

# SCOTLAND'S FUTURE

YOUR GUIDE TO AN INDEPENDENT SCOTLAND

A SUMMARY

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First published by the Scottish Government, November 2013  
ISBN: 978-1-78412-069-6  
ISBN: 978-1-78412-099-3 (epub)  
ISBN: 978-1-78412-100-6 (mobi)

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Produced for the Scottish Government by APS Group Scotland  
DPPAS20255 (11/13)

Published by the Scottish Government, November 2013

## **SCOTLAND'S FUTURE**

### **It's in your hands**

Scotland's referendum on 18 September 2014 is a choice between two futures.

If we vote Yes, we take the next step on Scotland's journey.

We will move forward with confidence, ready to make the most of the many opportunities that lie ahead. The most important decisions about our economy and society will be taken by the people who care most about Scotland, that is by the people of Scotland. The door will open to a new era for our nation.

Scotland's future will be in Scotland's hands.

If we vote No, Scotland stands still. A once in a generation opportunity to follow a different path, and choose a new and better direction for our nation, is lost. Decisions about Scotland would remain in the hands of others.

We, the people who live here, have the greatest stake in making Scotland a success. With independence we can make Scotland the fairer and more successful country we all know it should be. We can make Scotland's vast wealth and resources work much better for everyone in our country, creating a society that reflects our hopes and ambition.

Being independent means we will have a government that we choose – a government that always puts the people of Scotland first.

This is what being independent can deliver for Scotland and it is why the Scottish Government believes the people of Scotland, individually and collectively, will be better off with independence.

## **Gains from independence – whichever party is elected**

- Decisions about Scotland will be taken by the people who care most about Scotland – those who live and work here
- An independent Parliament elected entirely by people in Scotland will replace the current Westminster system. Under that system, elected representatives from Scotland make up just 9 per cent of the 650 members of the House of Commons; the House of Lords is wholly unelected
- Governments will always be formed by parties that win elections in Scotland. It will no longer be possible for key decisions to be made by governments that do not command the support of the Scottish electorate
- A guarantee that tax and social security rates will be set in line with the wishes of the people of Scotland. That will mean an end to the imposition on Scotland of policies like the “bedroom tax”
- Public services can be kept in public hands. The Scottish Parliament has the power to keep the NHS in public hands but it could not stop other services such as the Royal Mail being privatised by Westminster
- An economic policy aimed at economic stability and job security in Scotland will replace an economic policy which disproportionately benefits London and the South East of England
- Access to our own resources – for every one of the last 32 years estimates show Scotland has generated more tax per head than the UK as a whole. With independence, decisions about the level and allocation of public spending will be taken here in Scotland
- An economic policy that can be tailored to take advantage of Scotland’s world-class universities and key growth industries like food and drink, life sciences, and tourism
- An independent Scotland can invest our oil wealth for future generations. By value there is estimated to be as much North Sea oil still to come as has already been extracted. Norway has a savings fund worth more than £470 billion
- Our taxes will not be used to pay for nuclear weapons and we can remove Trident from Scotland for good

## Gains from independence – if we are the first government of an independent Scotland

- A transformational extension of childcare, giving our children the best start in life, making it easier for parents – especially mothers – to return to work and delivering new job opportunities
- Abolition of the “bedroom tax” which will save 82,500 households in Scotland – including 63,500 households with a disabled adult and 15,500 households with children – an average of £50 per month
- A halt to the rollout of Universal Credit and Personal Independence Payments in Scotland allowing future Scottish governments to develop reforms to our welfare system that meet our needs
- The first steps towards a fairer tax system by ensuring that basic rate tax allowances and tax credits rise at least in line with inflation, and ending of the married couples tax allowance and abolishing the Shares for Rights scheme
- Pensioners’ incomes protected with the triple lock so that pensions increase by either inflation, earnings, or 2.5 per cent, whichever is highest
- Simplification of the tax system to reduce compliance costs, streamline reliefs and help to reduce tax avoidance, with a target revenue gain of £250 million a year by the end of the first term
- Return of the Royal Mail to public ownership in Scotland, guaranteeing the quality of service that all parts of our country currently enjoy
- A Fair Work Commission and a guarantee that the minimum wage will rise at least in line with inflation. Over the last five years, this would have improved the earnings of the lowest paid Scots by the equivalent of £675. Continued support for the living wage for central government staff and promotion of it for other sectors of the Scottish economy
- A timetable for reducing the rate of corporation tax by up to three percentage points to counter the gravitational business pull of London
- Examination of further help for small businesses, for example with national insurance costs to encourage them to create more jobs
- Reduction in Air Passenger Duty by 50 per cent, with a view to abolishing it when public finances allow
- Support for energy efficiency and the roll out of green technology from central government budgets to reduce energy bills by around 5 per cent



The Rt Hon Alex Salmond MSP  
**First Minister**

Scotland is an ancient nation, renowned for the ingenuity and creativity of our people, the breathtaking beauty of our land and the brilliance of our scholars. Our national story has been shaped down the generations by values of compassion, equality, an unrivalled commitment to the empowerment of education, and a passion and curiosity for invention that has helped to shape the world around us. Scots have been at the forefront of the great moral, political and economic debates of our times as humanity has searched for progress in the modern age.

It is in that spirit of progress that you will be asked on 18 September 2014

### **‘Should Scotland be an independent country?’**

The answer we give to that question will determine how we can shape our nation for the future. The year ahead should be a national celebration of who we are and what we could be.

The debate we are engaged in as a nation is about the future of all of us lucky enough to live in this diverse and vibrant country. It is a rare and precious moment in the history of Scotland – a once in a generation opportunity to chart a better way.

At its heart independence is not about this Government or any political party. It is about a fundamental democratic choice for the people of Scotland. It is about the power to choose who we should be governed by and the power to build a country that reflects our priorities as a society and our values as a people.

I believe in independence because I believe it will be better for all of us if decisions about Scotland are taken by the people who care most about Scotland – the people who live and work here. It is my absolute conviction that Scotland's future should be in Scotland's hands.

I also believe that the bonds of family, friendship, history and culture between Scotland and the other parts of the British Isles are precious. England, Wales and Northern Ireland will always be our family, friends and closest neighbours. But with Scotland as an independent country, our relationship will be one of equals. I have no doubt that it will flourish.

I want to be clear about what independence means and why the Scottish Government is asking you to vote Yes.

The vote in September 2014 is about becoming independent from the parliamentary union of 1707 and passing to the Scottish Parliament the powers Westminster has over matters such as taxation, welfare and the economy, and securing for Scotland our own place in the world as an independent country.

Last year, in the Edinburgh Agreement, the Scottish and Westminster Governments agreed to continue to work together constructively in the light of the outcome of the referendum, whatever it may be, in the best interests of the people of Scotland and of the rest of the United Kingdom. That is an important commitment from both Governments. It will help to ensure a smooth transition of powers from Westminster to Scotland.

That constructive working together will continue after independence.

We will work in partnership with the rest of the UK to share the pound for our mutual benefit, but we will pursue a Scottish tax and economic policy to boost jobs, growth and social justice.

Westminster governments, rejected at the ballot box in Scotland, will no longer be able to inflict the poll tax or the bedroom tax on the most vulnerable people in our society.

We will continue to work in partnership with the rest of the UK in defence alliances to promote peace and security, but we will be able to remove Trident from Scotland's soil and stop paying towards the £100 billion lifetime cost of a new generation of nuclear weapons.

