

Scotland's place in the world

Scottish first minister - Alex Salmond

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Introduction

It is a privilege to give a lecture in honour of Hugo Young. At Hugo's memorial service, Chris, now Lord, Patten said "the quality of what Hugo wrote, and the standards he set for himself and others, brought distinction to a profession too often demeaned by tawdry unreason."

One of the reasons for Hugo's excellence became evident five years after his death, when The Hugo Young Papers were first published. They revealed the sheer diligence and accuracy of his working methods over the course of his career.

As any self-respecting politician would do, the first thing I did when I saw a copy of the papers was to look up my own name in the index. In more than 800 pages it only features once! But the context in which it appears is fascinating, and now seems very prescient. It is during a discussion with Donald Dewar in May 1996, in which Hugo reports Donald as saying "People should not underestimate how fragile the Union now is in Scotland. He was surprisingly emphatic about that, when I pushed him to correct his sepulchral language. The SNP regularly got 25% in the polls. That was about their standard support across the country. But it could grow."

Donald went on to predict that Labour would do well in 1997, but suggested that I was waiting for the 2001 election, when there could well be a significant increase in SNP support.

Well, although that statement was partly wrong about timings, support for the SNP has indeed advanced, both in 2007 and 2011.

My view is that the election result in 2011, in particular, reflected a recognition of the achievements of the first SNP administration; a vote of confidence in its optimistic view of Scotland's potential; and a desire among people in Scotland for their Parliament to have significantly greater powers than at present.

That desire for greater powers is, of course, a key part of the context to this lecture. The future of Scotland is for Scotland alone to determine, but I recognise that it is of great interest – and potentially concern - to all of you. I therefore welcome the opportunity to speak about it here in London.

I count myself as a staunch Anglophile. It was my Labour predecessor, bafflingly, who seemed to spend an entire World Cup supporting teams playing against England. I am sure Trinidad and Tobago welcomed his support!

The views of people here have understandably not played much of a part so far in the debate on Scotland's future. I am reminded of Chesterton's reference to "the people of England who never have spoken yet". Of course the people of Scotland haven't spoken yet, at least not conclusively!

England does not have any veto in the debate on independence, and I suspect that the vast bulk of the people of England freely recognise Scotland's right to determine its own future. This week's research from the Institute for Public Policy Research certainly suggests that people in England are waking up to the unsustainability of current constitutional arrangements. They are not sustainable because they are not fair. Not fair to Scotland, and not fair to England. Most importantly, these relationships will be more positive and stronger when our nations are clear and equal partners.

Scottish government's right to hold a referendum

Given the events of the last two weeks, I want to start this evening by reaffirming the Scottish Parliament's right to decide the terms of a referendum on Scotland's constitutional future. But I also want to move beyond that question, to say more about why I believe that independence is the most natural state of affairs for a nation like Scotland. And I will close by making it clear that the social union which binds the people of these islands will endure long after the political union has been ended. My contention is that independence is good for Scotland, but also that it is good for England.

First, though, I want to reflect on the astonishing, and increasing, pace of change in Scotland. Devolution took a century to be delivered. The last decade embedded the Scottish Parliament as the focal point of public life and Scottish democracy. We now have a Scotland Bill changing by the day and overtaken by events before it even reaches the statute book. The momentum and direction of the people of Scotland is unmistakable.

It is therefore right that in 2014, people in Scotland should have the opportunity to vote on whether to become independent.

During the 2011 Holyrood election campaign I made two key commitments in relation to the constitution. I promised that in the first half of any new SNP administration, we would work with the UK Government to strengthen the Scotland Bill to give it economic teeth and powers.

My second commitment was that we would legislate for a referendum having made constructive proposals, and hopefully secured additional powers, during the Scotland Bill process, we would then stage a referendum on independence in the second half of the Scottish Parliament's five year term.

These commitments were endorsed overwhelmingly by the Scottish people, and I consider them binding.

The argument currently being adopted by some people –people who have always opposed a referendum full stop - that because independence is such an important issue, a referendum should be rushed, simply does not stand up to scrutiny. It is precisely because independence is important that we intend all stages of the process leading up to a referendum - from the consultation on its enabling legislation to the referendum campaign itself - to take place over a timescale which allows the Scottish people to reach an informed decision.

The further argument that Scotland's economy is being damaged by a supposed delay does not resonate with voters in Scotland who in the last year have seen Amazon, Michelin, Dell, Gamesa, and Aveloq, among others, announce major investments.

As the Financial Times said two weeks ago Westminster's "pretext for accelerating the poll – that uncertainty is damaging the economy – looks disingenuous at best. As threats go, the risks posed by separatism are as a fleabite compared with the all-devouring Eurozone crisis."

