



PRESS WATCH - Nicola Sturgeon's 'neverendum' is hammering the Scottish economy

Its economy will be destroyed by leaving the single market. Losing access to European sales will destroy swathes of industry, and without free movement, employers will be crucified by skill shortages, Matthew Lynn writes in The Spectator.

Nicola Sturgeon is no doubt already preparing her lines for a vote on Scottish independence once the UK leaves the EU.

Right now, that looks as if it could come a lot sooner than anyone imagined. It is reported that as soon as the Prime Minister Theresa May triggers Article 50 and starts the process of leaving the European Union, Scotland's First Minister will announce plans for a second referendum on independence – a demand that May could find impossible to resist.

But hold on. In fact, Sturgeon's 'neverendum' campaign is already hurting her country's faltering economy. It is already doing significantly worse than the rest of Britain. With the added uncertainty of yet another referendum, it may be wiped out completely. It is surely time the nationalists stop playing games and started worrying about jobs and growth instead.

As Scotland voted 62/38 to remain in the EU, even as the UK voted 52/48 to leave, it is not hard to understand why the SNP sees an opening to reverse the result of the 2014 vote on independence. The Scots will be taken out of the EU against the will of the majority. The SNP believes that Brexit gives it the opportunity to win this time around. Perhaps it does. But it also

becoming clear that the 'never-endum' campaign is hammering the Scottish economy.

In fact, Scotland is starting to perform significantly worse than the UK as a whole. In the latest quarter it grew by only 0.2 percent, compared with 0.6 percent for the UK. The employment rate is now declining. In the three months to November it dropped by 0.5 percent, and is now well below the rate for the UK. House prices are rising more slowly than England or Wales – 3.5 percent compared to 7.2 percent for England. Perhaps most seriously of all, the rate of company formation in Scotland is way below the overall rate for the UK – very few new businesses are being created.

Scotland's slowing growth.

In the last year, it has become obvious that the Scottish economy, which was always perfectly prosperous compared to anywhere apart from London, is now doing a lot worse than the British one. It is not hard to figure out the reason. The SNP has created a vast amount of political uncertainty.

It is campaigning for a second referendum on independence, only a few years after the last one. And it is campaigning to either remain

inside or go back into the EU, even though Europe accounts for only around 18 percent of its trade, compared with 50 percent for the UK.

Britain is going through a big change with Brexit. But at least the direction of travel is clear. We are coming out of the single market and probably out of the customs union as well. That will cause some disruption – and yet against that, companies know what is coming down the line, and can make plans accordingly.

Any business in Scotland, by contrast, no longer has any idea whether it will be in the UK, the EU, the single market, or the customs union. It doesn't even know what currency it will use in a couple of years time. Why would anyone want to invest in a climate like that? The answer is, they don't.

Nothing will stop Sturgeon campaign for independence, or seizing any opportunity for another vote. But as its economy declines, the SNP's political recklessness looks more and more cavalier. And if it ever does achieve its aim, it may find itself in charge of a very poor country.

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