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Business attitudes to Constitutional Change

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Abstract: This report outlines the results of a survey of a representative sample of Scottish businesses designed by researchers at Stirling University in conjunction with the Scottish Chambers of Commerce Policy and Research Unit and carried out by Scottish Chambers of Commerce in March 2014. We examine the views of firms about the independence debate, the issues they see as most important in the independence debate and the potential risks and opportunities that they perceive. We also examine options in respect of the currency arrangements that an independent Scotland might make and the possible configurations of EU membership should Scotland become independent or the UK stay together. Finally, we ask businesses whether they think the Scottish Parliament should be given more powers.

Keywords: businesses, attitude survey, independence, constitutional change, Scotland, European Union, currency choice

Acknowledgements: We would like to thank the Scottish Chambers of Commerce and all the firms who took part.

1. Introduction

This report analyses attitudes of members of the Scottish Chambers of Commerce (SCC) to the prospects of constitutional change in Scotland. The SCC is the umbrella organisation for 26 local Chambers of Commerce - representing more than 50 percent of private sector jobs in Scotland.

The report is based on a survey by the SCC of its membership which was designed in the Economics Division at the University of Stirling in collaboration with the Scottish Chambers of Commerce Policy and Research Unit. It was completed online by firms between 24 March 2014 and 11 April 2014. At the end of the survey period, 759 completed questionnaires had been returned.

This survey is unusual in that, unlike most recent surveys of business opinion that relate to the referendum debate, it has been weighted to reflect the characteristics of Scotland's business sector¹. Although it was not possible to control which SCC members participated in the survey, our results reflect the underlying size and spatial distribution of Scottish companies.

The University of Stirling carried out a similar survey of SCC members in June 2013. This second survey was carried out using the same online methods as were used in the previous survey. The first survey identified a number of particular concerns for businesses in relation to independence including:

- business and personal taxation
- regulation
- currency
- Scotland's relationship with the EU

These and other concerns for businesses were addressed in the second survey. It also asked SCC members to judge the quality of the referendum debate thus far and to assess whether the information provided by the Scottish Government and UK Government had been useful.

This survey asked SCC Members if they had identified new business opportunities should Scotland become independent. These might include, for example, the possibility that a policy environment more conducive to business might develop in a post-independence Scotland or that independence would be associated with a stronger Scottish brand which would boost sales. SCC members were asked to identify these opportunities.

The potential risks associated with independence were also examined. These might include the costs of transition – those economic costs associated with adjustment to the new constitutional settlement, or those associated with currency risk. Firms were asked what they perceived to be the main risks (if any) associated with independence. They were also asked if they maintained a risk register and whether constitutional change had been included on this register.

Scottish independence is not the only potential constitutional change that might affect the SCC membership. The UK's continued membership of the EU seems less certain than has been the case for several decades. The survey therefore also examined the desirability for Scottish business of different configurations relating to UK and Scottish membership of the EU. Finally, SCC members

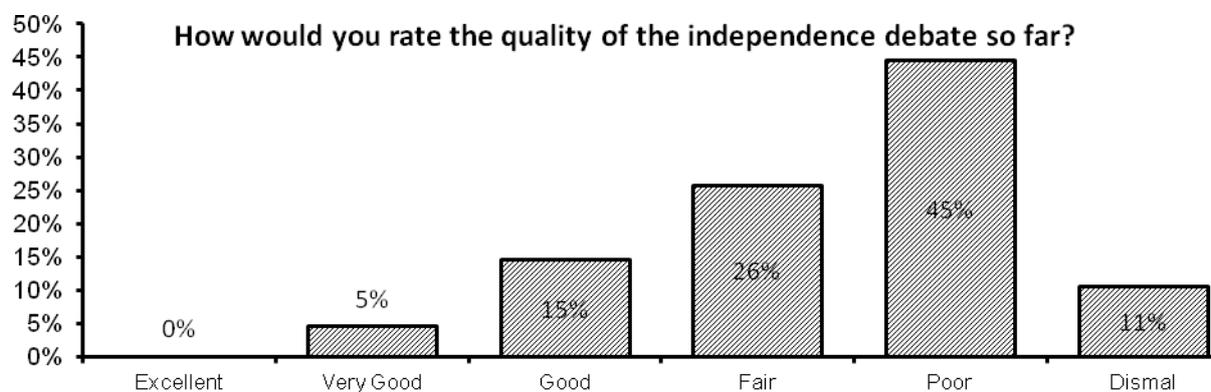
¹ The weighting scheme is explained in Appendix 1

were asked whether they had a preference for the Scottish Parliament to gain more powers if there was a no vote for independence.

The following section outlines the key results from the survey. The final section draws some broad conclusions from our findings.

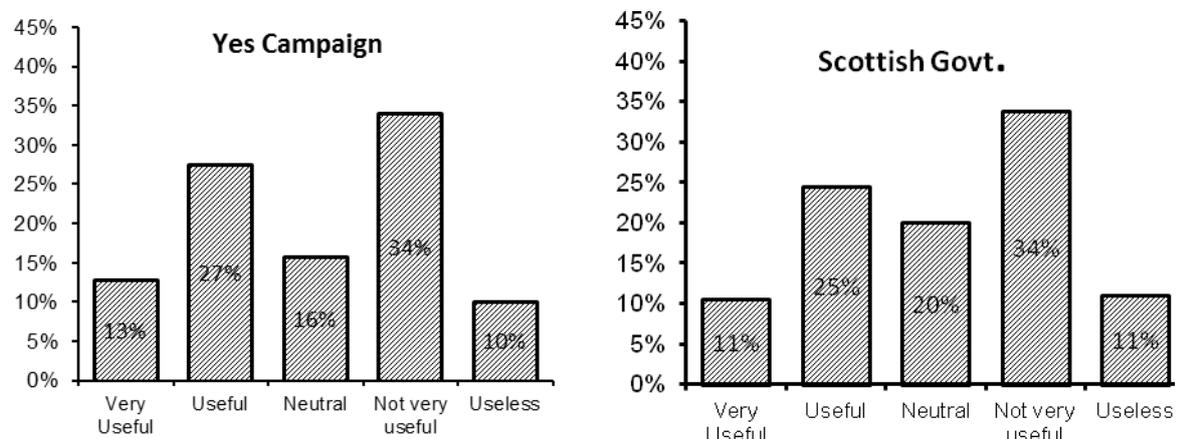
2. Survey Findings

The survey began by asking firms to give their opinion on the quality of the independence debate. As is evident from the figure2 below, their general opinion was low – a majority of respondents classed it as either “Poor” or “Dismal”. None rated it excellent and only 5 per cent described it as very good.

