Scottish independence: the essential guide

Devo-max, full independence, or greater fiscal responsibility; learn all you need to know about the referendum on Scottish independence being **planned** by Alex Salmond's SNP

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guardian.co.uk, Monday 23 April 2012 15.14 BST

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1. The issue at a glance

Around a third of Scotland's 4 million voters believe that Scotland should leave the UK and become independent, ending the 305-year-old political union with England. They believe Scotland's economy, its social policies and its creativity would flourish if it had much greater autonomy. A majority of Scots disagree. They believe Scotland is more secure within the UK.

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2. Why is it being talked about now?

The argument is now very real after the Scottish National party won an overall majority in the devolved parliament elections in May 2011, allowing it to stage an independence referendum. Alex Salmond, the first minister and SNP leader, plans to hold it in autumn
3. A brief history

Scotland’s relations with its larger neighbour have often been difficult, none more so than in the “wars of independence” 700 years ago led by William Wallace and then Robert the Bruce. He defeated Edward I, then attempting to subjugate Scotland, at Bannockburn in 1314. After other cross border disputes, including Scotland’s defeat at Flodden by the English in 1513, the Scottish and English crowns were unified in 1603 when King James VI of Scotland became overall monarch of the British isles.

In 1707, that union was cemented by Scotland and England’s political union, forced on Scotland in part by a financial crisis following the abject failure of its colony in Panama, the so-called Darien adventure. All political power moved to London, but Scotland retained its own legal system, churches and universities. In 1745, the pretender to the British throne, Bonnie Prince Charlie, led the Jacobite revolt against Hanoverian rule by London. Despite reaching as far south as Derby, that ended in crushing defeat at Culloden in 1746.

In the 1800s, Scotland’s economy strengthened, its cities boomed and its citizens took a leading role in the British empire. But proposals to give Scotland some form of “home rule” within the UK have been live since William Gladstone’s era as Liberal leader in the 1880s. After several failed attempts at Westminster, notably in 1913 and 1979, a Scottish parliament was finally reestablished in 1999 in Edinburgh with wide-ranging policy making and legal powers but dependent on a direct grant from London.

4. What happens next?

Salmond is in talks with David Cameron, the prime minister, about securing the legal powers that Holyrood needs to set up the referendum. Salmond wants to pass legislation in November 2013 but laws affecting the UK’s constitution are reserved to the UK parliament. Without that power, Salmond will face lengthy battles over the legality of the poll.

Cameron insists it can be held in September 2013; meanwhile the two men are in dispute over whether the referendum can include a second question on more powers for Holyrood within the UK, an option known as “devolution plus” or “devo max”. The Tories, Liberal Democrats and Labour are offering to give Holyrood greater powers after the 2015 general election but insist the referendum has just one yes or no question on independence. Both sides needs to strike a deal or risk a major confrontation.

5. The options – and key arguments

<table>
<thead>
<tr>
<th>Option</th>
<th>Arguments for</th>
<th>Arguments against</th>
<th>Who supports</th>
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<tbody>
<tr>
<td>Status quo - the UK government in charge of most taxation, welfare and economy</td>
<td>The UK is the most successful economic and political union of modern times – change needs to be slow and careful. The UK brings security and shared risk, and common values.</td>
<td>It fails to recognise Scotland’s unique needs, values and aspirations; Scotland’s interests are always secondary to England’s. The UK is run by parties which Scotland rejected.</td>
<td>Ruth Davidson, Scottish Tory leader; Lord Forsyth, former Scottish secretary; Sir Malcolm Rifkind, former foreign secretary.</td>
</tr>
<tr>
<td>Devo plus - ensures that Scotland has to raise the taxes it spends while keeping defence, pensions and</td>
<td>Scotland needs to take responsibility for the taxes it spends, and mould policies to its needs and raise the taxes to match its spending.</td>
<td>Giving Scotland control over taxation and welfare would heavily impact all parts of the UK, require reform of the UK parliament and undermine internal unity.</td>
<td>Reform Scotland think tank; Scottish Liberal Democrats; possibly Alistair Darling; devo plus campaign; senior figures in Scottish Council for Voluntary</td>
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www.guardian.co.uk/politics/scottish-independence-essential-guide/print
6. What does it mean for me?

Someone born in Scotland: it should mean a greater direct say over one’s government and more political freedom, but also greater economic risks, less security and more differences with England.

Someone living in Scotland but not born there: the same as before: every voter in Scotland should be treated equally.

Non-Scottish UK citizen: not a great deal, but the UK economy will be smaller, oil and whisky might be more expensive, British identity would be diluted and Britain’s status overseas could be weaker.

Someone outside UK: Scotland is expected to remain in the EU, so there will be few major changes for tourists or investors.

7. Key players

Alex Salmond: Scotland’s first minister since 2007 and leader of the Scottish National party. Widely regarded as one of the UK’s sharpest politicians, he has led his party from being a minor force to dominating Scottish politics and the closest yet to independence.

