

## Introduction

Thank you Andrew and can I add my welcome to everyone for coming along this evening.

I must confess to only knowing of Sir Alexander Stone as the name on the building at Glasgow where my economics lectures used to be held.

For those of you who don't know, he was a banker and philanthropist helping to support a number of notable cause across the country.

He was also the son of Jewish parents who fled Russia in the early 20th century to escape persecution.

In these current times, it does no harm to be reminded of our shared history and the importance of human values, respect, tolerance and solidarity.

With that in mind, I want to talk about Brexit.

Now I'm sure many of you - including me - are sick of the very word.

But what I want to do is to look forward; to reflect upon where the UK and Scotland might go next; and to raise some of the key economic questions that still need to be resolved.

## Part 1: 'What we do know'

Before all that, what can we say with certainty?

Firstly, and this may seem like an obvious point to make, we still don't know yet if, or when, Brexit will take place.

An extension has been granted to the 31st January, with a general election on the 12th December.

What happens next is anyone's guess.

But lets us assume that Brexit is happening.

We know that - for better or worse - it will represent the greatest change to our economic system in well over a generation.

It will impact the way we trade; the scale, sources and type of investment in our economy; and the future supply of workers.

At the same time, by no longer being tied to the EU, future UK economic, social and environmental policy may look quite different.

### **What else do we know?**

Well we know that we are still only part of the way on the Brexit journey.

Last month's deal sought to finally determine the terms of the UK's exit from the EU, but it doesn't cover what our future relationship with the EU will look like.

Boris Johnson hopes to negotiate a 'comprehensive' agreement by the end of 2020, but as we have seen over the last 3 years, ambitions about what our politicians say they will achieve and the cold reality of what they can achieve are not necessarily the same.

So to misquote a slightly better public speaker than me, we're at the end of the beginning of the Brexit process, rather than at the end or even the beginning of the end!

We also know that Brexit is having an impact upon our economy. And the sooner we get a resolution the better.

Some of you may recall some over the top predictions about what might happen in the event of a 'leave' vote back in 2016.

George Osborne talked about an immediate recession.

In the end, this did not happen.

But it is clear that our economy is worse off.

Annual UK growth is currently tracking at just over 1.2%, around half its long-term trend.

In five of the last six quarters, businesses have scaled back the amount of money they are putting in to long-term projects in the UK.

It's hard to find a time in the data - outside of a recession - where investment has been this weak for such a sustained period of time.

Here in Scotland, our economy is around 2%, or £3 billion, smaller than where we thought we would now be prior to the leave vote.

Hopefully if there is a resolution to the current impasse, some of these impacts will be temporary.

And it's important that we don't just blame Brexit for all of our economic challenges.

Indeed, we have been stuck in a low-growth cycle for over a decade now.

Sadly Brexit has become a bit of an excuse from tricky debates about the performance of our economy.

It's also crowded out debates about where our economy is heading in the long run - whether that be climate change, inequality, automation or demographic change.

Today was meant to be Budget day. The day - in normal times - when governments provide an update on how the economy is tracking and set out their fiscal plans for the year to come. Instead we are left in limbo.

So that is what we know so far - and it's not very much to be fair.

In the remainder of my talk I want to explore some of the 'big' unresolved questions.

## **Part 2: 'The key economic questions for Scotland and the UK'**

The first set of questions relate to the future of UK economic policy.

As I have mentioned, last month's deal covers the UK's exit from the EU - but it says very little else including about our future relationship with the EU.

In short, the UK will -

- Leave the EU Single Market;
- No longer be bound by EU regulations in areas such as employment law or environmental commitments;
- Leave the Customs Union - albeit with special provisions for Northern Ireland - meaning that the UK will no longer be part of a EU-wide external tariff, making it possible to do trade deals with other countries.

Now there is a lot in this, so let's start to unpick it.

A first question to be resolved surrounds the nature of the UK's future relationship with the EU - will we agree some form of preferential trading relationship? And if so, what form should this take?

One thing we teach our new economics recruits is that the 'gains from trade' are typically positive. Not only does it encourage specialisation and opens up new markets, but it can also open up consumer choice, foster innovation and boost productivity.

That's been the underpinning of the European economic model for the last few decades.

And it's important to Scotland.

Over £14bn or 45% of our Scottish exports are to the EU, supporting around 144,000 jobs.

The UK Government's position is that it will seek a 'comprehensive free trade' agreement. But go no further.

