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Uncertainty is the new certainty: charting Scotland's course in an age of disruption



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Making a difference to policy outcomes locally, nationally and globally

OCCASIONAL PAPER

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It is a rare privilege in life to be invited to share your ideas and thoughts with people who have voluntarily come to listen to you, something which former politicians are very conscious of: thank you for giving up your valuable social or family time to be here in Glasgow this evening.

Of course, I am particularly grateful to the University of Strathclyde for the honour of becoming a visiting professor at this great institution, where I was a regular visitor during my time at the Scotland Office. Sir Jim McDonald's enthusiastic leadership of the university and contribution to civic life in the UK are widely and properly recognised and I look forward to developing my work here over the next few years. I am also very grateful to the partners at PwC who have given me the space to take on this role and do some broader thinking, in addition to my adviser's role with the firm.

Setting the scene

What just happened?

Four months after the UK's vote to leave the European Union, and the day the Scottish Government has published its 20 page draft bill for a second independence referendum, the future looks a bit uncertain. Actually, make that very uncertain (which is not to make a judgement on the rights and wrongs of either development).

The UK as a whole has made a decision about leaving the EU and that's what's going to happen. Hoping for something else is fanciful, in my opinion, and now we have to get serious about planning for the new world we are creating for ourselves.

And as for a second independence referendum, that is now a matter for Scotland's Parliament. Those of us outside have plenty to do thinking through the range of issues it raises, irrespective of personal views about the matter.

Cumulatively, these two events change the terms of trade for everyone, literally and figuratively. And they are not just political weather events which we can sit out with a few decisions postponed or by keeping our heads down - this is economic and political climate change.

¹ This is an updated version of Michael Moore's inaugural lecture which took place on Thursday 20th October 2016 in Strathclyde Business School. This version incorporates points arising from the 'question and answer' session which followed.

We need to get ready on that basis – no bystanders allowed.

Two tribes and three tasks

In this contribution to the debate about our country's future, and how we chart its course, I am aiming, mostly, at policy makers and business leaders, rather than politicians and voters – they probably think they get enough advice as it is.

My remarks are therefore dedicated to the business people who crave certainty, and the policy makers who have to pretend they are certain about everything: more about these two groups later.

I have set myself three tasks for this lecture:

Firstly, to introduce a bit of 'shock and awe' to the debate, to underline the scale of the ever-changing tasks in front of us, irrespective of Brexit and 'indyref2', in the hope of injecting some urgency into the process of how we plan for our future;

Secondly, to nudge business leaders and policy makers towards greater self-awareness, recognising that the old ways of working with each other will no longer do; and

Thirdly, in the spirit of the Strathclyde ethos as '*a place of useful learning*', to offer suggestions for dealing with the many tasks in hand.

Uncertainty and all that

So why the title, "*Uncertainty is the new certainty*"?

I confess it was a response to a cry I heard from business people perhaps once too often: "*Give us certainty - business hates uncertainty*". Indeed. Who doesn't?

Unfortunately, politicians and policy makers often humour those who believe you can have certainty, either of direction or of outcomes. And the louder the politicians shout, the more certain they hope to appear.

Reality, as I see it, is always rather messier. And 'twas ever thus: uncertainty has been around for a while.

This university's founder, John Anderson, was born at a time when the monarchies of Europe ruled the continent and much of the world – by the time of his death in 1796 the unthinkable had happened: he had seen France go through a revolution and Britain lose what became the United States of America.

Geo-politics aside, he saw a bit of technological change, too, and contributed to it: he designed a cannon which he presented to the revolutionary French, and it is reckoned that his request to his friend James Watt to repair an early steam engine, set in train the work which would lead to the revolutionary condensers, and thus improved steam engines, which were critical to the first Industrial Revolution.