We will work in partnership with the rest of the UK inside the European Union. But we will be able to represent Scotland at the top tables of Europe as a constructive member state and stand up for vital Scottish interests.

Scotland will remain within the Union of the Crowns with Her Majesty The Queen as our head of state, but we will have a modern, written constitution.

And the social ties between Scotland and the rest of the UK will continue and thrive.

That is the independent Scotland we will negotiate following a Yes vote. We will do so in time for Scotland to become independent on 24 March 2016 and be ready for the first elections to an independent Scottish Parliament in the spring of that year.

Of course some would prefer Scotland to become a republic, to leave the EU or NATO, or to have our own currency. After Scotland becomes independent, any political party seeking to make these kinds of changes would first have to win support to do so in an election.



That is the real democratic value of independence – the people of Scotland are in charge. It will no longer be possible for governments to be elected and pursue policies against the wishes of the Scottish people. So other choices can be made, different from those we propose in this guide – but these will be the choices of the Scottish people.

Independence will put the people of Scotland in charge of our own destiny.

No-one is suggesting an independent Scotland would not face challenges. We would be unique if that was not the case.

But we are rich in human talent and natural resources. We are one of the wealthiest nations in the world. With independence, we can build the kind of country we want to be.

People down the decades have wondered if a country blessed with such wealth, talent and resources could and should have done more to realise the potential we know exists for everyone. Those generations could only imagine a better Scotland.

Our generation has the opportunity to stop imagining and wondering and start building the better Scotland we all know is possible.

This is our country. This is Scotland's future. It is time to seize that future with both hands.

A handwritten signature in black ink, appearing to read 'Alex Salmond', with a stylized flourish at the end.

## **What you can expect from this summary**

This is a summary of *Scotland's Future*, the Scottish Government's guide to an independent Scotland, which the Government has published to set out the gains of independence for Scotland.

*Scotland's Future* also sets out this Government's vision and priorities for action if we are the first government of an independent Scotland, and explains the process by which Scotland will become independent following a Yes vote and how our newly independent Scotland will work.

This summary is organised into Parts that match the main parts of the full document. In Part 5 of *Scotland's Future* we answer 650 detailed questions we have been asked about independence.

If after reading this summary version, you would like to read the full document you can access it at <http://www.scotreferendum.com/>.

The Westminster Government, which is opposed to independence, is also producing material explaining why it believes decisions about Scotland's economy, tax and welfare systems are best left at Westminster rather than being taken here in Scotland.

## Part One – The case for independence

Independence means that Scotland's future will be in our own hands. Decisions currently taken for Scotland at Westminster will instead be taken by the elected representatives of the people of Scotland in the Scottish Parliament.

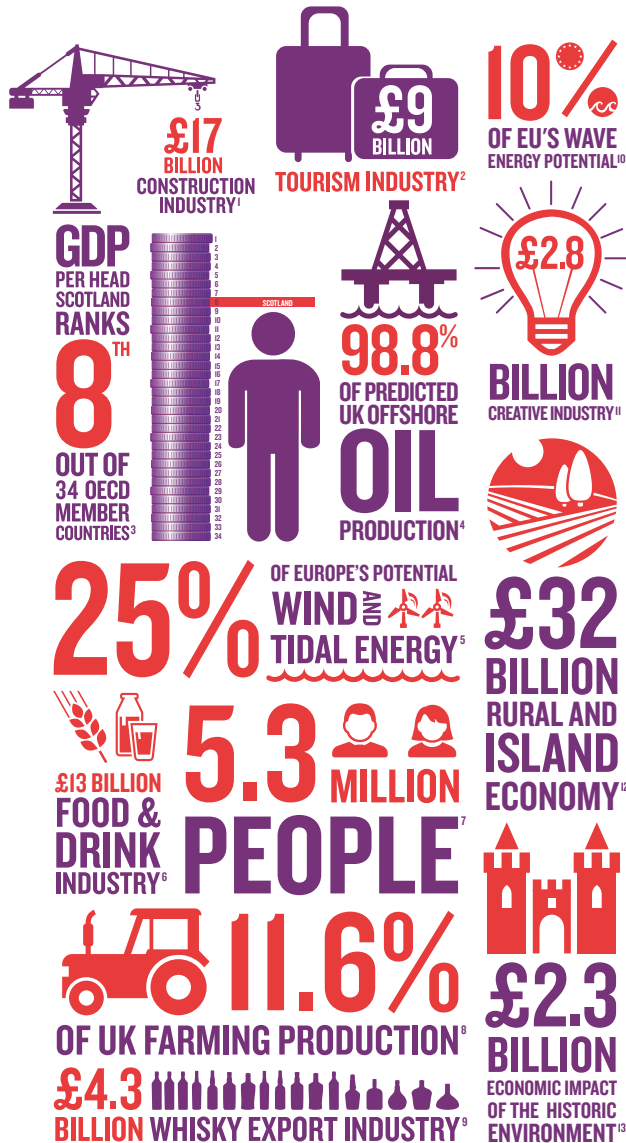
A vote for independence will be the clearest possible declaration of confidence in ourselves and our nation. Independence will release a period of energy, effort and ambition which has the power to realise our hopes and expectations and transform our country.

**Independence is not an end in itself. The central purpose of independence is to make life better for people living in Scotland.** Only a Scottish Parliament and Government will always be able to put the interests of the people of Scotland first. We only have to look at the track record of devolution since 1999 to know this is the case; these powers have been good for Scotland, but in those areas still controlled by Westminster there have been many costs for families and communities in Scotland.

**Democracy, prosperity and fairness are the principles at the heart of the case for independence.** Independence means that the people of Scotland will take responsibility for our future into our own hands. It will also give us the economic and social powers that any country needs to build a more prosperous and fairer society.

Crucially, these principles work in harmony. If we transfer decision-making powers from Westminster to Scotland we are more likely to see policies that are in tune with the values of the people of Scotland, that close the gap between rich and poor, and provide greater opportunities for everyone in Scotland regardless of their background. **We can build a fairer society. And in doing so we can create a more prosperous country** because we know that successful countries are more equal and cohesive. They make full use of everyone's talents and have a sense of shared national purpose.

# SCOTLAND HAS GOT WHAT IT TAKES



1, 3, 6, 8, 10, 11, 12. SOURCE: SCOTTISH GOVERNMENT

2. SOURCE: VISIT SCOTLAND

4. SOURCE: PROFESSOR ALEX KEMP, ABERDEEN UNIVERSITY (IN THE 30 YEARS FROM 2011)

5. SOURCE: SCOTTISH GOVERNMENT ANALYSIS

7. SOURCE: 2011 CENSUS

9. SOURCE: HER MAJESTY'S REVENUE AND CUSTOMS

13. SOURCE: HISTORIC ADVISORY COUNCIL FOR SCOTLAND

There are three over-riding reasons for Scotland to become an independent country. These are:

**1. To create a more democratic Scotland**

**The Scottish Government believes that the people of Scotland are the ones who will do the best job of running our country.** We will not get every decision right, but more often than not the choices we make for our economy and our society will be better for Scotland than those made at Westminster.

A Scottish Parliament with limited powers has already shown what is possible. Since 1999, the Scottish Parliament has been responsible for devolved matters, including health, education, justice, housing, farming, fisheries and some aspects of transport. It has delivered free personal care for the elderly, kept our NHS in the public sector and restored free education for our students. Under independence, with full powers over our tax system, welfare, immigration, foreign affairs and defence, the Scottish Parliament will also be able to make better choices for Scotland on these issues.

