# INDEPENDENCE





## INDEPENDENCE IN YOUR POCKET

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# INDEPENDENCE IN YOUR POCKET



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We do not claim to have all of the answers, but this booklet offers an important, positive starting point for future discussion. We hope YesCymru can fundamentally change the tone and content of the debate. This is the fifth edition of Independence in Your Pocket. There will be further editions as the discussion develops. The most recent version of this booklet will be available at <u>www.yes.cymru/</u> <u>independence.</u>

## Introduction

The booklet you are holding needed to be written. The United Kingdom voted to leave the European Union in 2016. Scotland is readying itself for a second referendum on independence. The peaceful reunification of Ireland is on the agenda. The United Kingdom is changing radically, and Wales must not be left behind.

In the following pages *YesCymru* will respond to some of the most pressing questions regarding independence. How might a small nation like Wales thrive in the modern world? What resources do we have to call upon? How might independence alter our economy and society? And what will our new relationship be with the global family of nations?

Anyone who has long advocated Welsh independence will be all too familiar with these questions being thrown back at us by sympathisers and sceptics alike. This booklet welcomes such important questions as an invitation to engage in rational debate. We hope that some of the content that follows supplies Welsh citizens with the information needed to counter the weak, dispiriting arguments launched against us by defenders of the status quo and empower us to set the agenda for Welsh independence by framing the questions that have so far gone unasked.

Welsh patriotism runs deep. We see it at every international sporting event, in all its modern, complex, inclusive variety and passion. But Welshness isn't something that we feel only on match days. It is something we all encounter in our daily lives, in our interactions with our neighbours and co-workers, our families and friends.

We also know that pride in being Welsh doesn't automatically translate into support for independence. This booklet is not only for those of us who already support the cause, members of campaign groups and political parties – but also, importantly, for those who have their doubts; whose hearts are persuaded, but not their heads. The 'Indy-curious'. This publication also introduces you to a new and influential player on the Welsh political stage. *YesCymru* was created in the summer of 2014, by a small group hoping to help the campaign for Scottish independence in the run-up to their first referendum. The hope and anticipation was that the creative energy experienced that summer would be carried over into the Welsh political debate. *YesCymru* officially launched in 2016, and since then the movement has grown rapidly, with thousands of members and groups across Wales, and beyond.

*YesCymru* believes in an inclusive citizenship, which embraces the fact that all who choose to make Wales their home – regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation – are full citizens of the new Wales.

In 2014, Scotland narrowly voted to remain part of the UK. Following the EU referendum in 2016, their place looks far less certain. The question therefore remains: what possible destiny could there be for Wales? Subsumed within some shrunken and reactionary 'union' or an independent nation amongst nations?

The sovereignty of nations forms the very basis of international law. This booklet puts the case for our ability to govern our own affairs. Faced with the arguments presented here, coupled with the fast-changing constitutional landscape, we ask: How can the issue of Welsh independence be ignored any longer and what possible case is there for the status quo?

## Why independence?

This booklet aims to answer your questions about Welsh independence in a simple, honest and concise way. It is aimed at those who are curious, doubtful or even sceptical. Our aim in this guide is to be 'straight-talking': to be clear about the facts. It will give you the information that you need to be more confident about an independent Wales, and about influencing others.

We believe the time has come for a full debate on independence for Wales. Why?

#### Why not?

You might think that Wales is too small to be independent, but some of the most prosperous, most equal, and happiest countries in the world are small nations. What makes the people of Wales any different from the Slovakians, Danes or the Irish? Isn't it simple common sense that all decisions affecting Wales should be made in

Wales? Not some of them, all of them. Wales isn't perfect, and there are plenty of problems that need to be tackled. But wouldn't it be easier to tackle these problems if our government was a Welsh one, totally focused on Welsh needs? At the moment we are regarded by Westminster as a minor part; Westminster's policies are built around the needs of others. It stands to reason that Westminster's policies are not put in place to benefit Wales, as we've seen during the course of Brexit and the COVID-19 pandemic. If an institution has historically failed to treat your needs adequately, surely the natural step is to form your own institution and take hold of your own fate. Independence is an opportunity to build a better Wales.

## Wales is different

Many times we've heard people say: "Wales? Isn't that just part of England?" Wales has a lot in common with the rest of the countries and regions of the UK, but we also know that there is much that makes us different. Wales has its own distinct politics, values and worldview; its own culture, histories and language. These are shaped by people from all backgrounds, whether from one of Britain's oldest multicultural communities in Cardiff's Butetown, from the descendents of those who moved to Wales during the industrial revolution, or the "New Welsh" from Europe and the rest of the world who've made Wales their home during the 21st Century. Yet all too often Wales is treated as a region of England. Independence isn't about creating division; it's about celebrating our unique place in the world and becoming a proper part of the international family of nations.

#### Get the government that you vote for

Welsh MPs make up 6 per cent of the House of Commons. In general elections, no matter how Wales votes, we get the Westminster government that England wants. Since 1945 the vote of the people of Wales at UK general elections only influenced the political map of the UK for two years, between 1964 and 1966.