In my lifetime, there has also been a lot of change, too, if in some respects more modest: when I was at school in Jedburgh in the 1980s, it was a technological thrill to gain a fourth TV channel and 'FastText' for Ceefax, while in science, IVF was the ground breaking medical breakthrough. The world of all-day, multi-channel, internet-enabled television, 'Dolly the Sheep' and the mapping of the human genome, to pick some random examples, was a sci-fi dream, along with so much else that has changed in the past 35 years.

As far as international politics was concerned, at school a group of us wrote letters for Amnesty International seeking the end of military rule in Poland: we never imagined that within a decade the Berlin Wall and the Iron Curtain would actually fall, the Soviet Union not far behind. (For the avoidance of doubt, I am not claiming any cause and effect here).

Looking ahead over the next 30 or so years, what's in store for my 7 year old daughter and 3 year old son? Both were born into a world where a tablet is a video and games machine, not just a way to take medicine. And where Scotland is part of the United Kingdom and the United Kingdom part of the European Union. At least one of those is changing – so what more can they expect? How certain can we be for them? Not very, I will venture.

Indeed, in what I think of as an '*Age of Disruption*', which I will describe in more detail shortly, the speed and scale of change, and consequent uncertainty, are possibly unprecedented, certainly in peacetime.

So, while I am not unsympathetic to the business leaders' appeal for 'certainty', I do think we need to be realistic about how certain life can be. And in doing so we should understand that no single politician, or set of politicians, can make the decisions which completely tame the uncertainty, whatever some of them, or their voters, may think.

But this is not the same as saying that there is nothing we can do: we can be better equipped to assess the different kinds of uncertainty and therefore to make better informed, and less risky, decisions as a result. And we don't need to over-complicate our lives with a poor man's version of Donald Rumsfeld's '*unknown unknowns*' approach, either: a simple framework based on being well engaged on the issues ought to suffice.

This is still a challenge, nevertheless, because there is a lot of material to cover: so we need to take a deep breath, study and understand what's happening around us in the world, in terms of

the '*Age of Disruption*', then be ready to re-shape how we act and run our organisations. Otherwise, we will fail to adapt to, and cope with, the fast-changing realities.

To avoid falling foul of my friends and former colleagues in politics, let me also say this: of course the citizens of Scotland and the United Kingdom need to be fully engaged, but in my judgement, in the aftermath of the Brexit vote and in advance of a possible indyref2 vote, there is now no escaping that leaders in business and policy-making need to move first.

How ready are they for the challenge?

Common sense in business and politics

Over thirty years ago, when I embarked on my undergraduate studies, I thought it was common sense to try to understand both sides of the economics and politics divide. Of course, over time I have learned that the 'sense' in 'common sense' is very much in the mind of the beholder, and only 'common' if you are very lucky.

Alas, there is not a business leader in the land or policy maker who doubts that they apply 'common sense' to every problem they meet. However, while the problems they face may be shared, their attitudes to fixing them can often have little in common.

So we end up with two alien tribes who think they see the same world and speak the same language, but rarely do, exacerbated by our self-curated, highly-filtered news bubbles which reflect back our opinions and, dare I say it, prejudices.

A symptom of the alienation is how rarely the two tribes interact on a personal level (aside from those who are highly active in particular political parties). If you doubt my point, ask yourself one of these questions:

If you are involved in business, when did you last spend time with a politician (or senior policy maker) on a one to one basis – in Parliament, in an advice surgery, on a visit to your business or elsewhere?

And if you are involved in public policy, when did you last meet a business leader or union representative and spend any time at their place of work?

When I have asked these questions in the past there has usually been an embarrassed silence. This audience ought to do rather better than most, but I am still not going to ask for a show of hands.

I believe we need to change this unhappy state of affairs because the world is changing around us at dizzying speed and I don't see the old ways of working in different mental silos being fit for purpose any more, if ever they were.

Coping with uncertainty (Part 1): Understanding our times

‘Age of Disruption’

If we are to chart our course successfully through turbulent times, we first of all need a good understanding of the times we live in. So let me take a closer look at the idea of an ‘Age of Disruption’, which has both an economic and a political dimension.