Just to be absolutely clear. This is a long way from the current Single Market and is an even 'harder' Brexit than Theresa's May 'customs partnership'.

### **So what might a trade deal look like?**

Under current plans, there would be no tariffs on goods traded between the UK and the EU - remember tariffs are the taxes businesses pay when shipping goods overseas.

Avoiding tariffs is a good thing.

But interestingly, tariffs are no longer as big an issue as they once were.

The average EU tariff is now just 2.8% for non-agricultural products.

Of course, for some products tariffs are high - particularly for fish, dairy and some manufactured goods.

But for others, such as some chemicals and petroleum, the tariffs are almost negligible; whisky would have a 0% tariff.

If tariffs are less of a worry, what's the problem?

Unfortunately tariffs are not the only thing that acts as a barrier to trade.

In the modern economy, so-called 'non-tariff' barriers are - for many - even more important.

### **What are these barriers?**

Some of them simply relate to the costs of administration and bureaucracy of making shipments across international boundaries.

For example, by being outside the Customs Union all UK products entering the EU will have to go through 'Rules of Origin' checks simply to verify they are what they say they are.

These costs can be high, especially for smaller firms.

Non-tariff barriers also cover the complex rules that govern the buying and selling of products within markets and wider aspects to such as the hiring and firing of workers.

Well having decided upon whether to have any form of preferential trading relationship with the EU at all, the next obvious question is what it will and will not cover.

Should it cover goods only, or also include fish and agricultural products?

Again this matters.

A third of all lamb produced in the UK is sold in the EU.

And as we know, despite only directly employing less than ½% of Scotland's workforce, fishing has been totemic to many in terms of 'taking back control'.

Should it also include services?

Scottish service exports to the EU are worth around £5 billion, and have been growing much more quickly than traditional goods exports in recent years.

Moreover, how integrated should our two economies be post-Brexit? Should the UK seek to align itself with the EU in areas of regulation and standards perhaps including mutual recognition? Or take a different path?

For many sectors, the degree of alignment is absolutely crucial.

For some, such as aspects of financial services, there is no going back.

In others, such as aerospace, there is scope for cooperation but only if agreement can be reached.

None of this will be easy.

Not only will the UK need to decide own its position on such issues, each and every case will have to be negotiated with the EU.

And as we have seen over the last three and a half years, the UK doesn't have a great track record of coming out on top in the negotiations with Michel Barnier and his colleagues!

A third question, concerns the UK's future approach to international trade.

A number of prominent Brexiteers have argued that the UK should set itself up as a beacon of light for global trade far beyond Europe.

This is indeed a possibility, but not guaranteed.

And I'd urge some caution around expectation management.

Firstly, we trade more with the EU than we do with North America, Asia, South America and the Middle East combined.

9 of Scotland's top 10 export markets are in the EEA.

Doubling our exports to Australia would be worth less than 5% of current EU exports.

There's a simple reason that you trade with countries that are close to you. And that's because they are close to you.

Secondly, agreeing trade deals with new partners won't be a walk in the park

You only have to look at the ongoing disputes between the US and China to see just how tricky the politics international trade can be.

It took 7 years to agree the EU-Canada trade deal.

Trade deals are difficult and don't just relate to economics but have a hefty dose of politics. Do we really want to open up our economy to products made overseas that have weaker safety standards than our own?

And of course, whilst we may focus upon what we might want to get out of a trade deal, what would these countries want from us? The NHS has become a bit of a lightning rod for such debates, but what about student visas or access to Scottish fishing waters?

A fourth unanswered question concerns what happens to the powers that the UK will see return to Westminster post-Brexit

### **And where might future priorities lie?**

If Brexit was all about 'taking back control' then future economic, social, state aid, labour market and environmental policy could look quite different to what it does now.

Should we seek to set higher standards than we have just now?

Or should we have a so-called bonfire of red-tape as some have argued?

As a country we've yet to really consider what our approach might be and the implications.

It will be important however, to remember that whilst we may have the power to set policy independently, everything we do will remain highly intertwined with our key trading partners.

It seems highly unlikely for example, that the EU would agree to a trade deal that saw the UK undercutting it on employment or environmental standards or was more lax on State Aid.

And of course, we also need to remember that regulations are there to serve a purpose.

One person's bureaucracy or red-tape is another person's protection from discriminatory work practices; or guaranteed minimum standards of health and safety at work.

