

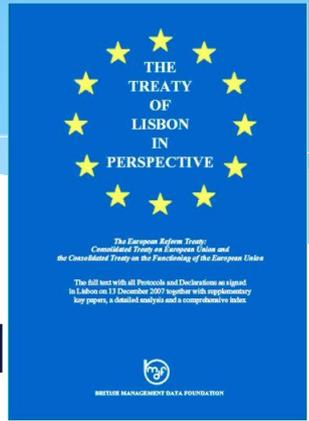


# The Scottish Government, Parliament, EU Economic Governance and the Independence Referendum

## Referendum

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# Scotland – a Stateless Nation but no longer a case apart?



- \* Throughout the EU the assertion of national, territorial and regional identity now commonplace, Scotland sits alongside other similar nations/territories in the UK and in member states such as Germany, Italy, Austria, Belgium and Spain.
- \* A key difference is for one day sovereignty is being returned to Scottish people – ‘Do you agree that Scotland should be an independent country?’.
- \* There is assumed to be a coincidence in political preferences between a ‘Yes’ vote (i.e. rejection of the UK Union) and a wish to remain a constituent state of the European Union.



# Economic Governance in Scotland



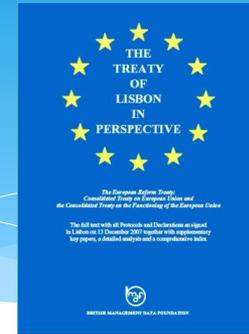
- \* Macro-economic policy instruments and taxation powers at UK level.
- \* Scottish Government - ‘one eyed’ Keynesianism – social policy spending but no taxation powers, dependency on UK fiscal transfers. Focus is on supply-side economic interventions and instruments – this has facilitated EU engagement.
- \* Relations with EU are a UK reserved matter but Scottish Parliament must ensure compliance with EU Law in devolved matters like education, health, agriculture, fisheries and aspects of economic development.

# Scottish Government's EU Aligned Economic Strategy



- \* Scottish Government has positive approach to EU. It sees a clear value in continued participation in history's largest and most legally-secure single market. Small nation on periphery of Europe with close ties.
- \* The Commission's thematic priorities are a match for the Scottish Government's economic strategy.
- \* Scotland is a net contributor but a beneficiary of both pre-allocated and competitive EU funds, notably Investment Funds (Structural, Rural and Fisheries) and the Common Agricultural Policy.
- \* UK Coalition Govt (2010-15) more co-operative with Scottish Govt than UK Labour Govt (2007-2010) ... Scottish Ministers now attend far more Council of Minister meets.

# Scottish Parliament post-Lisbon EU Strategy



- \* **European & External Relations Committee** scrutiny and intelligence gathering; defines objectives/priorities in EU engagement and scrutiny; engage with relevant stakeholder bodies; establish processes and mechanisms required for effective scrutiny.
- \* Scottish Govt for past four years publishes Scottish National Reform Programme (NRP). Scotland initially a footnote in UK NRP now referenced all over UK Government Europe 2020 National Reform Programme BUT noticeable EU response all UK member-state focused.
- \* Post-Lisbon EU matters were ‘mainstreamed’ or referred to appropriate committee for consideration but this often lacked priority under the weight of domestic executive and legislative oversight and scrutiny.
- \* 2010-13 exclusive focus was Commission’s work programme (e.g. 2012 inquiry into Horizon 2020) same as UK House of Commons/Lords.
- \* Ignored growing trend towards an intergovernmental approach in key areas of EU policy-making ...

# 2013/14 Scottish Government and EU Scrutiny Reforms



- \* From 2013/14 EERC Committees in cognizance of the growing trend towards intergovernmental approaches in key economic policy areas now consider the Europe 2020 Agenda, the Scottish Government's Action Plan AND Commission's Work Programme.
- \* EERC Committee seeks six monthly evidence session from Scottish Government AND respective Ambassador on the EU Presidency priorities.
- \* All Scottish Parliament Committees are asked to report their engagement and scrutiny over the year and identify scrutiny priorities.
- \* Scottish Government ministers make representation of interests on EU matters to UK Minister formally via Joint Ministerial Committee (Europe).
- \* Scottish Minister for Environment, Energy, Rural Affairs and Fishing (Richard Lochhead) then reports to Parliament decisions and Scottish input at such meetings.

# Scottish Parliament & EU Economic Policy Scrutiny



The Scottish  
Parliament



- \* November 2013 Enquiry into European Structural and Investment Funds (ESIF) led to Scottish Government's Report outlined the progress and timescales
- \* Jan – May 2014. European & External Relations Committee (EERC) focus on Scottish Government's proposals for an independent Scotland, including the thorny issue of EU membership of an independent Scotland.
- \* This exclusive focus has hampered scrutiny of Europe 2020 but that is firmly on the EERC agenda for the second half of 2014.

# How can Scotland become stronger in EU economic governance?



- \* The prism of the independence referendum structures all political debate in Scotland today.
- \* Economic governance and EU membership have been two of the key issues.
- \* Yes Scotland are fond of repeating a UK PM David Cameron's quote from 2007: 'Supporters of independence will always be able to cite examples of small, independent and thriving economies across Europe such as Finland, Switzerland and Norway ... It would be wrong to suggest that Scotland could not be another such successful, independent country'.



# In the event of the (more likely)

**Scotland  
Says NO**



- \* All three UK state-wide political parties have published proposals to extend devolution in Scotland with enhancements on Scottish economic competence.
- \* A 'No' vote and the potential UK wide 2017 referendum
- \* In the context of UK political developments, in particular a proposed 2017 UK EU Referendum, there is much economic uncertainty and risk associated with both a 'yes' and a 'no' vote.

