



Forum 6

Where next for the UK's changing Union?

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A report on the proceedings

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As was to be expected the Forum's discussions were framed by the outcome of the Scottish referendum and its aftermath. It was generally agreed that the 55 to 45 per cent vote against independence had not settled the question in the way No campaigners had hoped. Instead, the nature of the campaign and the impact of the result on the political parties in Scotland have given fresh energy to the constitutional debate. There was much comment on the level of political engagement the referendum produced, with its 97 per cent voter registration and 85 per cent turnout. As one participant said:

“The Unionists won the referendum, but in a curious way they also lost it. The SNP lost but Scottish politics are being pursued as though they won. There is now a bigger momentum for positive change than there was before the referendum.”

There was a good deal of criticism of the way the Better Together campaign had been conducted. It was described by one participant as a “bleak and joyless affair” that failed to present a positive message in support of the Union. Another said:

“The leadership at the centre was out of touch. As the event came closer the Better Together campaign looked shambolic. The discussion was dishonest and a bit grubby. The panic in the last week didn't do it any favours. It demonstrated that at the end the issue was about power and money.”

There was disagreement about how far the campaign had divided Scottish politics and society. One, who supported Better Together, said:

“There is no doubt the 45 per cent Yes voters were vocal and energized, but the 55 per cent majority were silent and afraid.”

On the other hand a Yes supporter said:

“The majority support that the polls are now giving the SNP – upwards of 50 per cent, with the Greens on 8 per cent - doesn’t suggest a population that is divided against itself. The mood is not as troubled as the 55-45 per cent referendum vote might suggest.”

He added that the campaign had woken the Scottish people up to their democratic potential. For a day the people had been sovereign and they would not forget. At the same time, however, the campaign had also alerted the defenders of the union. As he put it:

“We woke up the beast, which finally came full on towards the end of the campaign after one poll showed we were ahead. This produced a tsunami of attention from the British State, including the Vow of more powers in the last days of the campaign. This made it difficult for us to sustain the momentum we had undoubtedly achieved.”

The Vow that made by the three Westminster party leaders has resulted in a continuing debate on enhancing the Scottish Parliament’s powers and devolving more taxation. This is now in the hands of the Smith Commission, due to report by the end of November 2014. But as one Welsh participant at the Forum complained:

“What was generally agreed in the pre-referendum period was that whether Scotland should leave the Union or not was a matter for the Scots alone. However, if it was to stay in the Union what ensued should be a matter for all of us. Nevertheless, it seems that the deliberations of the Smith Commission is a matter for internal Scottish debate only. It’s wrong that that there could be a radical change in the terms on which Scotland stays in the Union without a voice being allowed to the other constituent parts of the UK.”

Despite this it was agreed that the essential question facing the UK and the union was how to put together a package of measures that would be credible and supported by the Scottish people. It was suggested that there were broadly three possible outcomes. Some think Scotland is on an inevitable path to independence. Each concession is seen as part of a process of dismantling the British state. This may be a simplistic analysis, it was said, but it contains a grain of truth.

Another view was that the Westminster parties would merely continue with a policy of containment. As one participant put it:

“In the wake of the vote the British instinct for muddling through – otherwise known as pragmatism – is gradually reasserting itself. This has worked for a long time in allowing a slow process of change. The question now is whether this approach is able to keep up with the speed of events that are likely to unfold over the next three or four years.”

Another participant was more incisively critical of this approach, saying:

“It is not aspirational politics. It is about making concessions and getting by. This outlook contains the seeds of the destruction of the UK.”

The third perspective emphasised the need to come up with a settled position for the union, an alternative to independence that can attract consensus support. As was stated:

“This will not be the present unreformed union. It is the only option that provides an alternative to the momentum that is with the SNP and that will keep Scotland in the Union. Unionists have been sleep walking towards independence for more than a decade and now need to get this message.”

A number of speakers judged that the Labour Party faced the most difficulties in coming up with a solution to the constitutional dilemmas facing the UK. It was the only party with significant representation in each constituent country of the UK, and in that sense it was the only party with a direct political interest in sustaining its unity. But that presented a particular challenge, identified by one participant in the following terms:

“We need a social covenant which describes what we share in common and what we are entitled to in terms of health care for all, for instance. But how far can you go in separating out the different parts of the UK? There is discussion starting in London about devolution of income tax and welfare. If that were to happen we’d be in real trouble – 40 per cent of the wealth of the UK is generated in London and the South East.”

Another participant argued that Labour had been completely wrong footed by the referendum debate. Not only had it sided with the Conservatives in defending the Union, alienating its support in Scotland, but in the process it had also neglected its interests in England. This had been uncomfortably exposed at the party’s annual conference held shortly after the vote:

“Labour got it massively wrong. There was an insurrectional meeting of English Labour MPs at the Manchester conference. Labour ended up telling itself it was the party of Scotland and Wales while the SNP characterised it as the Party of Westminster. Labour now risks being the loser in all parts of the Union.”