All of this is not to say that there are not opportunities to do things differently - more efficiently or achieve better outcomes - but it is simply that once we look beyond slogans, there is no easy silver bullet for the UK economy.

Of course a follow on question to all of this is how this will impact upon the nations of the UK - will it push them apart or hold them together?

The situation in Northern Ireland remains a significant concern.

Even prior to Brexit it has one of the weakest economies within the UK, with a GVA per head over 15% lower than ours here in Scotland (even excluding oil).

Of any part of the UK it is the most dependent upon trade north-south and east-west.

And of course it goes much further than economics and into the operation of the Good Friday Agreement.

Here in Scotland we have our own questions.

### **Part 3: 'The key economic policy questions for Holyrood?'**

The Scottish Government has been a rare source of stability in recent times - consistently arguing against Brexit.

Its leadership around issues such as the status of EU migrants has been well intended and well received.

But if Brexit does happen it has a responsibility to quickly turn its attention to this new reality.

So a first key question will be how might devolved policies evolve in the light of Brexit?

Just after the referendum, Andrew Goudie and I wrote a short note where we argued that Brexit would turn on its head the Scottish Government's entire approach to the economy.

I'm sure you will have all read it!

If not, it's still available at <https://fraserofallander.org!!>. Andrew's in the audience and will be happy to chat and answer any difficult questions.

We argued that every aspect would have to be rethought.

I remain firmly of that view.

All four pillars of the government's strategy - internationalisation, innovation, investment and inclusive growth - will be impacted: whether through market access, migration, the funding of key policy priorities or the policy levers available.

More generally, if you believe that Scotland and the UK economies are likely to grow more

slowly because of Brexit, then Holyrood will need to get even better at ensuring that every penny that they spend has maximum impact.

They will also need to react to differences in how the economies of Scotland and the UK may respond to Brexit.

Scotland's top export sectors can look quite different to those for the UK as a whole.

A second difficult issue will be how the repatriation of powers from Brussels - in areas such as the environment and agriculture - is shared between Westminster and Holyrood.

The Scottish Government sees these powers as already theirs under the devolution settlement.

The UK Government wants to retain some powers to, at the very least, avoid unintended consequences, such as undermining the 'UK internal market'.

Both governments respect each other's different positions and of course, that compromise is needed.

You'll not be surprised however, that both criticise each other for not compromising to their position!

Intergovernmental relations remain strained.

We've already seen a significant constitutional fall-out over the EU Withdrawal Bill, with the UK Government overriding the Scottish Parliament's refusal to grant consent.

Thirdly, it is clear that new processes will be needed to deal with areas where devolved and reserved policies rub up against each other.

For example, if agriculture policy is run out of Edinburgh, how might the UK negotiate international trade treaties?

How will Scotland feed in to future trade negotiations - e.g. on international treaties on fisheries quotas?

Is it practical for Holyrood to have a veto if it impacts upon devolved areas?

Or should Scotland have no opt-outs if Holyrood took a different view to the UK?

So far, the UK Government has committed to - and I quote - 'work closely with the devolved administrations on an ongoing basis to deliver an approach that works for the whole U.K.'

So in other words, 'go away, we're busy'.

One thing that we can conclude is that Brexit has highlighted that the current arrangements for government-to-government working are simply not fit-for-purpose.

Fourthly, all of this will throw up sensitive issues around funding.

Scotland is allocated billions of pounds in EU agricultural funds - well ahead of England on a per head basis.

Immediately after we leave the EU, the distribution of funding between the four nations is likely to remain. But what happens next?

Use the Barnett formula, which would give maximum flexibility for Holyrood, but make future budgets more vulnerable to UK government cuts?

Or ring-fence the agricultural budget at a UK level at the expense of devolved autonomy?

And what about the replacement of Structural Funds?

Scotland has done well over the years out of such monies.

But with higher spending per head than most English regions, what price on a future UK Government seeking to bring down Scotland's relative spending advantage and shift spend to leave-supporting areas?

Finally, there will clearly be much reflection on the constitutional implications for Scotland.

There will no doubt be renewed calls to look again at the devolution framework.

At present immigration is a reserved matter, but there is clearly strong demand for a different approach for Scotland.

There are already calls for aspects of employment law - particularly to support the government's objectives around Fair Work - to also be devolved.

There may also be opportunities to open up the Fiscal Framework and to consider new tax

powers for Holyrood - including taxes that whilst prohibited to be devolved whilst the UK was a member of the EU, such as VAT, alcohol and tobacco duties and fuel duty.