Wales' voice in Westminster is a small one, and getting smaller. The people of Wales currently send 40 MPs to Westminster, with the Boundary Commission proposing that this number is reduced to as few as 31. The UK is, and will always be, an unequal union. The people of Wales need to take control of our own destiny.

#### No more excuses from Cardiff Bay

Whilst progress has been made in some areas since devolution, Wales remains the poorest of the UK nations, and improvements in devolved areas of Government such as health and education have been frustratingly slow. There is an argument to be made that genuine, sustainable change can only be made by a Welsh Government that has all the levers of power at its disposal. How can you have a truly joined-up approach to health and social care, for instance, if welfare spending and full powers over taxation are not within your jurisdiction? A Welsh Government empowered to think of itself as such, rather than perpetuating the 'devolved administration' mindset, would be free to be more ambitious for Wales. Independence gives Wales the tools to turn our fortunes around, but it also means that we can hold our own politicians accountable and force them to be more ambitious for our nation's future.

It's a risk, but the rewards are great. Lots of people say that independence is a nice idea, but Wales could never afford it. And yes, becoming an independent nation would come with risks. Nothing in life is risk-free, especially things worth having; but people take the plunge because they want a better life for themselves. An increasing number of people are starting to see that the debate about independence focuses too much on the risk, and not on the rewards. This is a subtle change of perspective, but the result is empowering.

Wales is rich in resources and has the potential to be at the forefront of efforts to tackle climate change, but we don't make the most of those resources. Independence would open new doors for Wales, allowing the people of Wales to build an economy based on Welsh priorities, not British ones. We can build a fairer society to right the historic and present injustices faced by people of colour, the LGBTQ+ community, disabled people, the estimated 30 per cent of children in Wales living in poverty and other long-neglected and marginalised groups. We need to acknowledge the risks, without talking down Wales' potential. Given our powerlessness under the present system, we might ask whether the worst risk of all is to allow things to remain as they are.

## A new beginning

Since the loss of our heavy industries, Wales has been in a state of depression. No matter who is in power in Westminster, things have gone backwards in Wales. Our economy is failing the majority, our declining educational institutions reflect wider challenges in society and a lack of political accountability. Too many of our young people are facing a future bereft of genuine hope and ambition. We can't rely on others to turn this situation around. It's time for the people of Wales to take the initiative, and work together to create a new nation. No one else will do it for us. It is up to us to write the next chapter of Welsh history.

## Why isn't devolution enough, and what difference would independence make?

Since 1999, the Welsh Government has been given responsibility for some areas of public policy, such as health, education, local government, economic development and the Welsh language. So why do we need independence? Can't we just work with the system that we've got?

While devolution was a huge step forward for Wales, the present system is flawed. The Welsh government gets to make decisions about some things, but the UK government often limits what Wales is able to do. A clear example of this is the new financial settlement that was enacted from April 2019 onwards. Wales has been given the power to vary income taxes, but that power is restricted, and has to be done within a fiscal framework that is agreed between government ministers in Cardiff and our larger "partner" in London.

There is a long list of areas where Wales has no power at all! For instance, we can't pass many criminal laws, and don't control our courts or our prison and probation services. The Westminster government is proposing to give Greater Manchester power over its police force, but not Wales. At the same time, there is an inherent contradiction in Welsh devolution. Despite the dominant narrative being that further devolution is a better option than full independence, when given the option to vote for more powers, many Welsh MPs do not do so. This was the case with the 2016 Policing & Crime Bill, where many Welsh MPs abstained in votes that would have devolved policing and other powers to Wales.

Also, decisions about energy generation are made outside Wales, because the UK government doesn't think that we can be trusted to make these decisions for ourselves. Under the latest devolution settlement, any energy generation development bigger than 350 MW has to be approved by the government in Westminster. In June 2018, the UK Government cancelled a project to construct a world-leading tidal lagoon in Swansea Bay. This is just one example of the way in which Westminster retains power over key areas, denying the Welsh government an opportunity to transform our economy.

Wales is forced into wars, including illegal ones like Iraq, against our will.

When it comes to broadcasting, we rarely see Welsh life on our own TV screens. While in Scotland a new BBC Scotland channel was recently launched, Wales is forced to accept crumbs from Westminster's table. Who can justify MPs from England deciding on the fate of S4C, or denying us more Welsh programming for BBC Wales?

The current system limits the powers of the Welsh government, and it's also muddled and confusing. Who is responsible for making decisions, and about what, is unclear even to the experts. There are over 200 policy areas which the UK government has retained control over, ranging from ones you might expect – like national security – through to bizarre exceptions like Sunday trading and hovercraft! If the politicians themselves cannot be clear about Wales' powers, how is the ordinary voter meant to know? The people of Wales should be able to hold politicians accountable for their actions, but unless we know who has responsibility for what, then this becomes impossible. The present system undermines several basic tenets of democracy.

#### What does devolution mean in practice?

The British system of government is highly centralised, with power ultimately residing with the parliament in Westminster. Under devolution, Westminster delegates powers to Wales, Scotland and Northern Ireland, but it never fully surrenders those powers. The UK parliament retains ultimate authority over the whole of the UK through a concept known as parliamentary sovereignty; any powers that it gives to the constituent nations can be taken away on a whim.

