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# How has deindustrialisation shaped debates about Scottish independence?

Since the 1960s, Scotland's constitutional politics have been moulded by competing assessments of the nation's contemporary and future economy. The decline of industrial jobs and the economic changes that have followed underpin current independence debates.

Competing economic perspectives - primarily on whether Scotland would be better or worse off without the rest of the UK - have formed the backdrop to debates on Scotland's constitutional future.

Since the electoral breakthrough of the Scottish National Party (SNP) during the 1960s, the dichotomy between 'rich Scots or poor Britons' has been a dominant theme in the argument for independence (Cameron, 2012 (https://www.research.ed.ac.uk/en/publications/the-stateless-nation-and-the-britishstate-since-1918)). On the other hand, opponents of Scottish independence have emphasised the economic benefits of the Union through access to a large national market, currency stability and net benefits arising from public spending (known as fiscal transfers).

Economic historians are increasingly emphasising the centrality of deindustrialisation - the decline in the significance of industrial activities in Scotland's economy and especially in employment - as a dominant driver of dissatisfaction with the Union since the mid-20th century. It was at this time that Scotland's staple industries of coal, steel, shipbuilding, heavy engineering and textiles began shedding tens of thousands of jobs (Phillips, 2017

(https://www.tandfonline.com/doi/full/10.1080/13619462.2017.1408533)).

It was against this backdrop that long-term assessments of the benefits and costs of the Union were developed - such as Clive Lee's (https://books.google.co.uk/books?

<u>id=JT28AAAAIAAJ&printsec=frontcover&source=gbs\_ge\_summary\_r&cad=0#v=onepage&q&f=false)</u> 1995 'balance sheet' study of Scotland in the 20th century, which emphasised that the declining Union dividend was important in shaping growing support for independence. This can be understood in a global context where deindustrialisation has often been seen as a key explanation of political turbulence.

us/) research project points to Brexit, the 2016 election of Donald Trump as US president and the rise of right-wing 'populism' across European countries as being the result of factory, coal mine, shipyard and steel mill closures.

In Scotland, deindustrialisation accentuated national consciousness through motivating a civil society campaign for a devolved parliament within the UK and contributed to rising support for independence. These outcomes, which have reinforced the dominance of a centre to centre-left alignment in Scottish politics, suggest that the politicisation of economic changes associated with deindustrialisation has not necessarily led to a shift to the right or to hostility towards European integration

How did the structure of Scotland's economy change?

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Scotland was a mature industrial society in the middle of the 20th century, but one strongly marked by evidence of deindustrialisation by the end of the century (see Table 1). The last deep coal mine in Scotland closed in 2002, while the industry had employed over 80,000 miners in the late 1950s. Basic steel production and jute manufacturing also came to an end during the 1990s following decades of

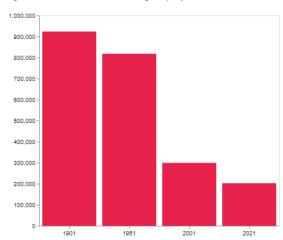
This period is associated with the SNP's electoral breakthrough. The party's initial rise to prominence began with the 1962 by-election in West Lothian, a county suffering from the impact of coal and shale mine closures.

Table 1: Scottish industrial employment since 1901

Year	Total workforce	Mining and quarrying	(%)	Manufacturing	(%)
1901	1,982,812	132,183	7	923,800	47
1951	2,357,000	100,000	4	818,000	35
2001	2,261,281	28,118	1	299,213	13
2021	2,500,000	33,980	1	202,396	8

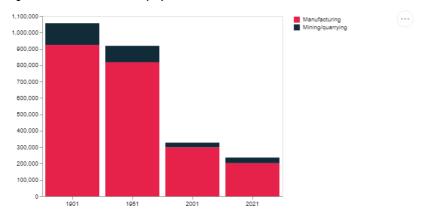
Sources: Population Census 1901; Digest of Scottish Statistics 1953; Population Census 2001; Scottish Government, Scotland's Labour Market: People, Places and Regions – background tables and charts (2021)

Figure 1: Scottish Manufacturing Employment



Source: Population Census 1901; Digest of Scottish Statistics 1953; Population Census 2001; Scottish Government, Scotland's Labour Market: People, Places and Regions - background tables and charts (2021)