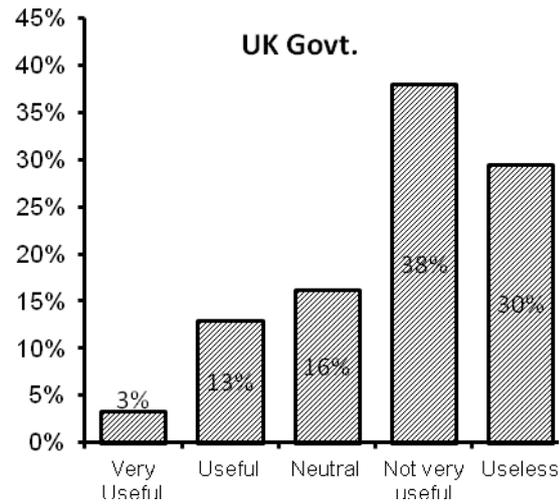
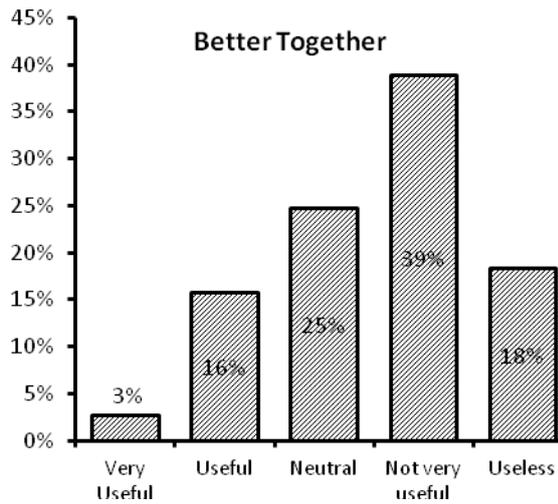


The survey did not inquire why business opinion of the debate is so low, but it did investigate the relative quality of contributions from the different protagonists - the Scottish Government, the UK Government, the Yes Campaign and Better Together. There were clear differences in the perception of the quality of contributions.

Assess how useful you have found the following bodies' contributions to the debate



² Note that in this and subsequent figures, percentages refer to *weighted* proportions of firms responses

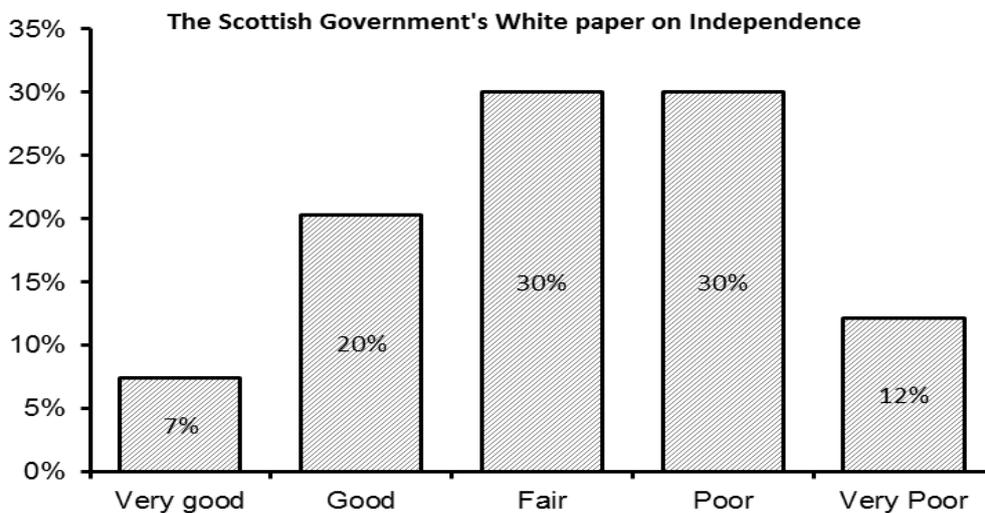


Though none of the offerings was met with enthusiasm, the Scottish Government and Yes campaign’s contributions have been better received than those from the No campaign and those from the UK Government. The Better Together and UK Government contributions were rated as “Not very useful” or “Useless” by 57 per cent and 68 per cent of respondents respectively, while the proportions of the “Yes” campaign or “Scottish Government” contributions rated “Not very useful” or “Useless” were 44 per cent and 45 per cent respectively.

Usefulness of Publications

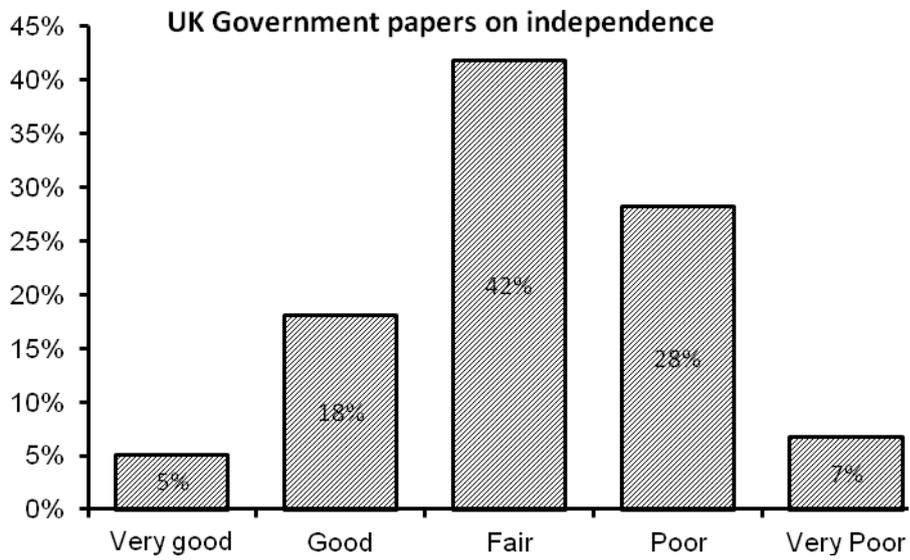
Next, SCC members were asked of their awareness of, and views on, key documents that have been instrumental in making the case for and against independence. These include the Scottish Government’s White Paper on independence and the various publications issued by HM Treasury in support of the Union.

The Scottish Government’s White Paper was recognised by 96 per cent of SCC members. However, the most common answers regarding its usefulness were that it was “Fair” or “Poor”. Around 27 per cent described it as “Good” or “Very Good”.