David Cameron: the Tory prime minister wants to avoid being the British leader who presided over the break up of the UK. While his party is third largest at Holyrood, it is unpopular in Scotland and suffers from having only one Scottish MP.

Alistair Darling: the former Labour Chancellor of the Exchequer and an Edinburgh lawyer, he saved the UK’s banking system from collapse, including two major Scottish banks. Darling is emerging as a trusted, key figure for the pro-union campaign.

Menzies Campbell: the former Liberal Democrat leader is drafting a new blueprint for Scottish “home rule” which is likely to heavily influence proposals by pro-UK parties for more devolution to counter independence.

Johann Lamont: the little tested ability of the recently elected Scottish Labour party leader to rally and direct her party could prove crucial for the UK. Her Lib Dem and Tory counterparts say it is essential her party regains its authority if Salmond is to be defeated.

8. Glossary

Holyrood: home of the Scottish parliament, sited next to the Queen’s Scottish residence in Edinburgh.

Devo-max: this is the catch-all nickname for the proposal known as devolution max where Scotland would have complete control over taxation and political decisions, also known as full fiscal freedom, but remain within the UK, sharing services like defence and foreign affairs. It can also be known as “indy lite”.

Organisations.

| Independence | There is no reason why Scotland cannot control its own destiny, become equal to England, and take its full place in the world. Scotland and England would remain firm friends. | Scotland would face greater financial risks, lose the security of UK, and gain little that further devolution would give. It would rely on a foreign bank and be in damaging competition with its closest, larger neighbour. | Alex Salmond, Scottish National party, Scottish Green party, Sir Sean Connery, Sir Brian Souter, Stagecoach owner. |

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Devo-plus: used for the less radical proposal to greatly increase Holyrood's powers. Under devolution plus, Scotland could control two thirds of taxation and the welfare system in Scotland, but share pensions, foreign affairs, defence and monetary policy with the rest of the UK.

Indy lite: less far-reaching than full sovereignty where Scotland would have total independence from England and its institutions, this "light" version of independence is closest to the model being developed by Alex Salmond. Under indy lite, Scotland would keep sterling, the Bank of England, the Queen, remain with the EU and could remain in Nato. It could have a currency union with the rest of the UK and cooperate on defence.

West Lothian question: named after Tam Dalyell, the then MP for West Lothian and critical of devolution, who asked why Scottish MPs should continue to vote on English-only bills if English MPs had no power to vote on Scottish policies at Holyrood. The UK government has set up a commission to study new voting rules for Westminster.

North Sea oil: Fundamental to the SNP's economic plans, Scotland would get a 90% geographical share of North Sea oil and gas fields based on the division of the UK's territorial waters after independence. This would mean Scotland would keep 81% of current oil and gas receipts, recently worth between £6bn and £12bn a year.

Bannockburn 2014: The SNP has chosen to hold the referendum in the autumn of 2014 because it is both the 700th anniversary of the Battle of Bannockburn, an iconic event for nationalists, and a year of significant cultural and sporting events in Scotland, including the 2014 Commonwealth Games in Glasgow, the Ryder cup golf tournament at Gleneagles and the Year of Homecoming, a celebration of Scottish culture and the Scots diaspora. SNP ministers also believe the Tories and Lib Dems in the UK coalition government will be in conflict in the run-up to the 2015 general election.

A multi-option referendum: Alex Salmond has posed the question "Do you agree that Scotland should be an independent country?" as his preferred question on independence. That may change to make it more neutral. Salmond also wants the option of putting several choices on the referendum paper, adding in a question on devo lite. He argues that many Scots favour greater devolution over independence but his opponents such as David Cameron are resisting this: they say independence and devolution are in conflict, since one wants to break up the UK and the other wants to preserve it.

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9. FAQ

- What would Scottish independence mean for the monarchy?
- Would an independent Scotland keep the pound?
- Who would get North Sea oil revenues if Scotland declared independence?
- Could an independent Scotland have bailed out RBS and HBOS?
- Would an independent Scotland have its own armed forces?
- What would happen to Royal Navy and RAF bases in Scotland, including Trident?
- If Salmond wins a referendum can Scotland simply declare independence?
- What do the opinion polls say?
- Can Salmond hold a multi-option referendum?

What would Scottish independence mean for the monarchy?
Under the SNP's plans, Scotland would retain Queen Elizabeth as head of state and remain within the Commonwealth.

Would an independent Scotland keep the pound?
Yes, unless it voted to join the euro. But that would mean it loses control over monetary policy to the Bank of England, and ideally need Scotland to strike a currency union deal with the remainder of the UK.
Who would get North Sea oil revenues if Scotland declared independence?
The Scottish government believes Scotland is entitled to a 90% geographical share of the North Sea's oil and gas fields, giving it 81% of all the oil and gas produced in 2010. This has not been tested and the UK government refuses to confirm this.

Could an independent Scotland have bailed out RBS and HBOS?
Not without great difficulty. The UK government spent £45bn bailing out RBS and £20bn on Lloyds, which took over Halifax Bank of Scotland to avoid its collapse. That exceeds Scotland's annual tax receipts. But most significantly, at its peak, the Treasury had £465bn at risk in cash and guarantees, well over three times Scotland's total GDP, even if a full geographical share of North Sea oil is included.