**With independence, Scotland will always get the governments we vote for.**

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For 34 of the 68 years since 1945, Scotland has been ruled by Westminster governments with no majority in Scotland.

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Policies are imposed on Scotland even when they have been opposed by our elected Westminster MPs. Under the current Westminster Government this democratic deficit has resulted in:

- the privatisation of the Royal Mail
- unfair welfare changes such as the “bedroom tax”
- cuts in capital spending, harming economic recovery
- a commitment to spend as much as £100 billion on the lifetime costs of a replacement nuclear weapon system

Being able to decide our own government really matters. The costs of decisions being made at Westminster are being paid by families and communities across Scotland. Many of the consequences will be long-lasting: as a direct result of the Westminster Government's welfare changes, the child poverty rate in Scotland is predicted to rise to 22.7 per cent, equivalent to an additional 50,000 children by 2020. None of this needs to happen. These consequences are a direct result of Scotland getting governments we did not vote for.

**With independence, Scotland will have the tools we need to turn our rich country into a rich society.** This will require hard work and effort, but the prize is worth it: we can create a more prosperous, sustainable and successful future for our families, our nation and for ourselves.

## 2. To build a more prosperous country

Both before and after devolution, the key economic powers necessary to deliver growth and prosperity have remained with Westminster. Control of taxation, public spending limits, regulation of business and industry, and competition policy all rest in London. Successive devolved Scottish governments have had considerable success in reducing unemployment, increasing employment and promoting inward investment. But the fundamental economic decisions that affect Scotland are taken in Westminster, often by governments that have no popular mandate in Scotland, and in the interests of an economy and society with different priorities from Scotland.

Scotland is blessed with a range of economic strengths and advantages: substantial natural resources, a strong international brand, world-class universities and research, and a range of world-leading industries including food and drink, life sciences, the creative industries, energy, tourism, insurance, wealth management and engineering. Because of those strengths and advantages, our national output per head of population puts us near the top of the OECD – the association of the wealthiest countries in the world.

Even without North Sea oil, Scotland's economy produces almost exactly the same amount of output per head as the

rest of the UK. With oil and gas, we produce nearly a fifth more. **Scotland can afford to be independent.**

However, despite all of Scotland's strengths, over the past 30 years our economic growth rate has been lower than the UK average and lower than that of comparable nations across Europe. That reflects a number of factors, including lower population growth.

Our economic output is the product of our collective hard work and ingenuity as a nation, and reflects the many advantages we enjoy. Yet life expectancy is lower in Scotland than in similar countries, and poverty levels are too high. Nations that are similar to Scotland – such as Norway, Finland, Denmark and Sweden – sit at the top of world wealth and wellbeing league tables. Unlike Scotland, they are independent and are able to take decisions in the best interests of their own economies. They do not leave the important decisions about their economy to parliaments whose interests necessarily lie elsewhere. That is their independence advantage and they have used it to build societies that deliver a higher quality of life for their citizens.

**If Scotland moved from the rates of growth it has experienced in the past to instead match the levels of growth of other small European countries, the benefits for people in Scotland in terms of prosperity and employment would be significant.**

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Had Scotland's growth matched these other independent nations between 1977 and 2007, GDP per head would now be 3.8 per cent higher, equivalent to an additional £900 per head.

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We would also enjoy the higher revenues that accompany greater prosperity. Independence would make the Scottish Parliament and Government responsible for the full range of economic powers. Decisions on taxation and other economic levers, as well as employment law and all aspects of economic regulation, would be taken in Scotland and tailored to Scotland's needs. In some cases – such as our proposal to continue to share the pound as our currency – the choices

would involve partnership and co-operation with other countries. However, the decisions on when to co-operate would be entirely ours to make. **The ability to make our own decisions is the point of independence. It will provide the best conditions for sustainable economic growth, and enable us to protect living standards, reduce poverty and inequality, and build a better society.**

### 3. To become a fairer society

Within the UK, Scotland is part of an increasingly unequal society. The UK ranks 28th out of 34 nations in the OECD on a measure of overall inequality. OECD analysis shows that since 1975, income inequality among working-age people has increased faster in the UK than in any other country in the organisation. This is not the result of the policies of one government, but of almost 40 years of decisions at Westminster.

**Seeking to become a more equal society is not just the right thing to do. It also makes sense for the economy.** We know that the most equal societies also have the highest levels of wellbeing and are most prosperous. They are also, more often than not, nations like Scotland; the fairest and most successful countries in the world are independent European nations of similar size. We want the powers of independence so that we can build a different and better Scotland, where the many benefits of a rich and active society are cherished and where we work together to advance our nation as a whole. Progress under devolution has shown us what is possible, but it is not enough.

**For these important reasons of democracy, prosperity and fairness, it is time for the people of Scotland to take responsibility for our own future as we look towards the third decade of this 21st century.**

Rather than remaining a peripheral concern for Westminster governments that we did not elect and do not necessarily support, we can forge our own path. With independence we can create a social nation: a country that acts and feels like a community, a vibrant society where we know the benefits of looking out for each other. Independence is about empowering the people and communities of Scotland as much as it is about



empowering our Parliament and government. It will give us the ability, collectively, to choose the path ahead that is right for us and for those we work with and live beside.

**Driving our ambition is the firm knowledge that Scotland, and all of the people who live here, should be enjoying the benefits of higher levels of sustainable economic growth. There is so much more we can achieve with all the advantages that we enjoy.**

## **Part Two – Scotland’s national finances**

**Scotland is a wealthy country and can more than afford to be independent.** Our public finances have consistently been healthier than those elsewhere in the UK, giving us a strong platform upon which to build economic success and maintain strong services.

**Over each of the last 32 years, estimates show Scotland has contributed more tax per head of population than the UK as whole.** Total Scottish tax receipts in 2011/12 (the latest year for which figures are available) were equivalent to £10,700 per head. This compares to a figure of £9,000 per head in the UK as a whole.

Over the period from 2007/08 to 2011/12 the ratio of public spending to GDP was estimated to be lower for Scotland than in the UK as a whole.

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Taking tax and spending together, over the last five years Scotland’s public finances have been stronger than the UK as a whole by a total of £12.6 billion – almost £2,400 per head.

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**On independence in 2016, Scotland’s estimated financial position will continue to be healthier than the UK as a whole.** We will set out on a firm financial footing. The Government has identified measures to raise revenue and reduce spending that will provide scope for our immediate priorities for action: transformation of our childcare system, ending the “bedroom tax”, and competitive business taxation.

## **Part Three – The opportunities of independence**

### **Economy**

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Even without North Sea oil and gas, GDP (national economic output) per head in Scotland is virtually identical to that of the UK as a whole. With oil it is almost one-fifth bigger.

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The Scottish economy has key strengths in growth industries such as food and drink, energy, creative industries, tourism and life sciences. Per head of population we have more top universities than any other country in the world. We perform strongly as a location for inward investment and we have a strong financial services industry.

The economic choice in the independence referendum is therefore how to build on this sound economic base to create sustainable jobs, ensure that more people share in Scotland's wealth and build long-term resilience and security in our economy.

Under the Westminster system Scotland is treated as a regional economy within the UK. Our ability to meet future challenges and seize opportunities is constrained and many major decisions are taken by Westminster. Currently, the Scottish Parliament is responsible for just 7 per cent of taxes raised in Scotland; new tax powers will only increase this to around 15 per cent. With independence Scotland will control 100 per cent of our resources.