This has been endorsed by the great arbiter of accuracy in current UK politics - the Channel 4 fact check - which pointed out that international inward investment is now more successful in Scotland than any other parts of these islands, including London.

In addition to dictating on timescales, the UK Government also appears to want to close off discussion about other key elements of the referendum. As someone who strongly believes that independence would be preferable to enhanced devolution, I believe that the argument for independence could and would be won on a yes/no basis.

However I recognise that there is a significant strand of opinion in the country which might want to consider an alternative for Scotland which lies between the status quo and outright independence.

To consider an additional referendum question which takes account of popular opinion is simply being democratic. The fact that such an option might be popular isn't a good reason for denying people the right to choose it.

The Scottish Government's consultation paper on a referendum, which will be published tomorrow, will encourage a wide debate on this issue - involving all of Scotland's political parties, but crucially also civic Scotland, that is the organisations and communities which make up the fabric of the community of the realm of Scotland.

The paper will also make clear that we intend the referendum to be overseen, impartially and independently, in a way which leaves no possible room for doubt about the integrity of the result.

But our starting point in all of this is that the Scottish Parliament ultimately has the mandate to determine the referendum process. Westminster legislation which dictates rather than enables would not just be unacceptable to the Scottish government. It would be contrary to the rights of the people of Scotland.

Why independence is the best option for Scotland

The Scottish National Party will campaign confidently for independence not just as an end in itself, but as the means by which the Scottish economy can grow more strongly and sustainably; by which Scotland can take its rightful place as a responsible member of the world community; and by which the Scottish people can best fulfil their potential and realise their aspirations.

For much of the postwar period, people in Scotland largely embraced the great social reforms which were implemented by Clement Atlee's government and sustained through much of the 1950s, 60s and 70s. National insurance, housing for all and the establishment of a national health service commanded a consensus which spanned political boundaries and national borders.

There is a view that some of these postwar institutions – perhaps the NHS above all - fostered a sense of cohesion and common purpose among the people of these islands. Professor Tom Devine, for example, has expressed the view that in the postwar period the welfare state became "the real anchor of the union state".

I am not sure that the welfare state was, in truth, ever a direct consequence of the union. As the Nordic countries show very clearly, common aims in social policy do not require a common state. But it probably is the case that Scotland subscribed particularly strongly to the values of the post-war consensus.

There is a revealing account in The Hugo Young Papers of a discussion with John Smith in which Smith "volunteered with pride that Scotland had always been consensual... that there was this sense of community unriven by so much class segregation, without seeming to see that this made his English task possibly harder."

I don't want to press this argument too far. The disparities in life expectancy between different parts of Scotland, for example, are just one piece of evidence demonstrating that Scotland still needs to do far more to reduce inequality.

But John Smith's basic point, that egalitarianism, is a strong driving force in public life in Scotland, is undoubtedly true.

It is why we recognise that some forms of social protection work very well, and that the constant urge to 'reform' can be, in the wrong hands, code for attack.

It is why policies which exacerbate inequality and remove basic safety nets are always likely to encounter fierce opposition in Scotland.

And it is why anyone who accepted the union partly because of the compassionate values and inclusive vision of the post-war welfare state, may now be less keen on being part of a union whose government is in many respects eroding those values and destroying that vision.

When I was in Liverpool last year for an appearance on "Question Time", I got an extraordinary, warm response from the studio. Perhaps the strongest support I got was when I made a plea to the audience not to let the three biggest Westminster parties destroy England's National Health Service – just one of many issues where the Westminster class are out of touch with the people of England.

And looking at the problems of health reform now, I thank the heavens that Westminster's writ no longer runs in Scotland on health issues. But the looming issues of welfare reform exemplify why Scotland needs the powers to make our own policies to meet our own needs and values.

The Scottish Government's policies attempt to protect many values which would be dear to any post-war social democrat in these isles. For example, we have promoted what we call a living wage - £7.20 an hour.

And we have made a conscious decision to provide certain core universal services, rights or benefits, some of which are no longer prioritised by political leaders elsewhere – such as free university tuition, free prescriptions, free personal care for the elderly and a guarantee of no compulsory redundancies across the public sector

We do this because we believe that such services benefit the common weal. They provide a sense of security, well-being and equity within communities. Such a sense of security is essential to a sense of confidence – and as we have seen over the last three years, confidence is essential to economic growth.

And the social wage also sets out our offer for people who want to live in Scotland, regardless of their background. We will provide a secure, stable and inclusive society. And by doing so we will encourage their talent and ambition. Scotland will be a place where people want to visit, invest, work and live.