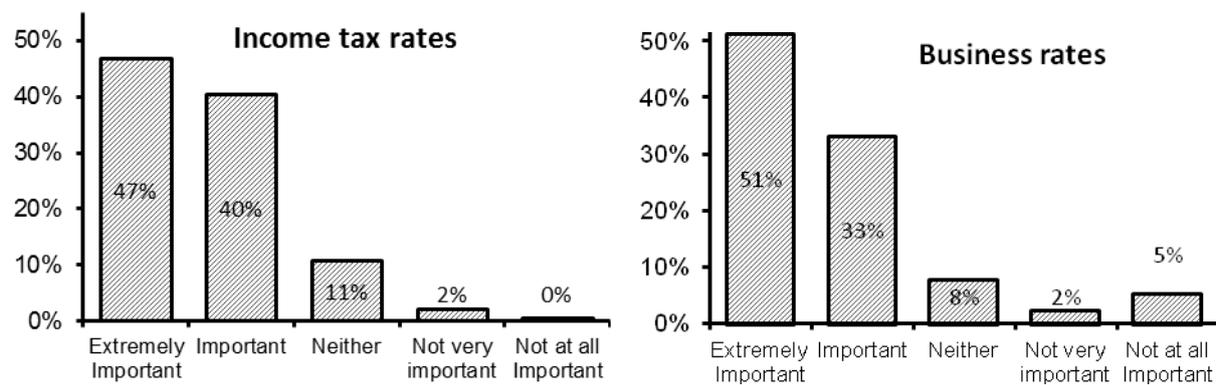
May not sum to 100% due to rounding

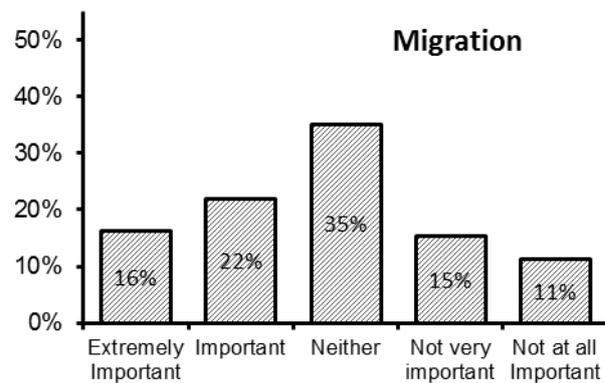
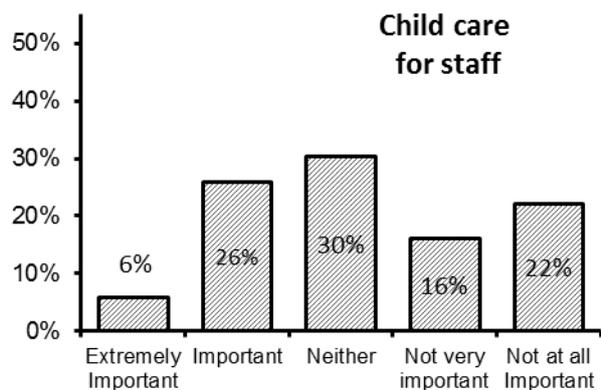
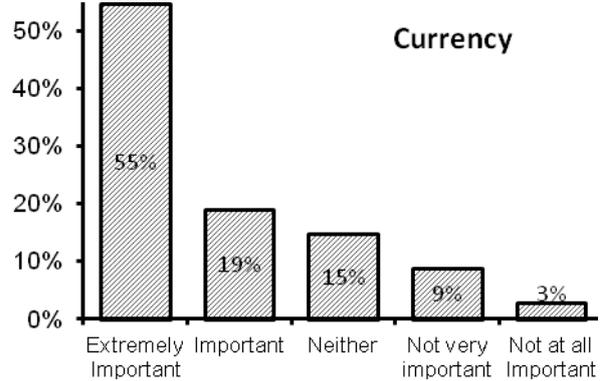
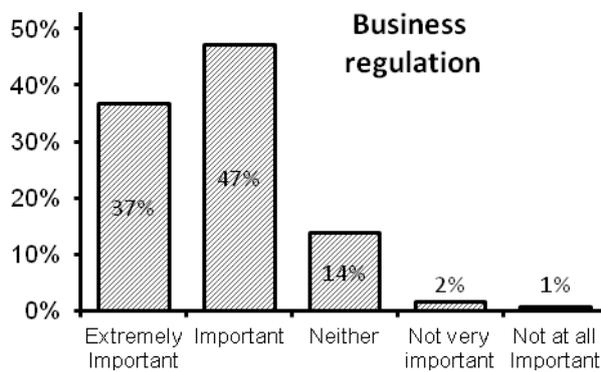
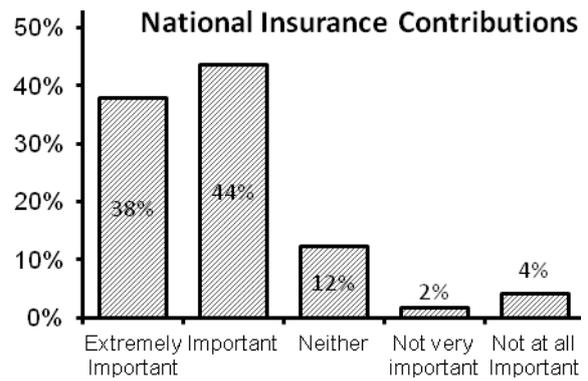
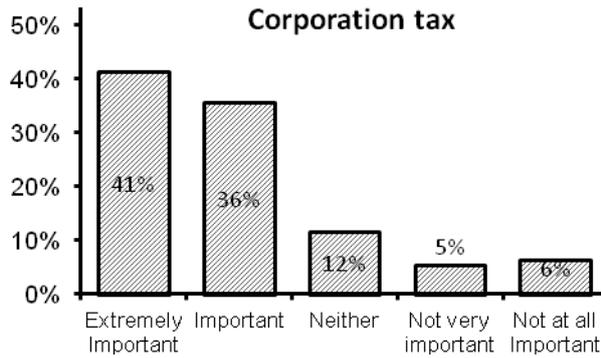
Only 51 per cent of SCC members were aware of the UK Government’s papers on independence, suggesting that they had made much less impact than the Scottish Government’s White Paper. Of those that were aware, the most common description was that they were “Fair”, but 35 per cent of respondents still described them as “Poor” or “Very Poor”, a somewhat smaller proportion than the share who took the same view of the White Paper.



Businesses were then asked about the issues that they regard as important in relation to independence. Questions were again asked about those issues that had emerged as important in the first survey. An additional question was asked about child care, which has emerged as an issue since the first survey, and which will have an effect on firms’ human resource management.

Which business issues are important in relation to independence?





Analysing the importance of these issues by where firms trade reveals that currency is a concern for all types of firm, but particularly those that mainly trade with the rest of the UK (rUK), where 70 per cent regard it as extremely important. This is not a surprise, given that this group of firms would be most affected by any change to existing currency arrangements. In particular, their trade would be subject to transaction costs if Scotland moved to a currency other than sterling. Immigration is not a particularly salient issue for firms that trade mainly in Scotland, but is much more important for those who trade mostly with the Rest of the World (RoW), the EU and rUK.

There is also some variation in the importance attached to these issues by different industrial sectors. Migration is particularly important for construction, finance and health. Currency is vital for manufacturing and finance, somewhat less so for retail, health, education and oil & gas. Business regulation is a concern for finance, education, health, communication and business administration. All sectors view business and personal taxation as important.

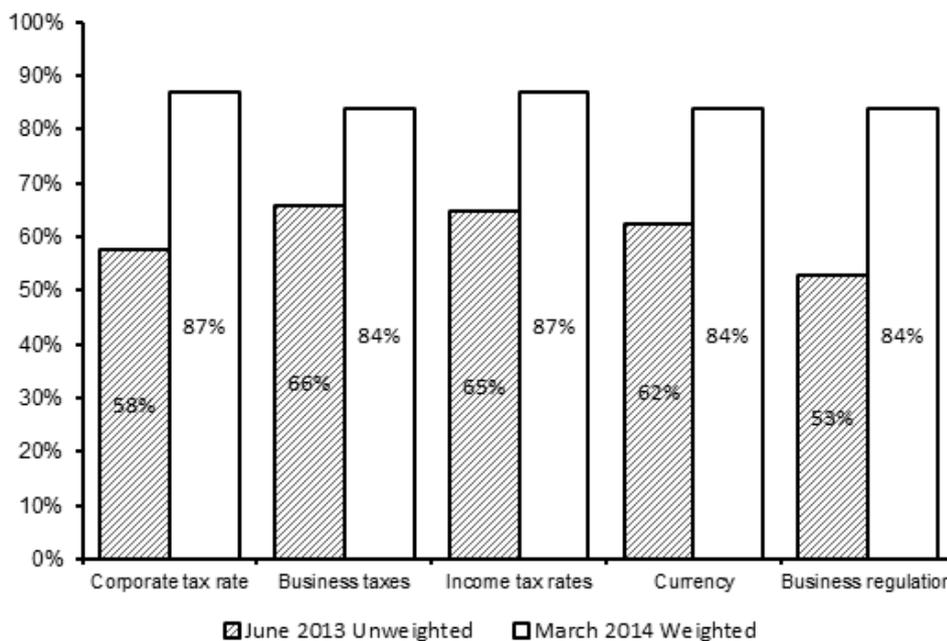
The importance attached to different issues by firms trading in different areas and sectors mirror what one might expect given the different business environments and market challenges that such firms trading face. For example, the financial sector employs many workers from outside Scotland; it operates in a highly regulated environment and much of its trade involves different currencies.

