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Official Report

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Wednesday 26 March 2014

Session 4

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Scottish Parliament

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[The Deputy Presiding Officer opened the meeting at 14:00]

Portfolio Question Time

Education and Lifelong Learning

Overseas Teachers (Criminal Record Checks)

1. **Alison McInnes (North East Scotland) (LD):** To ask the Scottish Government what its position is on the General Teaching Council for Scotland's proposal that overseas teachers wishing to work in Scotland could no longer be subject to a criminal record check. (S4O-03050)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Scottish Government is determined that appropriate steps be taken to ensure that our children are safe and secure, and that parents have confidence in the arrangements that are in place for safeguarding their children. The General Teaching Council for Scotland has been an independent body since April 2012. It is for the GTCS to satisfy itself about the credentials of teachers who come to Scotland, and to review its procedures, as it is doing at the moment.

Alison McInnes: It appears that there are cases in which it is impossible for the GTCS to acquire details of applicants' criminal histories, perhaps because they are refugees or because their native country does not operate a criminal records system. If there is evidence that suitable qualified teachers are being turned away due to insurmountable bureaucratic circumstances that are outwith their control, surely that could be addressed and alternative means of determining the suitability of candidates identified.

However, when reliable records are available, should not parents instead be satisfied that the safety of their children is sufficiently protected by, for example, checks of applicants' references from past employers and their qualifications?

Is the minister aware of how many of the reported 186 people from outside the United Kingdom who applied to register with the GTCS last year were, due to exceptional circumstances, unable to provide details of their criminal records?

Dr Allan: Alison McInnes points to the importance of ensuring the safety of our children. She also points to one of the reasons why the GTCS—which, I stress, is an independent body—is again examining the issue and looking at the circumstances that obtain in different countries.

There are a number of issues for the GTCS to consider—not the least of which is the fact that in some countries things are considered to be crimes that are not considered to be crimes here.

Alison McInnes also highlights the bureaucratic difficulties that exist in getting information from other countries. I want her to rest assured that at the very heart of what the GTCS is doing is effort to improve and maintain standards in child safety, and not to compromise them in any way.

Skills Development Scotland (Meetings)

2. **Siobhan McMahon (Central Scotland) (Lab):** To ask the Scottish Government when it last met representatives of Skills Development Scotland and what issues were discussed. (S4O-03051)

The Minister for Youth Employment (Angela Constance): Scottish Government officials regularly meet Skills Development Scotland counterparts to discuss and monitor the progress of SDS programmes. In addition, I meet quarterly both the chair and the chief executive of Skills Development Scotland to discuss issues of importance in delivery of key ministerial priorities in the youth employment agenda. The most recent meeting with them took place on 28 January.

Siobhan McMahon: The recent Audit Scotland report "Modern apprenticeships" states:

"The Scottish Government has not published an explicit statement of its overall aim for modern apprenticeships since 2007."

It continues:

"The Scottish Government's annual ministerial guidance letter to SDS focuses on how SDS should allocate apprenticeship places, rather than what the Scottish Government expects modern apprenticeships to achieve."

What steps will the minister now take to ensure that the aims and objectives are publicised to all the organisations that are involved in delivery of apprenticeships, and to employers and apprentices?

Angela Constance: I think that I am very explicit with Skills Development Scotland about the Government's priorities. That is reflected in the guidance letters.

The Audit Scotland report on the apprenticeship programme is very positive. It comments on the significant achievements of the programme, including the increasing numbers. We know that 92 per cent of those who complete an apprenticeship sustain employment and that achievement rates are up. We also know that the employment rate for people with an apprenticeship qualification sits at 80 per cent, which is higher than the rate for their counterparts who do not have an apprenticeship qualification.

Nonetheless, the Audit Scotland report makes a number of sensible suggestions that the Government will consider. In particular, we recognise the need for more detailed work on the positive impact of apprenticeships in the longer term. We know that many European countries are well able to demonstrate the long-term economic impact of apprenticeships, and we would like to emulate that.

Other work is going on in terms of the Wood report that will be helpful, as well.

Mary Scanlon (Highlands and Islands) (Con): Given the importance of the quality of training for modern apprenticeships, why are there no equivalent independent reviews of the quality of the training by training providers that are outwith the further education sector, as is stated in the recent Audit Scotland report?

Angela Constance: The interim Wood report also contains important recommendations in that regard. Skills Development Scotland has its own on-going evaluation, but Education Scotland will now have a role in external evaluation of things including the modern apprenticeship programme. We are, of course, confident that we have a good quality programme, which is important and is demonstrated by employer satisfaction rates and the completion and achievement rates, as well as by people going into sustainable employment.

Of course, we are in the business of continuous improvement and, where we can achieve continuous improvement, we certainly will.

Colin Beattie (Midlothian North and Musselburgh) (SNP): Does the minister agree that what disabled people need is the money to live on, and that continuous welfare cuts—

The Deputy Presiding Officer (Elaine Smith): I am sorry, Mr Beattie, but I think that you pressed your request-to-speak button for the wrong question. We are on question 2, which concerns Skills Development Scotland.

Colin Beattie: I apologise.

Scottish Enlightenment

3. Kenneth Gibson (Cunninghame North) (SNP): To ask the Scottish Government whether it encourages schools to teach pupils about the Scottish enlightenment and its impact in Scotland and beyond. (S4O-03052)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The experiences and outcomes of curriculum for excellence provide ample opportunity for the study of the people, ideas and ideals of the Scottish enlightenment and their significant global impact, as part of a wide-ranging and inspiring curriculum for our young people.

The Government encourages learning about Scotland, and has supported the introduction of a Scottish studies award. Education Scotland has a dedicated resource on the enlightenment, including its global impact, in its "Scotland's History" web pages.

Kenneth Gibson: The Scottish enlightenment had a major and long-lasting impact on western thought, empiricism and inductive reasoning, literature, economics, sociology, anthropology, science, medicine, mathematics and music. At a time when Scots suffer from collective self-doubt, surely it is time to ensure that the enlightenment and Scotland's intellectual contribution to the world is a major part of the curriculum, rather than just a potential part of the curriculum.

Dr Allan: I am pleased to say that teaching of history in our schools has changed considerably since Kenneth Gibson and I were at school. Scottish history, including the enlightenment, is a strong theme in the curriculum for excellence from the early stages of primary school onwards. It should be said that Scottish history forms a mandatory element of the national qualifications, comprising a third of the content for the new qualifications up to higher, alongside European and British history. Young people can also take the Scottish studies award in the senior phase, which includes material on the enlightenment—something of which I have always considered Kenneth Gibson to be the living embodiment.

Scottish Qualifications Authority (Appeals)

4. Ken Macintosh (Eastwood) (Lab): To ask the Scottish Government how many Scottish Qualifications Authority academic appeals were submitted in 2013 and how many were upheld. (S4O-03053)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): That information is available on the SQA website. In 2013, 66,204 appeals were submitted to the SQA, of which 31,930 were successful.

Ken Macintosh: That confirms my understanding that, every year since 2007, there have been roughly 60,000 appeals and that, of those, four in 10 have been successful. Given that information, and given that the SQA has confirmed to me that the Scottish Government is working on the assumption that, next year, the number of appeals is expected to be limited to under 30,000, and that, furthermore, the process will involve not an appeal but a marking review or a clerical check, does the minister think that the situation is fair to pupils who do not do themselves justice on the day?

Dr Allan: As Ken Macintosh is aware, the changes that have been made to the appeals

system are the result of a wide consultation that has included the teaching profession. The consultation has been partly to bring the process back to its original aims, which are to ensure that people who experience exceptional circumstances and cannot perform in the exam on the day are not penalised, and to ensure that exams are correctly marked.

I reject the accusation that a limitation is being placed on the option to appeal. In fact, there will be a much wider ability to request an exam check than has been the case in the past, and it will be possible to take into account different forms of evidence.

Liz Smith (Mid Scotland and Fife) (Con): I thank the minister for the letter that he sent me earlier in the week answering a question that I had asked previously. It is now clear that local authorities are responsible for the fees that have to be paid for an unsuccessful request to review marking. Is he confident that all schools now know what their local authority policy is?

Dr Allan: It is certainly incumbent on all local authorities to make that information available to their schools. Some local authorities are dealing with the matter centrally and others are devolving the decision to schools, but all local authorities should make it clear to schools and, indeed, to candidates.

Universities (Research Council Funding)

5. Drew Smith (Glasgow) (Lab): To ask the Scottish Government what share of the United Kingdom research councils' funding Scottish universities currently receive. (S4O-03054)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): According to data provided by Research Councils UK, Scotland's universities and research institutes secured £307 million from the research councils in 2012-13, which represented 10.7 per cent of the total research council spend of £2.9 billion.

Drew Smith: Based on a population share, Scotland would certainly get less. Given that Professor Paul Boyle told the Education and Culture Committee yesterday that no single research council spans more than one country, there is no doubt that support for research is one of the many benefits of continuing the partnership with the rest of the UK.

What discussions have the minister or his ministerial colleagues had with universities in Glasgow about their research priorities? The independence white paper talks about funding "Scottish priorities". What does the Scottish National Party consider those to be, and what reassurances will the minister offer academics—in particular, those in advanced science

collaborations—that their work would continue to be a Scottish priority?

Dr Allan: The Cabinet Secretary for Education and Lifelong Learning has, on a number of occasions, met academics from throughout the country. However, I say with respect that I feel that Drew Smith is missing a fundamental point, which is that the research funding that Scotland's universities receive from research councils is allocated not according to population share or out of charity, but based on academic excellence. That is why we do well.

The Scottish Government is committed not only to maintaining a single research area but to maintaining Scotland's financial contribution to it. I have no doubt that, under independence, Scotland will continue to have the excellent research institutes that it currently has, which will benefit accordingly.

Gordon MacDonald (Edinburgh Pentlands) (SNP): As the Scottish Government in an independent Scotland would have powers over immigration policy, does the minister agree that we could attract leading research talent from throughout the world to study and settle in Scotland, which would greatly enhance the prospects of further inward investment and research funding for Scottish universities?

Dr Allan: Yes. Gordon MacDonald has made an important point. The big threat—if we want to use that language—to research degrees and activity in Scotland's universities is posed not by constitutional change, but by the attitude that the United Kingdom Government takes to immigration. That is not only my view, but that of Professor Pete Downes, the convener of Universities Scotland, who described the UK's immigration policy as it applies to universities in these terms:

"As I scan the policy horizon, it's hard to see a bigger risk, or a more poisonous gun pointed at our collective success."

Sectarianism (Education)

6. John Mason (Glasgow Shettleston) (SNP): To ask the Scottish Government how schools are teaching about sectarianism. (S4O-03055)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): Education Scotland, the national body for supporting quality improvement in Scottish education, promotes diversity and equality in its work and has a specific workstream on combating sectarianism. The work focuses on identifying and sharing good practice, reviewing and improving resources, and engaging in professional dialogue across education in Scotland. All approved resources are available directly from the Education Scotland website.

John Mason: Does the minister agree with me that sectarianism is a very long-running problem in this country and that it will not be solved overnight, but that we need to change attitudes and that can start with children? Many children are open to dealing with the problem and they want to see it sorted.

Dr Allan: The member is, of course, right. I am sure that there will be wide agreement across the chamber that there is no single solution to the issue, but we have to ensure that we continue to work on tackling sectarianism in Scotland.

Roseanna Cunningham, the Minister for Community Safety and Legal Affairs, has been taking the lead on the issue and, as she made clear recently, we are building a long-term agenda. I hope that that agenda can deliver a fundamental shift in our culture and our assumptions on the issue and ensure that we build a Scotland in which everybody feels that they have a part to play and that they are given the respect that they are due.

Independent Scotland (Employment among Young Women)

7. Nigel Don (Angus North and Mearns) (SNP): To ask the Scottish Government what plans it has to increase the number of young women entering the workplace in an independent Scotland. (S40-03056)

The Minister for Youth Employment (Angela Constance): In an independent Scotland, we will make it a constitutional right for every young person to be offered the opportunity of education, work and training. That, alongside the introduction of a system of early intervention to identify and address barriers to work, will increase the employment levels of all young women and young men in Scotland. By targeting tailored support where it is most needed, we can achieve greater employment outcomes and support sustained economic growth.

Nigel Don: After the recent publication of Scottish Labour's devolution commission report and the very limited further powers that it seems to be suggesting, does the minister agree with me that there may indeed be no alternative to the powers of independence to increase employment opportunities for our sons and daughters?

Angela Constance: It is important that this Parliament evolves into a Parliament with job-creating powers, where we have access to economic levers as well as skills and education policy.

What surprised me about the recent report from Labour's devolution commission was that it did not propose the integration of employment services and skills services. To be honest, I thought that that was a given and that it was accepted as good,

pragmatic common sense. I am surprised that Labour only wants to devolve the work programme, which is not really a power but a contract—and a failing contract at that.

I was also surprised that there was no devolution of the work choice programme, which is a policy that I have heard Dennis Robertson describe as the greatest secret within the Department for Work and Pensions. [*Interruption.*]

The Deputy Presiding Officer: Order, please.

Angela Constance: At the end of the day, my understanding from the most recent social attitudes survey is that 63 per cent of the Scottish population want control over welfare powers.

Kezia Dugdale (Lothian) (Lab): I thought for a second there that we might have had a question about how to get young women into work instead of an attack on the Labour Party.

Although there was a lot of welcome news in last week's unemployment statistics, the minister will be aware that there was an increase in long-term female unemployment. I would welcome the minister's thoughts on that and on the number of women returning to work who are over 50—there was very little shift in the number of younger women going into work. What will the minister do now, with the powers that she has, to address that issue?

Angela Constance: I am always happy to answer the supplementary questions that I am asked.

There are two very important aspects to the very serious point that Kezia Dugdale raises. The first point is about early intervention. She will be no stranger to my view that when it comes to young women—and to young men—we need to intervene early. That is why I was pleased that this Parliament supported the principle of the European youth guarantee.

Although I cannot implement the guarantee in full because I do not have access to Jobcentre Plus, I will do everything within the powers of the Scottish Government to implement the European youth guarantee as much as possible because it is a pervasive philosophy of the Government, which I think is shared across the chamber, that particularly when it comes to young people— young women as well as young men—we need to intervene early. We have to intervene early to prevent youth unemployment from becoming long-term unemployment.

With regard to the other aspects of Kezia Dugdale's question, the make young people your business campaign is important and—as a practical example—I am sure that she is aware of the campaign's recent week of activity on digital

and ICT as well as its on-going endeavours in that regard.

Gender is at the heart of that structured and focused skills intervention. We have a growing industry that has said that it needs 10,000 to 11,000 entrants every year, and yet the proportion of women in that field has fallen in the past decade from 30 to 17 per cent. I hope that we can unite in acknowledging that issue.

Teaching (Use of Technology)

8. John Finnie (Highlands and Islands) (Ind):

To ask the Scottish Government what it does to promote the use of technology to assist teaching in schools. (S4O-03057)

The Minister for Learning, Science and Scotland's Languages (Dr Alasdair Allan): The Scottish Government wants all educators, learners and parents to take full advantage of the opportunities that technology offers in order to raise attainment and ambition and to promote opportunities for all. To support that aim, a significant programme of work that focuses specifically on information and communications technology in learning is being undertaken.

The programme includes three main strands. The operating conditions strand will help to ensure that schools have in place the necessary infrastructure and policies to support our ambitions for ICT in learning; glow will continue to provide all educators and learners with free and secure access to a range of tools, services and collaborative online workspaces; and the enriching teaching, enhancing learning strategy will focus on curricular content, learning and teaching strategies and support for teachers in embedding the use of ICT in their practice.

John Finnie: I thank the minister for that comprehensive response. Education Scotland's website commends videoconferencing and the collaborative work that can take place through it, and the minister will be aware of its benefits for Gaelic-medium education.

In the region that I represent, there are challenges connected with small secondary schools: specifically, the number of years' tuition that can be given in a subject and the range of subjects that are available. Those issues are a particular concern at present for Tìree high school.

What steps will the Scottish Government take to encourage collaboration within and across local authorities to maintain the number of subjects available and years of teaching, and to maintain communities that are threatened if we do not have viable secondary schools?

Dr Allan: John Finnie makes a series of important points about secondary education in

rural areas. I am familiar with the example that he gave, as it has been brought to the attention of my colleague Mike Russell, who is the constituency MSP.

More generally, there can be difficulties with ensuring that teachers and subject options are in place in some of our smaller secondary schools. As John Finnie indicated, we must encourage local authorities in the use of ICT and above all ensure that, as far as humanly possible, the same offer is available to people throughout Scotland as part of the choice that exists in our education system.

Disabled People (Access to Further Education)

9. Anne McTaggart (Glasgow) (Lab): To ask the Scottish Government what measures it has put in place to increase opportunities for disabled students to access further education. (S4O-03058)

The Minister for Youth Employment (Angela Constance): The Scottish Further and Higher Education Funding Council makes funding available to colleges to ensure they have the resources that they need to meet the additional support needs of disabled students. Additionally, I have asked the funding council to work with Enable Scotland, the Scottish Consortium for Learning Disability and other partners to improve the outcomes for that group. There are in place a range of measures, which include the creation of support posts in a number of colleges and a good practice guide.

In its outcome agreement guidance for the next year, the funding council has made it clear that improving access for people from a wide range of backgrounds, including learners with disabilities, is a national priority. In meeting that priority, colleges will be expected to pay close attention to flexible learning and teaching, individual support and carefully managed transitions.

Anne McTaggart: In light of the significant contribution that is made by young carers throughout Scotland—as has been highlighted by a member of the Scottish Youth Parliament—what level of financial assistance has the Scottish Government made available to assist physically disabled young people and young carers to progress from further education courses to undergraduate-level qualifications?

Angela Constance: There are two sources of funding that come to mind in response to Ms McTaggart's question. There is the additional support needs for learning allowance, which is non-income based and flexible, so it can be used for a wide variety of costs such as accommodation, travel or study-related costs. She may also be aware of the recent announcement that students who are articulating from college to

university will be subject to the council tax exemption.

If Ms McTaggart would like any further or more specific information, I am happy to ensure that that is followed up in writing.

Colin Beattie (Midlothian North and Musselburgh) (SNP): Does the minister agree that what disabled people need is the money to live on and that continuous welfare cuts from successive UK Governments are holding disabled people back?

Angela Constance: I and the Scottish Government feel that we could deliver a more rounded experience and more opportunities for students, learners and people going into work if we could align education, tax and welfare services. Of course, members will be aware that further welfare cuts are pending, and that must be a concern.

University and College Union (Proposed Strike Action)

10. Jim Eadie (Edinburgh Southern) (SNP): To ask the Scottish Government what representations it has received regarding proposed strike action by the University and College Union. (S4O-03059)

The Minister for Youth Employment (Angela Constance): I am not aware of any direct representations received on that matter.

Jim Eadie: The minister will be aware that staff in the higher education sector have seen their pay drop in real terms by more than 13 per cent on average during the past five years, while principals and vice-chancellors have this year received an increase of 5 per cent. Collective pay bargaining arrangements are United Kingdom-wide, but is the minister aware of what steps are being taken to encourage positive dialogue in the UK pay bargaining rounds that begin today so that a swift and satisfactory end can be brought to the dispute?

Angela Constance: As Mr Eadie will be well aware, higher education institutions are autonomous, although I am aware of the circumstances that he describes in his question. The Government's view is that, although higher education institutions are entirely responsible for setting terms and conditions for their staff, we expect employers to enter into negotiations with unions and staff in a positive way that is informed by fairness and takes account of the current economic climate. I remind members of Michael Russell's response to a topical parliamentary question in January, when he said:

"I expect senior university management and governing bodies to demonstrate clear leadership and accountability

by ensuring that pay awards to principals are not out of step with those that are available to staff and to ensure the highest standards of transparency as recommended by the von Prondzynski review of higher education governance".— [Official Report, 21 January 2014; c 26757.]

Independent Scotland (Childcare Policy)

11. Mary Fee (West Scotland) (Lab): To ask the Scottish Government when its policy on childcare in an independent Scotland will be completed. (S4O-03060)

The Minister for Children and Young People (Aileen Campbell): The Government's policy will be complete only when we have ensured that provision of childcare matches the very best. We will rest only when the barriers that prevent too many people, particularly women, from entering the labour market are broken down, freeing women to make the best choices for their own families. That is why the Government's long-term aim is to ensure that all children from one to school age will be entitled to 1,140 hours of high-quality childcare per year, which is broadly the same as the number of hours that are provided at primary school. As set out in "Scotland's Future", we will deliver that provision by the end of the second parliamentary session after independence, benefiting around 240,000 children and 212,000 families each year.

Mary Fee: As the minister will no doubt be aware, the National Day Nurseries Association warned this week that the current system could not deliver the expansion that is proposed by the Scottish Government. What additional money will be required to meet the cost of that expansion? If those who are in the current system cannot meet it, who will?

Aileen Campbell: It is, of course, up to local authorities to determine fair and sustainable settlements locally with partner providers. I point out that, although Purnima Tanuku raised some concerns yesterday, she also said:

"We support the Scottish government's plan, and independent providers would be at the heart of the expansion".

"Scotland's Future" sets out that we plan to review our cost structure, based on international examples, and the NDNA will be part of that dialogue. I should also point out that the Government has funded NDNA for the first time, to ensure that it can play a full part in the development of our childcare policy. However, I make the point again that it is only with independence and when we have the full powers at our disposal that we will be able to truly transform childcare. In the words of Jackie Brock, the white paper is a "game-changer" in this debate.

Clare Adamson (Central Scotland) (SNP): Does the minister agree with the leading economist Professor Sir Donald MacKay, who said that we need both sides of the balance sheet to implement the transformational childcare proposals that are outlined in “Scotland’s Future”?

Aileen Campbell: Yes. Professor MacKay was an economic adviser to successive secretaries of state, including Malcolm Rifkind and Donald Dewar, as well as chair of Scottish Enterprise, so members would do well to heed his advice. He is quite right to point out that the substantial boost to revenues that is generated by more women entering the labour market currently goes to Westminster and that money is therefore not available to help fund more childcare. With independence, that money—Scotland’s money—can be invested in our future and can help to pay for the transformation of childcare that we all want to see.

