

YOUR SCOTLAND, YOUR VOICE

This is a short summary of the White Paper which contains more comprehensive information and many examples. Members of the SNP should also look at the National Conversation website (<http://www.scotland.gov.uk/Topics/a-national-conversation>) which has a wealth of useful information

There will also be a presentation on the White Paper at National Council in Perth on Saturday 5th December.

Today the SNP Scottish Government has set out in detail its arguments for **Scottish independence**, and published its plans to hold a referendum on our country's future. No previous Scottish Government has been as visionary and as open in its ambitions for Scotland's future.

In his introduction to the Scottish Government's White Paper **Your Scotland, Your Voice**, First Minister **Alex Salmond** says:

"Two things are clear. First, that there is a demand in Scotland to consider and debate our national future. Second, that the current arrangements do not meet the ambitions of our nation. Ten years on from devolution, almost all agree that it is time to expand the responsibilities of our Parliament."

1. The National Conversation on Scotland's Future

1.1 Introduction – Aims of the White Paper

1.1.1 The publication of today's White Paper concludes the National Conversation process – a process that was launched by the Scottish Government in August 2007 to enable the people of Scotland make an informed decision on the constitutional future of Scotland.

1.1.2 The White Paper draws together a huge number of contributions from around the country, made as part of the National Conversation. This was the biggest ever public consultative exercise of its kind, in which the views of people were sought both online, and at public events throughout the country. Some 15,000 people gave their views and a series of papers on specific policy areas were published by the Government.

1.1.2 Today's White Paper not only summarises those debates, but also responds to issues raised by the Commission on Scottish Devolution (The Calman Commission). The Commission was initiated by Scotland's Unionist Parties and reported in June 2009. It set out a series of modest proposals for constitutional reform while excluding both independence and fiscal autonomy from its remit. The Commission's findings were published in June 2009 under the title of *Serving Scotland Better: Scotland and the United Kingdom in the 21st Century*. The UK Government responded last week through their own White Paper, which delayed implementation of any of the Commission proposals, even those where there is consensus.

1.1.3 The Scottish Government has indicated that, although not supporting all the Commission's conclusions, it is happy to see many of Calman's recommendations implemented as soon as possible. Indeed, it has set out a mechanism for achieving this before the next Westminster election. Overall the Scottish Government has accepted 29 of the 63 recommendations, while the UK Government has accepted only 23.

1.1.4 On the basis of this public debate the Scottish Government's White Paper sets out in great detail the case for an independent Scotland and in doing so paves the way for the Referendum Bill. The White Paper is the next step in the process for giving the people of Scotland their say on their future.

2. The Options for Scotland's future

Your Scotland, Your Voice examines all the options for Scotland's future, not just the Scottish Government's favoured position - independence.

There are four broad options available to Scotland:

The **status quo** - Scotland retains its current responsibilities, but the Parliament gains no further powers.

Implementing **Calman's** recommendations.

"Full devolution", sometimes called "devolution max". This anticipates transferring the maximum range of responsibilities to Scotland that can be achieved while Scotland stays in the UK.

Independence, whereby Scotland achieves all the rights and responsibilities of a normal state.

The White paper sets out what each of these options would mean for every area of Scottish public life.

3. A Wealthier Scotland

3.1 Tax

3.1.1 With independence, Scotland would be able to design a tax system suited to her own social and economic needs, making Scotland a more attractive place to live and do business.

3.1.2 However, apart from the Scottish variable rate (which allows the Scottish Parliament to vary the standard rate of income tax by 3p in the pound – but which has never been used before), the budget available to a Scottish government is determined almost completely by the UK Government, through the block grant. Approximately 89% of the Scottish Government's income is currently determined by Westminster. Perversely, Scottish policy initiatives which increase economic growth in Scotland do not produce any corresponding increase in the tax revenue available to a Scottish government

3.1.3 While Calman recommended a number of minor taxes be devolved, and proposed a system of assigning revenues to Holyrood, the UK would still collect around 80% of all Scottish tax revenues.

3.1.4 Full devolution (in this case meaning full fiscal autonomy), on the other hand, would give the Scottish Parliament responsibility for raising the vast majority of taxes in Scotland, minus a subvention to cover the cost of UK responsibilities like defence and foreign affairs. But independence would allow Scotland to make its own decisions about the Euro, access its own oil revenues and borrow freely on international markets, as well as make all decisions on public expenditure and taxation. Independence would also allow Scotland to create a culture of economic success, and maximise the accountability of the Scottish Parliament for its decisions.