Under the Westminster system, Scotland is also locked in to one of the most unequal economic models in the developed world: since 1975 income inequality among working-age people has increased faster in the UK than in any other country in the OECD. The increasing geographical imbalance concentrates jobs, population growth and investment in London and the South East of England, but no action has been taken to address this by successive Westminster governments.

The UK economic model is also vulnerable to instability. The UK recession and recovery has been more prolonged

and damaging than first thought and debt levels remain amongst the highest in the developed world.

The gap between rich and poor, the increasing concentration of economic activity in one part of the UK and the imbalances in the structure and composition of the UK economic model all suggest that continuing as a regional economy will hamper job creation in Scotland and reduce economic resilience and security in the long-term. The Scottish Government believes that Scotland needs to become independent to address these issues.

**Only independence provides the opportunity to build an economy to take advantage of our unique strengths and size, and to deliver a more prosperous, resilient and fairer Scotland, fully engaged in Europe and the wider world.**

The Scottish Government plans to use the powers of independence to achieve higher levels of growth and job opportunities through: a strong external focus on competing in the global economy promoting areas of comparative advantage to develop a distinctive economy emphasising innovation, technology and manufacturing fostering high levels of trust and reducing income inequality, encouraging a stronger and shared sense of national purpose improving workforce skills and opportunities, particularly for women and young people

Our priorities would include:

- increasing female and parental participation in the workforce through a transformational expansion in childcare provision
- giving Scottish businesses a competitive edge by providing a clear timetable for reducing corporation tax by up to three percentage points; and improving international connectivity by cutting Air Passenger Duty by 50 per cent
- introducing a package of employment measures designed to improve company performance and develop a greater sense of cohesion and opportunity in the workplace, including employee representation and greater female participation on company boards

- examining how to help small businesses, for example with their national insurance contributions

**We plan to establish a Fair Work Commission which will guarantee that the minimum wage will rise at the very least in line with inflation** and provide advice on fairness at work and business competitiveness. The Commission will work with a Convention on Employment and Labour Relations to transform the relationship between government, employers and employees.

### Currency

**The pound is Scotland's currency just as much as it is the rest of the UK's.**

The expert Fiscal Commission Working Group concluded that retaining Sterling as part of a formal Sterling Area with the UK would be the best option for an independent Scotland and the rest of the UK.

The Scottish Government agrees with that view. Using Sterling will provide continuity and certainty for business and individuals, and an independent Scotland will make a substantial contribution to a Sterling Area. **We will therefore retain the pound in an independent Scotland.**

### Taxation

With independence the Scottish Parliament will make decisions about all aspects of taxation. **Independence will provide an opportunity to design a Scottish tax system based on specific Scottish circumstances, preferences and principles.**

Tax rates and allowances will be set by future governments in an independent Scotland. As Scotland's public finances are healthier than those of the UK as a whole, **there will be no requirement for an independent Scotland to raise the general rate of taxation to fund existing levels of spending.**

As well as the changes to business taxation outlined above, the current Scottish Government would make the following changes to personal taxation during the first term of an independent Scottish Parliament:

- we will ensure that the personal tax allowance and tax credits increase in line with inflation
- we will end the proposed tax allowance for some married couples which does not help all families and parents
- we will abolish the Shares for Rights scheme which offers tax incentives to those giving up employment rights, creating tax avoidance opportunities and risks to employees
- we will simplify the tax system to reduce compliance costs, streamline reliefs and help to reduce tax avoidance, with a target revenue gain of £250 million a year by the end of the first term

## Transport

Scotland's geographical position makes strong international and cross-border transport links vital for our economic success and our social wellbeing. Within the UK, Westminster focuses on the transport needs of London and the South East, as the plans for high-speed rail demonstrate. **Independence will provide us with more choices for our transport system, and we will be able to decide our forward investment based on our own finances rather than within boundaries set by Westminster.** We will be able to consider options such as different ownership models for the rail network, and address Scotland's international connections to the global marketplace, developing our air and sea access to the most important markets. We will also be able to consider tax measures to help transport in Scotland, like reducing Air Passenger Duty and examining the benefits of a Fuel Duty Regulator mechanism to stabilise prices for business and consumers.

## Early years

Parents in the UK face some of the highest childcare costs in Europe. Parents in Scotland spend around 27 per cent of household income on childcare, compared to the OECD average of 12 per cent.

**Independence will give us the opportunity to make a transformational change to the way that Scotland provides childcare services**, which will allow parents, in particular women,

to choose to work without worrying about the cost of looking after their children. **With independence the benefits of their work – in economic growth and tax revenues – will stay in Scotland, contributing over time to the costs of this provision.**

**This Government plans a universal system of high quality early learning and childcare for children from the age of one to when they enter school.** By the end of the first independent Scottish Parliament, every three and four year old and vulnerable two year old will be entitled to 1,140 hours of child care a year. This is the same amount of time as children spend in primary school in a year (the equivalent of 30 hours per week over 38 weeks).

This extension in the provision of early learning and childcare will be achieved in a way that is affordable and sustainable. It will include investment in training and require a substantial increase in the workforce. We estimate that it will create around 35,000 new jobs. The additional investment will also cover regulation, inspection and quality through Education Scotland, the Care Inspectorate and the Scottish Social Services Council.

### **Schools and universities**

In Scotland's secondary schools, attainment levels have increased year-on-year. Substantial programmes of investment in new schools and teacher numbers have also been put in place. **Scotland's schools are now implementing the Curriculum for Excellence to equip young people with the skills they need for the 21st century.**

However, Scotland still has a long-standing problem with equality of attainment in our schools. Pupils from the most deprived 20 per cent of areas leave school with significantly lower qualifications than those in the least deprived 20 per cent. That gap is greater than most of the developed nations against which we measure ourselves. Independence gives us the opportunity to address this gap and the wider issues of deprivation and poverty which lie behind it.

Independence will also allow Scotland to protect the principle of free education, and **the current Scottish Government guarantees that, on independence, Scottish students will continue to have free access to higher education.**

We plan to continue to participate in the current common research area ensuring that Scotland's research continues to be available across the UK to benefit both Scotland and the rest of the UK. Scotland will pay our way within the common research area, and contribute to arrangements for research funding through the existing Research Councils.

### State Pensions

The proportion of tax revenues taken up by social protection (including state pensions) is lower in Scotland than the UK, so these benefits are currently more affordable here.

**We will ensure that current pensioners will receive their pensions as now, on time and in full.** All accrued rights will be honoured and protected, and planned reforms will be rolled out, including the single-tier pension.

While we accept that the State Pension Age should rise to 66 according to the existing timetable, the Westminster Government's plan for a rapid move to 67 is a concern. The timetable is significantly faster than that announced by the previous Westminster Government and it fails to take account of the fact that, due to lower life expectancy, Scots currently enjoy fewer years, on average, in receipt of state pensions than pensioners elsewhere in the UK.

This Scottish Government plans to:

- **set up an Independent Commission on the State Pension Age** to consider the appropriate State Pension Age for Scotland over the long term
- **uprate the State Pension by the triple lock from 2016.** This means that pensions increase by average earnings, CPI inflation, or 2.5 per cent – whichever of these is highest – and provides protection for the value of pensions over time
- ensure that from 6 April 2016, **new pensioners will receive a Scottish single-tier pension, set at the rate of £160 per week** – £1.10 a week higher than the rate currently expected for the UK

- retain the Savings Credit (the full Savings Credit payment is currently £18 per week for a single person) benefiting around 9,000 low income pensioners

### Private and public service pensions

This Scottish Government supports the continued roll-out of automatic enrolment, introduced last year, to help address the historic decline in private pension saving. With independence, we would establish a Scottish Employment Savings Trust to provide a workplace pension scheme focused on people with low to moderate earnings, which will accept any employer wishing to use it.