The economic dimension is most commonly described as ‘globalisation’, the swirling elements of which are all around us and can make us feel extremely uncomfortable.

(Before going any further, let me make a distinction between the components of globalisation and the attempts by government to control them through multilateral frameworks covering trade, development targets, climate change, international capital flows, financial (de)regulation and much else. For my purposes, I am using the term ‘globalisation’ to refer to its raw materials, not the policies which seek to control, encourage or limit its impact.)

My colleagues at PwC have been studying what they consider to be the main components of globalisation, or ‘megatrends’, very carefully. In the shorthand, the firm describes them as:

“...patterns or changes in activity which take place over a long period of time that have a major impact on business and society... They may seem very big, very long term [but] the implications can be very short term.” {David Lancefield, PwC, 2016}

In making sense of all of them, PwC highlights five particular strands:

- Technological breakthroughs
- Climate change and resource scarcity
- Demographic and social change
- Rapid urbanisation; and the
- Shift in global economic power

None of these megatrends is new, perhaps, and, of course, globalisation itself is as old as human interaction and trading with one another – so, tens of thousands of years. But I do think that this is a rather different moment: an era of aggressive globalisation, distinct from previous experience and with each of the elements in full flow, colliding with one another at pace and hard to stop, never mind reverse. Critically, this is not just about things which will affect us tomorrow – it’s about the here and now, the short term as much as the long term.

Technology breakthroughs are the most obvious aspect to pinpoint, not least the capability of computers and their applications which have transformed our lives in ways unimaginable half a century ago and most points since.

Back in the late 1990s when I worked for Coopers & Lybrand, one of PwC's predecessor firms, I attended a meeting at the administrative headquarters of Austin Reed in north Yorkshire.

The group IT manager sought to explain the changes happening in the business by reference to his desktop computer:

"This machine has more power than the mainframe computers we used until 5 years ago," he said, "and in another 5 years I will have something 10 times as powerful: I will simply push this machine off the desk into the bucket and move on."

Alas, a quarter of a century later, all that is left of Austin Reed is virtual reality, with an online presence and no stores: the technological bucket has gobbled up rather more than the IT manager bargained for.

Look around us here in Strathclyde, not least in the Technology and Innovation Centre, and there are rather more important examples of the way science and technology are changing our lives: in a world of smart energy grids (which in passing is one way of addressing the **climate change and resource scarcity** megatrend) or systems integration for 'future cities', it is clear that the pace of change isn't slowing any day soon.

A few years ago, nobody outside universities had a clue how transformative 'data science' was going to be. My brother in law, who was a research scientist at Stanford before he headed off to form his own 'start up' in San Francisco, has been completely immersed in machine learning, distributed systems and cloud computing for a long time (and has been very patient in explaining 'data science' to me on many occasions): I get enough about it now to realise that too few non-scientists understand what is involved and how quickly the 'Fourth Industrial Revolution', of which it is part, is changing our lives. I guess we need to catch up or we will suffer the same fate as the IT man at Austin Reed.

Let me turn to other examples of those megatrends.

Here in Scotland we are not alone in seeing huge **demographic and social change**, but the recent Accounts Commission report on social work north of the border was stark: our ageing population, as part of our changing demography, is one of the key factors which leads the Commission to anticipate a 20%, or roughly £500 million, like-for-like cost increase in social work spending by 2020.

Across the world the huge changes in demographics, and the way people lead their lives, are just as significant. And they are compounded by the huge anticipated changes in the world population over the next 30 years: the UN estimated in July last year that our current world population of approximately 7.3 billions will have increased to 9.7 billions by 2050.

This growing population is feeding **rapid urbanisation**, the fourth of the megatrends. To try and get our heads round what that means, let's focus on this great city in which we meet this evening: with its hinterland, it is estimated that Greater Glasgow has a population of 1.75 million people. To put that in perspective, within Asia there are over 40 Chinese cities and 14 Indian cities with populations greater than that. In Africa there are nearly 20 and in south America 13.