Despite the best intentions of the devolution project, the way it has been designed has limited Wales' ability to run its own affairs. We could work to improve the current system – devolving more powers to Wales, while trying to limit the UK's ability to veto Welsh initiatives – but is that enough? Independence means a clean slate for Wales. *YesCymru* believes that the best way forward is for all communities of Wales to come together to build a democracy that is clear, transparent, and accountable to the people.

## Making Wales wealthier

One of the reasons we advocate independence is because we believe it can be a way of kickstarting the Welsh economy, and expanding the tax base, in order to improve the quality of life of people in Wales. At present, we're forced to decide between cutting spending, or raising taxes.

*YesCymru* believes that independence will help change Wales' economy so it can be in a position to fulfil its potential, become more vibrant, more diverse, and more agile and fit for the future challenges that Wales will face.

## Too small

A familiar refrain is that Wales is 'too small' to be independent. However, if we look at the continent of Europe alone we see that there are a total of <u>18</u> independent nations with a smaller population than Wales! What these countries share, and what distinguishes them from Wales, is not their size, or the ability and talents of their people, but the fact that they are sovereign powers with control over all of the tools required to shape and develop their economy.

We need only think of one of our nearest neighbours in this regard. The Republic of Ireland, with a GDP/head of €54,300, is doing so much better than Wales and Northern Ireland with a GPD/head of €22,000 and €22,900 (Eurostat, 2019).

Moreover, rather than proving a hindrance, being small can provide added opportunities. Adam Price and Ben Levinger's essay *The Flotilla Effect* identified a number of advantages small nations have over larger nations when it comes to economics: they're generally more open to trade; they tend to have greater social cohesion and improved democratic decision-making; and they find it easier to adapt to economic shocks.

Look, for instance, at how quickly the economies of the Republic of Ireland and Iceland have recovered since the financial crash of 2008. Both economies were hit hard by the Great Recession, and – like the UK, USA and much of Europe – went through a period of harsh austerity. But by 2014, the economy of the Republic of Ireland was growing at a rate faster than that of China and India, with unemployment and the government deficit being slashed. Iceland – a tiny nation of some 300,000 people – is doing even better, and its economy has now returned to its pre-2008 size.

When the Iron Curtain came down in the early 1990s, many nations smaller than Wales emerged from the old Eastern Bloc. They have proved to be nimble, effective, outward-looking players on the world stage. The Baltic States of Estonia, Latvia and Lithuania have proved particularly successful. Despite the parlous state of their economies when they came out of Communism, they have grown to be world leaders, out-performing many parts of Western Europe. What might Wales look like today if we'd won our independence in 1990? *The Flotilla Effect* considered this in detail, and concluded that had that happened, the Welsh economy would be 39 per cent larger than it is today.

#### **Control over our economy**

Of course, independence wouldn't automatically make Wales wealthier. But what it would do is give the Welsh government a set of economic tools that it doesn't have at the moment. Currently, the Welsh government has minimal powers over taxation and borrowing. The powers it does have are, however, hamstrung in ways that ensure England is not disadvantaged. For example, the UK Treasury has repeatedly refused Welsh Government calls to devolve Air Passenger Duty, unashamedly saying that doing so would give Cardiff Airport an advantage over Bristol Airport. For the most part, the British government simply hands Cardiff Bay an annual grant, which the Welsh Government uses to pay for Welsh services. This effectively means that Welsh economic policy is driven by the needs of the UK as a whole and is unable to fully work to our own strengths.

Independence would give Wales full control over economic policy. We would have full control over taxation: including control over how they're collected. No more letting the super-rich dodge their taxes while ordinary people pay theirs. The tax code could be simplified, taking out many of the loopholes that multinational companies currently exploit. The UK tax code is currently 17,000 pages long, while Hong Kong's is under 300 pages. Some countries, such as Norway, publish all tax returns so that the system is totally transparent. None of these things are possible under devolution, but they'd all be on the table if Wales was independent.

Likewise, after independence, Wales would be responsible for regulating its own financial sector. When the banks went bust in 2008, the UK government decided to bail them out. While this had a massive impact on the economy, and on the lives of ordinary people, not a single banker was held to account for gambling with and losing our money. Compare this, again, with what has happened in Iceland. Their government decided to bail out ordinary people, writing off parts of mortgages and small-business loans that had been forced up by the crash. Twenty-six bankers, who had been gambling recklessly with their economy, were jailed. An independent Wales could set up its own system of regulation, designed to protect everyone, not just the banks.

Indeed, an independent Wales would have the freedom to implement, very swiftly, many of those ideas that are recognized as essential to our prosperity. The possibilities are endless, from infrastructure investment in broadband and transport, to the rapid development of large energy projects, and putting ourselves at the front of the queue in order to attract high-tech manufacturing industries. All these policies can be embedded within other aspects of development that we value as a country, such as respect for the environment, social justice, and ensuring prosperity and a decent quality of life across all parts of Wales.

# Can Wales afford independence?

Independence might sound like an appealing idea, but will it work in practice? Can Wales afford to stand on its own two feet?