Neil Bibby (West Scotland) (Lab): The Scottish Government has told us that the first stage of its childcare policies would cost £100 million and the second stage £700 million, but it has not told us how much the third stage would cost and what the total cost of its childcare policies would be. The white paper was published on 26 November; it is now 26 March.

The Deputy Presiding Officer: Can you ask a question, please, Mr Bibby.

Neil Bibby: Four months on, can the minister tell us the total cost of the white paper’s childcare policy?

Aileen Campbell: We have set out clearly that our ultimate aspiration is to transform childcare and that that very much rests on having the full powers at our disposal, which includes having access to the revenues that we generate by allowing more parents to get back into work.

Neil Bibby: What is the total?

The Deputy Presiding Officer: Order.

Aileen Campbell: If we allow Scotland’s women to participate at Swedish levels, that will allow us to generate up to £700 million to reinvest back into childcare.

Drew Smith (Glasgow) (Lab): How much do you need?

The Deputy Presiding Officer: Order.

Aileen Campbell: Labour completely misses the point about the impact that childcare will have, because it only ever considers the additional income tax paid by an individual, not the full basket of taxes that would be collected under independence.

Neil Bibby: How much?

The Deputy Presiding Officer: Order, Mr Bibby.

Aileen Campbell: Persistent heckling does the Labour Party no favours. Labour clearly has no ideas and no notion of how it wants to deliver. It came to the Children and Young People (Scotland) Bill with incoherent, unfunded proposals to try to increase the hours of childcare. We should work together to ensure that childcare policy benefits children and young people and helps families across the country.

The Deputy Presiding Officer: Question 12 has been withdrawn for understandable reasons.

Regional College Board Chairs (Meetings)

13. Tavish Scott (Shetland Islands) (LD): To ask the Scottish Government when it last met the appointed chairs of the regional college boards and what matters were discussed. (S4O-03062)

The Minister for Youth Employment (Angela Constance): The Cabinet Secretary for Education and Lifelong Learning, Michael Russell, has not met the chairs since their appointment, but he intends to do so shortly.

Tavish Scott: Brae high school pupils asked me how the new national qualifications and curriculum for excellence will lead to vocational education and a place at college. When the cabinet secretary finds time to meet the college board chairs, will he undertake to explain to pupils across Scotland how the new structure, particularly on national qualifications, will help them to find a college place?

Angela Constance: I am sure that the cabinet secretary does that on a day-to-day basis.

Mothers (Part-time Education)

14. Kezia Dugdale (Lothian) (Lab): To ask the Scottish Government how it supports mothers to return to education part-time. (S4O-03063)

The Minister for Youth Employment (Angela Constance): College students are being supported with record levels of financial support—more than £102 million this academic year in bursaries, childcare funds and discretionary funds. Mothers, in particular, are supported by the discretionary childcare fund and the lone parent childcare grant—an entitlement payment of up to £1,215 per year. Those who wish to return part-time to university can apply to the Student Awards Agency for Scotland for help towards the cost of tuition fees and to the discretionary fund for help with childcare costs. In addition, we have invested £6.6 million in 2013-14 and will do so again in 2014-15 for additional part-time opportunities at college, including for mothers who want to return to education.

Kezia Dugdale: If a woman's highest qualification is a standard grade, she has a 50 per cent chance of being employed; if it is a higher national certificate or higher national diploma, she has a 74 per cent chance and if it is a degree an 84 per cent chance of being employed. If the Scottish National Party Government wants more mums in work, it will have to give them the skills and the education to compete. In light of that, why has the SNP Government cut 93,000 places for women to study part-time in our colleges since 2007?

Angela Constance: It is not surprising that Ms Dugdale deliberately blisters the issue. She is trying to confuse headcount with full-time equivalents. That is the old apples and oranges comparison. We should not use measurement to conflate a course that is unrecognised and lasts a few hours with an HNC or HND course. That is why we have the full-time equivalent measurement.

I agree with the member that it is important that we have a balance and a range of opportunities for people with a range of abilities. People come to education with different levels of qualification. However, it has to be good for young people and women of all ages that we are increasing opportunities for more people to study full time and to study for recognised qualifications such as HNCs and HNDs. We now have 4,000 more people studying for HNCs and HNDs in Scotland. I speak not just as the Minister for Youth Employment because, as the member will know, I also have responsibility for women's employment issues. We have to get the right balance. Female unemployment today is 6.5 per cent, but youth unemployment remains at 19.1 per cent. We need a range of qualifications and opportunities. Actually, in some colleges in Scotland, the majority of students are women and are over 25, so I believe that the system creates that flexibility.

Youth Employment (Local Authority Strategies)

15. Gordon MacDonald (Edinburgh Pentlands) (SNP): To ask the Scottish Government how many local authorities have a youth employment strategy similar to the Edinburgh guarantee. (S4O-03064)

The Minister for Youth Employment (Angela Constance): The Edinburgh guarantee is an excellent example of how local authorities are tackling youth unemployment. All local authorities across Scotland have a similar strategy or have specific measures in place to tackle youth unemployment and provide positive destinations for young people.

Gordon MacDonald: The city council and its business partners introduced the Edinburgh

guarantee in 2011 to provide positive outcomes for the capital's young people. It has resulted in 150 organisations matching 650 school leavers and young people with employment, modern apprenticeship, college or training opportunities and the council has achieved the figure of 91 per cent of school leavers entering a positive destination.

Will the minister join me in welcoming the council's decision to continue to support the Edinburgh guarantee and its 2014-15 budget?

Angela Constance: Yes. I am on record as supporting the Edinburgh guarantee. A number of members across the chamber have an interest in it and have expressed support for it. The significant thing about the Edinburgh guarantee is that it shows a can-do approach by the local authority. As Gordon MacDonald said, there has been significant improvement in the figures for school leaver destinations. Edinburgh has turned itself around from being below the national average to being on a par with it.

By sheer coincidence, I was in Gordon MacDonald's constituency this morning, visiting a local employer that participates in the Edinburgh guarantee.

Independent Scotland (Childcare)

16. Mark Griffin (Central Scotland) (Lab): To ask the Scottish Government on what basis it considers that its childcare plans for an independent Scotland would create a 6 per cent rise in female employment. (S4O-03065)

The Minister for Children and Young People (Aileen Campbell): Improving access to affordable childcare reduces an important barrier to labour market participation faced by some parents with small children, as highlighted by both the European Commission and the Organisation for Economic Co-operation and Development. The European Commission found that 73 per cent of mothers in the United Kingdom who did not work or worked part time because of inadequate childcare services cited childcare as being too expensive.

The childcare and labour market participation economic analysis paper that we published in January set out the potential impacts on economic output and tax revenues if Scotland's female participation rate increased by 6 percentage points, which would match Sweden.

Mark Griffin: The detailed modelling of the impact of that policy, which is still to be completed, could show that the rise in female employment would be less than the illustrative figure of 6 per cent that the minister has given. If the rise in employment is lower than 6 per cent, will the policy be redrafted?

Aileen Campbell: We have tasked the Council of Economic Advisers with publishing its report in springtime. Perhaps Mark Griffin should listen to the words of the Association of Scottish Businesswomen's Alison Henderson, who was interviewed by the BBC this morning. She said:

"At the moment women running their own businesses contribute £5 billion to the Scottish economy, but if there were an equal number of businesses run by women and men, then that women's contribution would be £13 billion. So the effect of childcare provision on helping women get into their own businesses and actually focused there, it could be enormous."

An awful lot of debate is going on around this, but certainly our purpose in trying to transform childcare is partly to get women back into work and also to make sure that we have high-quality childcare provision.

We can only realise the potential of getting more women back into work if we have independence. We can reinvest the money and taxes that we raise and generate through increased participation in the workforce only with the powers of independence. We want to transform childcare to allow children and young people to flourish.

The Deputy Presiding Officer: That concludes portfolio question time. Before we move on to the next item of business, I remind members who have questions that they should be here for the start of question time and that they should remain until the end of question time unless they have a reason for not doing so that they have notified to the Presiding Officer. I noticed that some members were not complying with that this afternoon.

I will allow a few moments for members to change seats before the beginning of the next item of business.

Scotland's Finances

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-09462, in the name of Gavin Brown, on Scotland's finances. Members who wish to take part in the debate should press their request-to-speak buttons now. To be helpful, I will tell members at this stage that we are extremely tight for time, so we will expect you to keep to your time limits and we will not be able to compensate for interventions. I call on Gavin Brown to speak to and move the motion. Mr Brown, you have 14 minutes.

14:41

Gavin Brown (Lothian) (Con): Thank you, Presiding Officer.

In recent months, we have had a number of debates on independence and I am quite sure that we will have many more in the coming months. Today, however, we want a focused debate. We want an analytical examination of what the public finances would be were Scotland to become independent. That is the thrust of this debate. We want that for two reasons: first, because we think that insufficient attention has been focused on it so far; and, secondly, because more and more analysts are challenging the assumptions made by the Scottish Government in its white paper and in a number of other papers that it has produced.

The official Scottish Government line today is that Scotland's national accounts are healthier than the United Kingdom's. We intend to examine the truth of that position. Rather than trying to update its papers or official projections, the Scottish Government says in its amendment that it

"welcomes the detailed proposals for Scotland's public finances"

in the white paper. A single page in the entire white paper is described by the Government as "detailed proposals".

We have primary concerns about several areas, the first of which is that the white paper features figures for only the single year 2016-17 and has nothing for the year after that, nothing for the year after that and nothing for any subsequent year, were we to be independent.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I wonder whether the member can give us figures for the UK for the years that he is talking about.

Gavin Brown: If the member reads the Office for Budget Responsibility's analysis that was published last week, I think that he will find that it gives very clear projections up to the year 2019-20. I think that the member will find, if he reads

last November's paper by the Institute for Fiscal Studies, that it has 50-year projections for how an independent Scotland would function. I think that the member will find something similar if he looks at even the simplest piece of legislation in the Parliament, such as the Courts Reform (Scotland) Bill, which I was considering in committee this morning and which has 10-year figures for the legislation's cost implications. If such projections can be done for every single piece of legislation, if the OBR can do them up to 2019-20 and if the IFS can do them for 50 years, I think that even the Scottish Government ought to be capable of producing more than figures for a single year.

That was our first concern. Our second concern is that the Scottish Government's figures for 2016-17 are now obviously highly questionable. We challenge the Scottish Government to defend those figures in the chamber today and to make a pledge that it will update the figures to reflect the most recent analysis that was published by the UK Government, the "Government Expenditure and Revenue Scotland 2012-13" figures and, indeed, the OBR's figures.

Our third concern is that there are no costings for many of the policy commitments in the white paper and that not a single penny is attributed to the transition costs of moving from being part of the United Kingdom to being an independent Scotland. It is inconceivable that there would be no transition costs from unpicking more than 300 years' worth of history and becoming a separate state. Nobody in the chamber could believe that no financial costs at all would be attributed to that.

John Mason (Glasgow Shettleston) (SNP): I accept that the member has every right to look into the detail and all the rest of it, but does he accept the bigger picture that a country of five million people with oil and gas is perfectly financially viable?

Gavin Brown: There is a big difference between saying that a country is financially viable and claiming that it would automatically be richer than the country of which it is already a part. That is the charge that has been put forward by the Scottish Government and, indeed, the yes campaign—that we would be richer. Every single man, woman and child in this country would be richer as a consequence of independence, according to the white paper. If the Scottish Government's position now is not that, but simply that we would be viable, I suspect that most people would agree, but that is not what the Government is saying or how it is campaigning. It is saying categorically that we would be richer, despite evidence and suggestions to the contrary.

Jim Eadie (Edinburgh Southern) (SNP): Will the member take an intervention?

Gavin Brown: Not just now. I ask the member to let me make some progress.

We hear that we have figures for only a single year, but it is clear that independence involves far harder choices than the Scottish Government cares to admit. There are serious long-run fiscal pressures that we would have to face. The Institute for Fiscal Studies states:

"The main conclusion of our analysis is that a significant further fiscal tightening would be required in Scotland, on top of that already announced by the UK government, in order to put Scotland's long-term public finances onto a sustainable footing."

That means that there would have to be

"significant tax rises and/or spending cuts".

That is on top of the UK restrictions that have already been put forward.

Kevin Stewart (Aberdeen Central) (SNP): Will the member give way?

Gavin Brown: The Scottish Government says that it will ignore what the UK Government wants to do because it will do things differently but, even if it followed the UK path, additional tightening would be required in Scotland, according to the Institute for Fiscal Studies. It puts the matter more specifically—

Kevin Stewart: Will the member give way on that point?

Gavin Brown: I give way to Mr Stewart. He is nothing if not persistent.

Kevin Stewart: I thank the member for giving way. Mr Brown has failed to talk about economic growth. We are being constrained by current UK policies and we could grow the economy much more than is being done.

Gavin Brown: I do not know where Mr Stewart was when the autumn statement came out or when the budget came out. I do not know where he has been over the past nine months, full stop. The projected growth for the United Kingdom has gone up to 2.7 per cent for this year and it will go to 2.6 per cent, 2.5 per cent and carry on a trend, according to the chancellor, with projections of that magnitude. What level of growth does Mr Stewart seriously expect Scotland to have in the years following independence, when almost all the Scottish Government's policies, apart from its corporation tax policy, were it to implement that, would be identical from a fiscal point of view? Where on earth will he get that growth from?

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): Will the member take an intervention?

Gavin Brown: Perhaps the cabinet secretary has the answer to that question.

John Swinney: I will answer that point in my speech later on, if Mr Brown will forgive me. I ask him whether the OBR's estimates of economic growth since 2010 have been realised by the Conservative Government.

Gavin Brown: Mr Swinney knows the answer to that question. The projections that were made in 2010 were made long before the euro crisis—a crisis that engulfed an entire continent with which we do the bulk of our trade—and we saw six quarters of uninterrupted contraction. The suggestion that, somehow, if we had been independent in 2010, we would not have suffered as a consequence of the euro crisis is utterly ridiculous. Every economy on the planet was affected by that, particularly every one in Europe.

Let us move on to the figures for 2016-17, for which the Scottish Government has actually agreed to put pen to paper. Those figures are highly questionable. The Scottish Government says that our net fiscal balance deficit for 2016-17 will be 3.2 per cent at the very worst. It says that it could be a 1.6 per cent deficit but, at the very worst, it will be a 3.2 per cent deficit. This week, the Centre for Public Policy for Regions suggested that it would be 5.5 per cent. The Institute for Fiscal Studies suggested that the deficit would be 5.2 per cent. The Treasury—admittedly, not as independent as the other two—said that it would be 5.3 per cent and Citigroup said that it would be 5.4 per cent. The estimates among analysts and the Treasury for the deficit in 2016-17 range from 5.2 per cent to 5.5 per cent, but the Scottish Government alone says that it will be 3.2 per cent at the very worst and potentially only 1.6 per cent.

Mike MacKenzie (Highlands and Islands) (SNP): Will the member take an intervention?

Gavin Brown: Not yet.

The Scottish Government is out of kilter with the analysts. The primary reason for that—it is not the only reason—is that the Scottish Government claims that offshore receipts for Scotland in 2016-17 will be £6.8 billion at the very worst and £7.9 billion at the very best. The OBR, in its updated analysis, has said that it would be £3.2 billion for the UK as a whole, most of which would be Scottish. That means that there is a £4 billion black hole between what the OBR is saying and what the Scottish Government claims is the case.

Scottish National Party back benchers have been instructed, every time someone mentions the OBR in the chamber, to chuckle, ridicule and make sneering remarks—[*Interruption.*]

The Presiding Officer: Order.

Gavin Brown: They fell right into that one. They did not use to do that when the projections said what they wanted them to say.

Last week, the First Minister said:

“the figures that we have outlined are robust.”—[*Official Report*, 20 March 2014; c 29214.]

Stewart Stevenson: Hear, hear.

Gavin Brown: “Hear, hear” we hear. Let us check how robust the figures actually are, because for 2012-13 we have outturn figures as opposed to projected figures. The OBR said that for the UK, £6.5 billion would be collected; the actual outturn figure for the UK was £6.6 billion—fairly close.

At the same time, though, the Scottish Government said that the Scottish share of oil revenues for 2012-13 would be £6.9 billion; the actual Scottish share was £5.6 billion.

Kevin Stewart: Will the member give way?

Gavin Brown: Not just now.

The Scottish Government was out by £1.3 billion, yet the First Minister says that the figures are robust. What makes that mistake even worse is that the Scottish Government made that prediction in March 2013. There was only a month to go before the year end and the oil revenues actually coming in, but the Scottish Government still managed to misjudge it by well over £1 billion.

Perhaps that was an isolated year. Let us look at 2013-14. The OBR has said that its projection for 2013-14 is £4.7 billion. The industry, Oil & Gas UK, has said that it will be around £5 billion, so there is a spread from £4.7 billion to £5 billion. The Scottish Government's official position is still that we will collect £7.1 billion in oil revenues, if we are unlucky, but it is potentially £8.3 billion.

Mike MacKenzie: Will the member take an intervention?

Gavin Brown: I will give way to Mr MacKenzie.

The Presiding Officer: The member is in his last minute.

Gavin Brown: I will give way to him in my closing speech if he cares to trouble me.

The Scottish Government is out by at least £2 billion for the financial year that we are about to finish. It was out by at least £1 billion last year, but it claims that the figures that it has outlined are robust. That is why we are calling on the Scottish Government to publish updated oil and gas figures.

This week, the Scottish Government told the *Financial Times* that it had

“never committed to regular updates of the forecasts”,

but the “Oil and Gas Analytical Bulletin” says:

“This is the first in a series of bulletins summarising recent trends in the Scottish oil and gas industry. Further updates will be published in due course.”

In the ordinary meaning of words, the Scottish Government said that it would update the forecasts. That is why we are calling on it to update us on the fiscal position for 2016-17 and to publish the figures for the years after that.

I move,

That the Parliament expresses concern regarding the lack of financial detail in the Scottish Government's white paper on independence; notes that it has projected budget figures only for a single year, namely 2016-17; further notes that a number of independent experts predict a weaker fiscal position than the Scottish Government, including the recent report by the Centre for Public Policy for Regions; is concerned about the tighter fiscal challenges faced by an independent Scotland in the longer term, as outlined by the Institute for Fiscal Studies, and calls on the Scottish Government to publish updated oil revenue forecasts and an updated fiscal forecast for 2016-17 as well as its fiscal forecasts for the years post 2016-17.

14:55

The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney): The debate takes place against the backdrop of last week's budget, which confirmed that our fiscal departmental expenditure limit budget will be cut by almost 11 per cent in real terms over the current spending review period. It is also clear that there are billions more in spending cuts to come. We now know that the Chancellor of the Exchequer intends to continue to cut public services until at least 2018-19. Indeed, 60 per cent of the cuts planned by the chancellor have yet to be implemented.

Despite the positive gloss that the chancellor put on matters in his budget statement, which Mr Brown reinforced, the fact remains that growth has undershot the OBR's forecast in each of the past three years. By the end of 2015, UK economic growth will be 5 per cent lower and public sector borrowing £190 billion higher than was projected in June 2010 when the chancellor first set out his austerity plans.

I say to Mr Brown that the reason why the position of the UK is so poor in comparison with that of other countries is that, of the G7 countries, Germany, France, the United States, Canada and Japan have all recovered to their pre-recession levels of economic activity. Only the UK and Italy have failed to reach their pre-recession levels of activity. That is why it matters that the growth of the UK economy has been poor. The explanation that Mr Brown gave about the impact of the eurozone crisis is completely destroyed by an analysis of the economic recovery of the G7 countries.

Gavin Brown: Are all those countries projected to have higher growth than the UK in 2014?

John Swinney: My point is that, in his excuse of a response to my intervention, Mr Brown said that the poor position of the UK was to do with the eurozone crisis, but the data that I have provided destroys that analysis.

The budget contained an additional £63 million of Barnett consequentials for Scotland over the next two years. I intend to update the Parliament next Tuesday, with a statement on how we will deploy those resources. It is important that the consequentials are considered in the context of the vast cuts that have already been imposed on Scotland.

The debate also follows on from the publication of the latest GERS report, which shows that tax revenues in 2012-13 were £800 higher per head in Scotland in comparison with the UK. That means that, in every one of the past 33 years, tax receipts have been higher in Scotland than they have been in the UK. Over the past five years, Scotland's public finances have been healthier than the UK's by a total of £8.3 billion. That is the equivalent of nearly £1,600 per person. Our higher tax receipts mean that Scotland's spending on social protection benefits, including pensions, is more affordable and accounts for a smaller share of tax revenues and gross domestic product than such spending accounts for in the UK.

Given that we have an accelerating economic recovery that reflects the underlying strength of the Scottish economy and a clear track record of sound financial management, it is no wonder that an independent Scotland would rank as one of the wealthiest countries in the world.

Murdo Fraser (Mid Scotland and Fife) (Con): Can Mr Swinney tell us why, today, the SNP website says:

"Scotland gets 9.3% of UK spending, but generates 9.9 per cent of UK taxes"?

That is clearly incorrect.

John Swinney: At the point at which that statement was put on the website, it would have been based on the GERS figures that were available at the time. That is a statement of fact as regards the information that was available.

Mr Brown challenged one of my colleagues—Mr Stewart, I think—on the wealth of Scotland. If we look at the ranking of Organisation for Economic Co-operation and Development countries by GDP per capita, we see that the UK, with GDP per capita of \$35,671, would be ranked at number 18, whereas Scotland, with our onshore economy and a geographical share of oil included, would have a figure of \$39,642 per capita and would be ranked at number 14.

Gavin Brown: The cabinet secretary says that we would be ranked 14th, but in the white paper,

he said that we would be ranked eighth. What has changed? [*Interruption.*]

The Presiding Officer: Order.

John Swinney: I will tell Gavin Brown what has changed: the OECD's methodology. In fact, Standard & Poor's has confirmed that

"Even excluding North Sea output and calculating per capita GDP only by looking at onshore income, Scotland would qualify for our highest economic assessment."

If Mr Brown wants to trade advisers and analysts, that is my contribution to his analysis.

Looking at the difference between tax receipts and spending on everyday services for 2012-13, GERS shows that Scotland and the UK were both in current budget deficit by almost identical amounts as a percentage of GDP. Scotland's net fiscal deficit, which includes investment spending, was 1 per cent higher than the UK's. Our higher investment spending reflects in part the much-needed support that the Scottish Government provided to economic recovery. We made a deliberate decision to switch spending from current to capital budgets, increase investment to boost the recovery, and offset as far as possible the full impact of the UK Government's capital budget cuts. That investment has helped the recovery and will continue to pay off in the future.