You don't need to be fully signed up to the notion of cities being the economic powerhouses of their respective countries to accept that this trend will generate and concentrate quite a lot of the economic power in those countries and regions in the years to come. The net effect is that we are competing against dozens of cities we have never heard of and many more we may previously have written off.

And like the magnetic effect of London, these cities will continue to draw people and activity towards them: as yet I am unaware of any political or other approach which will un-invent them or the dynamics which drive them.

This leads me to the final megatrend, the **shift in global economic power**.

Not being an economist, I am not qualified to offer any great insights on the metrics of the shift in power under the new world economic order. But as a recovering politician, used to giving an unqualified opinion when needs must, allow me to offer an observation.

At a basic level the shift in global economic power is crudely arithmetical: it must be reasonable to assert that you cannot live through an era of technological plus climatic plus demographic plus urban megatrends without the cumulative effect being a shift in global economic power.

This is occurring at all levels: between countries; between and within blocs of countries; between the elements of the supply chains which can criss-cross continents several times over; between the owners of intellectual property rights and the owners and users of assets; between workers and those who want their labour, be they old-fashioned employers or modern day agencies; between the generations; between consumers and regulators; between financiers and all of the above. And between any other combination or established relationship you care to imagine.

As our latest Nobel Literature Laureate, Mr Robert Allen Zimmerman, once put it: *"The times they are a-changin' "*

Eureka on the Underground

One example in particular brought home to me the cumulative effects of all these megatrends.

As I sat on the London Underground a few weeks ago, in an over-crowded carriage, I noticed an advert alongside the Tube map opposite me. Set against a background picture of exotic cooked food, the text read:

"Deliveroo: when it tastes so good you forget to Instagram it"

My initial incomprehension could only have been surpassed by the Victorian engineers who created the subterranean rail network I was using at that moment. But then I realised the advertisement captured the concept of the 'Age of Disruption' in one visual representation.

The company in question is a start up funded by many different international private equity companies. Deliveroo invite you to experience Michelin Star south east Asian dining (among many, many options), in your own home, by placing an order while many hundreds of feet below the ground. Your food will arrive just as you complete your journey.

The company does not cook any of the meals, nor does it employ any of the people who deliver them to you. You order and pay without any human interaction. You are alone in the experience, but it is replicated many thousands of times over in London, Berlin and Dubai. This repeats day after day after day.

The whole transaction is based on you and the 'service provider' placing trust in a world wide payments system, on the one hand. And on the other, you trust the power of a community of consumers, or online reviewers, to let you know if the restaurant or the delivery company ever get it wrong. (But perhaps the biggest technological leap is the expectation that your WiFi will work a long, long way below London's streets.)

To top it off, the advert is wrapped up in an ironic acknowledgement that the first thing (some) people do at meal times these days is photograph their food and share the picture with their friends. (And then complain on Trip Advisor that the food was cold, presumably.)

Good or bad, progress or not, what I do not think you can do is stop the trends represented by this one example. Or countless others.

Many recoil from all of this. But stopping the world and hoping to jump off is alas not yet one of the options which science, never mind its technological application, offers us.

If we can't quite bring ourselves to embrace uncertainty, we do at least need to equip ourselves to handle it.

Welcome to the 'Age of Disruption'.

‘Political pyrotechnics’

The second element of this new ‘Age’ is political.

In the face of disorienting change, there is an understandable desire to take back control, to coin a phrase.

In my earlier list of those between whom economic power is shifting I left out the relationship between politicians and their voters – for the avoidance of corruption that’s the way it should be. But the consequences of that economic power shift go straight to the heart of the relationship which voters are re-defining with their politicians, at times very assertively. (As I am aware from personal experience.)