One argument that is mentioned regularly is that Wales has a large fiscal deficit.

However, the important point to make is that this fiscal deficit is not inevitable. Wales is currently running such a deficit due to the economic mismanagement of being a part of the UK. It is not preordained that Wales must suffer from such a shortfall in revenue, and there are no obstacles in terms of our abilities, education system, or our place in the world that would render us unable to address the issue as an independent nation.

Moreover, by looking at the estimated fiscal balance over the last two decades, we see that

the deficit has fluctuated significantly from a low in 1999/00 to a high in 2009/10, following the global financial crisis. The fiscal deficit of the UK as a whole was as high as  $\pm 167.4$  bn in 2009/10, while the UK Government is expected to borrow up to £372bn to cover the costs of the COVID-19 pandemic. It is also true that independent nations commonly run long-term fiscal deficits. In fact nearly all OECD countries have on average run budget deficits of between 3 and 8 per cent for the last decade. According to OECD figures, the last year the UK had a budget surplus was 2001, and it has only had six years of surplus since 1970! At the peak of the financial crisis Ireland ran a budget deficit of 30 per cent, from which it has now recovered with careful management of its economy.

As an independent nation, in the mid to the long term we can look to exploit all of our advantages and free ourselves from Westminster-imposed restrictions on the economy and taxation. Locked in the UK, we are suffering from the effects of a classic exploitative, extractive economy. By becoming independent, we can reshape the system.

## The current situation

Despite being able to recognize the potential of Wales and the options open to us as a small independent nation, it is important to recognize the situation as it stands and understand the task facing us – especially with respect to Wales' position in terms of relative wealth and public spending today. However, there is a large caveat attached to any such considerations, namely that there is a certain amount of guesswork attached to many of the figures that are used as indicators. For example, although we do know what our exports outside of the UK are to the EU, USA and other trade partners, we do not know what the internal UK exports from Wales are. GDP should therefore be described as an estimate only, with no known error margin for that estimate either.

With respect to the fiscal balance, in March 2020, Cardiff University's Wales Governance Centre published an update on public spending in Wales and the potential impact of independence. This report is to be particularly welcomed given the absence of information regarding Wales' fiscal affairs. It found that while some £29.5bn in taxes was raised in Wales in 2018-19, public expenditure was some £43bn.

Those opposed to independence argue that these figures put an end to any talk of independence. Wales has a fiscal gap of £13.5bn, and unless we can close that gap, independence means either massive tax hikes, or cuts in public services.

## But is this really the case?

It is important to recognize that our deficit at the moment is about 18 per cent of GDP. Before the COVID-19 pandemic this deficit was coming down, and it should be noted that £5 billion of the deficit is a result of state pensions – reflecting the current imbalance in our ageing population. The figures included in the Wales Governance Centre report include money that is being spent in Wales, but they also include allocations for UK-wide spending that are arguably disproportionately high. Much of this money is spent in other parts of the UK, with Wales seeing none of the benefits.

Take, for instance, the HS2 high-speed rail link between London and Birmingham (currently under construction), the proposed HS3 link in the North

of England, and Crossrail in London. Despite the fact that all of these projects are based entirely in England, the UK government says that Welsh people will benefit from them, so they count part of the cost against Welsh public spending. Likewise, the UK government sets £1.9bn of defence spending against the Welsh budget – a figure that could also be greatly reduced in an independent Wales - (see the section on Defence). Westminster MPs have approved the refurbishing of the Houses of Parliament in London, at a cost of £4bn, and a part of that cost will be counted against Welsh public expenditure. It seems there is plenty we could cut from "Welsh" public expenditure without it making a significant difference to Wales.

When considering government expenditure and revenue in Wales it is also instructive to look to Scotland where reports, similar to the one produced by the Wales Governance Centre, have been produced for many years and there is some debate about how they should bear upon the debate about independence. Economists Jim and Margaret Cuthbert have studied GERS (Government Expenditure and Revenue in Scotland) over a number of years and provided criticism that has driven the evolution of the report, and in one of their more recent publications it has been argued that despite improvements these reports can only provide a partial view of the situation regarding finances. In particular we should consider that they cannot include information on capital and investment flows that inform the annual 'Pink Book' published by the Office of National Statistics for the UK economy – and that this data can potentially make a very significant difference to the overall picture.

There are also outstanding questions about the limits and shortcomings of the data that is used for these reports, including the fact that numerous sums must be estimated from UK expenditure as Westminster effectively refuses to provide the more accurate data that is required. Richard Murphy from the University of London is one economist who has taken up these questions recently to challenge some of the underlying assumptions in the debate.

#### 'England and Wales' means no Welsh data

Moreover, in Wales at present, all companies here are registered in England & Wales, as we have a single legal jurisdiction. As a consequence, companies that often have more than one factory or office site will register in England and all taxes are collated in the English Headquarters with no clear distinction of what taxes (especially corporation tax) are being raised by the Wales site. The Office of National Statistics simply does not have this information.