Achieving this has required some difficult decisions – for example major departmental efficiency savings – far more rigorous than those in Whitehall - and an effective freeze in public sector pay. But those are easier to implement if your policies clearly have fairness at their heart.

The social wage exemplifies one reason why people in Scotland want additional powers for their Parliament – the fact that they largely like what we have done with the powers that we already have.

An obvious example would be Scotland's introduction of the smoking ban. The smoking ban was suggested by an SNP MSP, initially resisted by the Labour/Liberal administration, then adopted.

It didn't take a generation, a decade or even a year for the people to see they had made the right decision – it took a month or two. Everyone abided by the new law, people adapted, and now nobody would choose to go back.

There are other examples of how even the constrained ability of Scotland to make independent decisions has had a beneficial effect on wider policy debates. We are currently championing minimum pricing for alcohol, a policy which may be copied elsewhere. And we have established the Scottish Futures Trust, as a way of promoting long-term infrastructure investment without resorting to the wastefulness of PFI. The UK Government's current call for evidence on infrastructure investment options suggests that it is interested in aspects of the Scottish Future Trust's approach.

This innovation benefits Scotland – which can respond to specific Scottish problems and circumstances. But it also benefits the rest of the UK, and potentially the wider world, by providing a precedent for policies which other countries can then either adopt or not.

An independent Scotland could be a beacon for progressive opinion south of the border and further afield – addressing policy challenges in ways which reflect the universal values of fairness – and are capable of being considered, adapted and implemented according to the specific circumstances and wishes within the other jurisdictions of these islands and beyond.

That, I believe, is a far more positive and practical Scottish contribution to progressive policy than sending a tribute of Labour MPs to Westminster to have the occasional turn at the Westminster tiller – particularly in the circumstances of the Labour opposition's policy increasingly converging with that of the coalition on the key issues of the economy and public spending.

In passing, can I reflect that Labour might be doing better with English opinion if they were to consider offering an alternative rather than a substitute for current policies.

The problem with Scotland's current constitutional settlement is that we cannot innovate as much as we would like. Policy choices made in Westminster, by parties whose democratic mandate in Scotland is negligible, are constraining the policy choices made in Scotland, for which there is an unequivocal mandate.

It is worth remembering that in 1999 comparatively few additional powers were granted to the parliament in Scotland that had not previously been devolved to the Secretary of State for Scotland.

The shift from administrative to legislative devolution was, of course, momentous in itself. But it still left Scotland with fewer powers than the German Lander, most American states, parts of Spain such as the Basque Country or Catalonia, or, within these islands, the Isle of Man.

The economy is currently where this is felt most deeply. In Scotland, my party's manifesto for last year's election made it clear that the economy would be a top priority for us. We are still deeply aware, as are many places in England and Wales, of the lasting damage done by the mass unemployment of the 1980s, which left a legacy of alienation, ill-health and hopelessness which endured long after economic recovery had taken hold.

For that reason, the Scottish Government has given a guarantee to all 16-19 year olds of a training opportunity or education place for those not in a job.

We are also doing everything we can to safeguard capital investment in Scotland, while the UK Government is slashing public investment in real terms by about a third between 2010-11 and 2014-15.

This "Plan MacB", as I call it, is endorsed by our Council of Economic Advisers. The Scottish Government knows that it does not have a monopoly of wisdom on economic policy, so we have appointed a council of advisers including Professor Joseph Stiglitz, Professor Frances Ruane and Professor Sir James Mirrlees to advise on our economic strategy.

But however careful we are at directing spending towards areas which protect welfare and promote economic growth, we cannot escape the consequences of the UK Government's macro-economic policies.

Nobody denies that the UK Government's budget deficit needs to be tackled. However the sheer scale of the austerity measures decided upon by the UK Government is proving counter-productive - particularly in the cuts to capital spending.

It doesn't require a Nobel laureate in economics to understand that it is difficult to sustain an economic recovery on export-led growth when your major export market is enduring significant problems.

If there is a double dip recession, and that is at best a risk it will not only be the fault of the Eurozone – it will be something which Westminster has helped to manufacture by not adjusting policy quick enough to meet changing circumstances.

But we still see regular assertions that Scotland would be weaker or more impoverished if it were independent. Many of these statements are straightforward scare stories. For example, sources close to the Chancellor of the Exchequer warned that an independent Scotland would not be allowed to use the pound.

Of course the interesting thing about these suggestions is not just that they are economically illiterate – since sterling is a fully tradeable currency, the UK Government has absolutely no power to stop an independent Scotland from using it. But more importantly, why would any sensible person wish to stop England and Scotland sharing a currency.