3.2 Fiscal position

3.2.1 There has always been a debate about Scotland's fiscal position. The most recent Government Expenditure and Revenue Scotland (GERS) figures demonstrate that Scottish public finances ran current budget surpluses in each of the three years to 2007-08. In comparison the UK ran a budget deficit in each of those years.

Balance on current budget - £ billions	2005-06	2006-07	2007-08	Cumulative total
Scotland	1	1.1	0.2	2.3
UK	-13.9	-5	-5.1	-24

3.2.2 The Barnett Formula is currently used by the UK Government to determine the size of Scotland's block grant. It bases increases in the block grant on increases in spending elsewhere in the UK, but this applies to cuts too – hence the £500 million cut to Scotland's budget in 2010-11.

3.2.3 One of the lessons from the current global economic downturn is the need for greater financial regulation than has been practised by the UK Government.

3.3 The Scottish Economy

3.3.1 An independent Scotland could have a sovereign wealth fund based on Scotland's oil and gas reserves to insulate the country against uncertain economic times. The Calman Commission considered the devolution of some element of oil and gas revenues, but rejected the idea, despite the views of its own expert group. Calman did not discuss the historic under-performance of the Scottish economy, and even went so far as to recommending the transfer back to Westminster of some areas like insolvency.

3.3.2 By contrast, full devolution would allow Scotland access to all the economic levers including corporation tax, through fiscal autonomy. Independence would additionally give Scotland a voice at a European level on economic issues. Scotland's biggest trading partner would continue to be the UK, and Scotland would continue to enjoy access to these and other European markets as an EU member state.

3.3.4 Scotland has a modern, diverse, knowledge-based economy with a total annual economic output of over £100 billion. This includes important sectors such as the service sector, manufacturing, engineering, oil and gas, energy, financial services, food and drink (including agriculture and fisheries), tourism, the creative industries and life sciences. Scotland has a strong academic base, with four of our universities in the world's top 150. For these reasons, we should be matching the success of similar, independent nations. IMF estimates of gross domestic product per capita based on purchasing power parity show that the wealth per person in Iceland, Ireland and Norway is not only larger than the UK's but that the gap between those nations and the UK will actually increase over the next five years. (World Economic Outlook Database, April 2009)

Country	2009	2010	2011	2012	2013	2014
Iceland	35,757.53	35,484.96	36,798.59	38,625.92	40,752.46	43,127.06
Ireland	39,382.54	38,253.28	38,745.75	39,925.78	41,404.23	42,947.46
Norway	52,796.52	52,854.69	53,761.22	55,139.71	56,830.33	58,610.09
UK	35,286.03	34,881.40	35,401.91	36,540.60	37,838.03	38,807.83

3.3.5 Demographic change presents Scotland with challenges. Calman recommends

retaining immigration as a reserved matter. However, even at a sub state level, localised migration policies have been successful in countries like Australia and Canada. There is no reason why they would not work in Scotland too. With independence, Scotland could have an immigration policy that recognised our distinctive needs and skill shortages. As an EU member state, our borders would remain open to EU nationals, and we would remain free to move throughout Europe.

3.3.6 Broadcasting is vital to Scotland's economy as well as to its culture. Yet all major decisions about it are made at a UK level, and only 3.7% of network programmes are made in Scotland. Calman merely recommended that the Scottish government appoint one of the members of the BBC Trust. Full devolution, however, would allow greater Scottish responsibilities for areas like a Scottish digital channel, while remaining within the frameworks of the BBC and Ofcom. Scotland could be allocated an agreed share of licence fees. Independence would allow for a national public sector broadcaster to be created, based initially on the existing staff and assets of BBC Scotland. An independent Scotland would still have access to the BBC and other UK broadcasters and to Freeview.

4. A Fairer Scotland

4.1 Inclusiveness and equality

4.1.1 Scotland has a strong tradition of striving for a more inclusive society. However, at present most of the major systems for tackling poverty and providing social justice – taxation, benefits and equalities legislation – are reserved to Westminster. Calman proposed very little change. Greater responsibility for the benefits system could come, however, with greater devolution. Independence would give Scotland responsibility for *all* of these issues. In both 2006/07 and 2007/08, a smaller percentage of government revenue was spent on welfare in Scotland than in the United Kingdom: spending on social protection accounted for 34% of total government revenue in the UK, but 33% in Scotland. This makes clear that Scotland is in a better position to pay our pensions and welfare support than the UK as a whole.