Figure 2: Scottish Industrial Employment



Source: Population Census 1901; Digest of Scottish Statistics 1953; Population Census 2001; Scottish Government, Scotland's Labour Market: People, Places and Regions – background tables and charts (2021)

Figure 3: Scottish Employment

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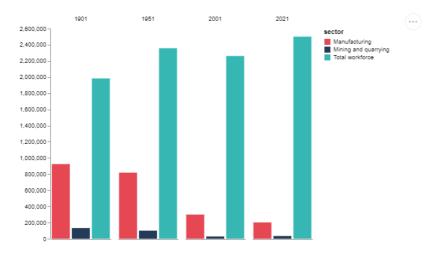
### Jim Phillips University of Glasgow

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Source: Population Census 1901; Digest of Scottish Statistics 1953; Population Census 2001; Scottish Government, Scotland's Labour Market: People, Places and Regions – background tables and charts (2021)

Billy Wolfe (https://www.oxforddnb.com/view/10.1093/ref:odnb/9780198614128.001.0001/odnb-9780198614128-e-103358; jsessionid=08525A1AFC5D56D9AFB970EF6C3B1A29?docPos=2), a future SNP leader, and the party's candidate at the 1962 West Lothian by-election, accused the UK government, the European Free Trade Area and multinational oil corporations of economic and social 'murder' for ending shale oil subsidies. In 1967, the SNP won a parliamentary constituency for the first time since the Second World War at the <a href="https://digital.nls.uk/scotlandspages/timeline/1967.html">https://digital.nls.uk/scotlandspages/timeline/1967.html</a>) – an area formerly at the heart of the Lanarkshire coalfields, which had been strongly affected by pit closures over the preceding two

Historians and social scientists see these changing alignments as being down to shifts in Scotland's economy. Christopher Harvie, who went on to become an SNP member of the Scottish Parliament in the 2000s, highlights the demise of Scotland's 'old fashioned tycoons'

(<a href="https://edinburghuniversitypress.com/book-no-gods-and-precious-few-heroes.html">https://edinburghuniversitypress.com/book-no-gods-and-precious-few-heroes.html</a>), who had formerly dominated industrial communities built around coal mining, steelmaking, shipbuilding and locomotive engineering. Their replacement by a combination of nationalised industries owned by the UK government and the growing presence of multinationals, including US companies, encouraged the development of nationalist arguments.

Insofar as these changes to Scotland's economy were actively encouraged by the UK government, Wolfe's criticisms were not just convenient rhetoric (Tomlinson and Gibbs, 2016 (https://www.tandfonline.com/doi/full/10.1080/13619462.2016.1209009)). But as researchers point out, important decisions were made in Scotland during this time, especially by Scottish Office officials pursuing an agenda of urban and economic reconstruction that was surprisingly durable through changes in government over the post-war decades (Collins and Levitt, 2016 (https://www.euppublishing.com/doi/abs/10.3366/scot.2016.0137)).

Defenders of UK regional policy, which was most marked under Harold Wilson and Jim Callaghan's Labour governments of the 1960s and 1970s, contend that their policies were – at least for a period – successful.

For example, the building of a car factory at Linwood in Paisley, to the west of Glasgow, secured almost two decades of manufacturing employment for former shipbuilders and miners who were provided with cleaner, safer and better-paid jobs until its closure in 1981. Linwood could be seen as an example of the case for the Union in action: the UK government used both investment restrictions in 'overheating' regions and incentives such as tax breaks and grants to ensure that first Rootes, a UK car company, and then a US multinational provided work in Renfrewshire following the factory's takeover by Chrysler in 1967. The plant finally closed in 1981 following a brief period of ownership by Peugeot-Talbot (Phillips et al., 2019 (https://academic.oup.com/tcbh/article-abstract/30/3/399/5416210))

# What were the political effects of deindustrialisation?

The closure of Linwood was a formative event. Its cultural impact was demonstrated when the Proclaimers' sang 'Linwood no more' on their 1987 hit single, Letter from America (https://genius.com/The-proclaimers-letter-from-america-lyrics), which emotively contrasted Scotland's late 20th century industrial closures with the Highland Clearances (the eviction of inhabitants of the Highlands and Islands primarily between 1750 and 1860).