The key point is that the total of expenditure in reports like GERS says very little about the total public expenditure a Welsh government might deploy after independence. With respect to revenue, GERS describes the status quo and the consequences of tax decisions made at Westminster. In itself, the GERS revenue figures give some sense of the short term challenges, but they say relatively little about the tax revenues which could be available to a Welsh government under the different circumstances brought about through independence.

## Pound, Euro or Punt?

During the Scottish referendum debate in 2014, we heard a lot of discussion of what would happen to monetary policy. The Scots already issue their own banknotes, but these are ultimately backed by the Bank of England. Issuing Welsh money would be a new development, but it's an area where independence would allow us to make the choice that's right for our own economic circumstances.

There are at least five currency options, each with their own pros and cons:

**Keep the pound in a formal currency union** This would cause minimal disruption, but it would mean retaining the Bank of England as the lender of last resort and the Bank of England setting interest rates. As it would require a fiscal union with England, questions would be raised on whether Wales were truly independent.

## Keep the pound (or another currency) as a substitute currency

Nations can legally use whatever currency they want without being in a currency union. In these circumstances, a substitute currency is used instead of, or in parallel with, a local currency. At present, nobody uses the pound as a substitute; the main currency substitute is the American dollar (though some European countries like Montenegro use the euro without being in the eurozone or EU).

## A Welsh currency pegged to the pound (or another currency)

Wales would have its own currency – the punt – with a 1:1/equal value to the pound. It would require Wales to establish its own central bank (and issue its own coins and notes) with pound sterling remaining legal currency. However, it would mean that the value of the Welsh currency would rise and fall in line with another currency regardless of its impact on the Welsh economy.

This is in line with what Ireland did for many years and then over time let their currency free-float with sterling until Ireland finally joined the Euro.

### A Welsh currency with its own exchange rate This would mean Wales having complete control over monetary and fiscal policy, setting interest rates and controlling the money supply. While this might take more work to implement than some other options considered here, the benefits of having full monetary sovereignty are vast, as the budget is not constrained by the need to run a balanced budget over time. In the short-term, to avoid large currency fluctuations, it may be expedient to peg a new Welsh currency to an existing currency. Switzerland, though a member of the Single Market via its bilateral trade agreements, has its own currency which is largely pegged to the Euro to avoid large increases in the valuation of its currency and is seen as a safe haven for money during financial difficulties in Europe. Wales could do something similar to this with Sterling (or

another currency such as the Euro) to avoid an overheated currency which could bring difficulties to exports and tourism.

#### Join the euro

This would be an option only if Wales decided to be a member of the EU, and it would still require a Welsh currency in the interim period, with controls on public spending deficits and voluntary membership of the European Exchange Rate Mechanism (ERM II) for two years. It would, however, make it easier to trade with the EU and could boost foreign tourism; but it could also mean being dragged into a European fiscal union and a potential rerun of the 2016 EU referendum campaign.

At the end of day, this would be a matter for us all to decide, as part of independence negotiations. Making the right choice would be about choosing what best suits our economic circumstances. But the point is that there are plenty of options available. There's no need to listen to scaremongering about Wales being forced to adopt an unsuitable currency against our will. Independence is about using the tools we have to help us choose the option that works best for Wales.

# What about the monarchy?

YesCymru believes that the two issues of independence and the monarchy are best kept separate. Some who support Welsh Independence, or are indy-curious, may be in favour of keeping the monarchy, whilst others are staunch republicans.

One proposal is that the monarchy could be maintained after independence through adopting 'Commonwealth realm' status, following the historical precedent of countries such as Australia and Canada (where the British monarch remains the head of state). If we did retain the monarchy after independence, even temporarily, the relationship between Wales and the crown would be different.

Welsh land that is currently owned by the royal family – the Crown Estate – would transfer to the control of the Welsh Government. In 2019-20,

the Crown Estate in Wales had property assets of £96.8 million and revenues of £8.8 million. There's no massive windfall from the Crown Estate, but the money could be re-invested however a Welsh Government saw fit, with the land held in trust.

For those who are not in favour of keeping the monarchy, it is worth remembering that it took Ireland fifteen years (from the 1921 Anglo-Irish Treaty) to become a republic. If Wales opts not to have an elected head of state from the very beginning of independence, this question could be put to the people in a separate referendum as a constitutional amendment if the people of Wales give politicians a mandate to pursue it.

### A constitution for Wales

In 1997, the people of Wales voted in a referendum, to support devolution. Two years later, the Welsh Assembly (now officially called Senedd Cymru/Welsh Parliament) was established. In 2011, the people of Wales voted in another referendum, to increase the law-making powers of the Senedd. During the Brexit process, the UK Government has sought to take back powers for themselves via the Internal Market Bill. This is despite those (EU) powers having been the responsibility of the Welsh Government before Brexit.

#### Democracy

Devolved power is temporary, and can easily be taken away. Independence would allow us to establish Welsh democracy on a permanent footing.

Our democratic institutions in Wales can be undermined because the UK doesn't have a written constitution. The Senedd/Welsh Parliament was created by passing a law in London, and its powers can be reduced by another law in London.

The UK is one of the few nations of the world that *doesn't* have its own written constitution. Instead, the UK's "constitution" is shaped by decisions of predominantly English lawmakers and English court judgements, sometimes going back generations, even centuries.