That also reflects the decision, which I know is disputed in the chamber, to keep water services in the public sector. Is it any wonder that Sir Charles Gray, who is the architect of keeping Scotland's water industry in public hands and the politician who took the risk to hold a referendum to stop the privatisation plans of the previous Tory Government, has come to the conclusion that a yes vote is essential in the referendum this September? Some people should perhaps reflect on the conclusions that he has arrived at.

GERS also shows that Scottish North Sea oil revenues fell between 2011-12 and 2012-13. That was largely due to one-off factors, such as the unplanned disruption to production at several large gas fields, such as from the Elgin field shutdown in March 2012. More important, it reflects record levels of investment spending in the North Sea, where capital investment reached £14.4 billion last year. That is more than double the level that was recorded in 2010. That spending is immediately deductible from companies' corporation tax liabilities.

Alex Johnstone (North East Scotland) (Con): Will the cabinet secretary give way?

John Swinney: If Mr Johnstone will forgive me, I still have some ground to cover.

Although that reduces tax receipts in the short term, it increases production potential and, in turn,

future tax receipts. That is, after all, why companies are investing in the North Sea oil and gas sector.

When we look at the opportunities in the North Sea sector, we need only look at the analysis that was undertaken in the Wood report, which was accepted in full by both the United Kingdom Government and the Scottish Government. The final report said:

"Production hit a low of 1.4 billion"

barrels of oil equivalent

"last year, but a number of larger new fields are due to come on stream in the next two to three years and that could gradually take production back to the level of two to three years ago where it could be sustained for the remainder of this decade."

We have to bear those points in mind when we look at analyses and projections of oil and gas revenues. Equally, we have to bear it in mind that the CPPR analysis that Mr Brown cited is no different from the OBR analysis and the IFS analysis, as it is all the same analysis by the OBR. That analysis does not take into account the increases in production—it assumes that oil production will remain identical over the next five years—and it uses a price assumption that is \$21 a barrel below the estimate of oil prices that was put forward by the United Kingdom Government.

In March last year, the Scottish Government published the first in a series of oil and gas bulletins and we said that we would update them on a regular basis. The Government intends to publish its third "Oil and Gas Analytical Bulletin" in the coming weeks. It will set out the impact of recent North Sea developments on the outlook for future production and revenues.

In November, we published "Scotland's Future: Your Guide to an Independent Scotland", which set out the opportunities that will be created by independence and utilised the latest available data on the opening balance sheet of an independent Scotland in 2016-17. Now that more data is available, we will extend those projections over a number of years, building on the analysis in the white paper and its central conclusion that Scotland is a wealthy country that will start life as an independent nation with great economic prospects.

Willie Rennie (Mid Scotland and Fife) (LD): In the first-year balance sheet that John Swinney has already published in the white paper, why is no account taken of his Government's promises to increase welfare spending by £4.5 billion? He is planning to spend exactly the same as Iain Duncan Smith is.

The Presiding Officer: The cabinet secretary is in his final minute.

John Swinney: The 2016-17 analysis sets out the opening balance sheet of an independent Scotland. Acquiring the powers of independence offers up the opportunities to strengthen and build dynamism into the Scottish economy.

We have set out in great detail in the white paper the issues to be confronted. The Government will set out further projections. I am sure that Mr Brown will be first in the queue to welcome them, given his call for projections.

There are real choices in the referendum. The country can decide whether we want to resign ourselves to an agenda of austerity delivered by the UK Government or whether we want to do what everyone else in the world does, which is to take control of our destiny to ensure that we have the opportunity to create prosperity, fairness and sustainability for our people and our country. That is what the Scottish Government will offer.

I move amendment S4M-09462.2, to leave out from “expresses concern” to end and insert

“welcomes the detailed proposals for Scotland’s public finances and the economy set out in *Scotland’s Future: Your Guide to an Independent Scotland*; notes that, over the last five years, Scotland has been in a relatively stronger fiscal position than the UK as a whole by £8.3 billion, equivalent to £1,600 for every person in Scotland; further notes that Scotland has generated more tax revenue per person than the UK as a whole in every year since 1980; welcomes the record levels of investment currently being undertaken in the North Sea and the increase in production and tax revenue that this will generate in the future; is concerned by the impact of the UK Budget on households, whereby Treasury analysis shows that all households have lost income as a result of UK Government cuts, with the lower income families among the hardest hit; notes that, on current UK Government spending plans, 60% of cuts to public spending are still to come, putting Scotland’s economic future at risk; raises further concerns over the financial competence of proposals for further minimal devolution of income tax, and agrees that only independence will provide the Parliament with the full range of economic levers to improve Scotland’s economic performance and tackle inequality.”

15:05

Jenny Marra (North East Scotland) (Lab): It was just this morning that the Confederation of British Industry added its voice to the concerns of the IFS—*[Interruption.]*

The Presiding Officer: Order.

Jenny Marra: —the CPPR and countless others who have questioned the veracity of the Scottish Government’s fiscal plan for independence.

Chic Brodie (South Scotland) (SNP): Will Jenny Marra take an intervention?

Jenny Marra: No, thank you.

In a statement from the UK’s top business representative body that could not have been

clearer, John Cridland, who is director general of the CBI, said:

“The economic plan outlined in the White Paper does not add up.”

He is right. That is largely thanks to the Scottish Government’s continuing refusal to accept the word of experts and instead to believe its own hyperbole and rhetoric.

Take, for example, oil receipts—the primary driver behind the Scottish Government’s fiscal plan. The price of oil has more to do with the politics of the middle east than it has to do with Scotland’s children’s need for a decent education, with our citizens’ health or with safety on our streets. Come the referendum and every day after that, the price of oil will be set, as it always has been, far from these shores and further still from the problems in our communities.

Mike MacKenzie: Will Jenny Marra take an intervention?

Jenny Marra: No, thank you.

It is with frustration that I come to the debate only to hear abstract figures being traded around the chamber—figures that are based on assumptions, estimates and sheer guesswork, but which are presented as gospel to prove the case for constitutional change that will last beyond the white paper’s fiscal cliff of 2017 and for generations to come.

Suppose that we take as fact—I do not—the Scottish Government’s figures that, by 2017, as much as £11.1 billion will be raised annually in revenue and tax from oil. We still cannot escape the fundamental shift that will come with independence and from leaving an economy that is so large and varied. That economy, which pooled resources from all across the UK to support the Scottish banks, will shift to an economy that will leave our public services—to the sum of our entire national health service budget—reliant on the trading price of Brent crude.

Stewart Stevenson: Will Jenny Marra take an intervention?

Jenny Marra: No.

Without a formal currency union, the money that we use to pay for our schools, hospitals, teachers and police service will be left in the control of a foreign country’s bank.

That is no vision of independence. That is no footing on which to create a transformed and transformational economy, and that is no way to achieve the sustained generational campaign that is needed to unpick the social problems that we face.

Kevin Stewart: Will Jenny Marra give way?

John Mason: Will the member give way?

Jenny Marra: No.

As sure as poverty, inequality and poor health have been passed from generation to generation, they will surely take generations to shift.

Recent history does not favour the Scottish Government's optimism. The OBR revision of North Sea oil revenues and taxes from £6.7 billion to £4.1 billion by 2017 is cause for alarm.

Mike MacKenzie: Will Jenny Marra give way?

The Presiding Officer: The member has made it clear that she is not taking interventions.

Jenny Marra: I am concerned that we have a Government that is not prepared to acknowledge the dubiety of its fiscal position, which is so strikingly apparent in the £7 billion difference in projected oil revenue between the OBR's estimates and its own estimates.

Say the Government is wrong and the OBR, the CBI, the CPPR and the IFS are all right. What then?

Kevin Stewart: Say the sky falls in.

The Presiding Officer: Mr Stewart! Stop it!

Jenny Marra: That will leave us in a fiscal position in which we are worse off than the rest of the UK—not better off.

With the Scottish Government's planned cut in corporation tax, it will be the nurses, the police officers and the teachers of our children who will suffer, as John Swinney will be forced either to make public service cuts that are deeper than Osborne's or to raise taxes on workers everywhere. I did not come into politics to make that choice—and I do not think that John Swinney did, either.

The Presiding Officer: We move to the open debate.

15:10

Christian Allard (North East Scotland) (SNP): I hope that I take all the time that I have been given for my speech—and not just four and a half minutes.

I thank the Scottish Conservative Party for this opportunity to promote the north-east of Scotland—the powerhouse of the UK that will soon become the powerhouse of an independent Scotland.

The question that most people are struggling with is this: "What would you say to living in one of the world's wealthiest nations?" Let us take a look at how wealthy we really are. We need look only at the north-east's contribution to Scotland's booming

food and drinks industry; Scottish beef, Scottish fish and whisky are some of our great successes.

Moreover, from Royal Deeside to Banffshire and the Buchan coast, from Angus and the Mearns to the great cities of Dundee and Aberdeen, the north-east is a huge market for wealthy tourists from wealthy countries that are like our own, including Norway and Germany. There are even a few tourists from France, now that the French media and French journalists are reporting events in Scotland as never before.

Our rural economies are generating billions of pounds a year, and our universities are world leaders, with some of the best being in the north-east.

Neil Findlay (Lothian) (Lab): I congratulate Christian Allard on making the case for the union.

Christian Allard: Perhaps Neil Findlay did not hear me correctly; my accent might be causing him some problems. [*Laughter.*] I am, of course, talking about the north-east of Scotland.

At last the people of Scotland are being told the truth—that they are living in one of the world's wealthiest nations. In that regard, we recently heard a change of tone from Scottish Labour and its devolution commission. That commission—another of many—stated that we are the third richest part of the UK after London and the south-east of England, and that is without the same old North Sea oil revenue that the Tories are concerned about today.

Jenny Marra mentioned the CBI report that was published this morning. Page 3 of that report, which backs the Labour commission's statement, says:

"The Scottish economy is emerging strongly from the shadow of the global economic crisis. Its growth rate has been almost exactly the same as the equivalent figure for the UK over the past 40 years. Moreover, upon independence Scotland would be one of the wealthiest nations within the OECD, coming eighth out of all OECD nations in 2011."

Incidentally, Gavin Brown will find exactly the same figures in the white paper. Some people will find that conclusion astonishing, and I wonder whether Gavin Brown and, indeed, Jenny Marra will trust the findings of the CBI and Scottish Labour's commission, and whether they will choose to share Westminster's concerns about our ability to prosper with all of this wealth.

I believe that the Tories' concerns lie in the fact that, after a yes vote, a Tory government in London would lose control of all our wealth. We have been here before; underestimating the value of North Sea oil is becoming a habit of successive Westminster Governments. In fact, the fiscal challenges that we face today are a result not of the Scottish Government's optimistic projections,

which are actually lower than the industry's own projections, but of the negative contributions that successive Westminster Governments have made to the North Sea industry. Today we are hearing another of those contributions, as no campaigners warn us of the challenges that come with such wealth, and talk down the oil and gas industry.

What would people say to living in one of the world's wealthiest nations? I can tell Parliament that there is someone in the north-east who knows how that feels. Coming from a fishing background as he does, Sir Ian Wood sees the opportunities that North Sea oil can bring. How optimistic is Sir Ian Wood about the future? The answer is clear and can be found in the work that he has published in "UKCS Maximising Recovery Review: Final Report". His report not only tells us about one of the greatest industrial success stories in modern times, but points out that Governments need to up their game in order to attract more investment in the oil and gas sector.

How did Westminster react to that optimism and that vision for the industry? With its latest budgets, the UK Government has caused fiscal uncertainty throughout the north-east oil and gas sector. George Osborne's budget promise was to act on all the recommendations of the Wood review, which was published on 24 February. Instead, a month later, the Chancellor of the Exchequer's response was to surprise the industry with another tax from out of the blue—a tax on rigs and flotels in the North Sea. With 27 billion barrels of resource yet to be recovered, North Sea industry chiefs are absolutely astonished by another example of the fiscal instability that is being delivered by the UK coalition Government.

In case Gavin Brown thinks I am exaggerating the resource that is still to be recovered, I remind him that 27 billion barrels of oil is BP's projection. On page 57 of the Scottish Government's white paper, the Scottish Government makes the modest projection of 24 billion barrels of remaining reserves.

The right policy mix and fiscal stability can be delivered under independence. A Scottish Government in an independent Scotland will make the most of North Sea oil and gas, which will underpin our prosperity for years to come. Now that we live in one of the world's wealthiest nations, the only question that remains is whom we should trust with our future. Should it be successive Westminster Governments that do not understand Scotland and its wealth, or our own Scottish Government—ourselves?

15:16

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): The Government's amendment, like

much of the cabinet secretary's speech, is dogmatic and partial. It ignores vast quantities of expert evidence and analysis, and it denies the intrinsic uncertainty of so much of the future that we are considering. It is partial in that it talks about revenues but does not talk about spending. It also talks about the fiscal position of the past five years but not the previous decades.

I suppose that we should be grateful for that, because it is an improvement on the Scottish Government's website which, as Murdo Fraser pointed out, focuses on one year when Scottish revenues as a percentage of UK revenues exceeded Scottish public expenditure as a percentage of UK public expenditure. The Scottish Government accepts that criterion on its website—it focuses on one year and ignores the fact that, in 16 of the previous 18 years, Scottish public expenditure as a percentage of UK public expenditure was greater than Scottish revenues as a percentage of UK revenues.

That takes us to the heart of the problem that we are debating today. We can argue about oil prices all afternoon and all evening, but the important point—which the Institute for Fiscal Studies has emphasised—is that contrary to the Scottish Government's certainty about increasing oil revenues, there is uncertainty and volatility.

Mike MacKenzie: Is Malcolm Chisholm making the argument that Scotland is too poor to be independent?

Malcolm Chisholm: That is a ridiculous question. Mike MacKenzie is not listening to what I am saying. Of course an independent Scotland is financially viable, but we would not be better off. That is the crucial point that I and many others are making this afternoon.

The cabinet secretary said that the analysis of the Centre for Public Policy for Regions is dependent on the OBR, but it is not dependent on the OBR—it deals with a range of scenarios for oil prices in the next few years. It states:

"It would need currently unforeseen improvements in North Sea production and/or the oil price before Scotland's fiscal balance reverted to being better than the UK's."

It is clear that in the much longer run oil revenues will decline—not least because of decommissioning, which will result in tax reliefs to allow oil companies to decommission. Rowena Crawford and Gemma Tetlow, in another piece of expert analysis in the *National Institute Economic Review* of February this year, state:

"our broad conclusion—that Scotland faces a tougher long-run fiscal challenge than the UK as a whole—is robust to a variety of alternative, sensible assumptions."

That is the fiscal problem and challenge that Scotland faces over and above the currency

problem, which we are not focusing on today, although we know that it would have profound effects on interest rates and many other matters.

Of course, many people choose to ignore the economic and financial realities and hope that they can be bypassed by aspirations for progressive social change. Well, they cannot be bypassed. Over and above that, I do not think that the Scottish Government's white paper is exactly a model for progressive social change. A clear example of that—this is directly relevant to the fiscal subject of today's debate—is the proposal to cut corporation tax by 3p below whatever the prevailing rate is in the rest of the UK. Joseph Stiglitz, who is a member of the Government's fiscal commission, has said that that would have no effect on investment but would create more inequality, and Crawford Beveridge, who is also on the fiscal commission, told the Finance Committee two or three weeks ago that that kind of change would have no significant effect on investment, either.

What we would have, therefore, is a further £385 million cut to the budget in an independent Scotland, which would increase the fiscal challenges that it already faces. That, of course, ignores the fact that, under the Scottish Government's preferred model of monetary union, it would not be allowed to cut corporation tax by 3p anyway—indeed, the full range of economic levers that it boasts about in its motion would also be completely impossible under that kind of monetary union.

Of course, in its desperation, the Scottish Government is clinging to an analysis by Professor Leslie Young—although I have to say that his analysis uses the phrase, “tight fiscal union” and also paints an alarming picture of the situation that would prevail if we had a monetary union, in which there would have to be a migration of the banks. He says that there would be a

“slow-motion bank run”

on Scottish banks as people shifted their deposits to English banks. That is from the key person that the Scottish Government is invoking in order to persuade people to vote for independence. It might be that he has some criticisms to make of the particular financial and economic analysis of the permanent secretary to the Treasury, but he also talks about the macroeconomic and financial risks of monetary union. As Peter Jones said at the end of a devastating article in *The Scotsman* on Tuesday, Professor Leslie Young

“demolishes the economic case for independence.”

The Scottish Government is clutching at straws. It is doing that in relation to Standard & Poor's as well, but I do not have time to go into an analysis of that.

The Deputy Presiding Officer (John Scott): Indeed, you do not.

Malcolm Chisholm: The reality is that there will be no monetary union, and that will result in higher interest rates and much else. Of course, that will be on top of the fiscal difficulties that are the subject of today's debate.

An independent Scotland is financially viable, but we would certainly not be better off.

15:22

Kevin Stewart (Aberdeen Central) (SNP): We have heard a lot today about projections and some perceived realities, but let us look at the realities.

The UK budget figures show that George Osborne has failed on every test that he set himself. He said that debt would begin to fall as a share of gross domestic product by 2014-15, that the current account should be in balance by 2015-16 and that public sector net borrowing would fall to £20 billion in the same year. The chancellor has, however, reported that debt will not begin to fall as a share of GDP until 2017-18, that the current account will not be in the black until 2017-18 and that public sector net borrowing will not be £20 billion in 2015-16 but a much higher £68 billion. We have the highest level of public debt in the UK's history, at £1.5 trillion. Furthermore, as the cabinet secretary rightly pointed out, the UK has the weakest performance of any G7 country, apart from Italy.

We also know that the reality is that there are £37 billion of cuts still to come over the course of this Parliament, and the chancellor has confirmed his austerity drive until at least 2018-19. Jenny Marra talked about people. How does that affect people? For households in the bottom income quintile, the cuts are the equivalent of £814, or 3.4 per cent of income. Those are the realities that we have to bear today. Those austerity measures and the failure of the UK chancellor to boost the economy to improve the living standards of people not only in Scotland but in the rest of the UK are the realities that we have to bear. If we had the levers of power, we could do much better at boosting the economy. I will concentrate on a few areas in which that is possible.

I will touch briefly on oil and gas—I am sure that everybody expects me to speak about that to a degree. In the North Sea basin, we have—and have had for a long time—the instability of Westminster rule. There have been 16 changes to the fiscal regime and 14 different oil ministers in the past 17 years. The income that could have been taken out of the basin over that period is so much greater than what has been taken out that it is unbelievable. Members should not take my word for it; they should take the word of Sir Ian Wood,

because that is what he said. Because of the 16 changes to the fiscal regime and the 14 oil ministers, in the past few years—until this year—companies have moved and invested in West African provinces and other places.

Iain Gray (East Lothian) (Lab): Will Kevin Stewart give way?

Kevin Stewart: I will take a brief intervention from Mr Gray. After all, it is a debate—although some folk do not realise it.

Iain Gray: I certainly accept that the oil industry likes stability, but if stability under the UK has been so bad, why do Shell and BP both think that their best chance of stability is for Scotland to remain part of the United Kingdom rather than to be independent?

Kevin Stewart: We have heard from some of the elites in the UK. Iain Gray should talk to folk who are involved in production in BP, Shell and many other companies to whom I talk regularly, because they have a completely different view and believe that a Scottish Government would create the stability that is required for long-term investment.

I will move on from oil and gas. We require a can-do approach to boosting the economy. Sometimes, we are completely restricted by the fixation on the economy of London and the south-east of England. Vince Cable has called London

“a kind of giant suction machine, draining the life out of the rest of the country.”

Everything is aimed at boosting the economy in London and the south-east of England and very little is aimed at Scotland.

That said, we do well in some quarters—mainly in spite of the things that are thrown at us. We have great organisations in Scotland that boost exports. The wee county of Angus has been a prime example of that in recent years. It made early links with China and has benefited since, which has allowed the Scottish Government and others to boost our exports to China dramatically in recent years.

The Deputy Presiding Officer: You must draw to a close.

Kevin Stewart: I know, Presiding Officer.

The reality is that the chancellor has not delivered as he said he would, which is typical of Westminster Governments. It is time that Scotland had a can-do approach and the levers of power to drive economic growth and share the wealth that this nation obviously has.

15:28

Willie Rennie (Mid Scotland and Fife) (LD): If members were to listen to Kevin Stewart, they would think that Scotland had not benefited from 130,000 extra jobs since 2010, that growth was not up and that unemployment was not down. However, the reverse is true: the conditions have improved, despite members in other parties claiming that none of the plans would work and that they would make the situation worse. In fact, the plans have worked, we are on track and we are making progress. Scottish National Party members would get some credit if they recognised that a bit.

John Swinney is a modest man, but today is a glorious day for him. When he prepared his paper for Cabinet eyes only, he told the Cabinet that an independent Scotland would be highly dependent on volatile and uncertain oil revenues. His report was subsequently downplayed, and a spokesman for the Government said that it was out of date almost as soon as it was published.

Within days of the report's appearance, the First Minister claimed, with his usual great bravado, that there was going to be a new “oil boom”. He said that he was making “a cautious estimate”, before making incautious predictions. A spokesman said that Mr Swinney's report had

“been ‘overtaken by events’ with oil revenues having surged”.

We knew, however, that John Swinney was right. We stand here today—I think that I can include all my colleagues on the benches to my right—to praise John Swinney. Once disowned by his Cabinet, he has now been vindicated for what he said in his paper. I salute John Swinney as the new oil prophet. He is somebody we should perhaps listen to—if he adopts the approach that he took in his secret report for the Cabinet.

Let us recall what John Swinney said in that report. He referred to “volatility”, saying that

“North Sea tax receipts have been more volatile”.

He discussed “uncertainty” and talked about production being lower than previously envisaged, and operating and exploration costs being higher. He repeated the fact that

“This high level of volatility creates considerable uncertainty in projecting forward Scotland's fiscal position”.

Kevin Stewart: Will Mr Rennie give way?

Willie Rennie: Not just now.