4.1.2 Around one in six Scots lives in relative poverty. The major mechanisms for addressing this presently lie outside the Scottish Parliament's responsibility – benefits, tax credits minimum wage and employment support. Relatively minor changes were proposed by Calman in these areas, but full devolution would allow Scotland to develop a benefits system suited to our needs. Northern Ireland already has a benefits system of its own.

4.1.3 Independence would give Scotland responsibilities for all these areas of policy. Existing benefits would continue to be paid, and it would be for future Scottish governments to propose any improvements. Scotland could, for instance, set out to simplify and improve our benefits system, addressing problems like the benefits trap.

4.1.4 Many areas of housing and regeneration policy are devolved, and our housing stock differs significantly from that elsewhere in the UK. However, important related areas like inheritance tax, stamp duty and social security are all reserved at present.

4.1.5 Calman recommended only the devolution of stamp duty and land tax. Either independence or full devolution would bring more focused decisions to the housing sector.

4.1.6 Equal opportunities is largely reserved to Westminster, something which Calman did not seek to change. Full devolution, however, would ensure equalities legislation was no longer separated from key areas of devolved policy such as health, education, housing or justice, though in this situation equalities legislation passed at Holyrood would still not

apply to reserved areas.

4.1.7 Independence would see Scotland assume responsibility for all areas of equality policy in the increasingly diverse society we now have. Scotland would continue its commitments to EU equalities legislation and to a range of UN conventions in this area but would be able to back up rhetoric with action.

4.1.8 With independence all the tools to promote a **socially just society** would be in Scotland's hands.

5. A Greener Scotland

5.1 Scotland's natural environment

5.1.1 Scotland has a huge asset in its natural environment. Yet major environment policy areas remain reserved to Westminster – energy, transport regulation and waste. And many devolved areas like agriculture and fishing are subject to EU agreements in which Scotland has no direct say.

5.1.2 Increased devolution could allow Scotland, for instance, to promote carbon capture or offshore renewables, but only independence would allow Scotland to make any direct input into the EU and international decisions that affect us. Although we are among the largest sea fishing nations in Europe, it is the UK Government - for whom fishing has not always been a high negotiating priority - which represents Scotland in Europe. Indeed Scottish Ministers don't even get to speak on the issue.

5.2 Environment, Climate Change, Agriculture and Fisheries

5.2.1 On climate change, Scotland has already set itself some of the most ambitious targets in the world on emissions reductions. However, many of the levers for achieving such targets, like energy policy, vehicle excise duty, fuel duty and landfill tax, remain reserved.

5.2.2 Responsibility for Scotland's seas is currently divided between the Scottish and UK governments. Organisations like the Crown Estate and the Maritime and Coastguard Agency remain in the hands of Westminster. Other contradictions are that Scotland, while meeting targets under Europe's land fill directives, has no control over packaging.

5.2.3 Calman recommended devolving landfill tax and aggregates levy, along with marine nature conservation. Despite offering some modest changes to the operation of the Crown Estate, Calman crucially did not propose any change to the fact that revenues from the Crown Estate in Scotland go to the UK, rather than to the Scottish Government. Calman also recommended that funding for dealing with exotic disease outbreaks in animals be devolved.

5.2.4 In the area of agriculture, the Scottish and UK Governments currently have different views on how to reform the EU's Common Agricultural Policy (the CAP). For example, the UK Government wants to phase out the entire "first pillar" of CAP, including single farm payments. As 85% of Scotland's agricultural land falls in "less favoured" areas, this is not in the interests of Scotland's farming and rural communities.

5.2.5 Full devolution could go much further. For example, the Scottish Government could tailor fuel and excise duties to better suit Scottish needs, particularly in rural and remote areas. However, independence would allow Scotland full membership of the EU and other international bodies, and finally allow us a voice of our own on the whole range of

environmental policy in Europe. Not least, this would allow us to argue robustly in favour of Scotland's own farming interests without having our voice diluted by the UK, argue for the replacement of the current Common Fisheries Policy and have a direct say in climate change talks like those currently taking place in Copenhagen.