This, he said, was likely to be felt first and most acutely in Scotland where the default position of most voters to support Labour in Westminster elections could no longer be relied upon. It was the underlying agenda of the current Scottish leadership contest in which the candidate thought most likely to win was a Westminster politician. As another participant put it:

“Jim Murphy has a dilemma. If he’s elected he’s still at Westminster. How does he escape the Westminster malaise? Labour has to achieve some traction in a situation where really the Westminster party wishes the issue would disappear. Whoever is elected leader in Scotland will not provide the answer by themselves. At the end of the day you have to have something to say. That’s the fundamental problem.”

It was argued that the Scottish referendum had fundamentally changed the dynamics of devolution. Before it could be said that the pace and direction of travel of events had been determined in Scotland, while Westminster and Whitehall remained largely unaffected and England uninvolved. In turn this meant that the way devolution had developed was decided by what Labour was willing to support.

However, the referendum had swept this interpretation to one side. Changes in England and in the governing structures in Whitehall were now inescapably part of the process. Prime Minister Cameron had immediately responded with his commitment to English votes for English laws on the morning after the vote. However, a number of pressing questions followed:

- How precisely is the demand for English votes for English laws to be met? Could it be achieved by changing legislative procedures within the House of Commons, as recommended by the Mackay Commission? Or, would it be necessary to create a separate English Parliament to mirror the devolved institutions in Wales, Scotland and Northern Ireland?
- To what extent would it be necessary or desirable to devolve power territorially within England and what form should such devolution take?

The Forum was presented with some clear answers to these questions. There should be an English response to devolution but there was no evidence that there was a demand for English independence. To the contrary, creating an English Parliament would be inconsistent with maintaining the Union. Consequently we should conclude that Westminster is the English Parliament and we should utilise the proposals in the Mackay Commission to make that clearer.

Further, we should say that there are clear lessons for the English regions from devolution to Scotland and Wales. As well as an expression of national identity this is about enabling public policy to be implemented at a more manageable scale. It follows that the same should apply within England.

The advocate of these solutions then stated:

“Asymmetry is your friend not your enemy in devising a response to these problems. It enables you to respond to demand from below rather than imposing uniform devolution from above – as happened with the effort to create devolved institutions in the North East of England.”

He continued that there were four requirements for success in pursuit of this territorial statecraft:

1. Devolution should be led by demand.
2. Devolved institutions should be administratively effective.
3. There should be democratic accountability.
4. Fiscal responsibility was also vital; otherwise all that would be created would be authorities only responsible for expenditure and thus

programmed to complain that they were not provided with enough resources.

It was recommended that procedural reform within Parliament, to allow English-only votes at the second reading of Bills, should come first. The hope would be that this would buy time for an acceptable and effective form of English regionalism to emerge, probably based around cities such as Manchester, Birmingham and Newcastle.

Different issues arise in Wales. A Labour activist at the Forum observed that the Scottish vote had had a radical impact:

“Before the referendum the chance of having a discussion about Scotland in the average constituency Labour Party in Wales was remote. The referendum has changed that. There’s now a realization that constitutional matters are not just navel gazing. Where you place power does affect the delivery of public services and the kind of country you want. When I now say this is about pooling the sovereignty of four nations I don’t get handed a Plaid Cymru membership form.”

Other participants added that the referendum had also exposed the relative weakness of Wales. Scotland had been shown to possess immense leverage at Westminster, while Wales continues to have minimal influence. It was pointed out that the Vow made in Scotland included a commitment to retain the Barnett formula that had operated to Wales’s disadvantage since 1979. As one Welsh participant said:

“A bottom line is how economic and social cohesion and solidarity are to be defined. This is an important matter for Wales which depends on fiscal transfers to a far greater extent than Scotland. If England goes its own way with lower levels of health spending and social support, would applying the principle of social cohesion allow us to pay out greater sums and create higher standards of public service delivery than in England?”

This observation underlined once again the extent to which, even as they move further apart, the countries of the Union continue to influence one another in often unexpected ways. As another participant suggested:

“The constitutional problem is akin to a 3D chess game. We have three chessboards with their own internal dynamics, plus there are interchanges between one board and the next which are unplanned and unintentional. An example is the impact on Wales of the Vow made in the dying days of the referendum campaign in Scotland. The commitment to English votes for English laws means that Wales must have a reserved powers model.”

It was generally agreed that some kind of federal structure or, as it was more specifically defined, ‘an asymmetric quasi-federal structure’, is beginning to emerge. It was pointed out that the Welsh First Minister Carwyn Jones has been advocating this for a number of years. In October he had spoken to this

effect at the Institute of Government in London and at the same time written to the Prime Minister, calling for:

- Reform of the House of Lords to allow for representation from the nations and regions.
- Restructuring of the Civil Service.
- Improved inter-governmental relations.
- Clearer definitions around what is shared in the union to promote social solidarity.
- A process to establish a cross-party Constitutional Convention.

This letter had received no response, which is perhaps evidence of central government's reluctance to deal with constitutional questions in the round. Rather there appears to be a predilection to respond to different elements of the constitutional agenda opportunistically and in an ad hoc way.