On falling resources, Mr Swinney said:

“these downward revisions have resulted in a deterioration in the outlook for Scotland's public finances.”

Let us consider what has happened to those oil revenues. In the latest GERS figures, UK oil

revenues fell from £11.3 billion in 2011-12 to £6.6 billion in 2012-13. That is £4.7 billion less.

The reaction to that was interesting. Mr Salmond's reaction was to blame the unpredicted shut-down of the Elgin-Franklin fields. He said:

"This, in part, was caused by unplanned disruption to production and above average levels of spending on development."

Kevin Stewart: Will Mr Rennie give way on that point?

Willie Rennie: Mr Salmond was damned by his own words. He confirmed that there was uncertainty in the North Sea, which was exactly the point that John Swinney was making.

Kevin Stewart: Will the member give way?

Mike MacKenzie: Will the member give way?

John Swinney: Will Mr Rennie take an intervention?

The Deputy Presiding Officer: I do not think that Mr Rennie is giving way.

Willie Rennie: I give way to Mr Swinney.

John Swinney: I ask Mr Rennie to follow the logic of his argument. If investment is made by North Sea oil and gas companies—investment that is offset against revenues—he will see that there is a gain to come in future years. That is exactly the point that I made in my speech.

Willie Rennie: I will address that point in a second. Of course there is higher operational and capital expenditure in the North Sea. However, the result is a reduction in the revenues that are forthcoming. It will be more difficult to exploit the oil, so those costs will remain high and the revenues will be lower. The return is lower—

Kevin Stewart: Will Mr Rennie give way?

Willie Rennie: Mr Stewart should have got the indication by now that, no matter how loud he shouts, I am not going to let him intervene.

Mr Salmond said that the issue was to do with the Elgin-Franklin fields, but I notice that Mr Swinney did not comment on that. That shut-down was unpredicted—it was unplanned. That illustrates the uncertainty with the North Sea. Unpredictable events lead to unpredictable finances, and that has a direct impact.

Mike MacKenzie: Will the member give way?

Willie Rennie: No.

We were then told that we should look at a five-year period. Of course we should do that. Let us consider how the figures have bobbed around over the past few years. They went from £9.3 billion down to £8.9 billion, down to £7.4 billion, up to £12.5 billion, down to 5.9 billion, and then to

£8.4 billion, £11.3 billion and £6 billion. The numbers are bobbing about all the time. The unpredictability of revenues from the North Sea is considerable.

Mr Swinney was right about the volatility, the uncertainty and the falling resource over time. I praised him for that then, and I praise him for it now; I just hope that he sticks to it.

The significance of volatility for the public finances is considerable. In the United Kingdom, oil revenues account for something like 1.5 to 2 per cent of the total Government tax take. For Scotland, it is a massive 15 per cent, or sometimes 20 per cent. With such volatility on such a narrow economic base, the impact on public services will be considerable.

We are told that the oil fund will provide cushioning, but there will be no oil fund on day 1, even if oil revenues fall below what we need for public services. The implications for public services are therefore considerable.

I am pleased that Mr Swinney has agreed to Gavin Brown's reasonable request, and I hope that he adopts the approach that he adopted in his Cabinet paper. If that happens, we might get a little bit more transparency.

15:35

Chic Brodie (South Scotland) (SNP): The motion before us today reminds me of Francis Bacon's statement that

"If a man will begin with certainties, he shall end in doubts."

Let me sow the seeds of further doubt in the minds of Opposition members. The clamour for certainty and the demand that the white paper should contain projected figures beyond 2016-17 fail to recognise that the only thing that is certain is the change in constitutional circumstances that will take place after September 2014 and the period of significant change that will occur between that point and March 2016.

It is a bit rich for Opposition members to come to the chamber today and demand projected budget figures beyond financial or investment cycles that are currently subject to United Kingdom Government intervention. I ask them to come and negotiate in the interests of both Scotland and the rest of the UK so that we can plan further ahead.

The Conservatives' motion subtly offers a *cri de coeur* for our Government to prepare a longer-term budget, although they know that there will be huge changes as a consequence of independence and that any numbers will be impacted accordingly. The determinants of full taxation—that will create productivity, only corporation tax—that will create productivity,

growth and increased revenues are not yet in this Parliament's hands, but they soon will be. The proposed policies on childcare and immigration are just two examples of planning for that growth, which is already underpinned by confidence given the number of jobs that have been created by foreign direct investment in the past five years.

I have the numbers here. The proportion of jobs that were created by foreign direct investment in 2008 was 8 per cent; in 2010, the figure was 19 per cent; in 2011, the figure was 20 per cent; and, in 2012, the figure was 16 per cent. Our freedom to set taxation and fiscal policy will allow us to generate and stimulate small businesses and manufacturing, and our exports will have an impact on the numbers that the motion is seeking. As I said, those policies are not yet in our grasp.

The motion states that

"a number of independent experts predict a weaker fiscal position than the ... Government",

and mentions the CPPR report. Let us look at what the report's authors say. The report will drag us towards oil revenues later in my peroration, but it does more than that: it questions the so-called forecasting ability of the Office for Budget Responsibility, which is now on its fourth or fifth revision of the figures for North Sea revenues and production. The CPPR report states:

"OBR make no forward assumptions over what might happen to the Barnett formula or to Scottish finances so it is not possible to be certain whether the fiscal position under independence would be better or worse than that within the existing United Kingdom."

In addition, the CPPR's written submission to the Economy, Energy and Tourism Committee's review of Scotland's economic future post 2014 states:

"The scenarios show that by 2017-18 in cash terms, Scotland's share of the revenues could be as high as £11.8 billion or as low as £4.1 billion."

That is some fiduciary limit to play with.

Murdo Fraser: Will Mr Brodie give way?

Chic Brodie: No—I will not take any interventions because we have limited time.

Table 1 in the CPPR report highlights figures in cash terms—I know that Gavin Brown loves to talk about cash terms—for GDP including oil and gas; GDP excluding oil and gas; GDP per capita; and GDP per capita excluding oil and gas. Under every item, Scotland's growth rates are greater—in some cases, much greater—than those of the UK.

At a meeting of the committee, I asked Professor Jo Armstrong—who is one of the contributors to and signatories of the CPPR report—the following question:

"what credibility do you give to the projections from the Office for Budget Responsibility and their seemingly unending fluctuations?"

Professor Armstrong responded:

"that is a wide-ranging conversation. I cannot give you chapter and verse on the OBR's forecasting record. You would probably want me to say something about oil price forecasts, since that is the most contentious element of the OBR's performance."—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4072-73.]

I have two final points to make on the oil issue. BP, which provides global oil consumption data going back to 1965, has stated that the global consumption of oil stood at 89.8 million barrels of oil per day in 2012. The International Energy Agency's "World Energy Outlook 2013" says that world oil demand will grow to 101 million barrels per day by 2035. Against that backdrop, and even against what the doomsayers say about oil running out, the forces of supply and demand suggest that, with increasing demand, there will be a very dramatic rise in oil prices.

The Deputy Presiding Officer: And finally?

Chic Brodie: Finally, Presiding Officer, I quote the IFS, which has also been drawn into the motion. I questioned Paul Johnson, who heads up the IFS, and he said:

"I do not disagree with any of that. Scotland is clearly a rich economy. Within the UK, it is one of the richest regions. No doubt it will continue to be successful".—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4072.]

I cannot say more.

15:41

Neil Findlay (Lothian) (Lab): It is most unusual to follow two Liberal Democrats in a row. [*Laughter.*]

I welcome the debate. The more we scrutinise the SNP's version of independence, the better. The white paper itself is full of holes, uncostered promises and delusional sentiments. It does, however, offer a glimpse of the type of independent Scotland that Mr Swinney has in mind for us. It is a deregulated, low-tax, red-tape-cutting economy. It is not a Scandinavian-style social democracy, but a neoliberal, trickle-down economy that serves the interests of big business and is based outside the sphere of influence of the Scottish political system. That is Mr Swinney's vision.

Under Barnett, we have UK-wide redistribution from areas of wealth to areas of need. That is a good thing.

John Mason: Will the member give way?

Christian Allard (North East Scotland) (SNP): Will the member give way?

Neil Findlay: Not at the moment.

We hear cries of “What about oil?” As we have seen recently, and as members have mentioned, there is an inherent volatility in oil prices. I ask members to imagine waking up every day and looking out the window to check the oil price to see whether we can fund our schools, hospitals and public services. Even if the oil price was stable, the revenues would only plug the gap that we have already been told about by all the various commentators such as the CPPR and IFS, and in GERS and all the rest of it.

I will allow Mr Allard in at this point.

Christian Allard: I invite the member to come to the north-east of Scotland to see what an independent Scotland will look like—it will look like a prosperous country.

Neil Findlay: I would be delighted to come to the north-east again, but I thought that the member was arguing earlier for independence for the north-east.

The white paper, or the SNP manifesto, is a remarkable document. It promotes a vision of a country in which everything that is bad disappears and everything that is good in life just gets better, and it says that all that will come with a cross on a ballot paper. That is just not credible.

I believe in good, well-funded public services. That is the civilising force in our society. However, we cannot build such services at the same time as we hand out gifts to corporations. If we were to cut corporation tax in Scotland to attract foreign companies, it is inevitable that England would follow to compete, as would Wales. We would see a spiral to the bottom on taxation, followed by a spiral to the bottom on wages and terms and conditions. Even Joseph Stiglitz, whom the First Minister quotes regularly, has said:

“It is just a gift to the corporations increasing inequality in our society.”

The head of Waterstones books said

“It’s a dash to the bottom and it is insanity because personally I think schools and hospitals are rather good things. Somebody has to pay for them.”

Those are the words of a wise man.

What about the spectacularly bad plans for the currency? It has been assumed that we will enter a currency union, even though the Government has been told repeatedly that that will not happen. That proposal also tells us what type of Scotland will emerge if the SNP has its way. It would mean handing over control and influence over interest rates, borrowing regulation and all the other areas that affect the currency to the Bank of England, which will, by then, be a foreign bank, and to the UK chancellor. There will be no politicians at

Westminster to have any influence over our budget, our benefits and our tax rates. Far from bringing powers to Scotland, a sterling zone hands powers away. As the eurozone has taught us, there cannot be economic union without political union.

Chic Brodie: Will the member give way?

Neil Findlay: I give way to the Liberal Democrat.

Chic Brodie: Clearly, Mr Findlay is so clever that his brains have gone to his head. Can he tell me how much influence the MPs at Westminster had over the last budget?

Neil Findlay: We have MPs representing us at Westminster. They have influence over policy, they debate policy, they discuss policy and they vote on policy. That must have passed Mr Brodie by.

We now have a choice. We can choose the positive Labour case for enhanced devolution within the UK, whereby we keep the pound, avoid a currency union and avoid the situation in which our budget, our borrowing and our tax and benefit rates are signed off by the chancellor of another country—we can avoid what has been called the nonsense on stilts of the currency union. We can maintain the Barnett formula and its UK-wide redistribution, whereby Scotland gets a greater share of public spending, or with independence it can be scrapped. We can build a diverse economy, or we can have one that is reliant on oil. We can have progressive taxation, with the highest earners taking a greater share of the burden, or we can have John Swinney’s vision. We can have corporation taxes that are consistent across the UK, or we can have tax competition and a race to the bottom. We can extend the living wage, end the exploitation of zero-hours contracts and deal with tax avoidance through procurement, or we can have Maureen Watt, Gordon MacDonald, Jim Eadie and Adam Ingram vote those progressive moves down, as they did last week.

In the final six months of the campaign, we can now debate two visions of Scotland: an SNP vision that is based on the fantasy that a tax-cutting, deregulated, free market agenda will deliver increased and improved services, or a Labour vision that is based on the core values of solidarity, justice, fairness and equality.

15:47

John Mason (Glasgow Shettleston) (SNP): I will start by looking a little bit at where we are now and where Scotland is now within the UK.

The first point is the failure of Westminster. The UK has not been a success story. We have heard

that from Christian Allard with regard specifically to oil. The UK has also failed on income and wealth distribution, welfare reform and tackling poverty. Germany has done much better than the UK at maintaining a manufacturing industry, and it is Germany's success that allowed it to bail out Greece and other countries while, by contrast, the UK could barely bail out itself. Germany has used the European Union and the euro to its advantage while, by contrast, the UK has dithered at the door of the EU and continues to do so, not knowing whether to take part fully or run off home. It is the worst of both worlds.

Looking at the future, we certainly argue that the size of the cake in an independent Scotland will be at least as big and probably considerably bigger than our share of the current UK cake. However, there are people who argue that, even if the cake was a bit smaller, that would not matter so much if it was shared out more fairly. We do not need an economy of the current size to give the people at the bottom a better life.

The SNP would like to improve things, and we have set out a plan for that—all 600 and whatever pages of it. This debate was initiated by the Conservatives, so I presume that they hope to see whether there are flaws in our plan. That is fair enough—it is their job—but what is the Conservatives' alternative plan? It is maybe for some more powers, but we do not know much about that. We did not see much movement from the Conservatives when the Scotland Bill went through the Scotland Bill Committee, which I sat on. The Conservatives would not give us any more income tax powers, more powers over the Crown estate or powers over air passenger duty. Maybe, the Conservatives' plan will be to cut £4 billion from Scotland's budget. Probably, they will continue to cut the welfare budget, crushing those who are already struggling. We definitely have a budget that will cut incomes for the bottom 20 per cent by £814 per year.

Willie Rennie: Can the member provide an explanation, because the Cabinet Secretary for Finance, Employment and Sustainable Growth has not done so, as to why there is not an increase of £4.5 billion in the first year of an independent Scotland for its welfare budget? The budget seems to be the same as the one that Iain Duncan Smith is planning.

John Mason: Willie Rennie makes a mistake that is at the key of my argument. Yes, by all means, let us look at one year, two years and five years, but let us also look at the bigger picture over the longer term. We are making a big decision. Three hundred years ago, we went into a union partly because we had big financial problems. Three hundred years later, we are part of a country that has a debt of £1.5 trillion. It has

not been a success. We have lost a relatively large part of our population, compared with the rest of the UK: we have poured lives into wars around the world. This union has not been a success, so there are bigger decisions to make than just decisions on one year's finances.

What is the Labour plan—what might we get? We hear a lot about what might happen if Labour wins at Westminster in 2015. Even if it did do some good things—let us give it the benefit of the doubt and say that a Labour Government in 2015 would do some good things—that would all be undone five years later by a Conservative Government. What has Labour promised us so far? Maybe some extra powers over taxation, which would take us from 22 to 26 per cent—wow, that is exciting! Look at the Labour record: it has failed to regulate the banks, virtually bankrupted the UK and failed to close the rich-poor gap.

Jenny Marra, who would not take an intervention from me, talked about social problems. Surely she would accept that this Parliament is more committed to sorting social problems than Westminster is. Neil Findlay would not take an intervention. He talked about redistribution, and listening to his speech was like listening to a fantasy speech—he used the word “fantasy” himself—about what might happen in some ideal Labour world, as compared with the reality in 2014.

This debate is not just about finance. Of course finance is important and of course we want some projections for the future, but there is a danger that we get so bogged down in minutiae that we lose the bigger picture. When I left home in my twenties, I wanted to run my own life. I did consider my limited salary at that time and my likely expenses, but they were not the only deciding factors. Income and expenditure were important factors and, as long as they appeared reasonable and as long as I accepted there was some uncertainty around them, I could go ahead and make my decision to set up my own home. Similarly, people get married or move in with a partner based not just on their financial expectations but on what they want to do with their lives. One of the mistakes that the Conservative Party has made over a number of years has been to put too much emphasis on money and profits and too little emphasis on other more important things, such as relationships, society and caring for the vulnerable.

When we look at income and expenditure past and present, we can choose one year or a set of years that suit us, but let us not lose sight of the bigger, longer-term picture. Many countries around Scotland's size without the resources that Scotland has are doing extremely well. I recently spoke at a breakfast debate hosted by the

Association of Chartered Certified Accountants and the Institute of Directors. One of the audience made the point, which I thought was well put, that of course there is uncertainty about the future, but the question is who we want to manage that uncertainty. I suggest that, based on past record, this Parliament would manage the uncertainty better than Westminster would.

15:53

Murdo Fraser (Mid Scotland and Fife) (Con): I am pleased to see Gavin Brown back in the chamber. For those of you who do not know, Mr Brown was absent unwell for the past two days. I do not want to go into any details, but it is fair to say that Kermit the Frog was not the only green thing around Parliament on Monday. I am delighted that Gavin Brown is back, restored to health and leading the debate so well.

The Scottish Government's annual GERS figures are a useful mine of information for anyone who is interested in not just Government finances but our constitutional future. For the past year, we have been constantly told by people in the SNP such as Mr Swinney and his colleagues that Scotland puts more into the UK than we get out. We have been told that we contribute 9.9 per cent of tax revenue and get back only 9.3 per cent in spending. Of course, those figures never correlated, because the totals were different. That was not always disclosed, and we were left with a £7 billion annual deficit.

The latest GERS figures are less encouraging for the SNP. They show that the situation has been reversed: even on the SNP's flawed measure we are putting in less than we are taking out and the fiscal deficit has grown from £7 billion to £12 billion. Sadly, as I pointed out to Mr Swinney earlier, even the SNP website has not caught up and is still promoting last year's figures—perhaps the SNP webmaster could not bring himself to update them, so depressed was he at the new figures.

The SNP response to that is to shift the goalposts. Rather than talk about one year's figures in isolation, which is of course what the SNP has been doing non-stop for the past year, the SNP now wants to talk about the past five years. But why stop there? Why take just five years? Why not take 10 years, 15 years, 30 years or even 100 years? By being so determined to promote one year's figures for the past 12 months, the SNP has left itself with no excuse and finds itself hoist by its own petard.

Christian Allard: Will the member accept that the GERS figures are working on a five-year cycle?

Murdo Fraser: If that is the case, why did the SNP spend the past year going round the country promoting one year's set of figures as if they were gospel? The SNP cannot have it both ways.

I agree with something that John Mason has just said. What actually matters here is not so much what has happened in the past as what is going to happen in the future, and on that we must take the messages coming from independent observers. The CPPR has stated:

"Scotland's fiscal balance is set to worsen ... There will be a net fiscal loss under independence, looking into the future."

The SNP's response to that is that Scotland will do much better from oil revenues than the OBR predicts. However, the Scottish Government's track record on estimating oil revenues is woefully poor, as Mr Brown reminded us.

Surely it does not make sense to plan our future finances as a nation on the basis of the most optimistic scenarios. For example, I might think that I can sell my car for £5,000, but when it comes to it I might not achieve that price. It would be remarkably foolish of me to go out and spend £5,000 until I at least had an independent evaluation of that figure, never mind a buyer who was prepared to pay that price or the money in my bank. However, that is what the SNP is trying to do—it is taking the most optimistic set of projections and assuming that that will be the outcome.

Mike MacKenzie: Will the member take an intervention on that point?

Murdo Fraser: No. I need to make some progress.

In response to the budget last week, Mr Swinney bemoaned the fact that austerity would be with us for years to come. However, the reality is that austerity is with us whether or not we vote for independence and that, in fact, under independence it will get worse. The Institute for Fiscal Studies is clear, as was quoted earlier, that an

"independent Scotland would require a significant cut in spending or increase in taxes, over and above that already announced by the UK government, in order to put ... long-term public finances onto a sustainable footing. The scale of this fiscal tightening is likely to be greater than that required for the UK as a whole."

The IFS is not alone in that view, because when we had Professor Jeremy Peat of the David Hume Institute at the Economy, Energy and Tourism Committee two weeks ago—incidentally, he is a man who agrees with the SNP's currency position—he said that there would need to be greater fiscal tightening in an independent Scotland. That means having either higher taxes

or a lower level of public services, or a combination of both.

The SNP response to that is to say that if Scotland was independent, we would use the economic levers to grow our economy faster than has been the case historically. However, we would have to go some to beat the projected levels of UK growth. As Gavin Brown said, the UK is projected to be the fastest-growing western economy in coming years. We have yet to hear precisely what measures the SNP would implement in an independent Scotland to exceed that projected dramatic growth increase for the UK. The SNP might say that improvements in childcare will help deliver economic growth. Precisely that point was put by my committee colleague Mike MacKenzie to Paul Johnson of the IFS in a meeting of the Economy, Energy and Tourism Committee three weeks ago, to which Paul Johnson said:

“The evidence on the relationship between universal childcare provision and female labour supply is nothing like as strong as you might expect it to be, so I would not expect an additional X hundred million pounds of spending on childcare to pay for itself in any sense through producing additional tax revenue.”—[*Official Report, Economy, Energy and Tourism Committee*, 5 March 2014; c 4091.]

Kevin Stewart: Will the member take an intervention?

The Deputy Presiding Officer: The member is in his last minute.

Murdo Fraser: That is a clear and substantial statement that the SNP’s assumptions around additional childcare are simply wrong and that it would not be the economic game-changer that the SNP claims. Those are independent voices exposing the SNP’s approach.

We know from the projections where the UK economy is going: it is growing at a record rate. We need to know where the Scottish economy is going in the event that we vote to separate ourselves from the UK.

The Deputy Presiding Officer: You must close, please.

Murdo Fraser: The CPPR has called for an updated version from the Scottish Government of its oil and gas bulletin, but the Government needs to go further than that and publish its forward projections. When people in Scotland come to vote on independence, they need to know whether our public finances will be better or worse if we become independent than if we stayed in the UK. At the moment, the SNP is keeping people in the dark, and that is not good enough.

15:59

Ken Macintosh (Eastwood) (Lab): Last Friday, I took part in a referendum debate that I found

quite enjoyable. The main reason for that, I believe, is that it involved an audience of young people who were clearly open minded about the choice that is before our country, rather than being particularly partisan or tribal. I record my thanks not only to those who participated but to the fixers project and the YMCA, which were the sponsors of the event.

What struck me more than anything else was that those young people wanted definitive answers. At the very least, they wanted clarity and certainty about the facts, on which they could then make up their minds. I sympathise with that view, as I am sure most voters in Scotland do, but, as well as being frustrated that there can be no certainty about the case that is being put forward for an independent Scotland, I worry that the SNP is deliberately pursuing a policy of obfuscation of facts that we should be able to agree on. The Conservative motion that we are debating highlights the issue, and I worry that the SNP is deliberately refusing to provide some of the detail that we should be able to agree on.