5.3 Transport

5.3.1 On Transport policy, a large number of areas remain reserved, including regulation of roads vehicles and drivers, national speed limits, UK rail network issues, cross-border train franchises, marine policy, and most aspects of air transport. In 2005, Executive (though not legislative) authority over rail investment was transferred from Westminster to Holyrood.

5.3.2 Calman's only recommendation in this area is to devolve air passenger duty. Independence or full devolution would allow Scotland to integrate all transport initiatives, give greater borrowing powers to the Scottish government for major capital investment and also allow Scotland to seek a derogation on fuel duty in remote and island areas of the kind that France has already obtained for Corsica.

5.4 Energy

5.4.1 Energy policy is crucial to Scotland's economic and environmental future. Scotland has undertaken to reduce emissions by 42% by 2020, and to make use of our unrivalled resources for renewables. Yet, all the major areas of energy policy are reserved to Westminster, including the regulation of energy markets and oil and gas revenues. Current grid charging also operates against the interests of Scottish renewables. Calman offers no change to any of this.

5.4.2 Full devolution, however, could encompass Scottish control of the Fossil Fuel levy, and also give Scotland at least some access to the revenues on remaining Scottish oil and gas reserves, which have an estimated wholesale value of up to £1.1 trillion. This compares to an accumulated UK debt of £791 billion by 2013/14. A per capita share of UK debt allocated to Scotland would be £66 billion compared to a potential wholesale value of Scotland's oil and gas of almost £1 trillion.

5.4.3 Under Independence, Scotland could devise a system of transmission charges and market regulation that suits its own needs. It would have the option of operating a single market with other countries. It would also allow the application of the revenue from Scottish oil and other energy reserves to Scottish purposes.

6. A Healthier and Smarter Scotland

6.1 Healthcare

6.1.1 The NHS is markedly different in Scotland from the rest of the UK and is largely independent – Scotland has a long-standing integrated health service and no competition or internal market operates in NHS Scotland.

6.1.2 Since devolution Scotland has improved its health service in several ways. For example, it has reduced waiting times through more efficient working, introduced better workforce planning, increased investment for new diagnostic equipment and developed the single patient record. Scotland is currently phasing out prescription charges, while it led the UK in legislating to ban smoking in public places.

6.1.3 However, several areas of health policy are still reserved to Westminster, including:

regulation of the main health professions that existed before the Scotland Act; misuse of drugs; medicines, medical supplies and poisons; embryology; surrogacy and genetics; and abortion.

6.1.4 Independence would ensure Scotland had full responsibility for the entirety of its health system, including the few health policy areas currently reserved to the United Kingdom. In addition, cross-border co-operation in health could actually be enhanced. For example, organ donation systems and specialist health services for rare treatments and conditions could be strengthened across the current UK (which already happens on an EU-basis).

6.2 Education and children

6.2.1 Scotland has long had its own education system. However, the current constitutional settlement places limits on the action that can be taken in Scotland to improve the lives of children and young people. In particular, the benefits and tax credits systems are unresponsive to Scottish needs and are organised on a UK-wide basis.

6.2.2 Both full devolution and independence would allow children's services to be integrated with support through the tax credit and benefits system. For example, support with the costs of childcare (demand-side funding) is reserved to the United Kingdom Government and is funded through the tax credit system, while childcare provision (support-side spending) is devolved to the Scottish Government. This split can be confusing for parents and has been widely criticised. If the Scottish Government had responsibility for all aspects of funding it could construct simple and accessible progressive support for the costs of childcare.

6.2.3 Calman's only recommendation was that the UK authorities should recognise the statutory responsibilities of their Scottish counterparts for the wellbeing of children of asylum seekers. This actually reflects recent practice: when a child is at Dungavel, agreements exist between the Borders Agency and the local authority to ensure they are given the help and support they need. However, the Scottish Government and the SNP remain entirely opposed to child detention.

7. A Safer Scotland

7.1 The Justice system

7.1.1 The Scottish legal system has long been distinct from that of the rest of the United Kingdom. Scotland has: its own court system; different professional legal bodies (the Law Society of Scotland and the Faculty of Advocates); its own legislation; its own police forces; its own independent prosecution, headed by the Lord Advocate; and its own prison and criminal justice social work services. However, there are several important areas of safety which are reserved to the United Kingdom: terrorism; legal safeguards for human rights; drugs; firearms; alcohol taxation; drink-driving limits; and some jurisdictions of the United Kingdom Supreme Court.