At the heart of our sometimes visceral political debates in the ‘western world’ lies a painful truth: the economic elements of the ‘*Age of Disruption*’, reinforced by the after-shocks of the financial crisis, have led to a fundamental questioning of some old, very basic, political assumptions.

These include the idea that everyone’s standard of living will increase over their lifetime, bit by bit or even quite dramatically; and also that with effort, and appropriate luck, our children’s standards of living will surpass ours, in much the same way as perhaps the majority have experienced in the generations since the second world war. Now, in a context of declining real incomes and growing inequality within and between countries, which has up-ended these assumptions, our ‘*old economy, old politics*’ models are being questioned like never before.

A year ago I started a speech to a business audience by asking:

“If Donald Trump is the answer, what on earth is the question ...?”

That doesn’t seem quite so funny now, 3 ½ weeks from the presidential election, even if current polls, and last night’s final presidential debate, suggest we don’t need to go and hide under the duvet quite yet.

But big questions are being posed in most western democracies. After the Brexit vote, and with talk of indyref2, we are seeing a very fundamental question asked here at home:

“Is this political system fit for purpose?”

For many people on June 23rd the answer was a resounding ‘No!’

And the journey towards a second referendum on independence here in Scotland will at least have some overlay of the same dissatisfaction and anger which citizens across the world feel towards their political and business leaders.

Coping with uncertainty (Part 2): Scoping our challenges

‘Bandwidth sclerosis’

So, in the face of the economic and political elements of the ‘*Age of Disruption*’, what do policy makers and business leaders need to prioritise?

First off, let’s recognise the scale of the decisions which the politicians in both governments and parliaments are grappling with at the moment.

There’s a frightening amount to do: even before the May elections here in Scotland and the EU referendum in June, the in tray was already looking a bit crowded. The new tax, borrowing and welfare powers for Scotland, wrapped up in a new fiscal framework gave us plenty to be getting on with.

This ongoing re-wiring of the British state is certainly unprecedented.

A crude indication of what’s involved is illustrated by one example: the much-derided Barnett Formula can fit on half a side of A4, which is barely enough space for the title of what has augmented it recently, namely:

‘The agreement between the Scottish Government and the United Kingdom Government on the Scottish Government’s fiscal framework’

The agreement itself is 17 pages long and it then has 5 annexes governing its operation, including 21 pages on the baseline calculations – a modest 47 pages in total.

Professor Graeme Roy and his colleagues here at Strathclyde have already produced a 100 page blockbuster report setting the scene for Scotland’s Budget underlining its significance by observing:

“From 2016/17, it will be the performance of the Scottish economy, relative to the rest of the UK, which will help shape the revenues and resources at the disposal of the Scottish Government.”

This is now serious stuff – it matters that we get these changes right.

But the SNP Government is also in its third term, traditionally a time of delivery and greater public scrutiny for any political party: the pressures on the health and care sector I referenced earlier are just one example of the challenges. And I imagine John Swinney might agree with me that he hasn't moved to education for a quiet life after nearly a decade in the engine room of the Scottish Government.

So things were already shaping up to be quite busy this parliamentary term. And now we are just starting divorce proceedings with the EU, which in turn has opened up the prospect of a re-run of the independence debate.

Pity the civil servants in Edinburgh, and London, of both governments, who have a busy day job, new powers to implement, a new European map to negotiate and will be considering or challenging a new independence prospectus.

Bandwidth is a huge issue, wherever you look: the copper-wired machinery of government is now expected to deliver the equivalent of a fibre-optic, hyper-speed-enabled Tardis.

What are the chances?

A brief detour

If 'business as usual' has just been junked, I think it follows that two sets of relationships need to change: those between Scotland's two governments and those between policy makers and business leaders.

I did say that my main focus here is on policy makers and business leaders and I will return to them in a moment. But if you will indulge me, and the governments don't mind some unsolicited advice, let me briefly make a case for a different kind of relationship between the UK and Scottish governments.