It strikes me that, whenever statistics, analysis or research fails to back up the SNP’s view of independence, that analysis is either rebutted or ignored. The reason why I believe that there is a deliberate policy and choice not to provide detail is that we have a paper from the Cabinet Secretary for Finance, Employment and Sustainable Growth in which he reveals a far more accurate analysis of the choices that an independent Scotland would face. I think that Willie Rennie made this point earlier. It is an analysis that could have provided a more consensual basis for the rest of us in Scotland to discuss the options that are before us. It could have been an agreed foundation on which we could then have argued the pros and cons of independence. However, the finance secretary decided that he is willing to share his real views on Scotland’s finances only with his cabinet colleagues.

If we look at some of the key observations that the cabinet secretary for finance made but wished to keep secret, we see that he knew in advance that there would be a bigger deficit in Scotland than in the UK. I quote:

“in 2016-17 OBR forecasts suggest that Scotland would have a marginally larger net fiscal deficit than the UK.”

He acknowledged that volatility exists in oil revenue. I quote again:

“there is however a high degree of uncertainty around future North Sea revenues, reflecting considerable volatility in production and oil prices.”

He predicted oil revenue falling:

“a geographic share of North Sea tax receipts is expected to fall to £4.8bn in 2016/17.”

As we now know from the GERS figures, it has fallen by 41.5 per cent in one year. He recognised the impact of such a fall on Scotland's public finances. I quote again:

"given the relative importance of North Sea revenues to Scotland's public finances, these downward revisions have resulted in a deterioration in the outlook for Scotland's public finances ... The high level of volatility creates considerable uncertainty in projecting forward Scotland's fiscal position."

He also forecast that public sector finances would be squeezed:

"there are also inherent real terms cost pressures within public sector budgets ... We will need to be mindful that these pressures could reduce the resources available to provide additional public services."

The point here is that Mr Swinney is not alone. The Institute for Fiscal Studies, in a typically dispassionate look at the Scottish finances, highlights almost exactly the same issues. It reminds us—this is something that the SNP rarely mentions—that public spending per head is higher in Scotland than in the rest of the UK, and the IFS goes on to state that, even based on an optimistic set of assumptions, an independent Scotland would face a more challenging fiscal outlook than the rest of the UK—a challenge that the IFS measures in billions of pounds.

The reason why that matters is that, by refusing to give that financial detail, the SNP undermines the credibility of its own case for building a progressive Scotland. As the IFS points out, an independent Scotland would require a significant cut in spending or increase in taxes to put our finances on a sustainable footing, yet the only thing that we know for sure about the SNP's plans is that it intends to cut taxes—to cut VAT for some tourism industries, to cut air passenger duty and to cut corporation tax for large companies. The First Minister has specifically said that he would not wish Scotland to be put at a competitive tax disadvantage, implying of course, as the *New Statesman* put it so well, that his vision is not a

"progressive race to the top"

but a depressing

"race to the bottom."

If independence offers us less or no control over our currency, our lender of last resort and our interest rates, and with the cabinet secretary and the IFS arguing that our fiscal position is likely to be worse, it is no wonder that the SNP is deliberately vague about our future.

There is one way of guaranteeing the Scottish economy's stability so that we can build the progressive future that many of us want, which is by staying in the UK. Devolution guarantees a Scottish influence over interest rates and guarantees that we will not pursue a destructive

race to the bottom on tax. It guarantees complete control over our health service, our education and our housing in Scotland. Devolution gives us the freedom to care for our elderly or to extend childcare; it gives us the best of both worlds.

What is required to tackle inequality is not constitutional change but political will. What is required to tackle child poverty is not independence but political leadership. I hope that the cabinet secretary will accept that it is difficult to have any confidence in the SNP's plans for our political future if the SNP does not have the confidence to share with us its financial forecasts for that future.

16:05

Rob Gibson (Caithness, Sutherland and Ross) (SNP): The Tory motion has exposed more uncertainties about the United Kingdom's economic, social and environmental policies than have any of its attempts to talk down Scotland's policies.

I question why Scotland should be locked into the unstable UK economy, which is one of the most unbalanced and unequal economies in the developed world. The UK is one of the most heavily indebted nations in the world and one of the most unequal in the developed world. It has the most regionally unbalanced economy. All those issues have been recognised by the UK's leaders, such as David Cameron, who has described the reliance on London and the south-east as "fundamentally unstable and wasteful".

John Swinney's amendment repeats the fact that

"Scotland has generated more tax revenue per person than the UK as a whole in every year since 1980".

Meanwhile, the UK's spending plans show that 60 per cent of the cuts to our public spending have still to be implemented, as has been said. There is no doubt that that could put Scotland's economic future at further risk.

Gavin Brown: Will the member give way?

Rob Gibson: Excuse me until I make some progress; I might bring in the member later.

I turn to the sources of the Tories' arguments, who are

"a number of independent experts"

who

"predict a weaker fiscal position than the Scottish Government",

such as the Institute for Fiscal Studies. When the Finance Committee asked questions about the IFS report, the statements were considerably nuanced. Professor David Bell said:

"I think that the IFS report was widely misunderstood in that it was a projection—in other words, it was based on things not changing, in policy terms."—[*Official Report, Finance Committee*, 4 December 2013; c 3449.]

That means that without our own policies we would stay the same but that with our own policies we could grow our economy.

The CPPR, which is hardly an independent body, claims that an independent Scottish Government will face tighter fiscal challenges, but Scotland is a wealthy country. It is 14th in the OECD figures, whereas the UK is 18th. As a leading developer and user of renewable energy and as an exporter of renewables and fossil fuels to Britain, Europe and the world, we are in a strong position.

The total lack of CPPR assessment of renewables in the Scottish economy is interesting. I have yet to find any analysis by it of Scotland's renewables; it has always dealt with oil and nothing else—one part of the economy. Last year, 40 per cent of Scots' electricity supply came from renewables and 100 per cent is an achievable target by 2020. It strikes me that the CPPR is a one-string banjo; it does not address the broad Scottish economy. Why not?

Liz Smith (Mid Scotland and Fife) (Con): On what grounds does Mr Gibson suggest that the CPPR is not an independent body?

Rob Gibson: We could have a whole debate about the sources of the people who are in the CPPR and their political attitude over many years, which has been inimical to the SNP.

The Institute for Fiscal Studies is concerned about the alleged weakness of an independent Scotland's fiscal position, but the IFS has many strings to its bow. Its director, Paul Johnson, is a member of the UK Committee on Climate Change, which published its report, "Reducing emissions in Scotland: 2014 progress report", yesterday. It praises Scotland's renewable energy output, which reached 1GW in 2012. If we are to meet our 2020 target, we will need to produce 1.2GW of renewable energy per annum.

We must build up our economy and build it on the energy that we can produce, other than oil. Most of our targets go further than those of the UK. Given that they will strengthen the energy security of Scotland and the UK, why are they being ignored? They will result in huge additions to Scotland's GDP. I need only point to the decision that SSE has made in the last week to back the Beatrice offshore wind farm. That project and the Moray Offshore Renewables project in the Moray Firth are far bigger than the Forth replacement crossing.

Thankfully, despite the uncertainties of UK energy policy, SSE, which is our biggest company,

is on course to develop such major projects—no thanks to the UK Government. SSE says that a single energy market in Great Britain is the most likely scenario in the event of a yes vote. That is its preferred outcome, in any case.

I return to the uncertainties that have been created by the UK on energy, along with everything else. The UK Government's energy minister has said that there is no way that the UK would buy Scottish renewable energy but, interestingly, he has never said that the UK would not buy Scotland's oil.

The Deputy Presiding Officer (Elaine Smith): You must conclude, please.

Rob Gibson: Ed Davey has shuffled away from support for renewables to support for nuclear energy. The uncertainties that have been created by the Westminster Government are all part of the story that is not told in the motion. John Swinney's amendment gets at the truth.

The Deputy Presiding Officer: I must ask members to keep to their allotted time. If they do not, they will be taking time out of the final member's speech.

16:12

Alex Rowley (Cowdenbeath) (Lab): I do not disagree with John Swinney's view that the recovery and growth have been slow in the UK in comparison with many other European countries, but I suggest that the answer is not to ditch our comrades, friends and family in England, Wales and Northern Ireland, but to ditch the Tories in 2015 and to put in a Labour Government.

I turn to the white paper and the currency. We now know that the UK Government has made it clear that, in its view, a currency union will not happen in the event of independence. That position is taken by other political parties at UK level, where there is agreement that it would not be in the interest of the rest of the UK to accept a currency union with a new Scottish state.

I do not take too kindly to a former public schoolboy coming up to Scotland to tell us that we will not be able to use the pound, but the fact is that all the evidence suggests that it would not be in the UK's interest to enter into a currency union with a newly independent Scotland.

More important, if we take the decision to become an independent state, I do not believe that it will be in the interest of Scotland to enter into a currency union with the remainder of the UK. I would suggest that it offers the worst of all worlds: we would keep the pound but would have no say over it or over interest rates, money supply, the banks, employment targets or crisis measures. If we want to keep the pound, we should stay in the

UK. That will ensure that we have direct representation at Westminster, which makes the laws on the economy, and direct representation in a Government that supervises and sets the targets for the Bank of England.

Economic union and common trading and commercial relationships remain essential. Ironically, even those who want a separate state now favour the retention of an economic union with the UK that involves shared administration of monetary policy, interest rates, inflation targets, money supply, crisis measures and macroeconomic stability. The difference between the parties is that the SNP wants UK control without Scottish representation, whereas the Scottish Labour Party wants to ensure that, if such matters are the responsibility of the UK Administration, Scots will have a say in the decisions that are made.

I also want to focus on what I believe is the unfairness of the SNP Government's proposals and the greater inequality that will result for Scotland if we form a separate state as proposed by the SNP. One policy is a 3p cut in corporation tax for Scotland's wealthiest companies. That is the equivalent of £125 a household lost from the public purse and public services and handed to the most profitable companies in the corporate sector. That is just one example of SNP unfairness versus Labour's fairness. We will not put money into the hands of big business while cutting budgets for schools and colleges and cutting support and skills to help people to get into jobs.

Kevin Stewart: Will the member take an intervention?

Alex Rowley: No, thank you.

The SNP policy would take Scotland on a race to the bottom. We have to wonder what would be next.

The issue is not just the handouts to big businesses. We know that the SNP Government will not support Labour's proposal for the transfer of £286 million to hard-pressed families through an energy price freeze. Ironically, those same energy companies will have a double boost under the SNP proposals, as they will also be the biggest beneficiaries of the corporation tax handout that is being proposed as part of the drive to create a separate Scottish state.

Our economic priorities should be to address the big challenges that our country faces. Some 21 per cent of 16 to 24-year-olds are unemployed, and college admissions have fallen by 36 per cent since 2007. It is not tax handouts to big businesses that the economy needs; it needs a national skills strategy, a national jobs strategy, and measures to stop low pay. We must have the courage to say that we will insist on a living wage

for all public service contracts that are issued in Scotland and the vision to say that we will transform our education system to ensure that no child is left to fail. I do not believe and cannot accept that any child was born to fail.

In conclusion, what is glaringly obvious about the economics of the white paper is that they will promote inequality and do very little to address the big issues that Scotland and its people face as we move forward.

16:17

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I thank our Tory colleagues for bringing forward for debate the subject of Scotland's finances.

Much has been said in the debate, and it would be impossible to pick up on everything, but I thought that it was interesting to hear Malcolm Chisholm say that he feels that the white paper is not a model of progressiveness. I would have thought that any reasonable person—even Malcolm Chisholm and possibly even Neil Findlay—might feel that a document that sets out progress towards universal pre-school childcare for all children aged one to five, the abolition of the bedroom tax, decency in the state pension, bringing postal services back into public hands and the removal of Trident from the Clyde is progressive.

Willie Rennie: Will the member take an intervention?

Jamie Hepburn: No, I will not just now, thank you.

The question is raised: what might those people reckon to be a progressive document? Could that be the findings of Labour's cuts commission? Its findings have been parked until after the referendum, of course. I wonder why.

I challenge the Labour Party: why does it not bring forward those findings before 18 September? We could then ask the people of Scotland what they consider to be a progressive document—the findings of Labour's cuts commission or the Scottish Government's white paper. I know what my money is on.

Willie Rennie: Will the member take an intervention?

Jamie Hepburn: No, I will not.

I was also intrigued to hear Gavin Brown ask out loud where my colleague Kevin Stewart had been recently. I thought that that question could equally be posed to Mr Brown. He has lodged a motion that mentions the IFS position on the fiscal challenges that Scotland faces. Where was Mr Brown when the Finance Committee held a

meeting on 4 December? In that meeting, we heard what Professor David Bell said, and we also heard Professor Peter McGregor say:

“we might ask whether the achievement of higher economic growth by a set of policies could get us out of the bind that the IFS has identified. I think that the answer to that question is yes—it would be surprising if it were otherwise. Economic growth can help us to get out of the situation.”

That makes the point that, with the power in Scotland’s hands, we can make a positive impact.

My favourite quote from that day was from Dr Angus Armstrong, who said of the IFS report:

“It is almost inevitable that the projections will not be correct”.—[*Official Report, Finance Committee, 4 December 2013; c 3460.*]

I know where I was: I was at that Finance Committee meeting. I even know where Mr Brown was: he was at that meeting, too. Obviously, he was just not listening that day.

It was also very interesting to hear Jenny Marra laud the CBI. We did not hear her mention Tony Banks, chairman of Balhousie Care Group, who said that the CBI

“have never consulted me on my views on independence and I don’t know of any members they have asked.”

The CBI leadership is doing what it has always done: it is representing its own narrow interests rather than the interests of Scotland or their members’ views.

The CBI has a long-standing record in that regard. We can look back to the 1990s, when the CBI leadership opposed the creation of the Scottish Parliament in the 1997 referendum. I would hope that all Opposition members—even those who are members of the parties who opposed the Parliament at the time—recognise that they were wrong to do so and, if they do not, why are they even here in the first place? Ms Marra did not make that point, either.

I turn to the oil and gas issue.

Gavin Brown: Will the member give way?

Jamie Hepburn: I will not.

It is always important to bear in mind that Scotland’s productivity levels, without accounting for North Sea oil and gas, are at the same level per capita as the UK as a whole. Oil and gas are a massive bonus for Scotland; they are not the foundation of the Scottish economy.

Iain Gray talked about Shell and BP’s concerns about operating in a stable environment. I might take their proposition somewhat more seriously if those self-same companies were not operating in some of the most hostile, unstable environments across the globe. They operate in areas where they face threats of terrorism and civil war. The

idea that those companies would not want to operate in an independent Scotland is an absolute nonsense, and we would do well to bear that in mind.

Let us look at the situation now in the North Sea. Oil and Gas UK estimates that capital investment in 2013 reached £14.4 billion, a figure that has more than doubled since 2010. That is important in relation to some of the figures that some members have mentioned, because that investment reduced revenue by £2 billion. Paul Johnson, the director of the Institute for Fiscal Studies, appeared at the Finance Committee earlier this month. He explained that the investment

“is one of the reasons why revenue has been lower: that investment can be offset against tax payments.”—[*Official Report, Finance Committee, 5 March 2014; c 3776.*]

That is more information that was lost on Gavin Brown.

Gavin Brown: Will the member give way?

Jamie Hepburn: Not just now.

That investment has been concentrated in the Scottish share of the North Sea. Oil & Gas UK forecasts that production would increase from 1.4 million to 1.7 million barrels a day by 2017. An independent Scotland would support such investment because we would benefit from that in the long run.

On the oil price, members are clinging to the OBR estimates, which assume an oil price of \$99 a barrel, but the Department of Energy and Climate Change has put estimates at \$120 a barrel. How do Tory members square that circle? How do they respond to the difference between their Government department’s estimate and that of the OBR? We should reflect on the fact that the Scottish Government has been more cautious than DECC on the oil price, so it is more cautious than the UK Government’s position.

I want to return to first principles. All of us surely accept that Scotland has what it takes to be an independent country—we heard that from Malcolm Chisholm. We have the economic base—

The Deputy Presiding Officer: You must close, please.

Jamie Hepburn: Without independence, I fear that we will be in a downward spiral, with a UK Government that we did not elect slashing our budget and harming our families, which is what we saw with the recent budget.

The Deputy Presiding Officer: I am afraid that you must close.

Jamie Hepburn: We have the foundations to be a successful independent country; we must embrace that opportunity.

16:23

Alex Johnstone (North East Scotland) (Con): I have heard some things today that I will not forget in a while. The first comment that I heard was before the debate started when I, along with one or two other members, was held prisoner by the BBC in the garden lobby to do a brief interview. During that interview, I heard Kenny Gibson make a wonderful claim. He said, very straightforwardly, that Scotland runs an £8.8 billion surplus. That is what he said—members can check the BBC iPlayer. Some of us knew what he meant by that figure. He meant that, if one takes the past five years' figures and compares the expenditure in Scotland and that of the UK as a whole, one can separate out £8.8 billion-worth of savings that were made in Scotland relative to that budget. That was not a surplus, but a reduced deficit over a five-year period. If one says that very quickly, it sounds very effective.

The trouble is that Kenny Gibson and one or two others on the SNP back benches are guilty of the cardinal sin of believing their own propaganda. There is one person who I do not believe will make the same mistake: John Swinney. As I have said in many debates, he is my favourite Government minister. He is the man with the brains who knows how things work. After all, he is the man who took to Cabinet the famous secret report that contained all the predictions that we now know to have been 100 per cent accurate. I have also expressed my admiration for Mr Swinney as the man who has implemented in Scotland, in an adept and professional way, an austerity policy that we should all be proud of. The problem is that he qualifies what he has done by saying that, if this were an independent Scotland, he would spend money like it was going out of fashion and ruin all his previous good work.

In his opening speech, Mr Swinney mentioned Scotland's fiscal position and, once again, talked about oil revenue. He said that the deficit went from a relatively healthy £7 billion a year to an unhealthy £12 billion, according to the last GERS figures, because of the amount of tax relief that was claimed against investment. It is true that there was a lot of investment and a lot of tax relief, but where Mr Swinney goes wrong—the First Minister joins him regularly in this—is in assuming that this is some one-off cost, when the truth is that we require continuous investment in the North Sea if for no other reason than to slow the industry's decline, let alone increase production. Worse still, both men are very keen to completely forget about the importance of decommissioning to

the industry's future and the fact that those costs, too, can be set against tax. The danger is that as production continues in the North Sea and money continues to roll in, companies will have plenty of opportunity to set costs against tax and keep down total revenue.

Christian Allard spoke very strongly about the strengths of the north-east economy. It is wonderful to have an economy in which our local authorities and health service struggle to recruit in the face of a private sector that is aggressively recruiting their staff. Organisations such as the police force are struggling to maintain numbers as the private sector sucks people out of other industries. I would like the whole of Scotland to face up to the same problem; unfortunately, however, the whole of Scotland will not make the choices that have been made in the north-east. In fact, Mr Allard almost seemed to be taking an I'm-all-right-Jack attitude, but he should be careful. That sort of thing could get Aberdonians a bad reputation.

The truth is that you couldnae make it up, but what we hear from the Scottish National Party's back benches is the simple chant, "Yes, we can".

Christian Allard: Will the member give way?

Alex Johnstone: I have still to address what one or two other members said in the debate.

Chic Brodie gave away a secret when he attacked Neil Findlay by suggesting that his brains had somehow gone to his head. If Mr Brodie's own brains were in his head, he might not be sitting on the SNP benches but still be sitting with the Liberal Democrats.

Chic Brodie: Will the member give way?

Alex Johnstone: I must come to a close. I have only a minute left.

The Deputy Presiding Officer: Indeed, Mr Johnstone. You are in your final minute.

Alex Johnstone: The main issue that I want to touch on before I close is welfare. This Government and indeed many speakers in this afternoon's debate have talked about what the Government would like to do to the welfare budget in an independent Scotland.

Chic Brodie: Will the member give way?

The Deputy Presiding Officer: The member is in his last minute.

Alex Johnstone: Nicola Sturgeon has historically mentioned figures without actually saying how many years they apply to, and she has asked for £1.5 billion, £2.5 billion and £4.5 billion of additional expenditure. Every week on the Welfare Reform Committee, SNP members hint that welfare would be generously provided for in

an independent Scotland, and the same hint is made in debate after debate in this chamber. However, if that claim is to have any credibility, the Cabinet Secretary for Finance, Employment and Sustainable Growth must tell us how it will be funded. As of today, there has been no indication of the extra expenditure that the SNP would put into welfare and how that money would be raised.

The Deputy Presiding Officer: You must close, please.

Alex Johnstone: Looking at the budget that we have in front of us, I think that it is obvious that the money would come from either reduced expenditure or increased taxation. The cabinet secretary must tell us now before we vote.

The Deputy Presiding Officer: I call Mike MacKenzie. I am sorry, but I can give you only five minutes.

16:29

Mike MacKenzie (Highlands and Islands) (SNP): I am disappointed at the relish that the Opposition parties take in any opportunity to talk down Scotland and our prospects. I am concerned for their wellbeing, because it must be truly depressing and debilitating to live under the cloud of doom and gloom that they constantly manufacture. To cheer them up, I draw their attention to the fact that, even without oil and gas, GDP per capita in Scotland is 99 per cent of the UK average. Even without oil and gas, we are a wealthy country. Standard & Poor's says that, even without oil and gas, Scotland would be successful. Oil and gas are a very welcome bonus.

Willie Rennie: Will the member give way?

Mike MacKenzie: No, thank you. I am short of time.

The only depressing aspect of our good fortune is the fact that successive UK Governments have failed to set up an oil fund. In trying to talk down Scotland's oil, the unionists are singing a sad old song—a lament, a dirge with a déjà vu quality about it. We have heard all that before, in the 1970s, when we were told that Scotland's oil was the wrong type of oil, that there was not much oil and that it would run out in 30 years or less. It was only with the uncovering in 2005 of the 1974 McCrone report, which had been secretly buried under the 30-year rule, that we finally had proof of the truth that we all knew.

Alex Johnstone: Will the member give way?

Mike MacKenzie: No, thank you. I am short of time.