All of these are worth exploring, but it seems likely that there will need to be a significant shift in the political landscape before such discussions could take place.

More generally, Brexit has clearly opened up a renewed debate upon Scottish independence.

For some, Brexit represents a 'material change in circumstance' that justifies looking again at Scottish independence. For others, 'once in generation' still holds.

Whatever your view, the Scottish Government is already pushing forward with plans for a new vote, perhaps as early as 2020.

So I want to close by offering some reflections on what a second independence debate might look like if we are to have one and what we need to do to ensure that we learn the lessons from both the 2014 and 2016 referendums.

#### **Part 4: 'Scotland's second independence referendum'**

Much of the talk about a second independence referendum has concentrated upon issues of identity, democratic accountability and the political goings-on at Westminster.

This is entirely understandable.

But if there is to be a new referendum, economic arguments will - once again - play a key role.

Some of the debates will be familiar.

Those in favour will make the case that Scotland is an advanced economy and comparable in size to other successful independent countries.

They will also argue that independence provides an opportunity to do things differently - to create a more prosperous and fairer society than they see likely from the proponents of Brexit or the current occupant of Downing Street.

Those in favour of the Union will counter by arguing that Holyrood already has substantial financial powers whilst gaining from the pooling of resources across the UK.

They will no doubt argue that - in their view - the risks to prosperity are that much greater should Scotland leave the UK.

Whilst it is true that the debates will be largely framed as before, it seems to me there will also be important differences.

Firstly, back in 2014 there was a clear choice between a relatively stable 'status quo' - albeit with the promise of more devolved powers - and independence.

But with Brexit, the debate will be set against the backdrop of economic change and uncertainty whatever the people of Scotland decide.

Secondly, Brexit has thrown into sharp focus the challenges of major structural change.

We all now have a much greater understanding of the complexities of unwinding economic ties with our key partners.

We also have a much greater appreciation of the damaging impact that uncertainty can have on our economy.

And we also have first-hand experience of promises made before any vote not being worth very much afterwards.

Voters will want to be much more mindful about what both sides can credibly say about their so-called Plan B than was the case in either 2014 or 2016.

Thirdly, the wider economic context has undoubtedly changed over the past five years.

Some aspects have become decidedly more challenging for those in favour of independence.

For example, the sharp fall in oil prices has significantly lowered North Sea tax revenues and weakened Scotland's likely relative starting fiscal position. The recent Scottish experience in taking on new devolved welfare powers - powers that might not be fully transferred until well into the next decade - makes it much more difficult to argue that all the institutions required to set up a newly independent Scotland could happen for a few hundred million pounds and be complete in a matter of 18 months.

But Brexit also throws up some economic challenges for those arguing in favour of the Union.

Back in 2014, we were told that remaining in the UK would secure Scotland's position in the EU Single Market. A market of 500 million consumers.

But now, Scotland may face a stark choice between aligning to the EU trading bloc or the UK bloc.

Migration is also likely to be a much bigger issue this time around.

The figures published last month show a challenging picture for Scotland.

With an outlook of a falling working age population, and all population growth in the future projected to come from migration, migration will be crucial for the future potential growth potential of the Scottish economy.

If one of the objectives of those arguing for a 'hard Brexit' is to limit the number of people coming to the UK, this could have major long-term consequences for Scotland's economy and public services.

A 50% reduction in EU migration will mean our working age population will start to fall immediately, and be 5% smaller by 2040.

Finally, and perhaps most significantly, many of those on the 'yes' side in 2014 argued that there would be a degree of continuity between the then status quo and independence.

Back then, independence was framed about breaking up a political union, not the social or economic one.

The plan was to retain sterling, share financial regulation and keep an open border.

But if the case for a 2nd referendum is now framed around Scotland pro-actively taking a different path to the UK, then it necessarily follows that the economic proposition for independence will need to be more radical on issues such as currency, customs and fiscal policy than in 2014.

All of these issues are complex for people to follow.

Even as economists, we've learnt a great deal over the last three years about the ties that bind workers, companies, industries, regions and nations together.

For some people, a decision on Scottish independence will be driven entirely by identity,

ideology or a political belief that is resilient to any economic or financial argument for or against.

For others, the economic and financial arguments will be all that matters.

I'd expect that for a great many more it will be a mixture of both.

Whatever decision is taken, all that all of us can wish for is that people make an informed choice based upon their own personal interpretation of the relevant facts and evidence.