**In an independent Scotland, all public service pension rights and entitlements will be fully protected and accessible.** The organisation and infrastructure needed to pay state and public sector pensions is already in place in Scotland, through the pensions centres in Motherwell and Dundee, the Scottish Public Pensions Agency and the local authority teams that manage public sector pensions.

### Social protection

**In an independent Scotland we envisage a welfare system based on clear principles and values:** support for people who work; a safety net for people who cannot work; and a climate of social solidarity.

The current Westminster Government's approach to welfare has consistently been rejected by a majority of Scottish MPs and MSPs. If we leave welfare in Westminster's hands, our welfare state is likely to be changed beyond recognition. Universal Credit and Personal Independence Payments have suffered from controversy and delay, and have created significant anxiety amongst some of our most vulnerable people. The unfairness of the "bedroom tax" is well known.

We believe it is possible to design an efficient and fair welfare system that meets the needs of those who depend on it, and treats them with dignity and respect while supporting those who can to find work.



Following independence, the immediate priorities will be to reverse the most damaging and counterproductive of the UK welfare changes. On independence the current Government will:

- **abolish the “bedroom tax” within the first year** of the first year of the independent Scottish Parliament
- **halt the further roll out of Universal Credit and Personal Independence Payments in Scotland**
- ensure that **benefits and tax credits increase at least in line with inflation** to avoid the poorest families falling further into poverty

If there is a vote for independence in the referendum, **the Scottish Government will ask the Westminster Government to stop the roll-out in Scotland of Universal Credit and Personal Independence Payments immediately.** This will give the Scottish Government elected in 2016 maximum flexibility to reform the welfare system in line with Scotland’s priorities.

## Health

In an independent Scotland, we will continue to provide high quality, world-leading health and social care in a way that reflects the founding principles of the NHS and our social care services. Scotland faces long-standing challenges in health outcomes which are strongly associated with economic and social disadvantage. **With independence, Scotland can work towards a fairer society that will address these health inequalities.** Independence will not affect the day-to-day management of the NHS in Scotland, nor how people access NHS services. Similarly, it will not mean ending current cross-border arrangements with health services in the rest of the UK, which have continued even though the NHS in Scotland already operates independently.

## International relations

An independent Scotland will have a firm commitment to international partnership and co-operation, not only in these Isles, but also in the EU and other international organisations, to secure shared interests and protect Scotland’s people and resources.

**Scotland and the rest of the UK will have a close and constructive relationship both at home and on many foreign policy issues.** The current Scottish Government would intend to support the rest of the UK in maintaining its seat on the UN Security Council.

We plan to establish a network of overseas embassies and consulates to represent Scotland's interests internationally. We estimate that the running costs of our initial proposed network of 70 to 90 overseas missions will be £90-120 million. This is expected to be below Scotland's population share of the UK's total expenditure on overseas representation in 2016/17, giving opportunities for savings. Scotland would also be entitled to a fair share of the UK's assets.

### European Union

The Scottish Government, supported by the overwhelming majority of Members of the Scottish Parliament, believes that membership of the EU is in the best interests of Scotland. **It is our policy, therefore, that an independent Scotland will continue as a member of the EU.**

Following a vote for independence, the Scottish Government will immediately seek discussions with the Westminster Government and with the member states and institutions of the EU to agree the process whereby a smooth transition to full EU membership can take place on the day Scotland becomes an independent country.

We will approach EU membership negotiations on the basis of the principle of *continuity of effect*. That means that Scotland's transition to independent membership will be based on the EU Treaty obligations and provisions that currently apply to Scotland under our present status as part of the UK. It will avoid disruption to Scotland's current fully integrated standing within the legal, economic, institutional, political and social framework of the EU. While the Scottish Government recognises the political and economic objectives of the Eurozone, an independent Scotland will not seek membership. Scotland's participation in the Sterling Area will not conflict with wider obligations under the EU Treaties.

Nor will we seek membership of the Schengen area. Instead, an independent Scotland will remain part of the Common Travel Area (CTA) with the rest of the UK, Ireland, the Isle of Man and the Channel Islands. The CTA, which dates back to the early 1920s, is part of the broader “social union” that is the expression of the close economic, social and cultural ties across the nations of these islands.

### International development

Part of being a good global citizen is a commitment to international development. In line with the target recognised by the United Nations as long ago as 1970, **we plan to spend 0.7 per cent of Gross National Income on Official Development Assistance, and to enshrine it as a binding, statutory commitment.**

### Defence

By removing nuclear weapons and maintaining defence forces appropriate to our circumstances, we can save a substantial proportion of Scotland’s current defence contribution to the UK, while still **having levels of defence spending that allow us to deliver the capabilities we need and make a significant investment in procurement**, supporting key Scottish industries including the shipbuilding industry.

**Following a vote for independence, we would make early agreement on the speediest safe removal of nuclear weapons a priority.** This would be with a view to the removal of Trident within the first term of the Scottish Parliament following independence.

Following a vote for independence in 2014, the Scottish Government will notify NATO of our intention to join the alliance and will negotiate our transition from being a NATO member as part of the UK to becoming an independent member of the alliance. Scotland would take our place as one of the many non-nuclear members of NATO.

The current Scottish Government has identified five defence priorities for an independent Scotland:

- maintaining the commitment to a budget for defence and security in an independent Scotland of £2.5 billion

- securing the speediest safe withdrawal of nuclear weapons from Scotland
- building a focus on maritime capabilities, such as air and sea-based patrol, and specialist forces able to operate around our coasts, protecting Scotland's maritime assets and contributing to collective security in the North Atlantic
- progressively building to a total of 15,000 regular and 5,000 reserve personnel following independence
- reconfiguring the defence estate inherited at the point of independence to meet Scotland's needs, including the transition of Faslane to a conventional naval base and joint headquarters of Scottish defence forces

We are prepared to negotiate arrangements for the continued use of defence infrastructure in Scotland by UK forces and vice versa, at least for a transitional period. Such arrangements could be carried forward into the longer term, where both the countries consider them the most effective means of delivering defence capabilities.

### Justice

It is our more deprived communities that suffer most from the impact of crime and are most vulnerable to the influence of organised crime. An independent Scotland will have control over policy on welfare, employment and public expenditure. As a result, rather than just dealing with the consequences of crime and disadvantage through the criminal justice system, **an independent Scotland will be able to use the full range of powers available to government to make our communities safer, stronger and more secure.**

There are some specific issues that would become the responsibility of the Scottish Parliament on independence, such as firearms, drugs – including the proceeds of drug trafficking – and gambling. Responsibility for these will allow Scotland to take an integrated approach to issues that affect our communities.

### Security

**An independent Scotland will have national security arrangements that reflect Scotland's needs, values and the**

**risks and threats we face**, based on a full review of security requirements and a regular cycle of threat assessments. A new security and intelligence agency will have a range of responsibilities focused on intelligence-gathering, analysis and reporting, assessment of risk and threat, cyber security and protection of critical infrastructure. Although independent, it would work closely with Police Scotland.

Given the interest of both Scotland and the rest of the UK in our mutual security, the Scottish Government will work closely with the current UK security and intelligence agencies both to ensure that there is a seamless, secure transition and for the continuing security of both countries.