Next we consider how the importance attached to these issues in relation to independence has changed since June 2013. As discussed in Appendix 2, there is not a significant overlap between the respondents to the two surveys. To some extent therefore, differences between June 2013 and March 2014 may be driven by the change in the set of firms that have responded. This does not mean that comparisons through time are invalid, but rather that they have to be treated with more caution. In addition, the June 2013 responses are unweighted.

With these caveats, the following figure shows the proportion of firms in June 2013 and March 2014 that describe some of the issues discussed earlier as either “Important” or Very Important”. In June 2013, an average of 61 per cent of respondents classed corporate tax rates, currency etc as “Important” or Very Important”. By March 2014, this average had risen to 85 per cent.

The clear message is one of rising awareness of the interaction of the constitutional change debate with key issues identified by SCC members. This likely reflects increased awareness of, and sensitivity to, the independence debate by the business community.

Importance of the issue to the independence debate, change from June 2013 to March 2014



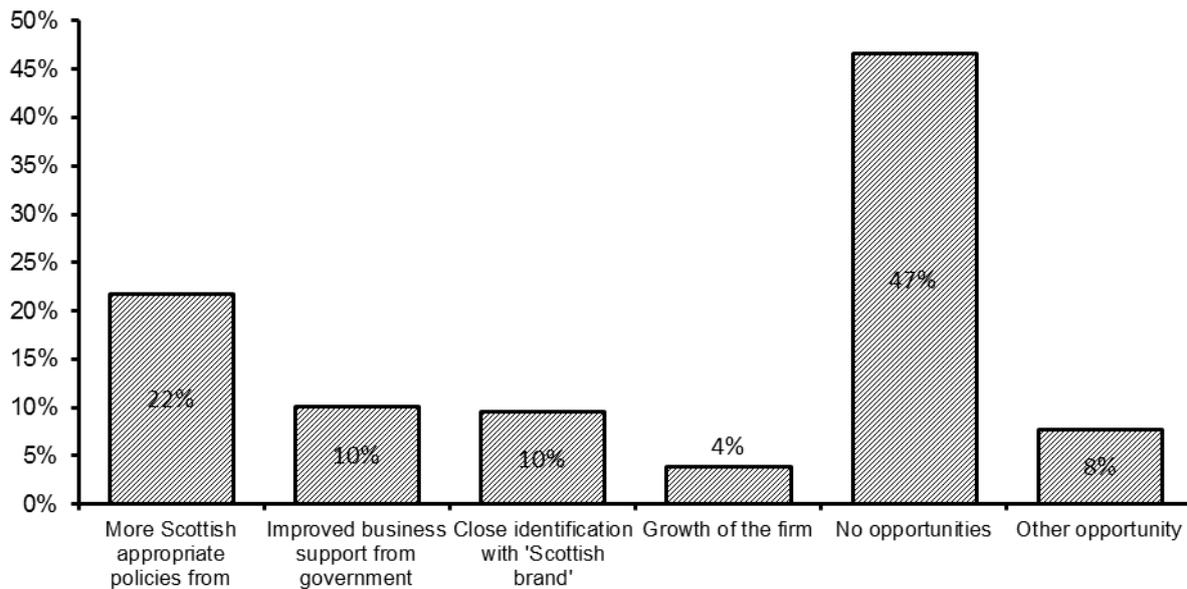
Would you expect to change your business strategy if Scotland became independent?

Firms were asked if they expected that independence would cause them to change their business strategy. Around 49 per cent implied that they would change their business strategy if Scotland became independent. When this group was asked what changes they might make, many of the

responses suggested that they would wait until key issues such as currency, taxes and regulation were resolved. Very few responses focussed on business enhancement. Rather they tended to discuss the possibility of defensive strategies, including significant numbers that were considering relocation all or part of their businesses to England. Some were already reviewing their investment strategies.

SCC members were then asked for their views on opportunities after independence.

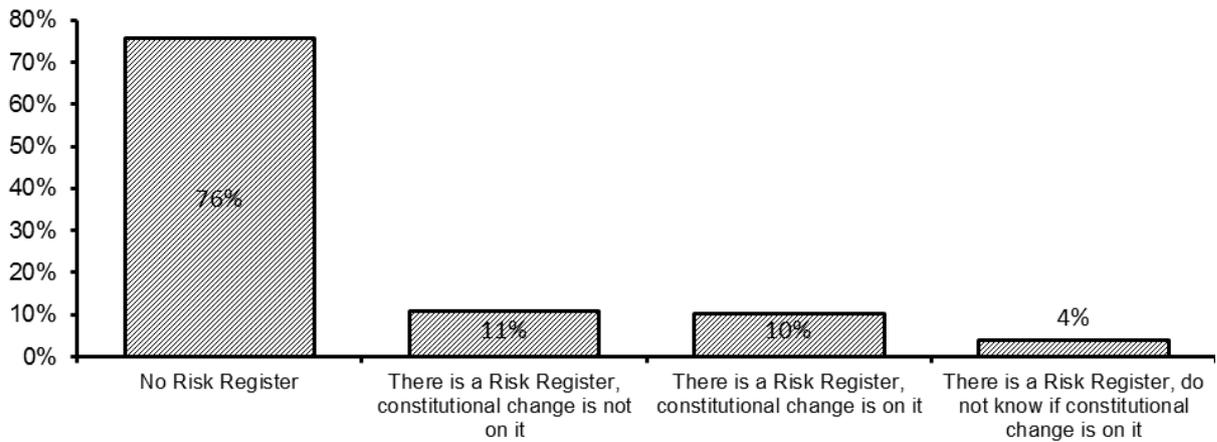
Main business opportunity for your business with independence?



Around 53 per cent of firms identified some opportunity associated with independence ranging from enhanced governmental support, strength of the Scottish brand etc. Only 4 per cent identified firm growth as an opportunity, whereas 47% of firms believe that there are “No opportunities” for their firm arising from independence. This sentiment was particularly acute among firms that trade “mainly with the rest of the UK”, of whom 61 per cent could not identify any business opportunities associated with independence. Those who trade mainly with the EU have the highest level of belief that the main opportunity is from ‘closer identification with the Scottish brand’.