Given our experience of both 2014 - and particularly 2016 - I think things need to change.

In short, I don't believe that we can rely upon either government to provide us with the evidence and factual information people need to make such a choice.

Just to be clear, I don't question the integrity or professionalism of our civil servants. Or the various institutions who support the democratic process.

But instead it is the overarching political context in which constitutional referendums sit that I believe cuts across the provision of impartial fact and insight.

### **Why is this the case and why should things change?**

Firstly, referendums are fundamentally different from normal policymaking.

Ministers have a pre-determined political position and then use the machinery of government to help build support for that position.

Provided that such a policy has been voted on in a manifesto then this of course an entirely appropriate mandate. But it is dramatically different from normal day-to-day policymaking in areas such as education, health or the environment.

Indeed, it's hard to think of any other instance where the objective of a government - and its financial and administrative capacity - is to build a case for people to vote one way or the other.

Secondly, and as a result, governments are simply not neutral in referendums.

It's about a core fundamental belief in what is 'right' for the country.

Positions are not underpinned by a cost-benefit analysis. There's no Green Book appraisal. No evaluation framework.

Thirdly, the divisive nature of a simple 'yes/no' question frames the context in which governments approach economic debates on such issues and this shapes the information and analysis that they provide.

There is no room for compromise.

This makes it difficult for people to access basic facts and evidence without working through the spin.

In 2014, we had two governments publishing report after report, argument after argument that supported their beliefs.

Whilst the economic analysis, facts and figures were unquestionably accurate, the framing of the arguments, the interpretation of the analysis and their presentation, were all designed to support one view over another.

There was limited work to point out the economic risks, or the alternatives to a government's own fixed position.

I'm sure we can all point to specific examples.

We had a White Paper with just two tables on the public finances of an independent Scotland. Both with oil revenue forecasts that turned out to be a tad optimistic.

We had Treasury claiming that Scotland's banking sector was 12 times the size of Scottish, but with no caveats to explain that such a calculation depended entirely upon the location of notional brass plates rather than where decisions were made or activity generated.

In 2016, of course we had both governments arguing for remain.

And here it was even worse, with one side appearing to do very little - if anything - to provide facts and figures to back up their arguments.

Fourthly, what is important is not just how information is used by government to promote a particular point of view, but also what they do not publish.

For example, in 2014 we had a Scottish Government that had little - if anything - to say on

the economic costs of a border within the UK; but since 2016 have - week-after-week - been citing analysis that highlights the risks of doing that very same thing with the EU. Scottish exports to the UK are around 4 times as large as to the EU.

In contrast, we have a UK Government that - back in 2014 - was unwavering in its belief that splitting up a Single Market was a bad thing. But in 2019, they are now simply refusing to publish any assessment of the new deal they have agreed to leave the EU.

Jacob Rees-Mogg was partially right when he said "if you ask an economist anything, you will get the answer you want".

Not because government economists will tell you what you want to hear, but instead, that the framing of the question and the parameters that they are set to work within will shape the answer they give you.

Fifthly, the boundary between independent analysis and advocacy can become blurred.

This is especially a concern when a government - such as the Scottish Government - is not only advocating a policy position but is at the same time responsible for publishing independent analysis and official statistics in their day job.

### **Can people tell the difference between which is which?**

Perceptions matter, and fairly or unfairly institutions and individuals can be targeted.

You may recall the controversy around Sir Nick McPherson's letter on currency - a move that the Common's Public Administration Select Committee argued 'compromised the perceived impartiality of one the UK's most senior civil servants'.

In recent years a whole spat emerge around the publication of the GERS figures - with the National Statistics publication being attacked by some proponents of independence under all auspices of weird and wacky conspiracy theories.

The government's silence on calling out these attacks, even if it is against people who support their position on independence, is disappointing but also quite revealing.

All of this can erode trust not just in politics, but in public institutions.

Finally, the nature of the debate - like it or not - is always going to stir passion.

Throw in a partisan press and febrile social media environment and it's easy for reason, fact and evidence to be crowded out.

On the one hand, some may argue that we don't have too much to worry about. In 2014, 78% of people agreed that they had enough information to make an informed decision.

But on the other, there are reasons to be concerned.

In 2016, only 62% of voters said that they had had enough information to make an informed decision.

The political atmosphere since then has - if anything - become even more intense.

And given how close both referendums were, it is all the more vital that as many people as possible have the information that they need.

