralised Britain carries risks as well as rewards. One downside of a move to devolve more powers could be damaging competition between regional or local authorities to cut taxes to woo investment, possibly resulting in lower tax revenues overall, said David Philips, an economist at the Institute of Fiscal Studies, a think-tank in London. Equally, the Institute for Public Policy Research, another think-tank, argues that shifting some powers away from Westminster could be a positive for growth.

Whatever happens, Britain will change after the referendum.

The status quo - in which Westminster lawmakers from Scotland and Wales retain a say in decisions about matters that apply only to England - cannot continue, Conservative lawmaker Reevell suggests.

As Salmond accepted defeat, he made a point of reminding Cameron of his promises: “Scotland will expect these to be honoured in rapid course.”

Additional reporting by William Schomberg and Andrew Osborn; Writing by Simon Robinson; Editing by Richard Woods and Sara Ledwith

FOR MORE INFORMATION
Alistair Smout, Correspondent
alistair.smout@thomsonreuters.com
Simon Robinson, Enterprise Editor,
Europe, Middle East and Africa
simon.robinson@thomsonreuters.com
Michael Williams, Global Enterprise Editor
michael.j.williams@thomsonreuters.com