7.1.2 Calman recommended that Scotland should be responsible for: the regulation of airguns; licensing and control of controlled substances for the treatment of addiction; drink-driving limits; and the national speed limit in Scotland. However such an approach contains a number of inherent problems. It would fragment the decision making process in Scotland and it is incoherent for the Scottish Parliament to have the ability to legislate on airguns but not other firearms. The Scottish Parliament would be unable to set differential drink-driving limits for certain groups of drivers such as young drivers or commercial drivers. And while the Scottish Parliament would be able to set a national speed limit in

Scotland, it would be unable to set related penalties.

7.1.3 Under independence, these anomalies would be removed. In time Scotland would wish to consider the architecture of the court system, in particular whether there was a need for a Scottish Supreme Court based on the United Kingdom model, or whether existing Scottish court structures would suffice. The Scottish legal system would continue its traditional openness to the positive influence of other jurisdictions, particularly the Courts of European institutions. The principal difference would be that Scotland's legal system would decide how to use these external influences, including the rich jurisprudence of the rest of the United Kingdom and the Commonwealth, rather than having some crucial decisions made by judges from other jurisdictions (such as the new UK Supreme Court and Tribunals Service).

7.2 Human Rights and Responsibilities

7.2.1 The Human Rights Act 1998 incorporated the European Convention on Human Rights (ECHR) into United Kingdom domestic law. The UK still claims competence to legislate in ways that are incompatible with ECHR, meaning the human rights of Scottish citizens can be encroached upon by Westminster without reference to the Scottish Parliament or Government. The introduction of ID cards is a pertinent example as this is wholly reserved.

7.2.2 Greater protection has been given to the human rights of Scottish citizens in some devolved areas than has been the case in England and Wales, for example on the retention of fingerprints and DNA samples

7.2.3 Calman did not consider the wider issue of human rights, nor their place in the governance of Scotland.

7.2.4 Under independence Scotland could properly entrench the human rights of Scottish citizens in the constitutional framework of the nation. This approach would reflect international best practice. As an independent state, Scotland would generally inherit current international obligations and the ability to choose how to implement them in areas which are currently reserved in a way that recognises legal traditions and national concerns.

8. A Stronger Scotland

8.1 Scotland's international position

8.1.1 At present, foreign affairs are reserved to the UK. Within the European Union Scottish Ministers can make representations on issues pertinent to Scotland but only via UK delegations, and they must adhere to the agreed UK position.

8.1.2 Calman recommended a presumption that Scottish Ministers should be part of the UK delegation to European Councils when devolved issues are being discussed and that there should be encouragement to improve the relationship between the Scottish and UK parliaments.

8.1.3 An independent Scotland would continue its membership of the European Union. Settling the detail of European Union membership would take place in parallel to independence negotiations with the United Kingdom Government, and would cover areas such as the number of MEPs and its weight in the Council of Ministers.

8.1.4 At present Scotland has six MEPs, but independent countries of a comparable size

to Scotland, such as Denmark, have thirteen MEPs. Scottish Government Ministers would sit on the Council of the European Union, its principal decision-making body. As a full member, Scotland would be eligible to hold the Presidency of the Council of the European Union, which rotates on a six-monthly basis between all members.

8.1.5 As well as playing a full role in considering and addressing international issues like peace and war, reconciliation and climate change, Scotland would also be able to play a role in other global groups such as: the United Nations; the Commonwealth; the World Health Organisation; the Organisation for Economic Cooperation and Development; and the World Trade Organisation. An independent Scotland would establish a diplomatic service, building on its offices in certain strategic overseas locations, and would also establish a government department to deal with international affairs.

8.2 Scotland and the United Kingdom

8.2.1 On independence, relations between Scotland and the rest of the United Kingdom would be conducted on an equal footing between two sovereign governments allowing them to work together positively in areas of common interest.

8.2.2 New intergovernmental machinery would be required to manage a new relationship. Existing structures, such as the Joint Ministerial Committee, might serve as a useful model. Other existing bodies, such as the British-Irish Council, would remain relevant after independence.

8.3 Citizenship

8.3.1 In an independent Scotland, citizenship will be based upon an inclusive model which supports economic growth, and encourages integration and the promotion of diversity.