### Immigration

Scotland's differing demographic and migration needs mean that the current UK immigration system has not served our interests. This Government plans, following independence, a points based immigration system, targeted at particular Scottish needs. **The system will enable us to meet the needs of Scottish society with greater flexibility.** For example, it could provide incentives to migrants who move to live and work in remoter geographical areas – assisting with community sustainability, or adding new categories of skills.

We will also reintroduce student visas removed by Westminster to encourage more talented people from around the world to further their education in Scotland, providing income for Scotland's education institutions and contributing to diversity.

### Citizenship and passports

In taking forward the result of a vote for independence, we will ensure that British citizens "habitually resident" in Scotland on independence will automatically be considered Scottish citizens. This will include British citizens who hold dual citizenship with another country. Scottish-born British citizens currently living outside of Scotland will also automatically be considered Scottish citizens. Other people will be able to register or apply for Scottish citizenship on independence based on clear criteria. All Scottish citizens will have the right to acquire a Scottish passport, although there will be no requirement to hold one. We plan that citizens will be able to apply for Scottish passports from the date of independence.

## Rural Scotland

Scottish farmers, crofters and rural and remote communities should be able to compete on a level playing field with their counterparts across Europe.

The interests of rural Scotland have been repeatedly traded off against other UK priorities in EU negotiations where Scotland has no direct voice.

Successive Westminster governments have argued for a significant reduction in agricultural support payments despite Scotland's already low share of funding and the need for support given our geographical and climatic challenges. These payments are vital to ensure our farmers and crofters continue to produce food, deliver environment benefits and sustain our rural communities.

**An independent Scotland will engage with the EU as an independent member state to secure a fairer return, boosting support to Scotland's farmers,** increasing business start-up assistance for young farmers, supporting more infrastructure investments in broadband and renewables, and providing greater investment in rural tourism.

As an independent Member State, Scotland will be negotiating as one of the foremost and most respected fishing nations in Europe. This status will give **Scotland the opportunity to take a leadership role in reforming the Common Fisheries Policy** to deliver fisheries management at regional and Member State level and to keep Scottish quota in Scotland.

## Food and drink

Scotland's Food and Drink sector contributes 18 per cent of our overseas exports, but less than 1.5 per cent of overseas exports for the UK as a whole. Scotland's food and drink industry does an excellent job promoting the Scottish brand, but Scotland is constrained by the current constitutional settlement from directly engaging on a level footing with other countries. **Independence will boost Scotland's international profile, delivering new opportunities for food and drink exports,** as well as attracting new visitors to our country to enjoy our produce.

## Energy

Scotland is an energy-rich nation. We have the largest oil reserves in the EU as well as huge renewable energy potential. But under successive Westminster governments our energy wealth has not been invested, instead it has gone straight to the UK Treasury.

Independence gives Scotland the opportunity to harness this energy wealth for the people of Scotland. **With independence we can ensure that taxation revenues from oil and gas support Scottish public services, and that Scotland sets up an Energy Fund** to ensure that future generations also benefit from our oil and gas reserves. The principles of stability and certainty that will guide this Government's approach will guarantee new investment in energy: we have no plans to increase the overall tax burden on the oil industry and no changes will be made to the fiscal regime without consultation.

A well-functioning energy market, delivering the best outcome for consumers, is a prerequisite for a flourishing economy and society. With our plans for independence, Scotland's substantial energy resources and balanced generation mix will provide enhanced security of supply, greater long-term stability in energy prices, decarbonisation of electricity generation, the protection and creation of jobs and further community empowerment. We propose that a single GB-wide market for electricity and gas will continue, helping the rest of the UK secure its supply and meet its renewables obligations, provided that the system also meets Scottish requirements for security of supply.

**The government of an independent Scotland will be able to use all the powers available to us to help people with their energy bills.** The current Scottish Government intends to meet the costs of programmes like the Energy Company Obligation and Warm Homes Discount from central resources. This will allow energy companies to reduce bills to consumers by around 5 per cent.

# SCOTLAND IN NUMBERS



**5.3**  
**MILLION PEOPLE\***  
16% OF THE  
POPULATION  
AGED UNDER



**(850,000\*)**

\*SOURCE: 2011 CENSUS  
\*\*SOURCE: TIMES HIGHER EDUCATION  
UNIVERSITY RANKINGS

**83%\***  
OF THE SCOTTISH  
POPULATION FEEL  
THEY HAVE A  
**SCOTTISH**  
NATIONAL IDENTITY



**20%\***  
OF THE POPULATION  
SHARE THEIR  
**SCOTTISH**  
CONNECTION WITH  
ANOTHER IDENTITY

SCOTLAND HAS  
**FIVE**  
UNIVERSITIES  
IN THE WORLD'S TOP 200,\*



INCLUDING ST ANDREWS  
**THE THIRD**  
OLDEST UNIVERSITY IN  
THE ENGLISH-SPEAKING  
**WORLD**  
IF SCOTLAND BECAME  
INDEPENDENT NOW

**54<sup>TH</sup>**  
MEMBER OF THE  
COMMONWEALTH



**194<sup>TH</sup>**  
INDEPENDENT  
COUNTRY TO  
JOIN THE UN

**29<sup>TH</sup>**  
MEMBER OF  
**THE EU**





## Culture

In an independent Scotland we will build on our cultural ambitions for Scotland. Our approach has been, and will continue to be, distinct from that of Westminster in that we recognise the intrinsic value of culture and heritage, and do not just value them for their economic benefit, substantial though that is. We view culture and heritage as fundamental to our wellbeing and quality of life. Our ambition is to build an independent nation where our cultural and historic life can continue to flourish. With independence we will have new powers over the economy to encourage our culture and creative sectors. And the process of becoming independent will, itself, stimulate new creativity and energy in Scotland.

**An independent Scotland will enjoy increased opportunities to build our international reputation for culture, heritage and creativity.** The development of a Scottish overseas diplomatic and trade network will provide Scotland with the opportunity to promote and share our culture and traditions with nations across the world.

## Broadcasting

Independence will create new opportunities in broadcasting and production in Scotland. A new publicly funded, public service broadcaster should help strengthen our democracy, encourage production and participation. It should be a trusted, reliable, impartial source of information and reflect the diversity of the nation and our world to the people of Scotland, and it should seek opportunities to collaborate beyond our borders to pioneer innovation in entertainment, education and journalism. Following independence the Scottish Government plans to honour all existing TV and radio broadcasting licences to their expiry, maintaining access to all the existing programming and content that people currently enjoy.

Alongside the commercial channels serving Scotland, we plan to create a new public service broadcaster, the Scottish Broadcasting Service (SBS), which will initially be based on the staff and assets of BBC Scotland. Over time the SBS would develop services to reflect the broad interests and outlook of the people of Scotland. Broadcasting on TV, radio and online,

the SBS will be funded by licence fee, which on independence will be the same as the UK licence fee. All current licence fee payment exemptions and concessions will be retained.

**We propose that the SBS enters into a new formal relationship with the BBC as a joint venture, where the SBS would continue to supply the BBC network with the same level of programming, in return for continuing access to BBC services in Scotland.**

This will ensure that the people of Scotland will still have access to all current programming, including *EastEnders*, *Dr Who*, and *Strictly Come Dancing* and to channels like CBeebies.