As Scottish Secretary I was party to both the formal and informal arrangements which govern the relationships between London and Edinburgh. Away from the headlines and negotiations via the media (though we were never far away from that), senior ministers regularly operated through a series of formal inter-governmental arrangements.

The Joint Ministerial Committee and its offshoots allowed face to face meetings between the Prime Minister and the First Ministers of the devolved nations, covering the full ambit of domestic policy and acting as a forum for dispute *declaration*, if rarely for dispute *resolution*.

The inelegantly styled 'Finance Quad' was a vehicle for the Treasury to hand out announcements to the devolved administrations, including the Memorandum of Understanding, without any negotiation, and was very definitely not part of the JMC arrangements. Protest was heard, but this was not a place for negotiation and agreement.

And finally, as a result of the Scotland Act 2012, the Joint Exchequer Committee was established to deal with the tax and borrowing provisions we were introducing then.

I am not trying to wish away the realities of government – aside from the public interactions, there are many precious avenues, especially informally, for civil servants and ministers to do business with each other. The vast majority of inter-governmental business is carried out professionally, flexibly and effectively – things got done.

(And I made use of that flexibility myself: there is a lay-by south of Crianlarich where I recall agreeing some of the final details of the Scotland Act of 2012 with counterparts in the Scottish Government; and I conducted one of the negotiating sessions leading up to the Edinburgh Agreement later that year on a conference call from my sister's house in Florida, where I was on holiday at the time.)

Notwithstanding the famed adaptability of the British constitution, of which I took full advantage as I have just shown, in the Smith Commission I argued for an overhaul of the disjointed inter-governmental machinery, to be replaced by a coherent, fit-for-purpose framework.

My desire was to establish a set up which would respect the new wiring arrangements of the British state, the central importance of the devolved nations and make for greater effectiveness and appropriate transparency. And I bored my fellow commissioners sufficiently to get a recommendation for a revamped set of arrangements in place (paragraph 30 of the report for the truly dedicated amongst you). But we will be waiting a while longer for them to be introduced, I fear.

Out of necessity some of the arrangements are being changed – the fiscal framework helpfully sets out the revised remit of the JEC in annexes D and E, for instance. But my judgement is that there is still some way to go to sort the machinery out: in the meantime, I think that the more opaque the arrangements remain, the poorer the decisions will be and the less well informed we will all be about what is going on.

And at a time when Brexit means we are needing to gather, analyse and share information about what is economically critical to Scotland in the European negotiations, we can't afford slack arrangements.

I do, of course, expect both the Scottish and Westminster Parliaments to continue to make their presence felt in all of this, but their scrutiny role would be much more straightforward if the basic architecture of inter-governmental arrangements were given an appropriate upgrade.

That's the detour finished. Now, let me get back to the business leaders and policy makers whom I have temporarily let off the hook.

If it is the case that Scotland's two governments need to respond to the new realities in front of them by raising their relationship games, the same applies to business leaders and policy makers: if you will allow another crude characterisation, the (at times) mutual incomprehension needs to be abandoned, for a start. Both groups, who are vital to the success we make of the Brexit process and much else, need to be equipped to understand each other's perspectives and to tackle the problems which stare us in the face.

Coping with uncertainty (part 3): Preparing 'Plan B(rexit)'

Engage

So what are the practical steps we need to take?

Rarely in peace-time will there have been a moment like this when we need to understand the nuts and bolts of every business and public organisation, as well as which pieces of legislation affect them and where that legislation came from. Now is the moment to engage.

In recent weeks I have been talking to private and public sector leaders across the country. One told me that as a result of the uncertainties over freedom of movement, he had realised the easy way to recruit new employees to tackle the demographic time-bomb in his workforce was gone. He is left with an HR and, in particular an apprenticeship strategy, which is sub optimal, to say the least.

Another person admitted her organisation has not worried about the source of the legislation which drives standards in her business and her sector. Now she needs to get her head round how the UK will develop replacement regulation in the future and how those changes will affect her ability to do business on the continent.

