



David Watt submitted the following piece for publication in the Scotsman, June 7th 2010.

One thing which Scottish business people - and the organisations which support them - believe completely is that we all need to work in unison to foster long term economic recovery. Working together is the only way to achieve sustainable economic growth for Scotland and so too benefit the wider prosperity of the UK.

Clearly, business has the prime role in delivering such economic recovery and continued growth, however to achieve that, it's paramount that Government also has and uses the appropriate levers required to facilitate an environment from which such growth can flourish.

In that respect we require a robust debate on exactly how this might happen north of the Border and now is the time to have it. We need to seriously examine the potential of any changes to improve or worsen our economic performance and to consider closely what the implications will ultimately be for Scottish business and our wider economy.

The recently launched campaign for additional fiscal responsibility at Holyrood - or "devolution plus" as some commentators have dubbed it – requires us all to get involved in such a debate. A debate by the way, not merely limited to the business community alone but involving much wider aspects of Scottish civic society. It is certainly a major matter of importance – probably determining our taxation setting for many years to come, possibly a generation – and it's vital it's not just decided by the political classes without genuine reference to the real growth generators.

With legislation around this issue due before the Westminster Parliament in late autumn this year, time is now pressing and should focus minds among the Scottish business community and others to get them started on leading discussions within a wide range of settings and client groups. We would support a wholesale, interrogative civic debate on the ramifications of increased powers for Holyrood, particularly around the contentious issues of tax raising and what that would ultimately mean for the nation's economy.

The Institute of Directors has some reservations about the potential for some of the changes which might be proposed to cause additional industrial costs, however, equally we have always had a problem with a parliament that simply spends money and does not have any accountability for raising it. Going into next

year's Scottish elections it would be nice to be in a position to vote for politicians who had real control over Scotland's economy and the significant levers which help it thrive - and also for at least an element of how they raise as well as spend money.

Now is the right time to develop these thoughts and drive forward a set of solutions which can help the private sector and the wider Scottish economy grow.

It is early days; however, the new coalition government in Westminster appears keen to adopt the recommendations of the initial Calman report regarding the future role of the Scottish Parliament. A number of things have moved on since Calman's final report – amongst them the significant deepening of the recession, a UK election bringing new political attitudes to Downing Street and a new attitude to devolved governments; not to mention the new coalition's likely taxation policy.

There is a small window for reasonable debate and discussion before everyone dives off into the hustings for next year's Scottish elections.

All this means we need to discuss and debate the issue now; examine it in detail and consider the possibilities it presents. And central to that debate, must be the voice of Scottish business – large and small. Business growth is after all ultimately what will get us out of recession and drive our economic growth in the future.

David Watt is the executive director of the Institute of Directors in Scotland.