Would an independent Scotland have its own armed forces?
Certainly but it remains unclear how large it would be or what alliances it would forge. The Scottish government believes it will largely be based on the UK mobile armoured brigade being moved to Scotland, and could spend about £2.1bn, similar to defence budgets in Norway and Denmark.

What would happen to Royal Navy and RAF bases in Scotland, including Trident?
Salmond's government believes it needs one airbase and one naval base, in addition to a small army brigade. It would take over Faslane on the Clyde as its naval base but wants the Trident submarines based there to leave. It would use the last remaining RAF base in Scotland at Lossiemouth in Moray.

If Salmond wins a referendum can Scotland simply declare independence?
Not immediately. All the key issues, like Scotland's share of UK debt, dividing up North Sea oil fields, a possible currency union, taking over military bases and UK government offices, would need to be negotiated. Some argue the final deal should also be ratified in a referendum: Salmond has suggested it will be approved by the results of the Scottish parliament election in May 2016. It is unclear how the UK parliament would approve any deal. There would also be a transition period before that process was complete which could take several years.

What do the opinion polls say?
The latest polls show a rise in support for independence and a decline in support for the UK, but the findings vary dramatically depending on what question is asked.

In January, using straight questions on do you oppose or support independence, a Survation poll for the Mail on Sunday put independence at 26% and opposition to independence at 46%, while an ICM poll for the Sunday Telegraph put the difference much closer at 40% to 43%. But that same study also asked voters to choose between independence, devo max and the status quo, with a 26%/26%/33% split.

But that was before Salmond published his preferred question on independence: "Do you agree that Scotland should be an independent country?"

On 31 January, Ipsos-MORI asked voters to choose based on that question, and found: 37% said yes, and 50% no. Firming up those answers to focus on only those who were certain to vote, and the proportion preferring independence rose to 39%.

Many critics believe the question is loaded towards a yes answer because it does not mention leaving the UK and asks voters just to "agree".

In late January, the Tory peer and former Treasurer Lord Ashcroft funded a poll which asked that question too, and got 41% yes and 59% no. The poll then asked: "Should Scotland become an independent country, or should it remain part of the United Kingdom?" On that question, support for independence fell to 33%, with 67% opting for the UK.

However, in early February, a Panelbase poll for the Sunday Times and Real Radio Scotland, had a more startling finding – that 47% would vote yes to the question "Do you agree that Scotland should be an independent country?", against 53% saying no.
Can Salmond hold a multi-option referendum?
Probably, but it would involve a major political gamble. Salmond wants the freedom to give voters an extra option of voting on devo plus or devo max, to give Scotland greater autonomy within the UK. His opponents say this is technically difficult and would confuse voters. Lib Dem leader Willie Rennie has posed a question known as Rennie's riddle: if independence won 51% support but devo plus 99%, would Salmond still opt for independence? Salmond also needs someone else to campaign for devo plus in a referendum; so far no-one has offered to do so.

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10. Some key figures

Spending per person - UK
Scotland's GDP - with and without North Sea revenues
Scotland's fair share of North Sea revenues
Scotland's public spending compared to its revenue
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11. In greater depth

The best articles and speeches arguing for full independence:
Alex Salmond, Hugo Young lecture, January 24 2012
Gerry Hassan, From the 'How' to the 'Why' of Scottish Independence

The best pieces and speeches arguing against full independence:
Annabel Goldie, former Scottish Tory leader, party conference address, October 2011

The best arguing for something in between:
Ben Thomson, chairman of Reform Scotland, Third way the best option for Scotland, 12 September 2011

The best analysis:
Iain MacWhirter on disarray in the pro-union parties, the Herald, 23 February 2012 and on how independence is revitalising Scotland, the Sunday Herald, 29 January 2012
Martin Kettle on why Alex Salmond needs a devolution plus option, The Guardian 11 January 2012
Martin Kettle, Alex Salmond's wish is for a home rule option for Scotland – and he'll get it, The Guardian, 25 January 2012

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12. The one sentence killer dinner party line on:

Independence: "Why can't Scotland, blessed with such great natural resources, talent and ingenuity, be allowed to stand on its own two feet and take its rightful place in the world?"

Status-quo: "We have the best of both worlds. Why throw away the security and rewards of staying in the UK? The union has lasted over 300 years for one reason: because it works."
Devo-plus: "Why should Scotland, with its thousand-year history, be treated like a teenager with a pocket money parliament? It should take responsibility for what it spends."

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The Guardian is currently experimenting with new ways of presenting and structuring our articles. This article is part of this testing and we would love to get your thoughts and feedback in the comments below.

• This article was amended on Monday 23 April 2012 to correct a reference to Bonnie Prince Charlie as "the pretender to the Scottish throne" and a reference to the Scottish National party winning an overall majority in the devolved parliament elections in May 2010.

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