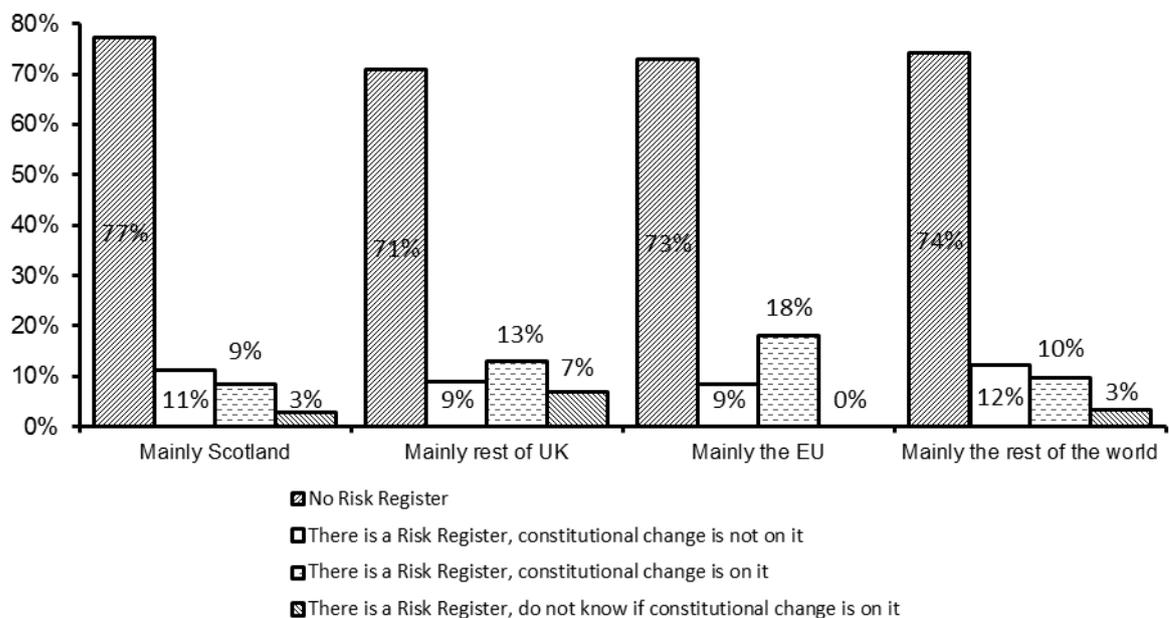
The survey then moved from “opportunity” to “risk”. Firms were asked whether they had a risk register and whether constitutional change had been included on the register if it existed.

Does your firm have a Risk Register and have you included the possibility of constitutional change on it?



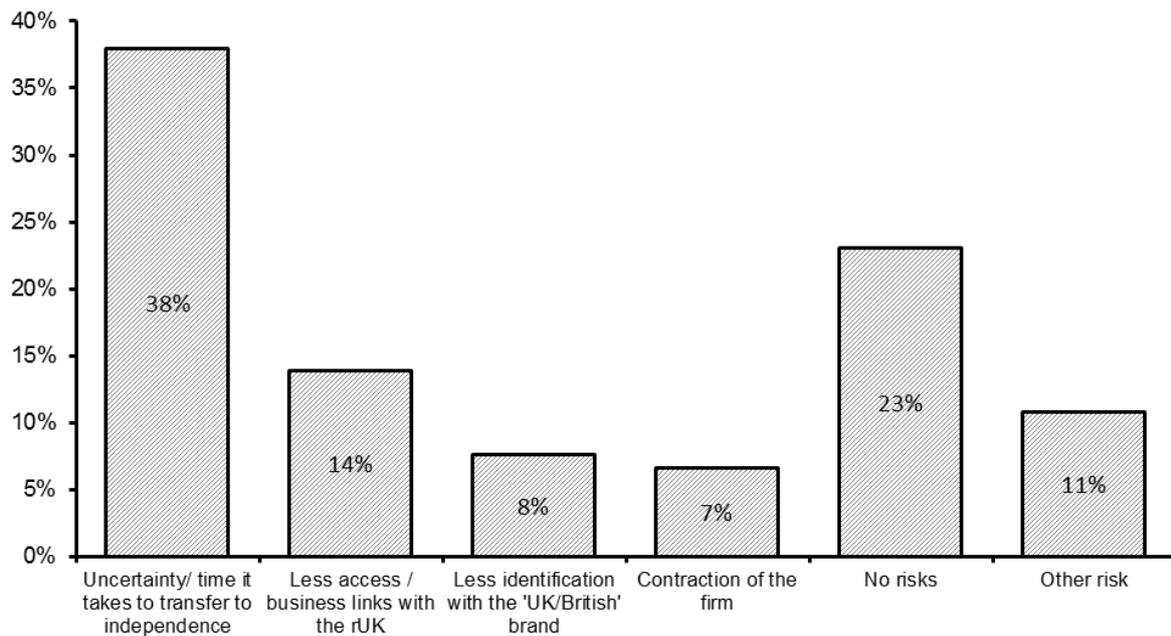
The majority of SCC members do not have a risk register, which is not unusual given that the majority of members are small firms that may not have the time or resources to compile such a register. Those that do have a register (21 per cent of firms) are almost evenly split between those that do, or do not, have constitutional change as an entry on the register. Around 4 per cent of respondents did not know whether constitutional change was included on the register.

Breaking possession of a risk register down by area of trade, it is evident that firms whose business is mainly in Scotland are less likely to have included constitutional change on their risk register than those that trade mainly in rUK or the EU.



We also asked SCC members to identify the main business risk that they associated with independence. Their key concern, identified by 38 per cent of businesses was around the uncertainty and time it might take to establish an independent Scotland. There were also concerns around the loss of the UK brand and reduced business links with the rest of the UK.

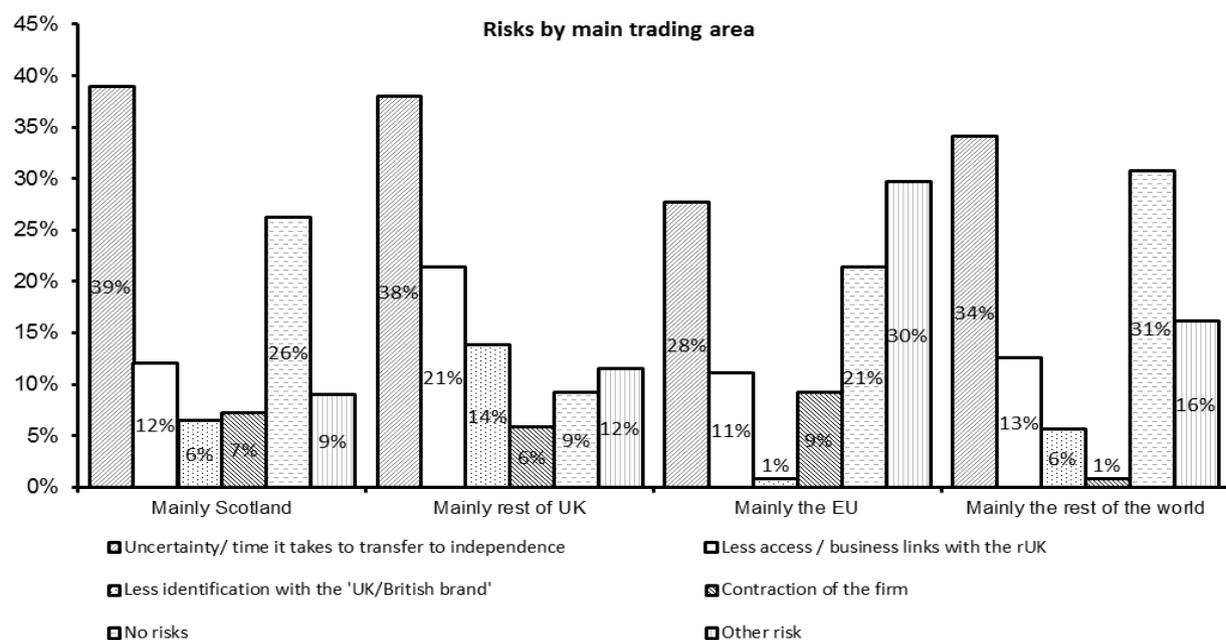
Main business risk for your business associated with independence



Around 23% of firms believed that there are no risks associated with independence. This contrasts with the 47 per cent of firms who, in answer to a previous question, believe that there are no opportunities associated with independence. This suggests that SCC members see more business risks than business opportunities being associated with independence. “Other risks” identified in the responses include the possibility of higher taxes, currency, the reaction of the UK Government etc.