8.4 Defence

8.4.1 Scotland currently has no responsibility for matters of national defence and has no say on whether or not to participate in conflicts such as the Iraq war. Scotland receives a proportionately lower direct economic benefit from UK Government defence spending than it might expect. Between 2002 and 2007 there was a £4.3 billion defence underspend in Scotland, compared to our population share of UK defence spending. Defence employment in Scotland has fallen from 24,200 in 1997 to 17,900 in 2009, a proportionately larger fall than in the United Kingdom as a whole. Moreover, Scotland is unable to decide whether or not nuclear weapons are based on our territory and neither the Scottish Government nor the Scottish Parliament has any formal role in defence or security decisions.

8.4.2 While national security, defence and emergency powers are reserved, other aspects of security and resilience planning, such as policing and local authority contingency planning, are devolved.

8.4.3 The Calman Commission argued that national defence and security are irreducible functions of the State (i.e. the UK).

8.4.4 However, under full devolution there are improvements to the overall arrangements that could be made; the reservation of emergency powers could be removed and the Scottish Parliament could be given a more formal role on significant decisions impacting on Scotland (e.g. the closure of a military base or taking the country to war).

8.4.5 As an independent state, Scotland would have full responsibility for matters of defence, security and resilience. Independence would also allow Scotland to decide an approach to these issues that best fits the national interest, based on internationally accepted objectives for defence and security policy such as working with other nations to help prevent and resolve conflicts and war anywhere in the world.

8.4.6 There would be a range of choices to be made for Scotland's independent defence and security policy, including the size and cost of Scotland's defence capability, international defence alliances and its general approach to defence and international affairs.

8.4.7 On accession to the **Nuclear Non-Proliferation Treaty**, an independent Scotland would become a Non-Nuclear Weapons State and would promote a nuclear-free world. The United Kingdom's nuclear deterrent would cease to be based in an independent Scotland and a Scottish government would work in partnership with the remaining parts of the United Kingdom to ensure an appropriate transition and relocation.

8.4.8 An independent Scotland would have choices regarding its membership of international alliances, but undoubtedly its closest allies would remain its current partners in the UK.

8.4.9 There are some comparably sized European nations that are members of NATO and others that are not. Scotland could choose to follow the path laid by some to cooperate with international alliances such as NATO through its Partnership for Peace without being a member.

9. A Modern Scotland

9.1 Constitutional arrangements

9.1.1 Aspects of the constitution, including the United Kingdom Parliament and the Union of the Kingdoms of Scotland and England, are reserved to the United Kingdom by the Scotland Act. The system of government that has been successfully built up over the last ten years is, therefore, subject to amendment – or even abolition – by the UK Parliament. Legislation regarding local government is already largely devolved to Scotland with the Scottish approach to local government being based on mutual respect and partnership.

9.1.2 Calman proposed that the Scottish Parliament could be permitted by the United Kingdom Parliament to legislate on a one-off basis in relation to reserved matters and to administer, though not to legislate for, its own elections. Despite some advantages in legislating on reserved issues sporadically, Calman does not fully develop this concept. The Gould Report into elections concluded that the fragmentation of responsibility for elections caused mayhem in 2007; Calman's recommendations fragment responsibility further, leaving it vulnerable to similar problems in the future.

9.1.3 If powers were fully devolved to the Scottish Parliament, it could adjust its electoral system, its parliamentary membership, or its statutory Committee structure. Perhaps more importantly, it could decide to acquire competence over issues currently reserved to Westminster.

9.1.4 Scotland, as a normal independent country, would be responsible for its entire constitution, from the Head of State to the rights of individual citizens, subject to international obligations such as those resulting from European Union membership. The current constitutional arrangements, with the Queen as Head of State of an independent

Scotland, a Scottish Parliament and Government modelled on the existing institutions, and continued membership of the European Union would provide a robust and tested constitutional framework for Scotland in the transition to independence.

9.1.5 The main electoral effect of independence would be that Scotland no longer returned Members of Parliament to Westminster. Scotland would no longer use the first past the post system for any of its elections, and would use only proportional voting systems.

9.1.6 Scotland would also be free to choose its system of electing Members of the European Parliament, which is currently decided by the United Kingdom Government. The method chosen would depend on the number of MEPs Scotland secures in negotiation.

