

Up until now, business leaders have been less vocal in the debate on Scottish independence. This will change, however, if the polls begin to narrow

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*In the second of [our series](#) looking forward to the Scottish referendum in September, **Brad MacKay** writes that up until now business leaders have been less vocal in the debate as speaking out risks alienating different groups. If the polls begin to close, however, they may feel compelled to be more assertive about their positions on the debate.*



In just nine months Scots will vote on whether to form an independent country. The vote has profound implications for businesses operating in Scotland and across the UK. As a Senior Fellow with the Economic and Social Research Council's (ESRC) programme into the [Future of the UK and Scotland](#), my job has been to look at the impact that the ongoing constitutional debate is having for such businesses. This has meant talking with senior business leaders across six sectors including defence, electronics, energy, engineering, financial services, and life sciences. The questions being asked include what additional uncertainties, if any, does the constitutional debate present for businesses in these sectors? Is the debate having any impact on current decision-making? Might it have an impact in the future under different constitutional scenarios?

While the study is at its mid-way point, so far the emerging findings suggest that there are four major uncertainties that are of varying concern to business leaders, depending on the sector. They include continuing membership in the EU, the currency Scotland might adopt, how industries will be regulated, and how the Scottish Government plans to finance its spending commitments outlined in the White Paper on independence released on November 26th. And while the findings also suggest that, up until now, there has been little material impact on decision-making, businesses have generally been adopting a wait-and-see, business-as-usual position. With little clarity coming from the White Paper on these key uncertainties, businesses are increasingly monitoring and contingency planning, both at a tactical level (i.e. such as how they might accommodate, for instance, a different regulatory framework) and at a strategic level (decisions to rethink major investments such as whether and where to expand or migrate economic activity).

For its part the Scottish Government has attempted to reduce uncertainty by arguing in their White Paper that Scotland, which has been part of the EU for 40 years through the UK, would continue to be a member, Scotland would adopt the Sterling, regulation would be coordinated with the rest of the UK (roUK) across the Sterling area, and that spending commitments could be met sustainably through tax revenues – in other words, not too much would change! And while most observers agree that if a majority of Scots were to vote 'yes' in the referendum negotiations between Scotland, the EU and the roUK would be pragmatic, many of the Scottish Government's promises have been vigorously challenged, throwing into doubt whether the Scottish Government will be able to deliver on its promises, or fund its spending commitments. This is of crucial significance to business as these issues, amongst other factors, will influence the future decisions that business leaders take.

For the time being a majority of business leaders in larger firms operating in Scotland, with notable exceptions, have been less vocal in the debate. If the polls begin to close over the next nine months, business leaders may feel compelled to be more assertive and forthright about their positions on the debate, raising their head above the parapet so to speak. Business leaders have to manage multiple constituencies, such as their board members, customers, employees, governments and shareholders. With issues as emotive and sensitive as Scottish independence, speaking out risks alienating different groups. But it also provides an opportunity to shift the debate

taking place in Scotland which has, thus far, emphasised wealth distribution, towards how to create an environment, whether through independence or as part of the Union, that is favourable to creating the wealth needed for a more prosperous society.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.

About the Author

Brad MacKay is Head of the Strategy and International Business (SIB) Group in the University of Edinburgh Business School, a member of the University of Edinburgh School's Management Board, and an ESRC Senior Fellow in the Scotland Analysis.