There was some debate at the Forum about the desirability of a Convention and the basis on which it might be established. One participant said it would not be an easy option and could easily fail to produce agreed recommendations especially if its brief was too wide ranging. Another said it could result in the worst of all worlds by pushing the issues into the long grass, well beyond the next election. A third said that unless it was established with cross-party agreement on the following three principles there was a danger that it would focus on England to the exclusion of other issues:

1. Acknowledgement that the UK is a multi-national state should be embedded in the constitution.
2. The subsidiarity principle should be applied to the powers of each of the UK's four constituent nations.
3. There should be an understanding of a shared solidarity through measures for economic and social cohesion.

In the meantime forthcoming events were conspiring to create a series of hurdles for unionists to negotiate. The first was how Westminster would deal with the Smith Commission's recommendations for further powers for the Scottish Parliament. If these result in Scottish Home Rule and a worked out scheme for a stable settlement across the UK it was felt that Scottish independence might be pushed back for a generation. On the other hand if the recommendations became bogged down at Westminster with no agreement across the parties then it would be likely to feed the politics of grievance.

The discussion returned on a number of occasions to the prospects of an in-out referendum on the UK's membership of the European Union, promised by David Cameron in 2017 if he returns to power after the general election. Attention was drawn to Nicola Sturgeon's demand that there should be a Scottish veto on British withdrawal, a demand that appeared to be echoed by Carwyn Jones speaking in the Welsh Senedd. An Irish participant said that if Britain voted to leave the EU Northern Ireland would be faced with the question of whether it might get a better deal inside the EU in a federal relationship with Dublin.

It was suggested that a referendum on Europe might occur further down line even if the Conservatives are not returned to power. It was argued that the EU is facing a moment of fundamental decision about a need for further integration to tackle the economic crisis. If a consensus is not reached soon on addressing deflation within the Eurozone then its problems will return with a vengeance. What is needed is a major fiscal stimulus by the European Central Bank. This would involve issuing upwards of €300 billion in bonds to stimulate the economy. But that would be likely to be accompanied by a deepening of integration and would then require a new Treaty. As this participant put it:

“In those circumstances a UK referendum would be inevitable, probably sometime during 2018-20. But, of course, the EU institutions never do the right thing until all other options are ruled out.”

Many at the Forum felt that an even greater threat to the Union than either a failure to come up with effective Scottish Home Rule or an EU referendum was the likely advance of the SNP at the forthcoming general election. As a SNP supporter told the Forum:

“Labour is in a crisis. The referendum has proved a pyrrhic victory. Many lifelong members are now switching to the SNP. As Alex Salmond put it, ‘People don’t know what the Labour Party stands for but they do know who they stood beside.’ Politicians react when they are afraid of losing power. That’s why they gave the Vow in the closing days of the campaign. A constitutional debate that doesn’t have the hard edge of power has little force. Change will only happen if there’s political knife held at the throat of those who have power.”

If the SNP hold the balance of power at Westminster then it is possible, perhaps likely, that concessions will be made to Scotland without at the same time developing a counter-balance in the rest of the UK. That, it was felt, was possibly the greatest threat to the union. At the same time there were warnings that such constitutional dilemmas might not be the fundamental problem. It was suggested that underlying them was a breakdown in the UK’s political culture:

“The political crisis in the UK is more serious than the constitutional crisis. There’s a genuine concern that politics are phony. Carwyn Jones has said that the UK is dead constitutionally. But politics and the political system are nearly dead as well. UKIP is an expression of dead-end politics but it is filling a vacuum. Two centuries ago the system held together in order to keep the French out, maintain Protestantism and build the Empire. But what is the purpose now? I look at England and I don’t like what I see, a neoliberal economic system that blames immigration for its ills. There’s a possible Scotland that could follow a more social democratic path, like the Nordic countries. We need to break Westminster’s centralist stranglehold.”

However, another participant argued that for that to happen the electoral system needed to be reformed to redistribute power across the UK:

“A major problem is the way a UK government can be elected from just one part of the country – mainly the English South East - and then operate in favour of it. We need a proper UK government that services the North of England, Scotland and Wales as well. For that you need proportional representation, as we have in Scotland.”

At this point the Forum was warned that there was a danger in raising the bar too high for a solution to be found, by multiplying the number of issues that need to be addressed. This speaker felt it was possible to address the territorial dimension of the UK's politics against the backdrop that the union was voluntary. Two important changes were necessary to enhance that prospect:

1. The creation of a Department of State in Whitehall responsible for the nations and regions.
2. Reform of the House of Lords so that it has specific responsibility for the UK's emerging quasi-federal structure.

There was no disagreement about such objectives, just a weary scepticism about the prospects for their fulfillment. As another participant put it:

“We have a behaviour problem in Whitehall. Devolution runs contrary to the strongest instincts of the UK government which are centralist. The centre cannot operate two mindsets at the same time. How can you expect Westminster to deliver devolution consistently while England is run in such a centralist way?”