Current SNP MP, Pete Wishart, was among the musicians from Runrig who headlined the 'A Day for Scotland' (https://www.whatsonstirling.co.uk/event/089804-a-day-for-scotland:-30-years-on/) event convened by the Scottish Trades Union Congress (STUC) during the summer of 1990. This was a politically charged occasion that sought to affirm the role of a lively autonomous national culture in supporting industrial campaigns, especially opposition to the closure of Ravenscraig steel mill in Motherwell. North Lanarkshire.

These were not incidental cultural moments for Scottish nationalists. SNP supporters had made steel a core issue in their campaigning since the 1970s, especially in Lanarkshire. Those decisions followed the nationalisation of the steel industry in 1967 and a series of rationalisations and plant closures (Lawson, 2020 (https://www.proquest.com/docview/2462470322/6A9809D66FBE4529PQ/32 parentSessionId=b9250AHIF49mA424dm%2Fet%2FA864tK1D%2BZAiUD%2Fq71VrU%3D&accountid=9730)).

Steel was held up as an archetypal example of the failure of the Union to realise the potential that Scotland's industrial base offered. Instead, Scotlish mills were held to be disadvantaged by decision-making in London that favoured larger English conurbations.

The Labour Party was pressured by nationalist outlooks grounded in territorial politics that followed a zero-sum logic, with Scottish workers held to have been let down by decisions that served the interests of Labour constituencies in other parts of the UK. These arguments were given greater potency in the context of North Sea oil. Nationalists claimed that Scotland was losing out from a major windfall, especially during the period of high oil prices between 1973 and 1986, as <u>UK government decision-making (https://tribunemag.co.uk/2020/12/how-north-sea-oil-shaped-britains-economy)</u> prioritised the pace of extraction over achieving longer-term fiscal and industrial benefits.

Comparisons with Norway, another small northern European nation of around five million – which achieved a far more favourable outcome in terms of public spending and manufacturing developments from North Sea oil – have become a commonplace argument for Scottish nationalists (Holden, 2013 (https://www.sciencedirect.com/science/article/pii/S0301421513009348)). These were repeated in the 2018 Growth Commission (https://www.sustainablegrowthcommission.scot/), a vision for independence that broadly put forward a post-oil perspective for Scotland's economy and fiscal regime. The Commission underlined the success of Norway's sovereign wealth fund and the potential for Scotland to match this through its own natural resource revenues.

#### What are the long-term effects of deindustrialisation?

The politics of coal and car manufacturing seem distant from discussions of Scottish independence in the 21st century. Much of this shift took place through Alex Salmond's modernisation of the SNP during the 1990s and 2000s, under which the party embraced the realities of globalisation and European integration (Jackson, 2012 (https://renewal.org.uk/wp\_content/uploads/2020/09/alexs\_salmonds\_journey\_published\_version-1.pdf)). Old arguments for economic sovereignty were jettisoned in favour of financial liberalisation modelled on Ireland's 'Celtic tiger' (https://www.economicsobservatory.com/irelands-economy-since-independence-what-lessons-from-the-past-100-years).

Salmond summarised this in 2008, the year after he became first minister, when he argued that Scots 'didn't mind' (https://www.scotsman.com/news/alex-salmond-scotland-didnt-mind-thatcher-economics-2465159) the economic changes wrought by Thatcherism. It was the 'social' implications of how the unemployed were treated and divisive industrial conflicts to which they objected. Explaining his conversion to support Scottish independence shortly before the 2014 referendum, Scotland's foremost historian Tom Devine similarly hailed the end of 'dinosaur heavy industries (https://theconversation.com/tom-devine-why-i-now-say-yes-to-independence-for-scotland-30733)', while regretting the excesses of the 'radical surgery' that Conservative governments pursued during the 1980s and 1990s.

Economic debates over Scottish independence have often focused on the fiscal consequences of such a decision and the validity or otherwise of projections from the annual <u>Government Expenditure and Revenue Scotland (GERS</u>

(https://archive2021.parliament.scot/S5 Economy/obsFairWork/Inquiries/ EDI-002-Margaret-Cuthbert.pdf)) figures. Questions around currency choice and access to UK and European markets also loom large. Yet both the experience of deindustrialisation in the past and the potential for managing future changes to Scotland's economic structure – for example, through the transition to net-zero carbon emissions (https://www.economicsobservatory.com/what-are-the-likely-costs-of-the-transition-to-a-sustainable-economy) – play important roles in contemporary independence debates.