When a nation gains its independence, one of its first collective acts is to write a constitution, setting out how that nation will be governed. It places responsibilities and limits upon the government. It confers permanent, inalienable rights upon the citizens of that nation. Many modern democracies use their constitutions to guarantee universal human rights. They protect the individual, and guarantee citizens their freedom of speech and thought, freedom of assembly, religious freedoms, their right to privacy and a family life.

#### **Diversity and Inclusion**

A new constitution would be an opportunity to do justice to those who've had to fight long, bitter struggles for rights the majority of us take for granted. Welsh people of colour, women, disabled people, LGBTQ+ and others continue to make a cherished and vital contribution to public life and our communities that has long been ignored and taken for granted.

Wales must use the opportunity of drafting a new constitution to acknowledge our own complicity in historic abuses and work to reject the institutional and systemic discrimination which has left some of our most vulnerable and marginalised people living in fear.

A new constitution must guarantee fair treatment within the criminal justice system, as Wales seeks to address the abuse of police and investigatory powers, as well as our scandalously high imprisonment rate (particularly amongst people of colour) under UK rule.

### **Basic Rights**

Independence means a clean slate, and an opportunity to create and shape a new Wales, working to rules we choose to set ourselves. Many nations have adopted constitutions that go beyond guaranteeing basic liberal rights. A Welsh constitution, for example, could guarantee a right to free healthcare and education. Citizens could have the right to a decent home, placing a responsibility on all future governments to eliminate homelessness.

The constitution of Wales could also take its lead from that of Finland, which protects its citizens from discrimination on the basis of language, by placing a permanent legal duty on future governments to protect and foster the Welsh language.

The process of drafting a Welsh Constitution would begin as soon as possible following a successful independence referendum, taking place during the transition period of negotiation between the Welsh and UK governments. There are a number of ways Wales could do it: we could either leave it to the Senedd/Welsh Parliament, form an expert constitutional convention specifically set up to write a constitution, or even "crowd-source" a constitution by opening the process up to the public. Once agreed, constitutions tend to be difficult to change. In some nations, the constitution can only be changed by referendum. Other nations require a supermajority vote in parliament – usually two thirds of the members, (in both houses, where applicable). The precise process for amending the Welsh constitution would have to be decided while the constitution is being drafted. But the fundamental importance is that a written constitution would place Welsh democracy on a permanent footing. The rights of all peoples and communities of Wales would be guaranteed, and only the Welsh people themselves would be able to make changes to our own constitutional rights.

### Wales, the world & Brexit

Wales currently has little influence on global affairs. On the world stage, the Westminster government speaks for the whole of the UK. Because England makes up 84 per cent of the UK's population, it is the needs of England that drive our negotiations and relations with other countries. We have seen this already during the Brexit negotiations: in January 2017 it was revealed that the British government considers the steel industry a low priority in future trade talks. It doesn't matter to England, so it's sent to the back of the queue.

We've also seen it during the development of a post-Brexit immigration policy. The UK Government set an income threshold for prospective immigrants based on average salaries which were distorted by the south of England. It resulted in key sectors in Wales traditionally reliant on migrant workers to fill labour shortages - such as social care, hospitality, the NHS and the food industry - facing completely avoidable uncertainty.

### An independent Wales outside the EU

Whatever your view on the EU, independence is the only way of guaranteeing Wales' future relationship with the EU post-Brexit. If we have to negotiate new trade deals, then these deals need to be ones that favour Wales. The British government can't be trusted to put the Welsh economy first. Their priority is to protect banking and financial services, based in the south-east of England. Welsh industries won't be anywhere near the top of London's list when it comes to trade talks.

An independent Wales (outside the EU) would be able to do its own deals, meaning that it could fight for a fair settlement on the parts of the economy that matter to us.

#### Single market access without EU membership

We could follow the example of Switzerland or Norway and pay a fee to access the single market (either within or outside the European Free Trade Association). We could also negotiate our own free trade agreement with the EU. An independent

### Rejoining the EU

Alternatively, an independent Wales could hold a referendum on full EU membership, and depending on the result, could apply to rejoin via Article 49 of the Lisbon Treaty. Wales would have to accept free movement and would have to contribute towards the EU's annual budget; but in 2016, Cardiff University estimated Wales received £245million more back from the EU than we paid in under the UK's membership. The process wouldn't be an easy one, but the fact remains that an independent Wales must make its own decisions on its place in the world.

Whichever way you voted in the EU referendum, the fact of the matter is that Welsh interests would be best served by having a seat for Wales at the global negotiating tables, arguing Wales' case. Recent events have shown us, perhaps more clearly than ever, that rather than being "stronger together" in the UK, Wales' voice is lost entirely when it comes to negotiating the relationship with the EU and other countries.

### Defence

O ne of the most important functions of government is to defend its citizens. Defence means much more than fighter jets and aircraft carriers. It also means protecting us from harm, in whatever form that harm comes – whether military, man-made disasters or natural disasters. So the first question to ask is what does Wales need defending from?