We now again examine whether risks are systematically associated with the markets where firms trade.

Main business risk for your business associated with independence (by trading area)



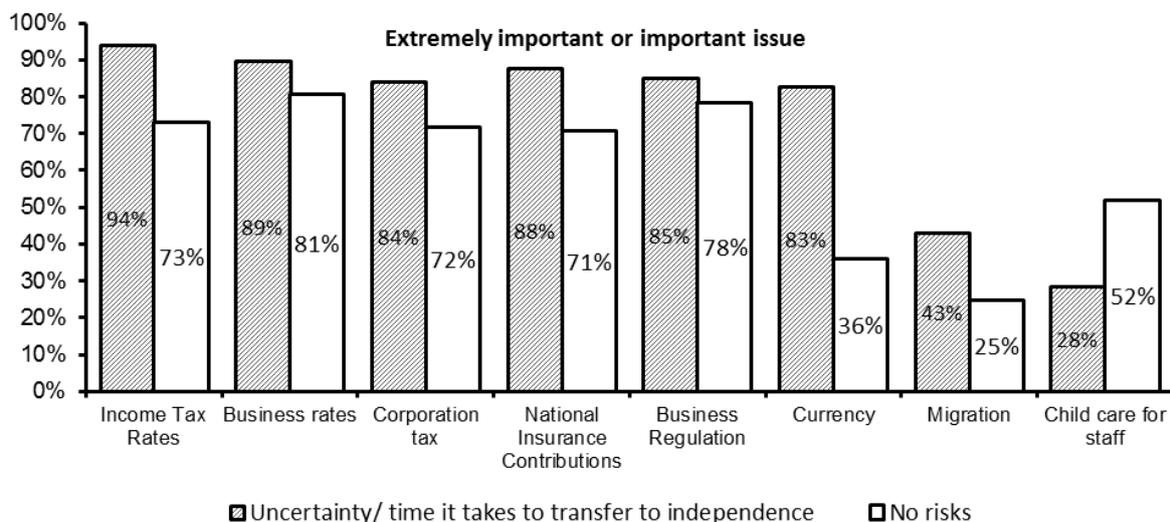
Firms trading mainly in Scotland or rUK identify “uncertainty/ time it takes to transfer to independence” as the most important risk. Firms who responded that there were “no risks” associated with independence are more likely to trade either mainly in Scotland or mainly in RoW. This is perhaps because those working mainly in Scotland do not expect that independence would have an effect on their trading relationships. Similarly those trading in RoW may anyway already be dealing with multiple jurisdictions and do not feel that an independent Scotland would have a significant effect on their ability to trade.

Next we examine differences in what are regarded as important issues by those firms that perceive ‘uncertainty’ as an important risk and those firms who take the view that independence carries “no risks”.

Main risk for your business associated with independence. (Comparison of issues important to firms for the independence debate)

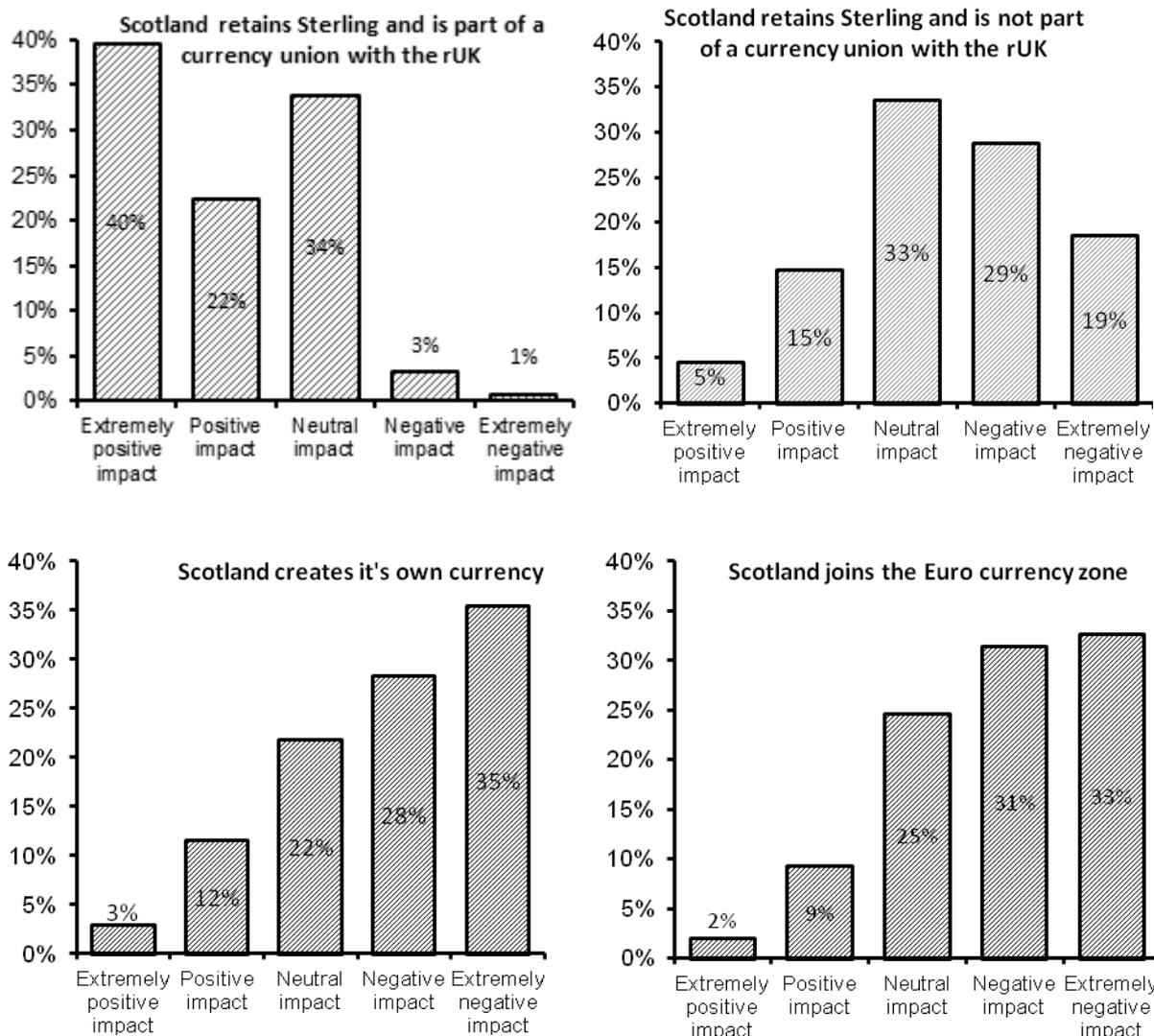
Firms who have worries about ‘uncertainty or time it takes to move to independence’ also have as issues around independence such as income tax rates and currency, less so for migration and child care for staff. This compares to the most important issues for the firms who believe that there are no ‘risks’, who are significantly less worried about currency.

Comparing those who are worried about the uncertainty/time it takes to transfer to independence with those who believe there are no risks, the former group are more likely to view taxes and business regulation as either “Important” or “Very Important”. However, the largest difference in the importance attached by these groups to different issues has clearly to do with currency (see figure below). Around 83 per cent of those who are worried about the transition to independence view currency as “Important” or “Very Important”, while only 36 per cent of those that believe that there are no risks are concerned about currency. Interestingly, child care for staff is more important among those that believe that there are no risks compared with those that are concerned about the uncertainty/time to transfer to independence.