And in agriculture all of the above applies and more: the reality is dawning that by the time the subsidy 'cheques' arrive in early 2021, they won't have come, unimpeded, from Brussels, but instead will have been passed through four UK-based 'intermediaries' at the Treasury, DEFRA, the Scottish cabinet; and the Agriculture, Food and Rural Communities Directorate at the Scottish Government. How light fingered will each of them be and how similar will the figure on the cheque be?

So, this is not a moment for tinkering or iterating existing plans, but a time to take our organisations apart and make sure we really understand them. There's a dual purpose here: businesses and public organisations need to understand this to cope with an existential moment in our economic existence; but government needs the information, too.

The Brussels bunker

Imagine the scene: sometime in the next couple of years, David Davis is incarcerated with Michel Barnier in a soulless office in Brussels, working through the Brexit deal.

Monsieur Barnier raises the transitional arrangements for the EU's responsibilities regarding the protected 'geographical indicators' for Arbroath Smokies, Orkney Beef or Native Shetland wool. And did anyone mention whisky?

This may be the day after or the day before considering if the UK will have regulatory 'equivalence' under MIFID 2 after Brexit.

On each occasion, Mr Davis will know his brief, but the detail will be the responsibility of the sherpa, or senior official, sitting beside him at that moment. When he turns to that official, they in turn will need to have the facts, analysis, priorities and 'red lines' to hand for the UK and its constituent nations and regions, or the point will be lost. Scotland's asset managers, fishermen, farmers and textile producers need to make sure their detailed points are to hand at that moment.

In Mike Russell, the Scottish Brexit Minister they have a formidable advocate – I have some experience of being on the opposite side when he is making his arguments and it's not for the faint of heart. (Indeed, I would pay good money to be in the room when he and David Davis are working things out together.)

Regardless of their varying interests, both men need the right material to put into the UK negotiating position to secure the best outcome for the country. No business, public body or third sector organisation should assume someone else is providing the information or analysis to the policy makers and leaders who are making the key decisions. Professional bodies, trade associations and umbrella bodies now have to earn their keep, but can only do so on the basis of the right data and arguments.

And remember, ignorance is a politician's best defence – what they do not know cannot get in the way of their argument.

In practical terms, therefore, perhaps this is the moment for the creation of a **UK Data and Analysis Mine** which collates the information to underpin the necessary arguments. In the absence of that, some 'Heath Robinson' alternative is urgently required.

Collaborate

Engagement is necessary, but not of itself sufficient.

Now is the time to rehabilitate the notion of collaboration: in politics it is a dirty word and in business it is often seen to be anti-competitive, but at an existential moment for the economy and our polity we need to see it embraced.

Firstly, within business we need to ditch the banal (such as ‘ we want a level playing field’; ‘we demand certainty’) and produce the straightforward points which tells the governments what matters and what does not; Secondly, between business and politics there has to be purposeful dialogue rather than tick box engagement.

Let me spell that out: stakeholder engagement needs to be systematic and for a purpose: at the Scotland Office, and when I acted as Nick Clegg’s European Business Adviser subsequently, business leaders were properly engaged, and committed, when asked to contribute to particular tasks.

The best examples were re-working an internationalisation strategy for Scottish business on the one hand and devising a new way to promote UK competitiveness in Europe on the other (however ironic that may now appear): turning up for round tables with weak agendas and no follow up did not cut it and I tried to make sure that did not happen.

Thirdly, in line with my earlier broader points about the relationships between our two governments, there has to be a pan-UK engagement process fit for purpose – ‘ad hocery’ and ‘exam cramming’ won’t meet the test.

North and south of the border, and across in Northern Ireland I have been told there are promises that everyone has a seat at ‘the table’ – that matters enormously. It’s clear that both governments are engaging, but perhaps it would create a real sense of ‘grip’ and focused practicality if there were a formal **Brexit Council of the Nations and Regions** to deliver a coherent, UK-wide framework for the negotiations.