Both Tory and Labour Governments knew back then, in the 1970s, the full immense value of

Scotland's oil. They knew that it had the potential to propel an independent Scotland into a period of unparalleled prosperity. They were disingenuous then and they are disingenuous now. While they told us those things, they quietly siphoned off more than £300 billion of revenue from Scotland's oil, leaving no legacy and no lasting benefit.

It is correct to say that oil and gas revenues have declined in the past year, and it is worth examining why. First, as Christian Allard mentioned, the Elgin field was unfortunately shut down for almost a year.

Lewis Macdonald (North East Scotland) (Lab): Will the member take an intervention?

Mike MacKenzie: No, thank you.

Secondly, there have been capital allowances amounting to an estimated £2 billion in respect of record investments. Perhaps more important has been the long-term fiscal instability that is outlined in the Wood report. There have been no fewer than 16 significant fiscal changes in the past decade: what industry can prosper under such uncertainty? Sir Ian Wood says that the UK Government has failed to provide an appropriate regulatory framework, that DECC has failed to allocate sufficient resources to properly understand the sector and that DECC officials have failed to talk to their colleagues in the Treasury to ensure that the fiscal and regulatory regimes are complementary. It is little wonder that the recovery rate in the UK continental shelf fields is only 40 per cent while the rate in Norway's fields is 48 per cent. It is worth noting, too, that it is only following George Osborne's U-turn on his 2011 tax raid on oil and gas that we have seen investment return to the sector, with record investment of £14.4 billion in the past year.

It is truly stretching the imagination to suggest that the investors do not know what they are doing, that this highly sophisticated industry does not know what it is doing and that Oil & Gas UK's estimate that there are 24 billion barrels of recoverable oil left is incorrect. It is simply not credible to suggest that the industry is making those investments on the back of long-term oil price forecasts that do not suggest strong and stable prices. Production is set to increase from 1.4 million barrels a day to 1.7 million barrels a day in 2017. When even DECC disagrees with the OBR forecast and assumes an oil price of \$120 a barrel compared to the OBR's assumption of \$99 a barrel, it is clear that the industry is set for a more prosperous future than the OBR predicts.

With the powers to set a stable and consistent regulatory and fiscal regime, and with increasingly clever technology, production rates will rise and Scotland can be assured of the full economic benefit of our oil and gas.

16:35

Iain Gray (East Lothian) (Lab): It is five or six months since the Institute for Fiscal Studies demolished the economic case contained in the white paper and demonstrated that an independent Scotland would face a worse fiscal position than the UK as a whole, and would require tax rises, spending cuts or both, just to stand still. Since then, as many members have noted, oil revenues have fallen by almost 45 per cent in one year, and predictions have fallen further. Further, we have seen a series of commentators such as the Scottish Retail Consortium, the CPPR, BlackRock Investments and—today—the CBI coming to the same conclusions as the IFS did.

Since then, the OBR has revisited its predictions twice. Yet, as Gavin Brown pointed out, the Scottish Government is still working on a year-old estimate of oil revenues, which looked wildly overoptimistic at the time, and is now close to suggesting 2013-14 outturn figures that are twice the OBR's figures.

Mike MacKenzie: I know that Mr Gray takes a keen interest in these matters and is an expert on oil and gas. Therefore, can he explain why the OBR has changed its methodology and has transferred some of what was taken to be offshore revenue to onshore revenue?

Iain Gray: The way in which we estimate revenues, offshore and onshore, is reviewed all the time. However, I will say something about that, with regard to the IFS, in a moment.

There has been much criticism of the OBR, and one has to agree that the OBR does not always get its estimates right—in fact, in recent times, it has been far too optimistic, although not as optimistic as the Scottish Government. Gavin Brown is, therefore, right to demand an update.

Mr Swinney's criticism of that commentary is that it is all the same thing, as it is all based on the OBR. However, that is not true. As he well knows, the IFS considered a number of scenarios and, in the most optimistic scenario, it used the Scottish Government's own oil figures, the Scottish Government's own optimistic projections for immigration, debt share and interest rates, and—I say to Mr MacKenzie—assumed that, as offshore activity reduced, it would be replaced by onshore activity instead. Even with all that, it still came to the conclusion that an independent Scotland would face tax rises, cuts or both in order simply to stand still.

The truth is that we have heard all sorts of figures being bandied about today. No doubt the less comprehensible they are, the happier that the Scottish Government will be. There have been many attempts to convince us either how wealthy

we are as part of the United Kingdom—we have acknowledged that we are—or how bad the UK position is. However, all that has missed the point, because all the commentators tell us that it is our relative position that will be worse, should we choose separation. Mr Rowley hit the nail on the head when he said that the way in which we should deal with our dislike of coalition policies—a dislike that is shared by Labour and the SNP—is to get rid of the coalition Government.

Kevin Stewart: Will the member give way?

Iain Gray: I am sorry, but time does not allow.

There are two readily comprehensible illustrations of what all this means, and they have not been addressed today.

The simple fact is that, if the cabinet secretary were the chancellor of an independent Scotland, he would this year have faced a £4.5 billion shortfall in his budget, which is equivalent to the whole schools budget. He has suggested, as have many of his colleagues, that that is but a blip, caused by extra investment and problems in production in the Elgin field. However, that exactly proves the point that oil production is massively volatile, and that is something that would be a huge risk for a separate Scotland.

As for the argument that the blip has been caused by significant investment, which is set against tax, surely the core point that Ian Wood made in his report was that, in order to extract the remaining resources from the North Sea, that investment would have to continue. That means, of course, that we will continue to see a fall in the revenues and profits from North Sea oil, and therefore in the tax that flows to Government.

Secondly, this week the CPPR demonstrated that, at the point of independence, Scotland would be worse off than the UK to the tune of £1,000 for every man, woman and child. That is £1,000 more tax, less public services or higher borrowing.

Mr Rennie was right when he said that Mr Swinney once had a reputation for managing the finances and that that John Swinney told his Cabinet colleagues the unvarnished truth that an independent Scotland would be at the mercy of volatile, falling oil receipts, would be unable to guarantee pensions and would have to slash public spending. He was right. The figures and commentators say that he was right; only the Scottish Government refuses to accept the reality.

The losers in all that are the people of Scotland. It is their choice in September and they want facts on which to base their choice. Instead, they are given assertions that fly in the face of all the evidence. Mr Stewart talked about a can-do attitude, and the least that the Scottish

Government can do is to start telling the public the truth about the economics of independence.

16:41

John Swinney: I never thought that I would come to a debate and end up feeling sorry for Neil Findlay, but it has happened to me this afternoon. His heart must have sunk when Jenny Marra opened her speech as the Labour Party's official spokesperson in the debate and said:

"It was just this morning that the Confederation of British Industry".

That must have been a real body blow to Mr Findlay, given the crusading speech that we heard from him about how the Labour Party is following a great socialist agenda to try to reform the country. It is nothing of the sort, from anything that I have heard of it.

I wonder whether Mr Rowley, who knows that I have enormous respect for him, is aware of who was cutting corporation tax in 1998 and in 2008, when it fell from 31 per cent to 30 per cent and from 30 per cent to 28 per cent. Those cuts were, of course, made by Labour Chancellors of the Exchequer.

Members: Oh!

John Swinney: I have confirmed to Parliament the revelation that the Labour Party was cutting corporation tax.

Iain Gray: That, of course, is a point that Mr Swinney often makes. Will he acknowledge that those cuts in corporation tax took place when Gordon Brown and the Labour Government were increasing spending on health, education and welfare to a degree that had never been seen before?

John Swinney: If we add all that together—all the assumptions about revenue and expenditure—and then look at the fact that the country went bust, that tells us all that we need to know about Gordon Brown. [*Interruption.*]

The Deputy Presiding Officer: Order, please.

John Swinney: I sat in the House of Commons and listened to Gordon Brown telling us about all the financial management he would do, about how everything would be sorted out and about how he had abolished boom and bust. Of course, we all know—as Mr Johnstone has reminded us on countless occasions—that that was complete rubbish.

Alex Rowley: Does the cabinet secretary accept that the difference is that cutting corporation tax across the UK would not end up setting region against region in competition with one another in a drive to the bottom, and that that

would be the problem with cutting it in Scotland alone?

John Swinney: I come from the straightforward point of view that I want to do what is right to improve the performance of the Scottish economy and to strengthen the opportunities for the people who live in Scotland. [*Interruption.*]

The Deputy Presiding Officer: Order.

John Swinney: A large part of the debate has hinged on the quality of estimates that can be made for the public finances. I will share with Parliament some observations about the quality of OBR analysis. In March 2013, the OBR forecast that economic growth in the United Kingdom economy in 2013 would be 0.6 per cent, but 12 months later it came back and set out its analysis that growth had been 1.8 per cent. That is three times higher than the OBR had forecast.

In March 2013, the OBR forecast that growth in the UK economy would be 1.8 per cent in 2014. As Gavin Brown fairly said, it has now set its estimate at 2.7 per cent. That is 50 per cent higher in the space of 12 months. When the chancellor went to the House of Commons last Wednesday, he trumpeted that as

"the biggest upward revision to growth between Budgets for at least 30 years."—[*Official Report, House of Commons, 19 March 2014; Vol 577, c 782.*]

If anybody looks at the information that I have just put on the record and suggests that the OBR is in possession of some holy grail of forecasting, I would say that when it comes to forecasting it is more like Monty Python.

Murdo Fraser: Will Mr Swinney give way?

John Swinney: Talking of Monty Python, of course I will give way.

Murdo Fraser: On the subject of overoptimistic forecasts, I wonder whether Mr Swinney saw the paper from the Centre for Public Policy for Regions on Monday, which says that the Scottish Government's forecasts for North Sea oil revenues were

"skewed in an optimistic manner".

Surely Mr Swinney should listen to the CPPR—or does he share Rob Gibson's view that it is a non-independent source of information?

John Swinney: We should be careful, in relation to forecasting, about analyses that are presented; that goes for some of the material we are discussing. Professor David Bell went to the Finance Committee on 4 December last year. There is a bit of a debate about whether Gavin Brown was listening that day, although he appears to have been present. Professor Bell said:

"I think that the IFS report was widely misunderstood in that it was a projection—in other words, it was based on things not changing, in policy terms."—[*Official Report, Finance Committee*, 4 December 2013; c 3449.]

The IFS essentially set out the economic conditions that would prevail in Scotland if we were to remain part of the United Kingdom, on the basis that GERS does not predict the economics of an independent Scotland, but simply rolls forward the public finances as they are today.

Then there is what Professor Peter McGregor said at the same evidence session. This is the material and fundamental point about the debate; it is about whether we just resign ourselves to economic difficulties and perpetual austerity, or take the powers to do something about it. Professor McGregor said:

"we might ask whether the achievement of higher economic growth by a set of policies could get us out of the bind that the IFS has identified. I think that the answer to that question is yes—it would be surprising if it were otherwise. Economic growth can help us to get out of the situation."—[*Official Report, Finance Committee*, 4 December 2013; c 3460.]

That is the absolutely core point in the debate. Are we prepared to assume the responsibilities—

Gavin Brown: Will the cabinet secretary give way?

John Swinney: Why not?

Gavin Brown: It is a bad day when the cabinet secretary uses Jamie Hepburn as his wingman on economic issues.

The Deputy Presiding Officer: Ask a question, please.

Gavin Brown: Let me ask the cabinet secretary this. He has just said—[*Interruption.*]

The Deputy Presiding Officer: Order.

Gavin Brown: The cabinet secretary has just said that economic growth this year will be 2.7 per cent. What level of economic growth would be needed in Scotland to avoid fiscal tightening?

The Deputy Presiding Officer: You are approaching the last minute of your speech, cabinet secretary.

John Swinney: The point that I am making to Mr Brown and his colleagues is that we have been subjected to a prolonged and unnecessary period of economic austerity as a consequence of the mistakes that have been made by the UK Government in pursuing its economic strategy.

If we take the economic levers to ourselves, we can use the resources of Scotland and the capabilities, strengths and key industries of Scotland to generate stronger economic performance. Frankly, we could not deliver a worse performance than the performance that is

being delivered by the United Kingdom, given the shocking failure to reach economic estimates that the UK Government itself made in 2010.

This debate is about whether we are going to resign ourselves to listening to a perpetual unionist "dirge"—as Mike MacKenzie rightly put it—in the years to come, or decide to take the responsibilities for ourselves, build a future for our country and ensure that the people of this country can realise the economic opportunities to which they are absolutely entitled, and which the wealth and creativity of the Scottish population give us every right to be confident of delivering.

16:49

Gavin Brown: The cabinet secretary's blatant inability to answer that last question proves the point that our party has been trying to make. He stood up and, as the chancellor did, pointed out the record improvements in growth forecasts—as high as 2.7 per cent for this year, with better growth for next year, the year after and the year after that.

My simple question was this: given the high growth that is projected for the UK, what level of economic growth would be required to avoid any fiscal tightening whatever? That is the Scottish Government's position—it does not want to implement fiscal tightening as the UK Government wants to, and it ignores the suggestions from independent expert commentators that Scotland would have to go further than the UK's level of fiscal tightening in order to get the public finances to a sustainable place.

The IFS has stated that

"even under the most optimistic scenario ... in which Scotland experiences 'high migration'";

experiences 2.2 per cent productivity growth; has a debt share of 40 per cent of Scottish national income and pays the same interest rate on debt as the UK; and has high North Sea revenues,

"we still estimate that the 'fiscal gap' for Scotland would be 1.9% of national income".

That is significantly larger than the gap of 0.8 per cent that the IFS estimates that the UK faces. The independent experts say that we would have to go further than the rest of the UK, but the Scottish Government says that it will not even take the measures from the UK Government. How on earth can it square that circle?

Chic Brodie: That reminds me of the saying, "You can't make a crab walk straight."

We heard from a source today about quantitative easing, and that the UK Government has been buying back its own debt and has asked the Bank of England to return the interest on

bought gilts, which is a sum of approximately £4 billion. We have talked about openness today. Scotland has not had its share of that money, so will Gavin Brown support a request to the chancellor to return an amount equivalent to 0.8 per cent of our GDP?

Gavin Brown: Mr Brodie is a unique character. Through his contribution—or peroration, as he likes to call it—he has managed to unite the chamber by confusing not only me, but all the members on my party’s benches, as well as all those on his party’s benches and on the Labour benches.

Chic Brodie: What is the answer?

Gavin Brown: Mr Brodie said earlier that the Opposition has a cheek to ask for more than a single year’s figures from the Scottish Government.

Chic Brodie: What is the answer?

The Presiding Officer (Tricia Marwick): Mr Brodie.

Gavin Brown: Chic Brodie must have been very disappointed when John Swinney said earlier that he was going to provide several years’ figures, just as Opposition members had requested.

I will pick up on a couple of points in the debate before I address the commitment that Mr Swinney made earlier. We have heard from the Scottish Government that we were the eighth richest country in the OECD, but all of a sudden, a few months later, we are only the 14th richest country in the OECD. [*Laughter.*]

The SNP members laugh as if the error was made by the Conservative Party rather than by their party—

John Swinney: Will Gavin Brown give way?

Gavin Brown: I will give way in just a second.

We were given the excuse that our placing has dropped because of the methodology. The question is this: were we ever, as the white paper tells us, the eighth richest country, or is that yet another error in the white paper?

John Swinney: The assertion that Scotland is the eighth richest nation in the OECD was based on the OECD’s methodology at that time. Its methodology has changed.

The SNP members in the chamber were, in fact, all guffawing at the idea that Mr Brown bemoans the fact that Scotland is “only” the 14th richest nation in the world. Why does he always talk down Scotland in that terrible fashion?

Gavin Brown: What a woeful answer that was, Presiding Officer. The OECD’s methodology

changes, and suddenly Scotland has dropped by six places. The clue, of course, was in the Scottish Government’s previous figures, as the footnote right at the bottom of the document says, “Source: Scottish Government calculations.”

I will pick up on something else that Mr Swinney said, which has been oft repeated. The Scottish Government does not like the most recent edition of GERS, so it is determined to go to the five-year GERS programme. The Government has said without a hint of embarrassment that if Scotland had been independent five years ago, we would be £1,600 better off per head—[*Interruption.*] That gets a big cheer from SNP members.

Let us work backwards from 2008, which is the year from which those figures came. Let us imagine that we had gone independent on 24 March 2008, just as the SNP would have wanted. The policy of the Scottish Government at that time was to join the euro, so we would have joined the euro in 2008. Five months after we would have become independent, the two largest banks in the country collapsed and needed a bail-out, and two years later, the euro went into meltdown. I do not think that anyone on the planet can believe that we would be, if we had gone independent in 2008, £1,600 per person better off.

Let us welcome the commitments that were made by John Swinney today in the latter part of his speech. He spent 90 per cent of his speech avoiding talking about Scotland’s fiscal position in 2016-17, avoiding any projections, and avoiding the fact that almost all his policy commitments are uncosted and that he has said nothing about transitional costs in the white paper. Let us put all that to one side for a moment and welcome the commitments that were made.

He said that, in the coming weeks, he will publish an oil and gas analytical bulletin. Let us welcome that. We look forward to seeing the updates in the figures. He described it as the third bulletin, which is technically correct, but I point out that the second bulletin—

John Swinney: It is correct.

The First Minister (Alex Salmond): It is correct.

Gavin Brown: I see we are having a cameo appearance from the First Minister when we are discussing Scotland’s finances if we become independent.

In the second bulletin, there was no hint, mention or clue about the oil and gas revenues that are expected during the next five or six years. So, the bulletin might well have been called the second bulletin, but it entirely avoided all figures on revenue. We hope that the third edition will

have the figures that we request and not just a little survey, as was in the last bulletin.

We also welcome the fact that John Swinney says that he is going to make projections for the years post 2016-17. There was a rumour circulating that the cabinet secretary wanted to do that in the white paper but was blocked from doing so.

John Swinney: This is pathetic.

Gavin Brown: That has clearly touched a nerve. We are glad that the cabinet secretary has now decided to do that—[*Interruption.*]

The Presiding Officer: Excuse me, Mr Brown, but the Government front bench is getting a bit excitable.

Gavin Brown: The front-bench members are struggling today, Presiding Officer. It is just a pity that most of them were not here when we were discussing the future of Scotland's finances should we become independent.

When the cabinet secretary does publish the projections, will he put in the policy costings for the promises that he and his Government have made, such as the ones that are made in the pensions paper that he has produced that contains 30 policy commitments, only one of which is costed? Will he put in all the costings for that?

On the stabilisation fund, the SNP says that, immediately following independence, it will establish a stabilisation fund. Will it put the costings for setting that up into its projections, and say how much it intends to put into it in year 1, when we are projected to be running at a 5.5 per cent of GDP deficit? Will it put in the policy costings for renationalising the Royal Mail—a policy that was announced in this chamber by the First Minister, much to the surprise of the cabinet secretary, his party, and the rest of the country? Will it include policy costings for welfare? The SNP complains about the position with welfare in the UK, but it has made no commitment to reverse the measures, apart from one or two.

When the SNP publishes its projects, it is crucial that we get the actual policy costing and the transition costs. If we do not, the piece of paper will not be worth anything in terms of furthering the debate. We have asked for oil costings, for an updated fiscal position, and for papers that go beyond 2016-17. It is critical that we get those things, which is why we brought the debate to Parliament.

Business Motions

16:59

The Presiding Officer (Tricia Marwick): The next item of business is consideration of business motion S4M-09467, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Tuesday 1 April 2014

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Topical Questions (if selected)

followed by Scottish Government Debate: Scotland, A Good Global Citizen

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 2 April 2014

2.00 pm Parliamentary Bureau Motions

2.00 pm Portfolio Questions
Finance, Employment and Sustainable Growth

followed by Scottish Liberal Democrats Business

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 3 April 2014

11.40 am Parliamentary Bureau Motions

11.40 am General Questions

12.00 pm First Minister's Questions

12.30 pm Members' Business

2.30 pm Parliamentary Bureau Motions

2.30 pm Stage 1 Debate: Defective and Dangerous Buildings (Recovery of Expenses) (Scotland) Bill

followed by Scottish Government Debate: Developing Skills for Scotland's Digital Economy

followed by Business Motions

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

Tuesday 22 April 2014

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions
followed by Topical Questions (if selected)
followed by Scottish Government Debate
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Wednesday 23 April 2014

2.00 pm Parliamentary Bureau Motions
 2.00 pm Portfolio Questions
 Justice and the Law Officers;
 Rural Affairs and the Environment
followed by Scottish Government Debate
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time
followed by Members' Business

Thursday 24 April 2014

11.40 am Parliamentary Bureau Motions
 11.40 am General Questions
 12.00 pm First Minister's Questions
 12.30 pm Members' Business
 2.30 pm Parliamentary Bureau Motions
followed by Scottish Government Debate
followed by Business Motions
followed by Parliamentary Bureau Motions
 5.00 pm Decision Time—[*Joe FitzPatrick.*]

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S4M-09468, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a stage 1 timetable for the Historic Environment Scotland Bill.

Motion moved,

That the Parliament agrees that consideration of the Historic Environment Scotland Bill at stage 1 be completed by 20 June 2014.—[*Joe FitzPatrick.*]

Motion agreed to.

Parliamentary Bureau Motions

The Presiding Officer (Tricia Marwick): The next item of business is consideration of five Parliamentary Bureau motions.

I ask Joe FitzPatrick to move motion S4M-09481, on the suspension of standing orders.

17:00

The Minister for Parliamentary Business (Joe FitzPatrick): Before I move the motion, it is worth clarifying for members that business managers have agreed to the proposal in recognition of the exceptional circumstances on this occasion. To be clear, this does not set a precedent for future occasions.

I move,

That the Parliament agrees that Rule 13.7.4 of Standing Orders be suspended for the purpose of allowing question 1 to be asked at First Minister's Question Time on 27 March 2014 by a member other than the member who lodged it.

The Presiding Officer: I ask Joe FitzPatrick to move en bloc motions S4M-09469, S4M-09471, S4M-09472 and S4M-09473, on approval of Scottish statutory instruments.

Motions moved,

That the Parliament agrees that the Agricultural Holdings (Scotland) Act 2003 Remedial Order 2014 be approved.

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2014 [draft] be approved.

That the Parliament agrees that the Patient Rights (Treatment Time Guarantee) (Scotland) Amendment Regulations 2014 [draft] be approved.