## Part Four – Transition

### Between the referendum in 2014 and independence in 2016

The period between the referendum and independence will see negotiations with the rest of the UK, represented by the Westminster Government, and with the EU and other international partners and organisations. **Following these preparations and negotiations, Scotland will assume our status as an independent country on 24 March 2016.** Following a vote for independence in 2014, agreements will be made between the Scottish and Westminster Governments, in the spirit of the Edinburgh Agreement, setting the parameters for Scotland's transition to independence. These will:

- set out the precise timetable towards independence day in 2016
- determine the principles, process and timetable for the negotiation and conclusion of the agreements which will form the final independence settlement
- provide the Scottish Government and Scottish Parliament with the legal powers they need to prepare for independence

Soon after a vote for independence, we will seek a transfer of the necessary powers to the Scottish Parliament so that it can establish the constitutional platform for an independent Scotland – the laws and administrative arrangements to establish Scotland as an independent state.

In addition to discussions with the UK, negotiations will be held with the EU in advance of independence to settle the terms of an independent Scotland's continuing membership. The final agreement with the rest of the UK will cover a range of matters, including the approach to assets and liabilities and the delivery of services. The over-riding priority will be the seamless delivery of public services to citizens of both countries. The apportionment of the UK national debt will be negotiated and agreed. The national debt could be apportioned by reference to the historic contribution made to the UK's public finances by Scotland, or on the basis of our population share. We may choose to offset Scotland's share of the value of UK

assets against our inherited debt. On any realistic calculation Scotland's inherited debt is projected to be a lower proportion of GDP than is the case for the UK as a whole.

### Government and Civil Service

Independence will see the Scottish Government develop new functions as it takes on the responsibilities of serving an independent country. Scotland already has a civil service that is politically impartial, appointed on merit and supports the elected government of the day. If the present Scottish Government is re-elected we plan to spread government jobs and decision making, delivering the direct economic benefits of independent government to more parts of Scotland.

The Westminster Government employs nearly 30,000 civil servants in Scotland at present. On independence many will transfer to the employment of the Scottish Government and its agencies. We will work with the Westminster Government to preserve continuity of employment for all staff, either by transfer to the Scottish Government or through continued employment by the Westminster Government where it still requires their skills.

### A modern constitution

**Independence provides an opportunity to modernise Scottish democracy on the basis of a written constitution setting out the way the country is governed and the rights of its citizens.** The Scottish Government believes a constitutional convention will ensure a participative and inclusive process by which the people of Scotland, as well as politicians, civic society organisations, business interests, trade unions, local authorities and others, can have a direct role in shaping the constitution.

The Scottish Government will be just one of many voices contributing to the debate and helping to shape Scotland's written constitution. However, there are certain provisions that the Government believes should be considered by the constitutional convention, such as equality of opportunity and the right to live free of discrimination and prejudice, a constitutional ban on nuclear weapons being based in Scotland,

and certain social and economic rights, such as the right to education, the right to healthcare and protections for children.

### **The Monarchy and the Crown**

On independence Scotland will be a constitutional monarchy, continuing the Union of the Crowns that dates back to 1603, pre-dating the Union of the Parliaments by over one hundred years. On independence in 2016, Her Majesty The Queen will be head of state.

Earlier in 2013, the rules on succession to the Crown (as they affect Scotland and elsewhere) were amended to remove outdated gender discrimination. This Government intends to support, and promote amongst the other Commonwealth States with the Queen as head of state, a similar measure to remove religious discrimination from the succession rules.

## Top questions and answers

We know that you want to know as much as possible about an independent Scotland and what it will mean for you, your family and Scotland as whole. In *Scotland's Future* we answer 650 detailed questions we have been asked about independence. You can find answers to some of the most common questions [here](#).

### Why should Scotland be independent?

Independence means Scotland's future will be in Scotland's hands. It means we can make more of Scotland's wealth, talent and resources for the benefit of the people who live in Scotland through a stronger economy, more jobs and people getting a fairer return for their hard work and efforts.

It will allow Scottish governments to do specific things like improve childcare, make the tax system fairer, cut energy bills and scrap the "bedroom tax".

Independence is about improving the quality of life for all people across Scotland. We will be able to take decisions on our economy designed for Scotland's particular needs and based on our own priorities.

Similar countries to Scotland have seen higher levels of economic growth over the past generation. That is because they have the bonus of being independent and are able to make the right choices for their nation and economy. If Scotland had matched the levels of growth of these other independent nations between 1977 and 2007, GDP per head in Scotland would now be 3.8 per cent higher, equivalent to an additional £900 per head.

### Can Scotland afford to be independent?

Yes. Scotland is one of the wealthiest nations in the world. In terms of our total economic output per head we ranked eighth out of the 34 developed countries in the OECD in 2011. We raise more tax and our public finances have been stronger than those of the UK as a whole over the past 32 years.

Despite all these strengths, many families in Scotland are struggling to make ends meet. We are a wealthy country and yet the full benefit of our vast wealth is not felt by the people who live and work here. With independence, we can make sure Scotland's wealth and resources work better for the people of Scotland.

### What will happen to my pension?

Under our plans your state pension and any personal or occupational pensions will be paid in the same way as they are today. The rights you have accrued will be protected. Scotland is better able to afford pension and welfare payments than the rest of the UK. Social protection (which includes pensions and benefits) takes up a smaller share of our national output and our tax revenues than it does in the UK as a whole.

Under the Scottish Government's proposals you will, as a minimum, receive the same state pension payments on independence as in the rest of the UK. The current Scottish Government also proposes some added protections.

Given that life expectancy for both men and women in Scotland has consistently remained below the UK level, the present Scottish Government is committed to reviewing the Westminster Government's plan to speed up the timetable for increasing the State Pension Age to 67 between 2026 and 2028.

### Will independence change the tax I pay?

The process of independence itself will not change the tax rates we pay. As Scotland's public finances are healthier than those of the UK as a whole, there will no requirement to raise the general rate of taxation to fund existing levels of spending after independence.

However, being able to make changes to the tax system is one of the advantages of independence. If the present Scottish Government is elected in 2016 as the first government of an independent Scotland, our first budget would:

- increase tax allowances and tax credits in line with inflation
- simplify the tax system to reduce compliance costs, streamline reliefs and help to reduce tax avoidance, with a target revenue gain of £250 million per year by the end of the first term
- end the proposed tax allowance for some married couples, which does not benefit all parents or families
- abolish the UK's Shares for Rights scheme which encourages tax avoidance

#### Who will form the government of an independent Scotland?

The first government of an independent Scotland will be elected at the next Scottish election in May 2016. The 2016 elections will happen in the same way as previous elections, with both constituency and regional MSPs elected. The votes cast in 2016 will determine which party or parties form the government. That could be SNP, Scottish Labour, or any other party – or coalition of parties – that secures the support of the electorate. It will be for the people of Scotland to decide.

#### Will Scotland be a member of the EU?

Yes. It is the current Scottish Government's policy that Scotland remains part of the European Union. Between a Yes vote in 2014 and independence day, Scotland will agree the terms of our continuing membership of the EU. This will happen while we are still part of the UK and part of the EU, ensuring a smooth transition to independent membership.

#### How can you guarantee our future security?

Scotland will have our own defence forces to protect Scotland and its seas. The present Scottish Government is committed to NATO membership.

The current Scottish Government will ensure a strong conventional military presence on Scottish soil and in Scottish waters, but we will ensure that nuclear weapons on the Clyde are removed.



Scotland will also be more financially secure. The lessons from the financial crisis are being learned and across the world new rules are being put in place to reduce and where possible remove the risks that led to the crisis of 2008.

An independent Scotland will also have one of the best safety nets for the future with our offshore energy reserves providing a guarantee that we can protect ourselves in hard times.