Despite efforts, there is a significant 'inequality of access' to statistics.

### **So what can we do about it?**

One option is to strengthen existing structures.

We have the UK Statistics Authority who are not shy at pulling up misuse.

Indeed just this week they have written to UK political leaders reminding them of their responsibility to use evidence wisely.

But its influence is limited.

Who read the letter written by the Chair of the Stats Authority calling out the leave campaign on the £350m figure as 'potentially misleading'? Did it do any good?

They are also reactive rather than proactive.

We have respected institutions such as the Bank of England, but they are quite rightly reluctant to get involved in the referendum dog fight.

We now have various 'fact-checking' bodies, including the BBC, Channel 4 and Full Fact.

But their focus is almost exclusively on holding people to account for what they say rather than providing impartial information in the first place.

We have academics. And they clearly have a role to play.

But whilst you might be 'independent', it does not necessarily follow that you are 'impartial'.

For those of us around in 2014, I think most of us would conclude that the contribution from academia was decidedly 'mixed'.

We have the business community, but they too are not likely to be neutral.

And the media are just likely to be as partisan as back in 2014 and 2016.

So in my view if things are to be different under a 2nd independence referendum, then the process must change.

A key success of 2014 was the growth in local participation with people debating issues and campaigning for what they believed was the best option.

It's at the other end of the spectrum where reform could be targeted. I'd argue that a mistake has been to leave the majority of analysis and evidence to the Scottish and UK governments.

We need to think carefully about how people will access the information they require and who provides it.

One option, a new independent body - accountable to both Parliaments with a representative group of respected individuals from across the political spectrum and staffed by public servants - with the sole purpose of providing facts, figures and information on independence questions could be a way forward and deserves serious consideration.

Its remit would need to be clearly defined and protected.

But as a starting point it could be tasked with setting out the evidence base about our economy today, what we know, and crucially what we don't know.

It could highlight where there was evidence to inform decision-making and crucially where there were gaps.

It could provide independent analysis of the risks and opportunities and what the different choices might be?

It could set out - clearly and objectively - where negotiations would be needed and where they were not.

Of course, governments should be free to do their own analysis of future options, policy ideas, opportunities and risks. But such an institution could assist in providing important baselines to compare these against.

There's a debate about whether or not - once the campaign has started - that such a body could evolve into providing a fact-checking service to scrutinise claims made by those outside of government.

Amidst the rough and tumble of a referendum campaign, a single purveyor of truth may struggle to keep up with all demands.

But the very establishment of a body - even if only to help - provide facts and information in an accessible format should help 'self-police' - at least to some extent - the more excitable claims often made in the heat of the debate.

Establishing such an institution won't be easy and our knowledge of what works - and what doesn't - is limited. And I'm definitely not volunteering for the role!

### **What is the alternative?**

It surely must be a step forward to seek to find a better way for voters to access the information that they want from sources that they trust.

There are good lessons to be taken from public life.

Both the Office for Budget Responsibility and the Scottish Fiscal Commission have done a great job in helping to inform debates about the performance of our economy.

And Audit Scotland under Caroline Gardner does a brilliant job of scrutinising the facts on Scotland's public services and presenting them in an accessible way.

The UK Committee on Climate Change is another outstanding example of a highly respected body using evidence and insight to help inform our collective understanding about the choices and challenges we face in the future.

All of this matters. Getting the tone and format of a future debate on Scotland's future is important for all of us.

It matters because we need to have trust in the process.

It matters because whatever our own personal views about the relative strengths of each argument, we will all benefit from the provision of trustworthy information that is accessible to us all.

It matters because we need to rebuild trust in experts.

And it matters because, whatever we choose, it is important that we are prepared for the challenges and opportunities that will follow.

## **Conclusion**

The next few weeks, months and years will carry high political stakes for Scotland's future, whether that be Brexit, domestic policy or a 2nd independence referendum.

Whatever happens, it is important that we continue to value and respect the role of evidence and analysis.

Yes, people will quite rightly disagree about what data and insights are telling us about the risks and opportunities facing us in the future. But it is vital that we have a basic trust both in the evidence itself and in the institutions providing this evidence.

The upcoming debates will involve difficult choices, over contentious issues, taken in the heat of a political fight.

The questions that these debates will give rise to will be many, and the answers complex.

Marshalling a nation through the road ahead will be tough - but it is the responsibility of both governments, and all of us, to ensure that such debates are based upon evidence and fact.

As a minimum, this must be our shared goal.