

## Minority Ethnic Matters Overview

*MEMO+ is an occasional series of briefing papers on topics of interest to minority ethnic communities in Scotland. It is produced by the [Scottish Council of Jewish Communities](#) in partnership with [BEMIS - empowering Scotland's ethnic and cultural minority communities](#), and is supported by the [Scottish Government](#).*

# “Scotland’s Future” Scottish Government White Paper on Independence: Economy and Finance

On 18 September 2014 there will be a referendum in which voters will be asked the question, "Should Scotland be an independent country?", and the Scottish Government has produced a White Paper to explain its proposals for the way in which an independent Scotland would be governed.

A White Paper is a document produced by the Government that sets out details of their proposed future policy on a particular subject. It is not a consultation and does not set out alternatives, but only gives details of the Government’s intentions. This White Paper does not, therefore, provide an analysis of the advantages and disadvantages of Scotland becoming an independent country, and it does not discuss what should happen if Scotland remains in the UK.

This MEMO+ is one of a series that summarises the main points of the White Paper. Other issues cover Scottish Government proposals for:

<a href="#">White Paper: General Info</a>	<a href="#">Energy &amp; Resources</a>	<a href="#">Immigration &amp; Asylum</a>
<a href="#">Culture &amp; Communications</a>	<a href="#">Environment &amp; Agriculture</a>	<a href="#">International Relations</a>
<a href="#">Defence &amp; Security</a>	<a href="#">Equality &amp; Human Rights</a>	<a href="#">Justice</a>
<a href="#">Education &amp; Employment</a>	<a href="#">Health &amp; Wellbeing</a>	<a href="#">Third Sector &amp; Civic Society</a>

### Is it realistic for Scotland to become financially independent?

The Scottish Government is confident that Scotland could afford to operate as an independent country, and believes that both businesses and individual people would be better off if the economy were to be run from within Scotland rather than by the UK Government. They propose that, if Scotland were to become an independent country, they would set up an independent Scottish Fiscal Commission to provide proper oversight of public finances.

### Taxation

The Scottish Government believes that Scotland is losing out financially at present. During the 2011-12 tax year (the most recent for which figures are available), the total amount of

taxes received from Scotland was £1,700 per person higher than it was in the rest of the UK. The White Paper also estimates that public spending made up a smaller part of the economy than in the rest of the UK; 42.7% compared with 45.5% of all the goods and services produced (Gross Domestic Product).

At present only 7% of Government income from taxation is under the control of the Scottish Government. Agreements already in place would increase that to 15% over the next two years, but the Scottish Government believes that this is still not enough. If Scotland were to become independent, then all taxation would be under the control of the Scottish Government, and all income from taxation received from Scotland would be spent in Scotland.

### **What currency would be used in an independent Scotland?**

The White Paper proposes that, if Scotland were to become an independent country, it would continue to use the pound Sterling rather than establishing its own new currency, or changing to the Euro or any other currency. This would make things simpler for businesses that operate on both sides of the border, and trade between Scotland and the rest of the UK would also be more straightforward. The Bank of England would continue as the central bank for both Scotland and the UK, and monetary policy would be set according to economic conditions across both Scotland and the rest of the UK.

### **National assets and the national debt**

The White Paper proposes that, if Scotland were to become independent, it would receive a proportion of the UK's national assets. These include the official cash reserve, and buildings in Scotland that belong to bodies such as Jobcentre Plus, HMRC, and the Crown Estate. An independent Scotland would, however, also have to take on responsibility for repaying some of the national debt (money that has been borrowed from various sources by the UK Government).

Oil and gas resources would be an important source of income for an independent Scotland, but the Scottish Government emphasises that this would not be necessary in order for Scotland to be financially self-sufficient. They would set up a "Scottish Energy Fund" to ensure that a proportion of the income from oil and gas was invested for long-term benefit.