During the 2021 Scottish Parliament election campaign, the first minister, Nicola Sturgeon, explained that <a href="mailto:memories">memories</a> (<a href="https://www.pressandjournal.co.uk/fp/politics/scottish-politics/3113662/nicola-sturgeon-oil-deindustrialisation/">https://www.pressandjournal.co.uk/fp/politics/scottish-politics/3113662/nicola-sturgeon-oil-deindustrialisation/</a>) of growing up around the 'devastation' of coal and steel closures in Ayrshire made her 'determined' that oil communities in the North East of Scotland would not face the same experience. By contrast, the lead opposition party, the <a href="mailto:Conservatives">Conservatives</a> (<a href="https://www.scotsman.com/news/politics/tories-accuse-snp-of-selling-out-scotland-over-cambo-and-north-sea-oil-and-gas-3384678</a>), has presented the nationalists and their Green Party allies as a threat to oil workers, arguing that only the UK's 'broad shoulders' can ensure a viable transition to renewable energy sources.

# What lessons can we learn for today?

In the contemporary international context, one important lesson to draw from Scotland's experience of deindustrialisation is the comparatively malleable ways in which economic changes are understood, as well as the complex nature of the relationship between demands for political and economic sovereignty. The latter was far more forcibly articulated in Scotland during the 1970s and 1980s than it is at present when independence is higher up the political agenda than it was throughout the previous century.

These research findings are important when globally deindustrialisation is often associated with right-wing populism (<u>Gamez</u>, <u>2021 (https://www.populismstudies.org/are-deindustrialization-and-european-integration-fostering-populism/</u>)). They also support similar conclusions drawn from Wales about how the legacy of coal mining has reinforced a centre-left national consensus (<u>Beynon et al</u>, <u>2012 (https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=2065649</u>)).

Another important conclusion that can be drawn from the Scottish experience is the role of path dependencies – or how historical experiences shape contemporary discussions. For example, the SNP's understanding of renewables, and their place in public discussion, has been strongly shaped by oil (Gibbs, 2021 (https://onlinelibrary.wiley.com/doi/full/10.1111/1467-923X.12962)). These cases point to the role of contingency and the need to be attentive to long-term developments to understand how economic affairs are interpreted politically.

- Deindustrialisation and the Moral Economy in Scotland since 1955 (https://edinburghuniversitypress.com/book-deindustrialisation-and-the-moral-economy-inscotland-since-1955.html): This book by Jim Phillips, Jim Tomlinson and Valerie Wright assesses how deindustrialisation was experienced in Dundee and the central belt, underlining the connection between arguments for devolution and independence with economic insecurity.
- Coal Country: The Meaning and Memory of Deindustrialization in Postwar Scotland (https://www.jstor.org/stable/j.ctvz0hcgs): Ewan Gibbs examines how deindustrialisation reshaped work, culture and politics in Scotland's coalfields. He underlines how Scottish national consciousness was reinforced by the experience of coal industry centralisation and resistance to closures imposed from the National Coal Board's London headquarters as a result of UK government energy policy.
- The Stateless Nation and the British State since 1918 (https://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780199563692.001.0001/oxfordhb-9780199563692): Ewen Cameron's chapter provides an overview of how the UK government managed Scotland's economy during a century of more active industrial and energy policymaking.
- The Irresistible Rise of Scottish Independence? A Brief History of Scotland's Constitutional Debate (https://discoversociety.org/2021/06/08/the-irresistible-rise-of-scottish-independence-abrief-history-of-scotlands-constitutional-debate/): Ben Jackson analyses the development of arguments for independence, emphasising their economic origins and evolution.
- Scotland's Faltering Green Industrial Revolution (https://onlinelibrary.wiley.com/doi/full/10.1111/1467-923X.12962): Ewan Gibbs explains the origins of Scottish nationalist approaches to renewable energy in their criticisms of UK policy on North Sea oil, and explores why wind farms have not delivered the manufacturing potential that policy-makers saw in them.

# Who are experts on this question?

- Jim Phillips
- Valerie Wright
- Christopher Lawson
- Ewen Cameron
- Nicola McEwen
- · Andrew Perchard
- Ben Jackson
- · Christopher Harvie
- · Catriona MacDonald
- Iim Tomlinson

Author: Ewan Gibbs

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Editors' note: This article is part of our series on Scottish independence - read more about the economic issues and the aims of this series <u>here (https://www.economicsobservatory.com/scottish-independence-what-are-the-big-economic-questions).</u>



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