Wales is in, arguably, one of the safest parts of the world, and the chances of Wales being attacked or invaded by a foreign country are slim. UK foreign policy and our association with it represents the biggest security risk to Wales – independence would make us safer. Other security risks facing Wales post-independence would include climate change-related issues like flooding, coastal erosion, forest fires and extreme weather events.

The military also has a role in supporting foreign policy. That includes a combat role, but is just as likely to include peacekeeping missions, disaster relief efforts, search and rescue operations, routine patrols to meet fisheries policy obligations, as well as counter-smuggling and counter-terrorism missions. A "Peace Academy" modelled on those in Flanders and Catalonia has been mooted for Wales before; we could also follow Ireland's example in becoming a centre of excellence for training military personnel for humanitarian and peacekeeping operations.

It is, of course, entirely possible for a nation to go without an army. Costa Rica, a nation of some 4.5 million people, hasn't had a standing military since 1949, and neither has Iceland, since 1869. But assuming that Wales does choose to have an army, what might it look like, and how much might it cost?

If we decided to follow the Irish example and establish 'Welsh Defence Forces', it would likely have a single command structure and be made up of army, naval and airborne services, with the emphasis on land-based forces. These would be supported by reservists, and 'Welsh Defence Forces' would likely be between 5,000-7,000 strong. It's important to remember that the UK ranks eighth in the world for military spending per head. Despite the fact that not a single regiment is actually based in Wales, the UK government claims that it spends £1.9bn per year on the military in Wales. This is more than we spend on education every year (£1.8 billion in 2019/20). It's more than five times as much as the total amount spent on the police in Wales (£365 million). By comparison, Ireland spends the equivalent of £140-per-head on defence. If Wales spent a similar amount per head, it would add up to some £430 million a year – much lower than £1.9 billion.

The decision to send troops into combat is the most serious responsibility any politician bears. In the UK, however, the Prime Minister has broad-ranging powers to wage war without parliamentary approval. An independent Wales could place constitutional limits on politicians' ability to deploy troops.

In terms of internal security, the UK currently subjects its population to greater surveillance than almost any other state. British citizens live their lives in view of more CCTV cameras than any other country in Europe. The Investigatory Powers Act 2016 – the so-called 'Snooper's Charter' – gives the government broad-ranging powers to access our online activities. An independent Wales would be able to write a right to privacy into its constitution, limiting the ability of future governments to intrude into people's private lives.

### Immigration & Nationality

As an independent nation, Wales would decide who could cross our borders, whether it's to live here temporarily (such as studying at university) or to start a new life for themselves and their families. We *could* choose a hard border, but this is not the only option, and independence would not necessitate guard posts on the Severn Bridge.

Ireland has been independent since 1922, but when you get off the ferry at Dublin or Rosslare you don't need to show anyone your passport. This is because the UK and the Republic of Ireland have agreed a Common Travel Area (CTA) that allows citizens of the two countries to come and go as they please. In 2019, both the British and Irish governments agreed a memorandum of understanding to maintain the CTA after Brexit. An independent Wales, like an independent Scotland, would likely be offered the same deal as the Irish.

At the end of the day, immigration would be a matter for the Welsh government after independence, making decisions that are right for the people of Wales. This could mean doing a deal with the rest of the UK, and agreeing a common immigration policy. Or it could also mean forming independent agreements with the rest of the world with respect to who can live and work in Wales.

We can avoid travesties such as the mistreatment of the Windrush generation by the UK Government by abandoning their "Hostile Environment" policy which aims to discourage immigration through bullying. Wales would be well-placed to develop a humane approach to immigration and asylum with fairness and basic decency at its core.

The key point is that visitation, immigration and citizenship, like everything else, would be a decision for the people of Wales, based on Welsh needs.

### But what about.....?

Many people will find the idea of independence appealing, but will worry about throwing the baby out with the bathwater. Building a new democracy might sound exciting, but most people want to know that their daily lives won't be turned upside down overnight.

## Would I still have access to the same TV and radio programmes?

As the name suggests, the BBC is a British corporation. Your licence fee is collected by the Department of Culture, Media and Sport in London, and then handed over to the BBC to fund its programmes. How that money is then divided between the different nations and regions is decided in London, by the BBC's unitary board. Fourteen directors sit on this board, with only one of them representing Wales.

If Wales became independent, the BBC could

decide to stop providing services to Welsh viewers and listeners. If this happened, then the Welsh government would have to decide what should take its place – potentially deciding to set up a Welsh Broadcasting Service. But if the BBC didn't provide a Welsh service, then it would lose the revenue from Welsh licence fee-payers. A much more likely outcome is that the BBC would be reformed along federal lines. BBC Wales could become a separate legal entity, working alongside BBC England, BBC Scotland and possibly BBC Northern Ireland to provide a service that reflects the different demands of the four nations.

The responsibility for S4C would transfer from the British government to the Welsh government. Commercial television would barely be affected. Sky is available in the Republic of Ireland, as is Virgin Media. BT's TV services are also available via Ireland's Eir Sport service. There's no practical reason why any of these services (or future services) wouldn't be available in an independent Wales. There would also be the opportunity to develop more community-based and not-for-profit media to address the massive deficit in Wales-focused news that currently exists.