Sunday's Scottish Daily Mail reported William Hague as threatening that if Scotland became independent, British embassies would no longer promote Scotch whisky. That I think was scraping the bottom of the cask.

Incidentally, for the Foreign Secretary's benefit, he should know that receptions to promote Scotch whisky or any other goods at British embassies are charged by the foreign office! But I rather suspect that the whisky industry would in any case get by without the promotional efforts of the British foreign service. If I could adapt an old Scots ditty –

"how nice it would be

if the whisky was free

and the embassies full up to the brim."

And the Daily Mirror tried to argue that if Scotland voted for independence, the Edinburgh Zoo pandas might somehow be seized by the UK Government. I can tell you that I have decided to grant Tian Tian and Yang Guang political asylum, while reflecting of course that the UK government did not contribute a single RMB to the cost of the pandas' arrival in our capital city.

I hear occasionally from the Prime Minister how he is just about to make a positive case for the union. On the evidence of the last two weeks, I think it is still on the drawing board.

Fearmongering about constitutional change is nothing new. But it is disappointing to see such an approach being adopted – therefore, as an antidote and a counterpoint, may I attempt to present independence for Scotland in a way which is positive about Scotland and positive about England.

Firstly, I question the credibility of the current set of UK leaders as far as the people of the country are concerned. I have here the leadership ratings of messrs Cameron, Clegg and Miliband according to the Sunday Times Yougov poll. According to this, their popularity stands at minus 22%, minus 59% and minus 70% respectively in Scotland. That minus 70% for Miliband included 81% who thought he was doing well and 11 % who thought he was doing badly. These are all dismal assessments of UK political leaders in Scotland and it is true that in each case they are worse than the UK figure.

However it is also true that the UK figure for the leaders of the Conservative, Liberal and Labour parties are also all in negative territory. I am told that today, given the ICM poll, that the Guardian was bought by more Tory MPs than at any time in the paper's history. But they should reflect on the fact that this does not mean that the Prime Minister is popular, merely that he is less unpopular than the others.

The unpopularity of Westminster leaders in Scotland is largely based on their hamfisted interventions in the debate on Scotland's future. Their unpopularity in England is based on their inability, in these tough times, to present a positive vision for the future of England.

Talking down to a country is never a good idea, and failure to present a positive vision to a country is always a bad idea.

In truth, it is absurd to suggest that an independent Scotland would struggle to make its own way economically. On current figures, we would have the 6th highest per capita GDP in the OECD as an

independent nation - the UK currently ranks 15th, and, incidentally, would still rank 15th without Scotland.

As Norway, Sweden and New Zealand demonstrate, many small nations are coping better with the financial crisis than many larger ones, such as the UK, Italy or Spain. But all Western nations, large and small, have been affected.

What independence would do is to give us the tools— corporation tax, for example, or alcohol excise duty - which we could use to get on with the job of promoting recovery and improving people's lives.

In international relations, too, Scotland would benefit from a voice of its own. In Europe, perhaps the defining theme of Hugo Young's journalism, the recent veto used by David Cameron has significantly weakened the UK's reputation and influence, for few evident benefits.

When Jose Manuel Barroso delivered this lecture in 2006, he posed the question of whether the United Kingdom in Europe wanted to "shape a positive agenda... or return to sulking from the periphery?" The recent answer provided by UK Government actions is probably not the one that he had in mind.

Scotland as an independent nation would play an active and responsible role in the international community – contributing on issues where it could, such as climate change, but without delusions of grandeur. Climate change provides an interesting example. The Scottish Parliament achieved legislative competence for climate change by accident. Part of Donald Dewar's genius in devising the Scotland Bill was to specify what was reserved rather than what was devolved. Climate change was not seen as an issue worthy of being reserved in 1997 and so it ended up devolved. But the Scottish Parliament's world-leading climate change Act - passed unanimously in the last parliament - has shown that a parliament trusted with the big issues can rise spectacularly to the occasion.

I don't agree with the counsel of despair that some on the English left have of their prospects for mobilising support on an English basis. As already said, the effect of privatisation of the health service is just as unpopular in England as it would be in Scotland, while the illegal war in Iraq was resisted by English opinion just as it was by Scottish opinion. Indeed, as people will know and understand, I have never had much time for the former prime minister, Tony Blair, largely because of the war in Iraq. However before he got carried away into believing that Britain's role in the world was to ride shotgun on the Deadwood Stage, he did, in 1997, sweep a commanding majority in England on the hope of progressive reform and mobilised opinion in this country in a way which neither Neil Kinnock or John Smith ever truly managed.