That the Parliament agrees that the Renewables Obligation (Scotland) Amendment Order 2014 [draft] be approved.—[*Joe FitzPatrick.*]

The Presiding Officer: The question on the motions will be put at decision time.

Decision Time

17:01

The Presiding Officer (Tricia Marwick): There are four questions to be put as a result of today's business.

The first question is, that amendment S4M-09462.2, in the name of John Swinney, which seeks to amend motion S4M-09462, in the name of Gavin Brown, on Scotland's finances, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
 Adamson, Clare (Central Scotland) (SNP)
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
 Allard, Christian (North East Scotland) (SNP)
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)
 Biagi, Marco (Edinburgh Central) (SNP)
 Brodie, Chic (South Scotland) (SNP)
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)
 Burgess, Margaret (Cunninghame South) (SNP)
 Campbell, Aileen (Clydesdale) (SNP)
 Campbell, Roderick (North East Fife) (SNP)
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
 Constance, Angela (Almond Valley) (SNP)
 Crawford, Bruce (Stirling) (SNP)
 Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
 Dey, Graeme (Angus South) (SNP)
 Don, Nigel (Angus North and Mearns) (SNP)
 Doris, Bob (Glasgow) (SNP)
 Dornan, James (Glasgow Cathcart) (SNP)
 Eadie, Jim (Edinburgh Southern) (SNP)
 Ewing, Annabelle (Mid Scotland and Fife) (SNP)
 Fabiani, Linda (East Kilbride) (SNP)
 Finnie, John (Highlands and Islands) (Ind)
 FitzPatrick, Joe (Dundee City West) (SNP)
 Gibson, Kenneth (Cunninghame North) (SNP)
 Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
 Hyslop, Fiona (Linlithgow) (SNP)
 Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
 Keir, Colin (Edinburgh Western) (SNP)
 Kidd, Bill (Glasgow Anniesland) (SNP)
 Lochhead, Richard (Moray) (SNP)
 Lyle, Richard (Central Scotland) (SNP)
 MacAskill, Kenny (Edinburgh Eastern) (SNP)
 MacDonald, Angus (Falkirk East) (SNP)
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)
 Mackay, Derek (Renfrewshire North and West) (SNP)
 MacKenzie, Mike (Highlands and Islands) (SNP)
 Mason, John (Glasgow Shettleston) (SNP)
 Matheson, Michael (Falkirk West) (SNP)
 Maxwell, Stewart (West Scotland) (SNP)
 McAlpine, Joan (South Scotland) (SNP)
 McDonald, Mark (Aberdeen Donside) (SNP)
 McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
 McLeod, Aileen (South Scotland) (SNP)
 McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
 McMillan, Stuart (West Scotland) (SNP)

Milne, Nanette (North East Scotland) (Con)
 Neil, Alex (Airdrie and Shotts) (SNP)
 Paterson, Gil (Clydebank and Milngavie) (SNP)
 Robertson, Dennis (Aberdeenshire West) (SNP)
 Robison, Shona (Dundee City East) (SNP)
 Salmond, Alex (Aberdeenshire East) (SNP)
 Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
 Stewart, Kevin (Aberdeen Central) (SNP)
 Swinney, John (Perthshire North) (SNP)
 Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
 Torrance, David (Kirkcaldy) (SNP)
 Urquhart, Jean (Highlands and Islands) (Ind)
 Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
 Wheelhouse, Paul (South Scotland) (SNP)
 White, Sandra (Glasgow Kelvin) (SNP)
 Wilson, John (Central Scotland) (SNP)
 Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
 Baker, Claire (Mid Scotland and Fife) (Lab)
 Baker, Richard (North East Scotland) (Lab)
 Beamish, Claudia (South Scotland) (Lab)
 Bibby, Neil (West Scotland) (Lab)
 Boyack, Sarah (Lothian) (Lab)
 Brown, Gavin (Lothian) (Con)
 Buchanan, Cameron (Lothian) (Con)
 Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
 Davidson, Ruth (Glasgow) (Con)
 Dugdale, Kezia (Lothian) (Lab)
 Fee, Mary (West Scotland) (Lab)
 Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
 Findlay, Neil (Lothian) (Lab)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Annabel (West Scotland) (Con)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (East Lothian) (Lab)
 Griffin, Mark (Central Scotland) (Lab)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Renfrewshire South) (Lab)
 Hilton, Cara (Dunfermline) (Lab)
 Hume, Jim (South Scotland) (LD)
 Johnstone, Alex (North East Scotland) (Con)
 Johnstone, Alison (Lothian) (Green)
 Kelly, James (Rutherglen) (Lab)
 Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
 Macdonald, Lewis (North East Scotland) (Lab)
 Macintosh, Ken (Eastwood) (Lab)
 Malik, Hanzala (Glasgow) (Lab)
 Marra, Jenny (North East Scotland) (Lab)
 Martin, Paul (Glasgow Provan) (Lab)
 McArthur, Liam (Orkney Islands) (LD)
 McCulloch, Margaret (Central Scotland) (Lab)
 McDougall, Margaret (West Scotland) (Lab)
 McGrigor, Jamie (Highlands and Islands) (Con)
 McInnes, Alison (North East Scotland) (LD)
 McMahan, Michael (Uddingston and Bellshill) (Lab)
 McMahan, Siobhan (Central Scotland) (Lab)
 McNeil, Duncan (Greenock and Inverclyde) (Lab)
 McTaggart, Anne (Glasgow) (Lab)
 Mitchell, Margaret (Central Scotland) (Con)
 Murray, Elaine (Dumfriesshire) (Lab)
 Pentland, John (Motherwell and Wishaw) (Lab)
 Rennie, Willie (Mid Scotland and Fife) (LD)
 Rowley, Alex (Cowdenbeath) (Lab)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland Islands) (LD)
 Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
 Smith, Drew (Glasgow) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)

Smith, Liz (Mid Scotland and Fife) (Con)
Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 65, Against 54, Abstentions 0.

Amendment agreed to.

The Presiding Officer: The next question is, that motion S4M-09462, in the name of Gavin Brown, on Scotland's finances, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

For

Adam, George (Paisley) (SNP)
Adamson, Clare (Central Scotland) (SNP)
Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)
Allard, Christian (North East Scotland) (SNP)
Beattie, Colin (Midlothian North and Musselburgh) (SNP)
Biagi, Marco (Edinburgh Central) (SNP)
Brodie, Chic (South Scotland) (SNP)
Brown, Keith (Clackmannanshire and Dunblane) (SNP)
Burgess, Margaret (Cunninghame South) (SNP)
Campbell, Aileen (Clydesdale) (SNP)
Campbell, Roderick (North East Fife) (SNP)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Constance, Angela (Almond Valley) (SNP)
Crawford, Bruce (Stirling) (SNP)
Cunningham, Roseanna (Perthshire South and Kinross-shire) (SNP)
Dey, Graeme (Angus South) (SNP)
Don, Nigel (Angus North and Mearns) (SNP)
Doris, Bob (Glasgow) (SNP)
Dornan, James (Glasgow Cathcart) (SNP)
Eadie, Jim (Edinburgh Southern) (SNP)
Ewing, Annabelle (Mid Scotland and Fife) (SNP)
Fabiani, Linda (East Kilbride) (SNP)
Finnie, John (Highlands and Islands) (Ind)
FitzPatrick, Joe (Dundee City West) (SNP)
Gibson, Rob (Caithness, Sutherland and Ross) (SNP)
Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Hyslop, Fiona (Linlithgow) (SNP)
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)
Keir, Colin (Edinburgh Western) (SNP)
Kidd, Bill (Glasgow Anniesland) (SNP)
Lochhead, Richard (Moray) (SNP)
Lyle, Richard (Central Scotland) (SNP)
MacAskill, Kenny (Edinburgh Eastern) (SNP)
MacDonald, Angus (Falkirk East) (SNP)
MacDonald, Gordon (Edinburgh Pentlands) (SNP)
Mackay, Derek (Renfrewshire North and West) (SNP)
MacKenzie, Mike (Highlands and Islands) (SNP)
Mason, John (Glasgow Shettleston) (SNP)
Matheson, Michael (Falkirk West) (SNP)
Maxwell, Stewart (West Scotland) (SNP)
McAlpine, Joan (South Scotland) (SNP)
McDonald, Mark (Aberdeen Donside) (SNP)
McKelvie, Christina (Hamilton, Larkhall and Stonehouse) (SNP)
McLeod, Aileen (South Scotland) (SNP)
McLeod, Fiona (Strathkelvin and Bearsden) (SNP)
McMillan, Stuart (West Scotland) (SNP)
Neil, Alex (Airdrie and Shotts) (SNP)
Paterson, Gil (Clydebank and Milngavie) (SNP)
Robertson, Dennis (Aberdeenshire West) (SNP)
Robison, Shona (Dundee City East) (SNP)
Salmond, Alex (Aberdeenshire East) (SNP)

Stevenson, Stewart (Banffshire and Buchan Coast) (SNP)
Stewart, Kevin (Aberdeen Central) (SNP)
Swinney, John (Perthshire North) (SNP)
Thompson, Dave (Skye, Lochaber and Badenoch) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Urquhart, Jean (Highlands and Islands) (Ind)
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)
Wheelhouse, Paul (South Scotland) (SNP)
White, Sandra (Glasgow Kelvin) (SNP)
Wilson, John (Central Scotland) (SNP)
Yousaf, Humza (Glasgow) (SNP)

Against

Baillie, Jackie (Dumbarton) (Lab)
Baker, Claire (Mid Scotland and Fife) (Lab)
Baker, Richard (North East Scotland) (Lab)
Beamish, Claudia (South Scotland) (Lab)
Bibby, Neil (West Scotland) (Lab)
Boyack, Sarah (Lothian) (Lab)
Brown, Gavin (Lothian) (Con)
Buchanan, Cameron (Lothian) (Con)
Chisholm, Malcolm (Edinburgh Northern and Leith) (Lab)
Davidson, Ruth (Glasgow) (Con)
Dugdale, Kezia (Lothian) (Lab)
Fee, Mary (West Scotland) (Lab)
Ferguson, Patricia (Glasgow Maryhill and Springburn) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gibson, Kenneth (Cunninghame North) (SNP)
Goldie, Annabel (West Scotland) (Con)
Grant, Rhoda (Highlands and Islands) (Lab)
Gray, Iain (East Lothian) (Lab)
Griffin, Mark (Central Scotland) (Lab)
Harvie, Patrick (Glasgow) (Green)
Henry, Hugh (Renfrewshire South) (Lab)
Hilton, Cara (Dunfermline) (Lab)
Hume, Jim (South Scotland) (LD)
Johnstone, Alex (North East Scotland) (Con)
Johnstone, Alison (Lothian) (Green)
Kelly, James (Rutherglen) (Lab)
Lamont, John (Ettrick, Roxburgh and Berwickshire) (Con)
Macdonald, Lewis (North East Scotland) (Lab)
Macintosh, Ken (Eastwood) (Lab)
Malik, Hanzala (Glasgow) (Lab)
Marra, Jenny (North East Scotland) (Lab)
Martin, Paul (Glasgow Provan) (Lab)
McArthur, Liam (Orkney Islands) (LD)
McCulloch, Margaret (Central Scotland) (Lab)
McDougall, Margaret (West Scotland) (Lab)
McGrigor, Jamie (Highlands and Islands) (Con)
McInnes, Alison (North East Scotland) (LD)
McMahon, Michael (Uddingston and Bellshill) (Lab)
McMahon, Siobhan (Central Scotland) (Lab)
McNeil, Duncan (Greenock and Inverclyde) (Lab)
McTaggart, Anne (Glasgow) (Lab)
Milne, Nanette (North East Scotland) (Con)
Mitchell, Margaret (Central Scotland) (Con)
Murray, Elaine (Dumfriesshire) (Lab)
Pentland, John (Motherwell and Wishaw) (Lab)
Rennie, Willie (Mid Scotland and Fife) (LD)
Rowley, Alex (Cowdenbeath) (Lab)
Scanlon, Mary (Highlands and Islands) (Con)
Scott, John (Ayr) (Con)
Scott, Tavish (Shetland Islands) (LD)
Simpson, Dr Richard (Mid Scotland and Fife) (Lab)
Smith, Drew (Glasgow) (Lab)
Smith, Elaine (Coatbridge and Chryston) (Lab)
Smith, Liz (Mid Scotland and Fife) (Con)
Stewart, David (Highlands and Islands) (Lab)

The Presiding Officer: The result of the division is: For 63, Against 55, Abstentions 0.

Motion, as amended, agreed to,

That the Parliament welcomes the detailed proposals for Scotland's public finances and the economy set out in *Scotland's Future: Your Guide to an Independent Scotland*; notes that, over the last five years, Scotland has been in a relatively stronger fiscal position than the UK as a whole by £8.3 billion, equivalent to £1,600 for every person in Scotland; further notes that Scotland has generated more tax revenue per person than the UK as a whole in every year since 1980; welcomes the record levels of investment currently being undertaken in the North Sea and the increase in production and tax revenue that this will generate in the future; is concerned by the impact of the UK Budget on households, whereby Treasury analysis shows that all households have lost income as a result of UK Government cuts, with the lower income families among the hardest hit; notes that, on current UK Government spending plans, 60% of cuts to public spending are still to come, putting Scotland's economic future at risk; raises further concerns over the financial competence of proposals for further minimal devolution of income tax, and agrees that only independence will provide the Parliament with the full range of economic levers to improve Scotland's economic performance and tackle inequality.

The Presiding Officer: The next question is, that motion S4M-09481, in the name of Joe FitzPatrick, on the suspension of standing orders, be agreed to.

Motion agreed to,

That the Parliament agrees that Rule 13.7.4 of Standing Orders be suspended for the purpose of allowing question 1 to be asked at First Minister's Question Time on 27 March 2014 by a member other than the member who lodged it.

The Presiding Officer: The next question is, that motions S4M-09469, S4M-09471, S4M-09472 and S4M-09473, on approval of Scottish statutory instruments, be agreed to.

Motions agreed to,

That the Parliament agrees that the Agricultural Holdings (Scotland) Act 2003 Remedial Order 2014 be approved.

That the Parliament agrees that the Community Care (Personal Care and Nursing Care) (Scotland) Amendment Regulations 2014 [draft] be approved.

That the Parliament agrees that the Patient Rights (Treatment Time Guarantee) (Scotland) Amendment Regulations 2014 [draft] be approved.

That the Parliament agrees that the Renewables Obligation (Scotland) Amendment Order 2014 [draft] be approved.

Poverty (Scotland's Outlook Campaign)

The Deputy Presiding Officer (John Scott):

The final item of business today is a members' business debate on motion S4M-09225, in the name of James Dornan, on Scotland's outlook. The debate will be concluded without any questions being put.

Motion debated,

That the Parliament welcomes the launch of Scotland's Outlook, a joint third sector campaign that aims to raise awareness of the scale and impact of poverty in Scotland; recognises that the campaign uses a weather analogy with the aim of sharing meaningful examples of Scotland's poverty outlook to inform and educate people about what living in poverty means and to help them appreciate that anyone can find themselves living in poverty; understands that there are 870,000 people living in poverty in Scotland, that a fifth of Scotland's children are living below the breadline and that poverty is currently the biggest issue for the third sector in Scotland; notes that the Scotland's Outlook website provides a range of materials to allow people to see the future forecast for poverty and test their knowledge of poverty in Scotland; believes that this campaign, which has been developed by third sector partners including SCVO, Macmillan Cancer Care, Shelter Scotland, Oxfam Scotland, Alzheimer Scotland, CHAS, CPAG and the Poverty Alliance, is an excellent way to highlight the challenge of poverty, and hopes that, as a result of the campaign, more people throughout Scotland, including in Glasgow Cathcart, will understand the realities of poverty and be inspired to get involved in helping to tackle poverty in their communities.

17:05

James Dornan (Glasgow Cathcart) (SNP): I am delighted to host this debate on Scotland's outlook. The campaign has been developed by the Scottish Council for Voluntary Organisations in partnership with Macmillan Cancer Support, Shelter Scotland, Oxfam Scotland, Alzheimer Scotland, Children's Hospice Association Scotland, Child Poverty Action Group Scotland and the Poverty Alliance, and I welcome Owen Miller from Alzheimer Scotland to the public gallery.

The campaign uses a weather analogy to share meaningful examples of Scotland's poverty outlook to inform and educate people about the extent of poverty in Scotland, and it has used social media to great effect to get its key statistics and aims into the public domain.

One of the tools that it has used to accompany the campaign is an online quiz. I took it and—like most members, I imagine—I was shocked to see the true extent of poverty in black and white in front of me. The shocking headline is that 870,000 people in Scotland live in poverty. Of them, one in five is a child, which is an appalling statistic in energy and resource-rich Scotland.

Unfortunately, that is not the only appalling statistic that Scotland's outlook highlights. One question was about the difference in life expectancy between a boy born in one of the wealthiest areas in the country and a boy born in one of the poorest areas. The answer is 14 years: almost a decade and a half between the life expectancy of folk who can live within 10 minutes of each other.

Another question asked how many children a day are made homeless in Scotland: the answer is 60. As we have continuously heard from third sector organisations, it is clear that the move to universal credit will cause more problems, particularly now that housing benefit will be paid directly to tenants, rather than directly to landlords.

More than 20,000 of our citizens have used a food bank in the past six months. There was a 170 per cent increase in demand in 2012-13, with benefit delays, changes and sanctions accounting for more than half of referrals. In fact, the sanctions regime has cropped up time and again over the past six to nine months. It is making life extremely difficult for both people who have been sanctioned and the third sector and voluntary organisations that are tasked with helping them.

At his recent visit to the Scottish Parliament, Secretary of State for Scotland Alistair Carmichael MP said that there may well be a link between sanctions and the use of food banks,

"as sanctions are normally the result of the conduct of the claimant".—[*Official Report, Health and Sport Committee*, 12 December 2013; c 4646.]

How misguided. For that argument to have any truck we would have to believe that the current sanctions system is fair, which we know it not to be.

I am sure that I am not alone in having been contacted by constituents who have been sanctioned for non-attendance. In one case, a constituent was verbally told a date for their next adviser meeting, which was the day after the date on the back of the letter. When the constituent turned up on the date as verbally advised, they were put down as having missed an adviser appointment and sanctioned for a month. Criminals do not get that sort of treatment. It is just shocking.

The system needs to be far more flexible on sanctions. Even the right-wing think tank Policy Exchange has condemned the current sanctions regime in its report "Smarter Sanctions: Sorting out the system", which it published earlier this month. It says:

"Under the current system, wrongly applied sanctions can cause hardship, stress, and other negative outcomes for the most vulnerable families."

The author of the report, Guy Miscampbell, said:

"It is clear that there are a significant number of people who have their benefit taken away from them unfairly. Four weeks without any money is driving people to desperate measures including a reliance on food banks".

My constituency has seen a number of food banks open recently, both as conventional food banks, from which people come to collect food, and as local donation points, from which food goes to the larger Trussell Trust food banks across the city.

Pastor Don Palmer, who has been instrumental in setting up the food bank in his church, spoke to the local paper about the opening of the food bank. He said:

"The interest so far has shown how many good people there are out there, who care and want to do something about the growing need for these foodbanks. They're realising that it could be them asking for food in the next month or year."

Bruce Crawford (Stirling) (SNP): I heard last night at an event that I attended in the Parliament that the food bank in Stirling has run out of food despite a huge effort by volunteers to gather resources to allow it to continue. That is a shocking indictment of the current situation that we live in.

James Dornan: Clearly, I could not disagree with my colleague at all on that. As I said earlier, it is a disgrace for a wealthy country like Scotland to be in a situation whereby people have to rely on food banks and there is not enough food to feed people who are in such a desperate state that they have to go to food banks. [*Applause.*] Thank you very much, Jim Eadie—that is a tenner well spent.

The crux of the Scotland's outlook campaign is that, as well as there being far too many people living in poverty, hundreds of thousands more are living on the breadline and just one unexpected bill or illness away from destitution. Part of that is surely related to the fact that work is no longer a guaranteed route out of poverty. The Joseph Rowntree Foundation has estimated that for the first time ever more people who are living in poverty are from working households rather than workless households.

Monday saw the launch of fair pay fortnight, which highlights that income inequality is continuing to rise. The pay gap between London and Scotland, which for males is on average £165 a week, is of course bad news for our economy and living standards. However, Scotland is by no means the worst region—if we use that term—across the UK. We consider that Scotland is doing reasonably well compared with London, but we must think what the situation is like for other regions. The beauty of the situation is, of course,

that we have an opportunity to change things for ourselves.

It is the pay gap between the rich and the poor that is the real scandal. Five families in the United Kingdom are worth more than the poorest fifth of the population. This is not an equal society. The situation is clearly unsustainable and cannot continue. It could be partly rectified by having a truly progressive taxation system whereby everyone paid their fair share, but we have seen little evidence in the past decade under successive Westminster Governments that they truly want to tackle income inequality, which rose under Labour and is continuing to rise.

The Jimmy Reid Foundation recently published a joint report by the late Professor Ailsa McKay and Willie Sullivan—"In Place of Anxiety – Social Security for the Common Weal"—in which they were clear in their belief that we need to totally overhaul the welfare system so that, instead of creating an environment of fear, anxiety and insecurity, it acts as an integral part of our national strategy to pursue the interests of citizens and emphasise their social security. The report is clear that we need to change the focus of our economy from low-paid, low-skilled jobs to higher-paid and fairly paid jobs.

The report notes that having no requirement to pay a living wage costs the welfare system in Scotland at least £250 million in tax credits and other subsidies. Further, the report recognises that some smaller businesses would be unable to pay the living wage immediately and suggests that by making large companies pay it some of the extra money could be invested to ensure that eventually all companies paid the living wage as standard. The problem, of course, is that we do not have the power to do that in Scotland at this time.

The living wage should be the lowest that anyone in Scotland is paid, but it is also imperative that we move towards higher, fairer pay across the board. If we could make our economy more like the Scandinavian economies and move people out of low pay into decent pay, we could raise £4 billion more in tax without having to increase taxes at all. That extra money could help transform our public services. Obviously, I believe that such a change would be easier with the transformative powers that independence will give us.