#### What would happen to Welsh sports teams?

Wales is already "independent" in many sports – notably football and rugby – while we also have a strong boxing and cycling heritage. Independence would ensure Welsh Olympic and Paralympic teams, meaning Welsh athletes who are currently denied the chance of competing at the Olympics and Paralympics (because they have to fight for places in Team GB) can realise their dreams.

The most popular sport where Wales doesn't compete in its own right at the highest level is cricket. It's actually our own cricket body – Cricket Wales – that is blocking a Welsh cricket team, despite the boost that taking part in the one day and T20 competitions would bring.

As Wales is already "independent" in football, there is no reason why Swansea City, Cardiff City and the other Welsh clubs could not continue to participate in the English pyramid after independence if they so choose.

What would happen to major UK public sector employers in Wales like the DVLA in Swansea, Office for National Statistics

## (ONS) in Newport and HM Revenue & Customs?

Some jobs might be lost as departments downsize, but Wales would need an equivalent of the DVLA, ONS and HMRC etc. Public sector workers could be redeployed to new departments, such as a Welsh equivalent of the Ministry of Defence or Foreign Office. It is likely enough jobs would be created in new public departments to replace those lost in downsized UK departments.

### **Could I still use English hospitals?**

If you've ever been taken ill while on holiday in Europe, you'll know that you're able to use the same doctors and hospitals that the locals use. The hospital takes your details, and passes the bill for your care on to the government at home. As mentioned earlier, the Common Travel Area (CTA) does guarantee reciprocal healthcare rights. As long as the CTA (or a similar agreement) is upheld, anybody travelling back and forth between England and Wales, as well as those living on the border, would be guaranteed easy access to healthcare wherever they happened to be when they fell ill.

#### What about my local council?

An independent Wales could create a system of meaningful local democracy. Councils could be given constitutional protection, to guard against meddling by the central government. They could be allowed to raise and keep a larger portion of their own revenues, and spend local taxes on local priorities. Boundaries could be fixed, with no more pointless re-organisation. Independence is a chance to reinvent Welsh democracy.

### The road to independence

Wales can only become independent if the people of Wales wish it. A majority of Welsh voters would have to support independence, in a referendum recognised both by the Welsh government and the British government.

The first step is to elect a pro-independence Welsh Government. This could be made up of one majority party, or a coalition of parties that support independence. One of the main things that we need to do is try to persuade our political parties that this is an idea worth fighting for. At the moment, there is only one major political party that supports Welsh independence, but there's no reason why this should be so. There are *YesCymru* supporters representing a wide range of political parties and there is scope for members to influence the policies of these parties.

Welsh independence is an opportunity to build a

better, more efficient, more accountable modern democracy. This is a cause that politicians of every party should support. There's every reason why members from many political parties should support independence. It's about creating a democracy that works for the Welsh people, a new Wales that's fit for the 21st Century: a cause that we should all be able to get behind.

Once the arguments are presented clearly and openly for debate, we can start to plan for independence.

While the most obvious way to achieve independence is via a referendum, Wales alone doesn't have the power to call an independence referendum. Westminster would have to give its consent, and pass legislation to authorise a referendum. But if a majority of Senedd/Welsh Parliament members passed a motion calling for a referendum, it would be very difficult for the British government to say no.

Talks between the Welsh and UK governments would lead to a referendum bill being introduced in Westminster. Details such as the wording of the question, how the campaign was to be run, and who could vote would be overseen by the Electoral Commission. The people of Wales would vote, deciding whether to remain part of the UK or not.

If there's a vote in favour of independence in a referendum, then Wales wouldn't become independent instantly. A constitutional convention would have to be arranged. The two governments would have to enter into negotiations and there would likely be a transition period. The Welsh government would need to decide what kind of relationship it would have with the rest of the UK, and also the rest of the world. All in all, it might take a few years before the process is completed. In 2013, the Scottish Government estimated that it would take two years to complete the process of independence, and Article 50 of the Lisbon Treaty allowed for two years for the UK to negotiate the terms of its exit from the EU.

When all of the discussions had been completed, Wales would need to hold elections. A new government would be elected under the terms of the new constitution, and Wales would finally take its place among the other free nations of the world.

# How can I help to make it happen?

YesCymru's aim is to gain independence for Wales in order to improve the way our country is governed. We believe in an inclusive citizenship, which embraces and celebrates the fact that everyone who chooses to make Wales their home – regardless of their background – are full citizens of the new Wales. If you support our aim:

- Share this booklet with others. A free pdf copy is available online at *www.yes.cymru/join*
- Join *YesCymru*! You can easily join our movement online *yes.cymru/join*

• Follow us on Twitter – @*YesCymru*, Facebook – *facebook.com/YesCymru* and Instagram – @*YesCymru*.

• Join one of the increasing number of local *YesCymru* groups. If there isn't one in your local area, why not start one? – *www.yes.cymru/groups* 

• Share leaflets with people in your community, arrange street stalls and organise public meetings. For further information contact us.

• Speak to your elected representatives, and if you are a member of a political party, lobby them.

• Most importantly, discuss independence with your friends, family members and work colleagues. Together, we can make a difference.

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