Re-set

To engagement and collaboration, let’s add ‘re-set’.

If we take a moment to stand back from the intensity of recent events, we can see that Brexit means we are hitting the re-set button on the UK’s relationship with the rest of the world. The Article 50 moment in the spring is not just a point when brutal negotiating begins, but the point when we set the UK on its new course. Our role as a global player is in question and our future posture regarding security, environmental and development issues will matter more than ever.

But how we handle these issues will also matter for the Brexit negotiations themselves: generating goodwill by ongoing engagement or underlining the hardness of the exit process. Beyond the distillation of the economic issues for the negotiating plan, therefore, I would suggest there ought to be a statement of policy, a **Grand White Paper**, perhaps, which explains the vision, the purpose and the plan for for the United Kingdom.

There will be enough counting of beans over the next few months and years: there has to be some view of the future which charts our course toward the middle of the century as well.

Re-connect

None of this will work unless there is a re-connection with the public who took aim at the establishment in June and scored a bull's eye.

It is a modern day conundrum that at a time when it is easier than ever to follow the minutiae of political debate, and, I would argue, politicians are more accessible than they have ever been, huge numbers of the public have felt completely marginalised from the big decisions and alienated from the decision makers (and perceived winners) in the current set up.

Accessibility does not equate to accountability, of course, and does not necessarily generate approval, either: the dismal European debates in Parliament over the past generation, in many of which I took part, used alienating language and clearly failed to address the issues of day to day concern to voters. There are rather too many other examples, of course.

So, the 'elites' were a legitimate and well hit target in the Brexit vote, and what followed. But there is a whiff of the 'faux revolutionary' about some who have now stepped forward in their place. They may be smarter in their use of language, but the risk of carrying on a refined form of 'business as usual' is substantial.

Happily, in both the Prime Minister and the First Minister I judge we have two formidable politicians and leaders who recognise the dangers and will keep one another in check if there is a possibility that the wrong lessons are learned from the 23rd of June.

Anyway, perhaps now is the moment to start the process of re-imagining political engagement – again, here at Strathclyde, the eminent Professor Curtice can offer a rather sophisticated view on that - somebody has to.

Conclusion

The issues I have raised this evening, and the suggestions I have made, begin and end with the 65 million people who live across the United Kingdom.

Nearly 20 years as an elected politician and 10 in the business world reinforce one of my basic beliefs that, if we are totally absorbed in our own wee worlds and forget our broader responsibilities to society, there will be a reckoning.

Thursday 23rd June 2016 was such an occasion.

That is not to say that every last demand of the electorate is mutually compatible or even reasonable. Nor is it to say that everything that went before ought to be junked or we should adopt a 'winner takes all' mentality to the new economic, and perhaps political, order we need to create.

But, as I hope I have made clear, it is to say that the economic and political challenges in front of us are on a scale we have not seen previously in peacetime, and demand a scale of response which is up to the tasks in hand, as we chart our course for the next half century.

In an '*Age of Disruption*', where uncertainty is pretty well guaranteed, we need a new way of doing business together.

About the author:

Michael Moore is a Visiting Professor at the International Public Policy Institute (IPPI) at the University of Strathclyde and Senior Adviser on Devolution at PwC, supporting the public and private sector to deliver the devolution and regional economic growth agenda of the UK government and the regions.

Michael was Secretary of State for Scotland (2010-13) and piloted the Scotland Act 2012 through Westminster which transferred income tax and borrowing powers to the Scottish Parliament. He negotiated the Edinburgh Agreement with Nicola Sturgeon creating the framework for the 2014 Scottish Independence referendum. He was a member of the Smith Commission that set the blueprint for further tax, borrowing and welfare powers as delivered by the Scotland Act 2016. It was Michael's Private Member's Bill that led to UK committing to the UN target that countries spend 0.7% of national income on foreign aid.

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