I think that everyone in this chamber has a responsibility to ensure that, whatever the result of the referendum, we do not allow all the ideas that have sprung up because of the referendum to go unnoticed. Civic society in Scotland has flourished with ideas such as the common weal, the national collective, Scotland's outlook and many others. Now that we have people talking about the sort of country that they want, we need to ensure that,

whatever the result in September, we do all that we can to realise it.

I believe that to tackle poverty we should do all in our powers to tackle low pay and poverty pay, and ensure that future generations of people in Scotland are paid fairly and not born into endless cycles of poverty. I hope that, until Scotland has the power to set the minimum wage itself, the Westminster Government will come to see the benefits of at least raising the minimum wage with inflation. However, the recent lacklustre rise does not instil confidence that Westminster will ever really start working for poorer Scots.

The Deputy Presiding Officer: Would you draw to a close, please?

James Dornan: Scotland's outlook is clear that the poverty crisis in Scotland is a humanitarian one. Unbelievably, we see across the UK the Red Cross having to intervene because of decisions that are made at Westminster.

Those decisions are by and large decisions that the people of Scotland have no say over and are made by people who have little mandate to govern in Scotland and who are opposed by the majority of Scottish MPs. Polls consistently show that the people of Scotland want welfare decisions to be made in Scotland, want the power to do things differently, want to ensure that dignity and respect are at the heart of the system and want to know that we, their political representatives, have their backs and will do everything that we can to assist them.

The Deputy Presiding Officer: Would you draw to a close, please, Mr Dornan?

James Dornan: That does not seem like too much of an ask. For many across this chamber, the opportunity to help people was one of the main reasons why we became involved in politics.

Scotland's outlook does not need to be so dreich. There is nothing inevitable about the levels of poverty in Scotland. It will take time and effort to change the systems that maintain the cycles of poverty—

The Deputy Presiding Officer: Thank you very much, Mr Dornan. You have had nine minutes.

James Dornan: —but we have a responsibility, whether independent or not, to break those cycles, help people out of poverty and ensure that they stay out of it.

The Deputy Presiding Officer: I now call Graeme Dey, who has four minutes.

17:15

Graeme Dey (Angus South) (SNP): The Scotland's outlook campaign aims to highlight just

how widespread poverty is in Scotland, and how living in poverty will come to affect more and more of our citizens even if they do not necessarily expect it to. The campaign undoubtedly succeeds in doing that. If reading even the SCVO briefing on the campaign does not make members angry, then, to be frank, there is something wrong with them. Embedded in that briefing is the statement:

“Scotland is a rich country ... it is unacceptable that people are living in real hardship.”

I absolutely agree. If nothing else, contemplating the challenges that are being faced by many of our citizens, 870,000 of whom are deemed to be living in poverty, lays bare the utter obscenity of the UK seeking to renew Trident. Why would we spend up to £100 billion on weapons of mass destruction when a fifth of kids are living below the breadline?

Poverty has many guises. For most people, the word will conjure up images of deprived inner cities, but poverty is not confined to urban sprawls. Rural poverty is real, not just in the more remote areas of Scotland but in constituencies such as Angus South. That is perhaps not so surprising when we realise that the minimum standard of living can cost up to 40 per cent more in remote and not-so-remote rural areas compared with urban areas, and that a single person on basic benefits does not have even a third of what is needed to live on in some rural parts of Scotland.

Without in any way downplaying the situation in urban areas, we should acknowledge that rural households face higher living costs for transport, food and heating and that, although some have the income to cope with that, many do not. A report that Highlands and Islands Enterprise published last year states that transport costs can be up to £40 a week higher for the average single adult in rural Scotland due to lengthy commutes to work and the higher price of petrol in rural and remote areas.

However, we do not have to stray far from the major conurbations to see the challenges. In my constituency, which takes in the significant population centre of Arbroath and borders Dundee, sits the town of Kirriemuir. It has only one petrol station, so there is no competition to drive down fuel prices. Either people fill up there or they use more fuel heading to Dundee, Perth or perhaps Forfar. Kirrie, with its rural hinterland, is not on a rail line, and the bus service is as we would expect it to be in such a part of the country. If someone works, the chances are that they will have to drive, and perhaps a distance. It is the same if they want to enjoy the financial benefits of supermarket competition.

It is no surprise that many rural households are living in poverty, because on top of the areas of household spend that I have highlighted comes

the clincher—energy costs. All too often, rural houses are older, stone built and detached and therefore much less energy efficient, and occupiers are left paying vast amounts for their heating, which is often provided by off-grid means. As energy prices are soaring, alternative fuels are being hit harder than mains gas. The cost of heating an average home with gas has risen by £400 in the past four years, but those who have to heat their houses with liquid propane gas or home heating oil have had to deal with rises in heating bills closer to double that.

My Westminster colleague Mike Weir has not only championed the issue with successive London Governments but on four occasions sought to help to alleviate it for the elderly. He has fought for a change to the timetable for winter fuel payments so that those who live off grid can access the support earlier in the year. That would help them to make their money go further because they would be able to buy their oil or LPG in September, when prices can be up to 35 per cent lower. That would greatly help up to 200,000 pensioners in rural Scotland who receive winter fuel payments.

However, although Mike Weir's four attempts—two in the form of private members' bills and two through the introduction of amendments to UK Government energy bills—have on occasion found support from other quarters, on each occasion they have foundered. Both of the major parties at Westminster have indicated support for the principle, but neither has made it happen when in government. I note that the Labour Party has indicated that, were it to be elected there in 2015, it would seek to introduce such a measure. If Labour is elected, I hope that it will see it through because, while I anticipate Scottish pensioners being able to benefit from such a move for only one winter ahead of independence, there are Welsh and English pensioners in the same boat.

I congratulate the third sector organisations that have come together to provide us with the Scotland's outlook campaign. It makes an important contribution by highlighting and providing pointers on addressing poverty in Scotland wherever it exists and however it is caused.

17:19

Jackie Baillie (Dumbarton) (Lab): I congratulate James Dornan on securing this debate on Scotland's outlook and on most of his speech. We could agree with much of what he said, but I say genuinely that changing the constitution will not in and of itself tackle child poverty and will not in and of itself end fuel poverty, whereas changing the Tory Government absolutely will.

I join James Dornan in congratulating the SCVO and all those that are involved in the campaign—the Poverty Alliance, the CPAG, Shelter Scotland, Oxfam Scotland, Macmillan Cancer Support, Alzheimer Scotland and CHAS. Their purpose is to raise awareness of the scale and impact of poverty in Scotland and to find ways of working together to address that challenge.

I always thought that the weather was akin to a national obsession—we talk about it all the time and it is not surprising that we do so when we have all four seasons in one day. Using the weather is a clever and serious way of engaging people with the debate.

There is an explicit challenge to all of us. We need to work together across the political divide to take concerted action, which must not be delayed or limited by the referendum debate. The call for action from the sector is a call for action now and not at some point in the future.

There is no greater cause for all of us than eradicating poverty and in particular child poverty. I have worked in many areas of the west of Scotland and have seen the life chances of children already shaped by the age of three. I have seen the lack of opportunity for our young people and the struggle for families who are in work as poverty increases.

Under Labour, child poverty rates fell significantly—200,000 children were lifted out of poverty in Scotland alone—but progress has stalled recently. We should acknowledge that, in that period, poverty fell by a greater extent in Scotland than it did anywhere else in the UK. The issue is not about flags or borders but about the political will that is required to challenge child poverty. The pressing concern now is that we know that, with the Tory welfare cuts, child poverty levels are set to rise.

In the short time that I have, I will focus on in-work poverty. To echo James Dornan's comments, the best route out of poverty has always been work, but some of the greatest falls in child poverty that we achieved occurred because we deliberately prioritised improving access to work, whether that is by improving skills or removing barriers. That approach met with considerable success.

We face a cost-of-living crisis of enormous proportions, the like of which we have not witnessed in decades. The prices of essential goods have risen by about 25 per cent in the past five years, but wages are declining in real terms. Many families who cannot make ends meet are ending up in debt and turning to payday lenders and even food banks.

However, there is something that we can do. The SNP and Labour share a commitment to the

living wage. The Procurement Reform (Scotland) Bill, which is going through the Parliament, provides an opportunity for us to use the public sector's £10 billion spending power to promote the living wage. There is an opportunity to end the use of zero-hours contracts and to improve pay, which will help women in particular, as 64 per cent of those who would benefit from the living wage are women. We did not manage to amend the bill at stage 2, but let us apply our minds to doing so collectively at stage 3. Let us work together and seize the opportunity, because the prize for both will be considerable and will contribute to tackling poverty.

Lastly, I will focus on those who are close to being destitute—people who have been sanctioned by the Department for Work and Pensions and whose benefits have been suspended. The numbers who are sanctioned have more than doubled under the current Government. Hundreds of thousands of people are affected. A disproportionate number are those with learning disabilities and mental health problems.

West Dunbartonshire Citizens Advice Bureau produced a report that highlighted the scale of the problem. West Dunbartonshire Community Foodshare has reported a huge increase in the numbers who are getting assistance, of whom 43 per cent have been sanctioned. We need to focus on those who are left with little, if anything, to live on and on ensuring that they do not slip through the net.

The level of poverty is a national scandal, but there is nothing inevitable about poverty. We can and must change that. It takes political will, which needs to be shown now.

17:24

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): We in the Scottish Parliament and members in Parliaments across the world should remember that we are immensely privileged: we are privileged to be parliamentarians and we are economically privileged. Very few of us will think about the amount of money that we have at our disposal when we undertake any of our day-to-day expenditure. We will be constrained simply by the fact that we do not have quite enough money in our wallet because we did not go to the cash dispenser. Too many families across Scotland do not have the luxury of being able to make the kind of choices that are available to us.

My wife has just filled up our fuel tank after the winter. She has put 1,800 litres of oil in it, the cost of which came to more than £1,000. She could do that without thinking too much about it. Too many families in rural Scotland do not have the

opportunity to make the choice to fill their tanks to the brim. They buy in smaller quantities because they have less money. When you buy in smaller quantities, you pay more. As part of that procurement exercise, my wife phoned seven companies. She found that the difference between the top bid and the bottom bid on the fuel for her tank came to around 7p a litre. People who buy small amounts pay substantially more.

My constituency is not one in which the numbers suggest that we have a major problem. In the various areas of my constituency, the percentage of children in poverty ranges from a peak of 17 per cent in Fraserburgh and district to a bottom figure of 8 per cent. Not a single area of Glasgow, including its prosperous areas, has a child poverty figure that is as low as the highest figure in my constituency. The lowest figure for an area of Glasgow is 18 per cent, whereas the highest in my constituency is 17 per cent.

We know that there is huge disparity across Scotland, but in rural areas, which constitute a great deal of my constituency, there is hidden poverty. There are people who live in rural areas where public transport is relatively poor, where fuel oil—an expensive form of heating—is relied on and where children are suffering accordingly.

Some of the figures that are cited in the arguments on poverty are quite staggering. The fact that five families in the United Kingdom—that is the number of fingers on my hand—have the same amount of money as one fifth of the UK's population shows how skewed the distribution of economic resources is.

If we become disconnected from the concerns of our constituents and the concerns of the poorer people in Scotland, we make poor decisions. I think that there are too many poor parents involved in parliamentary decision making. When I say “poor parents”, I mean parents who outsource their responsibility for the education of their children to schools such as Eton and Harrow. To me, that is poor parenting. The people who come out of that process are not necessarily to be blamed, but they have little understanding of the reality of the lives of too many ordinary people. We need more people who are connected with and grounded in real life to be in a position to make the kind of decisions that will support people.

I congratulate those who have been involved in the launch of the Scotland's outlook website. As politicians, part of our job is to articulate complex subjects in simple and accessible ways. By presenting the impact of poverty in the form of a weather chart and a simple-to-use website, a familiar model—one that people see on the telly every night—has been used to carry a complex message to a wide audience. I warmly congratulate all the organisations involved—and

James Dornan, for bringing the debate to the chamber.

17:29

Alex Johnstone (North East Scotland) (Con):

I congratulate James Dornan on bringing his motion to the Parliament and I pay my compliments to the organisations that are mentioned in it, which have been involved in developing the campaign.

It is not my intention to disagree with much—if anything—that has been said in the debate so far. In fact, I fully support many of the measures that have already been described. I intend to talk about the things that have not been mentioned, because what has been described until now is not the whole picture.

It is a fact that welfare will always have a significant role in supporting the least well off in society, but we must not make the mistake of believing that it is the only opportunity that exists to help people out of poverty. The old saying is that it is not a handout that they need—it is a hand up. We should always remember that.

It is perhaps sad that there is a poverty of ambition in some sectors—and, more often, a poverty of opportunity—that prevents the least well off in our society from making their way into a position in which they can control their own life and income. For that reason, it is important that we take a broad approach and ensure that we listen to many other people, including the Cabinet Secretary for Finance, Employment and Sustainable Growth, who spoke at length in the previous debate about how we can work our way to a point at which we can genuinely expect better standards of living through economic growth.

There is also plenty of opportunity in Scotland to develop new industries. We need to work on that in order to create jobs.

There is a contrast—not the one that James Dornan drew between Scotland and London—that can be drawn constructively right here in Scotland, between Scotland's regions. Some of the wealthiest areas in the country are in Scotland and our failure to ensure that the wealth that has been created in some parts of the Scottish economy has benefited the whole of Scotland and its people is the primary cause of the imbalances that we see.

Do not make the mistake of thinking that I am supporting the unprecedented socioeconomic and geographical redistribution of wealth through taxation that the Scottish Government appears to be planning. The Scottish Government seems to talk about that regularly. I want to take the genuine opportunity that we have to ensure that we get Scotland's unemployed into the jobs that we are

creating in the Scottish economy. That means that we have to address issues such as labour mobility and we have to ensure that we provide the necessary affordable housing in areas in which there are jobs, not simply where there is a need for affordable housing. By taking a combined approach in which we deal with the welfare issues and the broader economic issues, we are already at a point at which we can see unemployment in Scotland dropping at a significantly higher rate than it has been dropping and people being able to take control of their lives and end the culture of dependency.

There is no greater sentence than a sentence to a life in dependency. I do not like to see people giving in to poverty of ambition. We need to take notice of the motion and support the causes that are mentioned in it, but we also need to ensure that we never forget that there is a strong economic driver that will guide us away from poverty and ensure that Scotland's people do better from our economy in the future than they have in the past.

17:33

Chic Brodie (South Scotland) (SNP): I, too, welcome the debate and applaud James Dornan for bringing it forward with the support of the sponsors. However, I have one issue with the motion. I say this with the deepest commitment to and regard for the great and hard work that the vast majority of third sector organisations in Scotland do. The motion says:

“poverty is currently the biggest issue for the third sector in Scotland”.

I believe that poverty may be the single biggest issue for all of Scotland. However, it is right, of course, that we are able to size and scope the problem to draw back the curtains, reveal the stage on which poverty is the play, and see how many populate that stage.

This is no place for our version of “*Les Misérables*”. I again commend James Dornan for securing the debate. I also commend the third sector for using every vehicle that it can—Scotland's outlook is a key one—to bring home to everyone the everyday fight and the struggle of decent people and to dispense with the stigma and the opprobrium that come in the name of poverty. The cold pensioner, the hungry child, the immobility of the immobile and the disabled, and the despair of anxious parents have no place in one of the planet's wealthiest countries.

However, we are not wealthy in all ways, and until we bridge and cross the chasm of poverty, we will not achieve the goal that we share. As has been mentioned, the gap between the rich and the poor is offensive; it is obscene. There is no real

wealth in a United Kingdom or in a Scotland where, according to Oxfam and as Stewart Stevenson mentioned, the UK's richest five families have more wealth than a fifth of the entire UK population. Obscenity comes not just in that but in many forms, none more so than the gap between the rich and the poor in the United Kingdom. That will not be the case in a new Scotland—not in my name.

There is little plausibility in us talking about increasing Scotland's wealth unless we are very clear about how we plan to distribute that income and wealth. The mechanism or vehicle that is the source of tonight's motion clarifies and sets out very clearly just how serious the problem is.

I was told very early on in my political career that the objective should be to create a free and cohesive society in which the ultimate objective was the maximisation of happiness for each member in it—not wealth, but happiness.

I was raised in a prefab in Dundee. We did not have a lot of money or wealth but it was not real poverty and we had a lot of happiness.

Stewart Stevenson: Is the member aware that, in the national constitution of Bhutan, the primary objective is to deliver gross national happiness?

Chic Brodie: In fact, I was aware of the King of Bhutan's direction to his people that that should be the objective. I am not sure whether we will import all the King of Bhutan's objectives, but that would certainly be one of them.

We need information and I applaud what Scotland outlook strives to do to allow us to see what is on that stage. As we see what is there, let us remember how much money we spend on weapons of mass destruction, for example. That is almost an even bigger obscenity.

Let us together seek to accept a growing economy in which each and every one shares in its growth; where there is a greater participation in and a sharing out from that economic growth; where there is a welfare system that is there to be a safety net and not a safety harbour; where we restore dignity as we eliminate poverty; where we secure the worth of people in work; and where we as politicians in Scotland secure joint and concerted action as opposed to saying that it is somebody else's fault, although it may start there. Let us not rest until the stage is empty.

17:38

The Minister for Housing and Welfare (Margaret Burgess): I, too, congratulate James Dornan on securing the debate, given the commitments that this Government has made to tackling poverty.

I very much welcome the launch of Scotland's outlook and I hope that it will spread awareness across Scotland of the serious issues that it identifies. As a Government we are supporting and working with third sector organisations, many of which are part of the Scotland's outlook campaign, to tackle poverty. We will continue to work with them.

As Jackie Baillie said, we all have to work together. The Scottish Government is working very closely with the third and local sectors and every organisation possible to tackle poverty. Everyone in the chamber agrees that it is an affront to our society that, in a rich country such as Scotland, we see so many people in poverty.

Scotland's outlook is focusing minds on what poverty really means. In fact, that is brought home to me when I buy a £2 cup of coffee—and that is cheap for a cup of coffee these days—and sometimes leave it because it does not have enough froth. That £2 could keep someone above the breadline. We should all be aware that, to some people, £2 is a huge amount of money and can make a huge difference to their lives. However, I want those people to have a lot more than that, and we are working towards that aim.

Last month, the Deputy First Minister announced £2.5 million for the Child Poverty Action Group, Macmillan Cancer Support, One Parent Families Scotland and the Poverty Alliance to deliver a number of projects, including providing advice to people dealing with the impact of welfare reform and advice on managing debts and household budgets; encouraging employers to adopt the Scottish living wage, of which I will say a bit more in response to Jackie Baillie; and engaging communities in tackling poverty. Those projects are all important and show that we are working together on this matter.

The Scottish Government was the first to introduce the Scottish living wage in all sectors for which it has direct responsibility and we are funding the Poverty Alliance to promote the Scottish living wage to employers throughout the country. However, under European law, we cannot put the Scottish living wage into the Procurement Reform (Scotland) Bill because it is higher than the UK minimum wage. As Jackie Baillie is aware, the Deputy First Minister has made it very clear that we intend to issue statutory guidance to ensure that the living wage can be put into contracts, and we are working very hard to ensure that that happens. The Scottish Government is absolutely committed to the living wage.

We are involving third sector organisations in shaping our approach to tackling child poverty. For example, the ministerial advisory group that we have established to develop the child poverty strategy contains representatives of most of the

organisations that I have already mentioned, including the Child Poverty Action Group, One Parent Families Scotland, the Joseph Rowntree Foundation and Business in the Community, to name but a few. We need those organisations to work with us if we are to get this right.

As was mentioned in the previous debate, Scotland is a wealthy nation. We are energy rich, our workforce is highly skilled, our reputation for innovation is long established and Scottish businesses are competing at the highest level worldwide. However, as we have heard, we all know constituents who are struggling to pay housing costs, particularly after the introduction of the bedroom tax, people who are relying on food banks to feed themselves and their families, and people who are struggling to make ends meet as the cost of living increases.

To reduce pressure on household budgets and put more money in people's pockets, the Scottish Government is defending and extending core universal services, rights and benefits through the social wage; for example, it has abolished tuition fees and introduced free prescriptions and eye tests. On the latter point, I am absolutely opposed to the Conservative proposal to do away with free prescriptions. In my previous job, I saw many people on very low incomes and incapacity benefit—or what is now called employment and support allowance—who still had to pay for a huge number of prescriptions. Because they were left with the decision of how many prescriptions they were able to get one month and how many the next, they were almost playing Russian roulette. That certainly did not help the health service or the individual, and I do not want to see that sort of thing again.

We are increasing the provision of nursery education, and we are spending £220 million on utilities and energy efficiency measures. The latest published figures show a fall in the levels of poverty and fuel poverty; indeed, had we not taken various measures, more people would have been in fuel poverty than is the case today. However, although we should be pleased that, since this Government came into power in 2007, child poverty has fallen from 21 to 15 per cent, the figure is still far too high. None of us wants that level of poverty, and we know that the figure is only going to rise because of decisions that have been taken at Westminster.

I welcome the partnership approach that we have taken to mitigating those UK Government decisions on welfare and benefits. I accept that not everybody who is in poverty is in receipt of benefits, but we have seen people being pushed into poverty by the cuts in the working tax credit. The cuts in child benefit can take £1,000 off a family in a year. Yet, had previous Governments

increased the minimum wage in line with inflation, a family could be as much as £600 a year better off.

We are doing what we can. We are spending at least £258 million to mitigate the UK Government's decisions, but we should not have to divert money away from other services to deal with the consequences of policies that we do not want in Scotland. We could have used that money for other things.

I have set out a range of actions that the Scottish Government is taking within our existing powers to tackle poverty. I assure the chamber that we will continue to work with all those organisations, including the partners in Scotland's outlook, to tackle poverty in Scotland, which is something that we must do together. Nevertheless, I think that there is a better way. Alex Johnstone talked about creating wealth and making better use of Scotland's economy. I believe that we can do that, but only when we have full control of Scotland's economy. That is the way ahead if we truly want to deal with poverty in Scotland. In the meantime, we will continue to work with all the organisations. I and the Scottish Government are committed to doing everything that we can to reduce child poverty. I find it an affront to see people in poverty when we are such a wealthy nation.

To the organisations that have produced the Scotland's outlook website, I say that it is a great website. We should not need it, but it is good that it is there. We all need to think about poverty in our local communities and how we can continue to work together to tackle it.

Meeting closed at 17:46.

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