Endurance of the "social union" between Scotland and the rest of the UK

Much of what I have spoken about relates to differences between Scotland and the rest of the United Kingdom. That is, perhaps, inevitable in making the case for independence. But I want to stress also the areas of common interest which will endure after independence.

Current constitutional arrangements mean that policy differences sometimes inevitably become squabbles – especially if they involve money or constitutional issues. In fact, we have seen quite a lot of evidence of that in the last two weeks!

Andrew Fletcher of Saltoun addressed the Scottish Parliament in 1706, before it was adjourned- for some three hundred years.

He observed that: "All nations are dependent; the one upon the many. This much we know."

But he also warned that if "the greater must always swallow the lesser," we are all diminished. The argument would be that incorporation can foster resentment and grievance. Independence encourages mutual respect.

Independence for Scotland would still leave us free to work together in the many areas where we do share common values and interests.

The most meaningful bonds between the countries of these islands have rarely, in truth, been about the 650 MPs at Westminster. Indeed, it has always seemed to me to be deeply ironic that right of centre parties base so much of their unionism on the taxing and spending powers of the Westminster parliament.

If Scotland becomes independent, it will continue to share close ties with its neighbouring countries. Some will be institutional. Scotland will continue to share a monarchy with England, Wales and Northern Ireland. Some will be cultural – Scots will still discuss Eastenders, watch the X-Factor and enjoy the Grand National and Wimbledon- particularly once Andy Murray gets round to winning it.

Some will be economic. We will continue to trade freely within the European Union, and people will still move job from Manchester to Glasgow and back again. And some will be practical. At the height of last year's riots, for example, Scottish police sent officers to help the police forces down here in England. During last year's water crisis in Northern Ireland, Scotland sent hundreds of thousands of litres to Northern Ireland. That level of co-operation would continue, because it's the sort of thing that good neighbours do.

The British Irish Council already provides a model of how all of the people of these islands can work together on issues of shared interest. Earlier this month, in Dublin, we discussed youth employment. The British Irish Council currently includes two independent states, three devolved governments and three island groups. Does anyone here believe that the Council would look massively different with three independent states rather than two?

The Nordic Council provides another, similar model of a forum where neighbouring countries gather to co-operate with each other. And in the European Union, on the many occasions when Scotland agrees with the rest of the UK, we will have greater collective influence, and more votes, operating as two nations rather than one.

On areas from energy grids to emergency policing requirements; from fisheries policy to defence co-operation; from telecommunications to transport links; Scotland will work with its neighbours for a common good.

But most of all, in addition to these institutional, cultural, economic and practical links, Scotland shares ties of family and friendship with its neighbours on these islands which never can be obsolete, and which I expect will continue and flourish after Scottish independence.

And when you consider our shared economic interests, our cultural ties, our many friendships and family relationships, one thing becomes clear. After Scotland becomes independent, we will share more than a monarchy and a currency. We will share a social union. It just won't be the same as a restrictive state, which no longer serves the interests of either Scotland or England.

When the Her Majesty the Queen visited Ireland last year, she spoke warmly of the ties between the United Kingdom and Ireland and stated that these "make us so much more than just neighbours, (they make us firm friends and equal partners."

I like the phrase "firm friend and equal partner". It will be true of Scotland too.

My ambition is for Scotland to enter the global community of nations – and to participate in that community on a basis of equality, responsibility and friendship. We won't have a nuclear deterrent. But that is not the sort of power we seek – we seek only the power to make a positive contribution to the world, and to improve the wellbeing of our people.

When the United Nations was founded, it had just 51 member countries. Now there are almost 200. As recently as 1990, Europe had 35 countries – now it has 50. Of the 27 countries which currently make up the EU, six of them did not exist as independent states before 1990. The current United Kingdom, as an incorporating union, where one nation will always prevail simply by virtue of its size, seems increasingly like an anachronism in the modern age. And independence – with the right to participate as an equal on the international stage – appears more and more like Scotland's normal and natural state of being.

I quoted GK Chesterton, a quintessentially English writer, earlier. I hope you will understand – especially given the date – that I want to close by quoting Scotland's bard, Robert Burns - nationalist and internationalist.

I thought of a number of possibilities – for example his timeless description of the multi-party UK government of his day –

"yon mixtie-maxtie queer hotch-potch, The Coalition"!

Another of his songs, "Ae fond kiss, and then we sever" also has a certain resonance – although I may not sing it to the Prime Minister any time soon! But ultimately, it is a line from one of Burns's great egalitarian poems that best sums up the likelihood of independence.

For a' that and a' that, it's coming yet, for a' that.