### **Spending plans**

The White Paper proposes that, if Scotland were to become independent, the Scottish Government would immediately:

- protect free personal care, free prescriptions, free higher education tuition for Scottish students, and free concessionary travel;
- abolish the "bedroom tax" (the current penalty on people on benefits who have more accommodation than the UK Government considers necessary);
- reduce energy bills by moving responsibility for the cost of the Energy Company Obligation, and Warm Home Discount Scheme to the Scottish Government;
- provide 600 hours of childcare to around half of two year olds;
- increase tax allowances, tax credits, and benefits in line with inflation;

and, during the first term of an independent Scottish Parliament it would:

- provide 30 hours of childcare per week for 38 weeks each year for all three and four year olds, and vulnerable two year olds;

- cut air passenger duty by 50%;
- produce a timetable for cutting corporation tax by up to 3%.

The money to fund this spending would be raised by:

- reducing spending on defence and securing;
- ending the married couples tax allowance that the UK Government plans to introduce in 2015;
- cancelling the “Shares for Rights” scheme in Scotland. (This replaces certain employment rights, such as unfair dismissal and redundancy pay, with tax incentives on holding shares in the company.).

[Click here](#) and [here](#) for more details about Scottish Government proposals for Finance and the Economy.

### Useful Links

- **White Paper: Scotland’s Future: Your Guide to an Independent Scotland**
  - Full Document <http://82.113.138.107/00439021.pdf>
  - Summary <http://82.113.138.107/00439013.pdf>
- **Scottish Government Q&A about the Economy**  
<http://www.scotreferendum.com/topic/the-economy/>
- **Scottish Government Q&A about Taxes and Taxation**  
<http://www.scotreferendum.com/topic/taxes-and-taxation/>
- **Scotland’s Economy: the case for independence**  
<http://www.scotland.gov.uk/Resource/0042/00422987.pdf>
- **Currency Choices for an Independent Scotland**  
<http://www.scotland.gov.uk/Resource/0042/00420804.pdf>
- **Principles for a Modern and Efficient Tax System in an Independent Scotland**  
<http://www.scotland.gov.uk/Resource/0043/00434977.pdf>
- **Building security and creating opportunity: Economic policy choices in an independent Scotland**  
<http://www.scotland.gov.uk/Resource/0043/00438650.pdf>
- **Scotland’s Balance Sheet**  
<http://www.scotland.gov.uk/Resource/0041/00418420.pdf>
- **Fiscal Rules and Fiscal Commissions**  
<http://www.scotland.gov.uk/Resource/0043/00437469.pdf>
- **Consumer Protection and Representation in an Independent Scotland: Options**  
<http://www.scotland.gov.uk/Resource/0043/00430128.pdf>
- **Stabilisation and Savings Funds For Scotland**  
<http://www.scotland.gov.uk/Resource/0043/00435303.pdf>

- **Scottish Government referendum website**  
<http://www.scotreferendum.com/>
- **UK Government Scotland Office referendum website**  
<https://www.gov.uk/government/topics/scotland>
- **Yes Scotland** (Campaign for Scottish Independence)  
<http://www.yesscotland.net/>
- **Better Together** (Campaign for Scotland to remain part of the UK)  
<http://www.bettertogether.net/>
- **BBC Scottish independence: Referendum library**  
<http://www.bbc.co.uk/news/uk-scotland-scotland-politics-21618252>



The **Scottish Council of Jewish Communities (SCoJeC)** is the representative body of all the Jewish communities in Scotland. It advances public understanding about the Jewish religion, culture and community, and also works in partnership with other organisations to promote good relations and understanding among community groups and to promote equality. (Scottish Charitable Incorporated Organisation SC029438) <http://www.scojec.org/>



**BEMIS** is the Scottish national Ethnic Minorities led umbrella body, supporting, empowering, and building the capacity of minority third sector community organisations. As a strategic partner with Government, it is proactive in influencing the development of race equality policy in Scotland, and helps develop and progress multicultural Scotland, active citizenship, democracy, and Human Rights Education at the Scottish, UK, and European levels. <http://www.bemis.org.uk/index.html>



The **Scottish Government** is committed to promoting equality of opportunity and social justice for all those who live in Scotland. **One Scotland** is the Scottish Government campaign designed to tackle racism. It aims to raise awareness of racist attitudes, highlight its negative impact and recognise the valuable contributions that other cultures have made to our society – and make Scotland no place for racism. <http://www.scotlandagainstracism.com/>