Currency preference if there was independence

Reflecting the importance given to the currency issue, SCC members were then asked to assess different potential currency outcomes for an independent Scotland. These were: (1) to retain Sterling and the currency union; (2) retaining Sterling, but not as part of a currency union (so-called “dollarization”); (3) Scotland issues its own currency and (4) Scotland joins the Euro.



It is clear that Scotland creating its own currency or joining the Euro are both extremely unpopular with business. Scotland having its own currency is assessed as “Negative” or “Extremely Negative Impact” by 63 per cent of firms and by 64 per cent of firms in respect of Scotland joining the Euro. Only 20 per cent of firms view Scotland’s use of the pound outside a currency union as positive. On the other hand 62 per cent of firms view retention of sterling as either “Extremely Positive” or “Positive”. The current currency arrangements are the strong preference of SCC members.

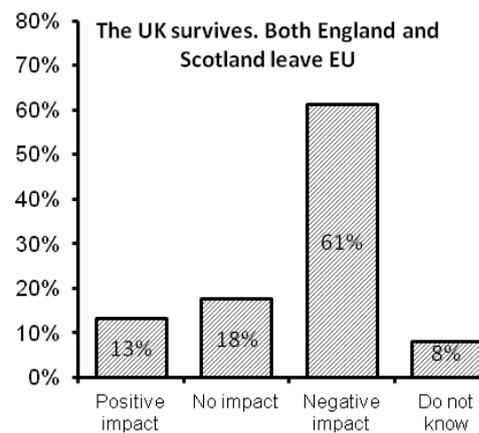
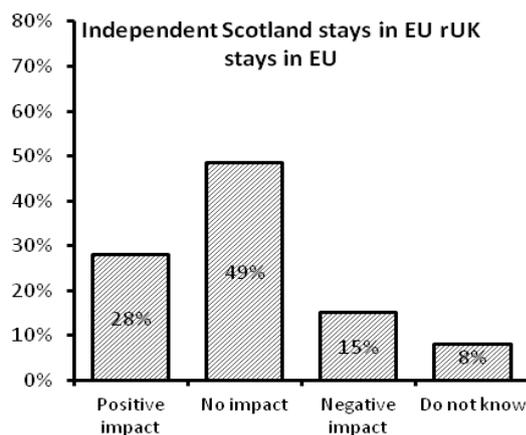
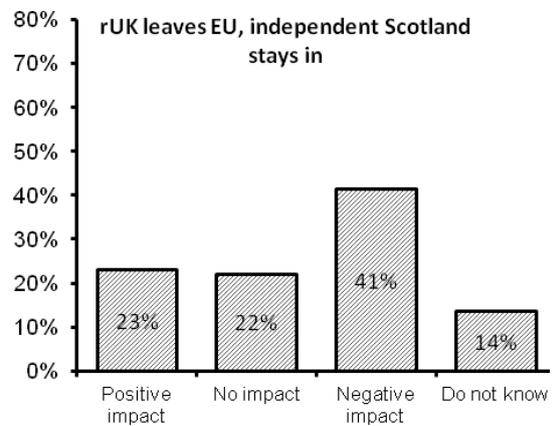
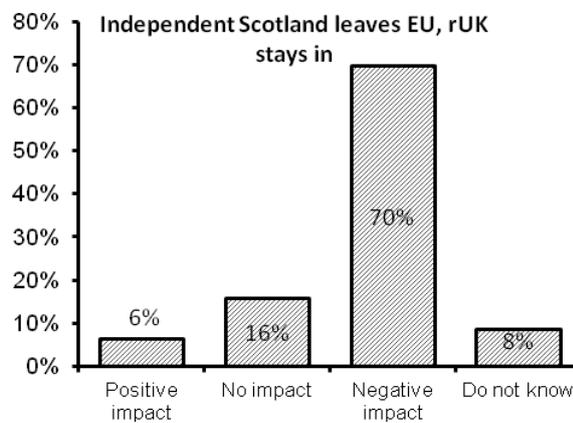
When these data are analysed by the area where firms mainly trade, it emerges not surprisingly that there is strong opposition to joining the Euro from firms that mainly trade with rUK and much less opposition from those that trade mainly with the EU. Those that trade mainly with the UK are also

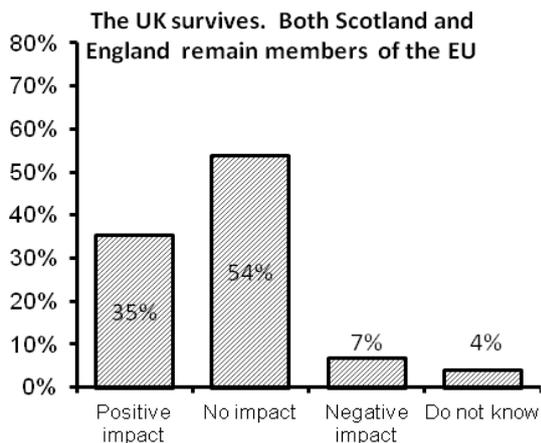
strongly opposed to Scotland creating its own currency, with 83 per cent of this group viewing such a development as “Negative” or “Very Negative”.

When they are assessed by industry sector, the strongest support for retaining a currency union comes from finance, communications and education. Manufacturing and finance are among the strongest opponents of a Scottish currency

Next we examine SCC member attitudes to possible configurations of Scotland’s and rUK’s EU membership. Respondents were asked to rate five possible outcomes: (1) independent Scotland out, rUK in; (2) rUK out, independent Scotland stays in; (3) independent Scotland stays in; rUK stays in; (4) Scotland remains part of UK and both leave the EU and (5) Scotland remains part of UK and both remain in the EU.

Impact on business on leaving EU for rUK and/or an independent Scotland





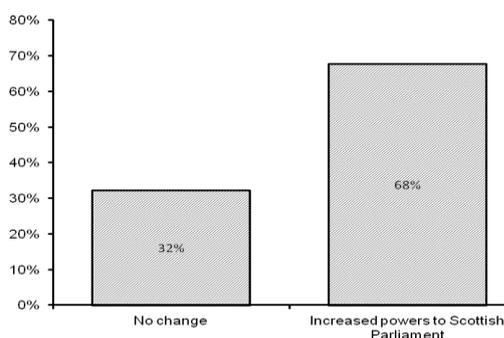
The most negative impacts are associated with an independent Scotland leaving the EU or a still-united UK leaving the EU. Around 23 per cent of firms believe that Scotland becoming independent and joining the EU while rUK leaves the EU would have a positive impact though 41 per cent believe the impact would be negative. Scotland becoming independent and both Scotland and rUK remaining part of the EU is viewed, on balance, favourably, with 28 per cent regarding it as favourable while only 15 per cent regard this outcome negatively. However, the outcome with the most favourable positive balance is where the UK continues and both Scotland and rUK remain members of the EU. Around 35 per cent of SCC members view this outcome as favourable, while only 7 per cent have a negative view.

Analysing these responses by the area where firms' trade suggests that those operating mainly in the EU view exit from the EU most negatively. Firms trading mainly in the UK have the highest levels of belief that the rUK leaving the EU would be negative, even if Scotland stayed in. Firms that trade mostly with the r UK are more negative with an independent Scotland leaving the UK.