We will establish an Energy Fund, which will save a proportion of our current oil wealth for future generations.

### Will we be able to keep the pound or will we be forced to join the euro?

Scotland will continue to use the pound, just as we do today. The Scottish Government's expert advisers, the Fiscal Commission, have set out a clear framework for this. It will be in the interests of the rest of the UK as well as Scotland. EU law sets down a series of conditions a country must meet before it can join the euro. This includes entering the Exchange Rate Mechanism (ERM) II. Joining ERM II is voluntary and that means Scotland cannot be forced to join the euro.

### How can Scotland be independent if we keep the pound?

Independent countries around the world share currencies. Countries like France, Germany, and the Netherlands do not have their own currency but are clearly independent, and control their own resources. This approach makes sense for Scotland and the rest of the UK, because it will make it easier for us to trade with each other and will also mean that our mortgages and pensions continue to be in pounds and pence, just as they are today.

### Will it cost too much to become independent?

No. Scotland already pays our share of the cost of UK-wide services, like the benefits system and the tax system. We pay our share of the UK's armed forces and overseas embassies. After independence we will no longer be paying for these UK services and bodies, but will use the money to pay for our own Scottish equivalent. We propose to save money on some things like defence as we will not be paying towards the UK's nuclear

weapons. So money that we currently send to Westminster to be spent in other parts of the UK – or on things we in Scotland do not want – will stay in Scotland to invest in a modern and efficient system of government for our newly independent country, and to pay for things that we do want. We might decide to continue to share some services with the UK, at least for a transitional period.

### What makes you think an independent Scotland will be a fairer country?

The sort of country we become will be up to the people of Scotland. Scotland has all the wealth it needs to be a fairer country. We are one of the richest nations on the planet and could choose to use that wealth in a different way from Westminster. For example, we can choose to invest in childcare instead of spending money on nuclear weapons. We can choose not to impose the “bedroom tax” and to have a more efficient tax system that ensures everyone pays their fair share. With independence we can make different choices in line with our values and the views of the people of Scotland.

### What will independence deliver for me?

With independence the Scottish Parliament will have all the powers we need in Scotland to make life better for the people who live here. The present Scottish Government’s policies for an independent Scotland include:

- delivering a transformational change in childcare so that over time, every child from age one to starting school is guaranteed 30 hours of provision for 38 weeks of the year. This will reduce costs for families and improve support for people with children to return to work
- reducing your energy bills by around 5 per cent by moving the costs of some environmental schemes from your energy bill and funding them from central government resources protecting your state pension, with stronger guarantees that the real value of your pension will not fall ensuring that the minimum wage rises in line with inflation

- protecting the value of benefits, tax allowances and tax credits by uprating these in line with inflation building a fairer Scotland by stopping the roll out of Universal Credit, scrapping the “bedroom tax” and halting some of the most damaging welfare changes being introduced by the Westminster Government.

### What will happen to our relationships with the other parts of the UK?

Scotland will continue to have a close and special relationship with the other nations of these isles. This will be a new, updated partnership of equals between the people of Scotland and the rest of the UK.

Under our proposals, we will keep our close links of family and friendship through a continuing social union and will continue to share the Queen as head of state (as 16 Commonwealth countries currently do) and share the pound as our currency. We'll be equal partners within the EU and as part of a common defence partnership in NATO.

But independence will end the parliamentary union and that means we will no longer send MPs to Westminster. Decisions about Scotland's future and about our economy and society will be taken here. The people of Scotland will be in charge.

### What about a Scottish passport?

Our proposals for independence mean that, as a Scottish citizen you will be entitled to a Scottish passport. A Scottish passport will cost the same as a UK passport and you will be able to continue using your existing UK passport until it is the normal time for you to change it.

Scotland is already part of a Common Travel Area (CTA) with the rest of the UK, Ireland, the Channel Islands and the Isle of Man, which dates back to the 1920s. We plan to remain part of the CTA which means that there will be no border controls, and you will not need a passport to travel to other parts of the UK, Ireland,

the Channel Islands and the Isle of Man (although of course some airlines require proof of identity for domestic flights).

### How will we become independent?

Scotland will become independent if the people of Scotland vote Yes in the referendum on 18 September 2014. After a vote for independence, the Scottish Government will reach agreement with the Westminster Government and the EU on arrangements for the transition to independence, based on our proposed date of **24 March 2016**.

### Will we keep the Queen?

Yes. The Queen will remain head of state in Scotland. An independent Scotland will have a written constitution which sets out how we are to be governed.

### What about our share of the national debt?

Scotland and the rest of the UK will agree a share of the national debt. This could be by reference to the historical contribution made to the UK's public finances by Scotland. An alternative approach would be to use our population share.

Either way, our share of the UK's debt is projected to be smaller as a proportion of our economic output than for the UK as a whole, which means Scotland is better placed for the future. However, we will also be entitled to a fair share of the UK's assets, which are estimated to be worth £1,267 billion. We may choose to offset part of our share of UK assets against the debt we agree to take on from the UK.

### What will happen to the benefits and tax credits I receive?

On independence you will continue to receive benefit payments and tax credits in the same way as you do now. Becoming independent will not, in itself, change your entitlement. However, future Scottish governments can choose to do things differently from the UK. For example, this Government will stop the damaging changes to our welfare system being introduced by Westminster. We will scrap the "bedroom tax" and stop

the roll out of Universal Credit and Personal Independence Payments.

#### Will civil servants working in UK departments still have jobs?

Independence will mean the civil service in Scotland will cover a range of services currently provided by Westminster. Responsibility for services such as benefits will transfer to the Scottish Government. New jobs will be created for services currently delivered from other parts of the UK. We will work with the Westminster Government to preserve continuity of employment for all staff, either by transfer to the Scottish Government or through continued employment by the Westminster Government where it continues to require their skills. The pension entitlements and other terms and conditions of employment of civil servants transferring from the Westminster Government will be fully honoured. Staff who transfer will join a skilled and diverse workforce in the civil service in Scotland, which is based on the principles of honesty, integrity, objectivity and impartiality, committed to good employment practice and with a continued commitment to no compulsory redundancies.

#### Is it Scotland's oil and gas?

The vast bulk of oil and gas in the UK comes from the Scottish part of the UK Continental Shelf and will be in Scotland after independence. Analysis tells us that in excess of 90 per cent of the oil and gas revenues are from fields in Scottish waters (based on well-established principles of international law).

#### Do we depend on oil and gas to become independent?

No. Scotland's economic output per head, even without oil and gas, is virtually the same as the UK as a whole. So oil and gas is a bonus. When we include the output of the North Sea, Scotland produces almost a fifth more per head than the UK average.

Oil and gas revenues make up 15 per cent of Scotland's overall public sector receipts, compared to 30 per cent for Norway and yet Norway has prospered and has an oil fund worth £470 billion.



## **Scotland's Future is in your hands.**

Scotland's Future is a comprehensive guide to an independent Scotland and what it means for you.

Scotland's Future answers your questions about independence and sets out the facts and figures on:

- How Scotland can afford to become independent.
- Scotland's economic strengths and how we can make the most of our potential.
- How independence will help ensure that everyone in Scotland gets a fair deal.
- The ways in which independence will strengthen Scotland's democracy.
- An independent Scotland's place in the world.
- Other issues important to you

**[scotreferendum.com](http://scotreferendum.com)**



Scan here for videos related to Scotland's Future.



**The Scottish  
Government**  
Riaghaltas na h-Alba

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ISBN: 978-1-78412-069-6