10. Choosing Scotland's Future

10.1 The National Conversation

10.1.1 The National Conversation has been an exercise in participative democracy which has allowed the people of Scotland to express their views on the future direction of the nation. Throughout the National Conversation process the Scottish Government has considered all the views and contributions it has received from the public events held in all parts of Scotland, the publication of detailed policy papers and from an online portal where anyone could leave comments and join in the debate.

10.2 The Scottish Government's preferred option – Independence

10.2.1 Under independence Scotland would assume the rights and responsibilities of a normal sovereign state. However, despite the Scottish Government's preference for a single choice, it acknowledges that there is support within Scotland for a range of positions seeking a variety of increased responsibilities for the Scottish Parliament. The Scottish Government also accepts that a multi-option referendum might be more likely to command the support of other parties in the Scottish Parliament.

10.2.2 But there is a problem in deciding what the other options should be. It has been suggested that the Calman recommendations should be placed before the Scottish people, but those who sponsored the Calman Commission have not allowed it to happen. Furthermore, the proposals outlined in the Commission fall short of the increase in responsibilities that would require a referendum. There is also some doubt as to whether the parties who previously supported the Commission process are still unanimously in favour of the fiscal proposals.

10.2.3 Furthermore, much of what is proposed by Calman is supported by both the UK and Scottish Governments and could be implemented using parliamentary procedures, if the UK government had the will, before a referendum would be held.

10.3 'Devolution Max'/ Full devolution

10.3.1 Unfortunately the various proponents of this approach have yet to bring it forward in a form in which it could provide the basis for a question in a multi-option referendum, although the inclusion of the concept in the National Conversation policy papers, and in this paper, will have helped that process.

11. The Timetable for Scotland's future

11.1. The Referendum Bill

11.1.1 The Referendum Bill will be introduced to the Scottish Parliament in early 2010. There will therefore be an opportunity during the Bill process for one or more of the

opposition parties in the Scottish Parliament to bring forward such a 'Devolution Max' proposal.

11.1.2 The referendum will be held on a similar model to 1997, but with additional provisions to govern: the scrutiny of the process through an independent commission; the levels of finance that can be spent during the campaign; and the mechanism for the count. The arrangements will conform to or exceed the best international practice.

11.1.3 The Scottish Parliament will be invited to pass the Referendum Bill legislation so the people can have their say. The precise form of the question will be contained in the bill and will require the whole Parliament to approve it. A single pre-legislative referendum (like the 1997 devolution referendum) will suffice. All referenda in the UK are advisory (with the exception of the real "rigged referendum" of recent years, the 1979 referendum on devolution which, by means of the notorious 40% rule was heavily weighted against a yes vote by the then Labour Government) but it is inconceivable that any UK government would ignore the clear wish of the Scottish people to move to Independence. That would flout international law and the very principles of democracy. The effect of a yes vote would therefore allow Scotland to become an Independent nation. If the people of Scotland decided otherwise, then the Government would accept that this had been a generational choice and would not seek to introduce another Referendum Bill within such a timescale.

11.1.4 Accordingly between now and the introduction of the Referendum Bill to the Scottish Parliament in the early part of 2010 there will be a real need for the SNP to continue to build the case for independence. All SNP Members and Activists need to be part of a comprehensive effort which will keep the momentum going in each of their own local areas and getting the message across about the importance of Scotland's independence.

11.1.5 The final throw of the dice for our opponents will be a comprehensive attempt by opponents to criticise the cost of the referendum. The final cost will be published in the financial resolution accompanying the bill but will be broadly in line with the cost of other referenda held by Westminster. However a successful outcome would mean that every year we would save the £9m cost of the House of Lords, £8m cost of the Secretary of State for Scotland and £32m cost of the House of Commons. We think the people's voice should be heard. Labour prefers spending our money every year on Lords and Mr Murphy - and on weapons of mass destruction which are stored on the Clyde.

11.1.6 Our opponents will also argue that the timing is wrong. However Labour is proposing a referendum on proportional representation early in a new parliament at Westminster if they are re-elected, and are arguing for using UK parliamentary time for Calman proposals in the same timescale. In addition the need for independence is urgent and the credit crunch has further intensified the requirement for the Scottish Parliament to have the tools it needs. The time is therefore right and the passage of the bill will bring closer a Scottish Parliament that can fully and effectively tackle unemployment and financial recovery.

11.1.7 For all these reasons the SNP Government's offer is the best one facing Scotland today. The dividend of independence will transform this country.