Now consider the perspective taken in different sectors. The finance sector has the strongest belief that staying in Europe, either with or without Scottish independence would have a positive impact. Oil and gas sector firms have the highest belief that there would be a positive impact from leaving the EU, regardless of Scotland's independence, but the level of support is low. The manufacturing sector clearly takes the view that there would be a negative impact of leaving the EU.

Finally we examine responses to a question on whether the powers of the Scottish Parliament should be extended.

Preference for a change in Scottish Parliament powers, if there was no independence



There is a fairly clear majority among SCC members that the Scottish Parliament should have additional powers. We did not inquire which powers in particular might be added to the Parliament's existing powers. This may be a subject for future research.

Conclusion

SCC members were asked to rate the quality of the independence debate so far. The most common response was that it was 'poor'. Sources of information such as those provided by the Scottish or UK governments had the most common response as 'not very useful' as sources of information.

And while 96% of firms were aware of the Scottish Government's White Paper only 51% were aware of the UK government's papers. The most common responses were that these publications were "Fair" or "Poor".

Independence is an increasingly important issue for firms. Around 49% of respondents are likely to change their business strategy if Scotland becomes independent. When asked to describe how their strategy might change in the event of independence answers tended to be negative. They included relocation, setting up a headquarters outside Scotland, or moving staff to the rest of the UK. More positive strategies included changes to marketing, concentrating on the Scottish side of the business or becoming more export orientated. Of those who would change their strategy, a large percentage of firms believed that independence would change their business, depending on how taxes, currency and Scotland's status in the EU finally settled in an independent Scotland.

Only a small proportion of firms had a risk register. Of these, approximately half had included constitutional change as an entry. Firms who had included constitutional change on the risk register were more likely to trade outside Scotland, particularly in the EU.

The survey also investigated the importance to firms of various issues in the independence debate. Many of these issues were also covered in our June 2013 survey. The overall importance of issues has increased, perhaps signalling increased awareness of the debate among firms. Income tax, business rates and currency were rated most important by firms, as had been the case in June 2013. Migration and child care for staff were issues of relatively minor importance for firms though the weight attached to these varied across sectors. Migration was more important for firms who mainly trade outside Scotland.

Firms were asked to describe their firm's biggest opportunity and their biggest risk from independence. Firms could pick from a set of options or describe their own. Around 47 per cent of respondents believe that there are no business opportunities arising from independence. On the other hand, 22 per cent suggest that "more appropriate Scottish policies from government" are the biggest opportunity for their firm. Firms who trade mostly with rUK are more likely to believe that there were no opportunities with independence.

The biggest risk with independence for firms was 'Uncertainty/ time it takes to transfer to independence' which was an issue for 38% of respondents. Around 23% of firms believed that there are no risks from independence. Firms trading mainly inside Scotland or with RoW were most likely to believe that there are "no risks" associated with independence. Firms that had uncertainty as

their biggest risk were more worried about currency as an issue than the firms who believed that there were no risks.

Firms were then asked to describe their currency preference if there was independence. Firms strongly preferred retaining Sterling as part of a currency union, with a majority believing that Scotland creating its own currency or Scotland joining the Euro currency zone would have negative or extremely negative impacts on their firm. The finance sector had the highest levels of belief that not using Sterling as part of a currency union would be detrimental to their operation; the results from manufacturing showed that this sector held the strongest belief that a Scottish currency or an independent Scotland using the Euro, would have a negative effect on their business.

Regarding Scotland's status in the EU, most firms believed that either part of the UK leaving the EU, regardless of Scotland's independence would be negative for their firm. This was particularly felt by manufacturing firms.

Overall firms prefer both parts of the UK staying in the EU. They also prefer Scotland retaining sterling as part of a currency union. Some firms are considering moving as part of their business strategies, or increasing the English side of their business, to make sure they can maintain access to rUK markets. A large percentage of the firms who believe that independence for Scotland would change their business strategy are uncertain how issues such as tax, currency and Scotland's EU status would eventually be settled. This is in line with the main risk for firms of independence, the most common answer was uncertainty/ time it takes to move to independence. If independence does not happen, the majority of SCC members would like to see the Scottish Parliament receive greater powers.

Appendix 1: Weighting the data

The survey responses have been weighted to reflect the distribution of Scottish businesses by size and by regions, as estimated by the Scottish Government³. The table below compares the distribution of sample responses with the Scottish Government estimates. However, there is one caveat, that businesses may have more than one establishment across each area, and that is more likely for businesses with more employees.

Area	0 employees			1 - 49 employees			50 - 249 employees			250+ employees			
	SG	S	-	SG	S	-	SG	S	-	SG	S	-	
Aberdeen ⁴	5.8	0.8	-5.0	6.8	6.1	-0.7	0.4	2.2	1.8	0.6	0.9	0.3	-3.6
Angus	0.8	0.3	-0.5	1.3	1.8	0.5	0.1	0.4	0.3	0.1	0.1	0.0	0.4
Ayrshire	1.8	1.7	-0.1	3.4	9.1	5.7	0.2	1.8	1.7	0.4	0.4	0.0	7.2
Central Scotland	3.2	1.4	-1.7	5.3	6.6	1.3	0.3	0.8	0.5	0.7	0.8	0.1	0.3
Dundee	0.5	0.4	-0.1	1.2	5.5	4.3	0.1	1.4	1.3	0.2	1.4	1.2	6.8
Edinburgh	3.4	0.9	-2.5	5.5	3.4	-2.1	0.4	0.9	0.5	0.6	0.1	-0.4	-4.5
Glasgow	2.9	0.3	-2.6	5.9	3.8	-2.1	0.5	0.9	0.4	0.6	1.6	0.9	-3.3
Glasgow to Edinburgh	5.3	0.4	-5.0	9.6	5.5	-4.0	0.6	0.4	-0.2	1.0	0.5	-0.5	-9.6
Highlands	3.7	2.4	-1.3	5.2	7.1	1.9	0.2	1.7	1.5	0.4	1.3	0.9	3.1
Lothians	1.8	1.3	-0.5	3.3	4.3	1.1	0.2	0.4	0.2	0.4	0.3	-0.2	0.6
North East Scotland	1.5	0.9	-0.6	1.9	4.0	2.1	0.1	0.5	0.4	0.2	0.7	0.5	2.4
South Scotland	2.3	0.5	-1.7	4.2	3.4	-0.7	0.2	0.1	0.0	0.3	0.4	0.1	-2.4
West of Glasgow	1.7	0.5	-1.2	2.8	4.7	1.9	0.2	1.2	1.0	0.4	1.2	0.8	2.5
Difference			-22.7			9.2			9.6			3.9	

SG= Scottish government data, S= Survey data, - = The difference

Sole traders are underrepresented in the survey, as are firms from Aberdeen, Edinburgh, the Glasgow to Edinburgh belt and South Scotland. Areas with the largest over representation are firms with 50-249 employees and Ayrshire. The weighting algorithm compensates for the under-representation and over-representation so that the final results are reflective of the size and spatial distribution of firms in Scotland.

³ Calculated by the Scottish Government, based on IDBR/ ONS

⁴ Aberdeen comprises Aberdeen City and Aberdeenshire; Ayrshire comprises all 3 local authorities with Ayrshire in their name, Central Scotland is Stirling, Clackmananshire, Perth and Kinross, and the 2 Dunbartonshire authorities; Glasgow to Edinburgh belt is the two Lanarkshire authorities and Falkirk and Fife; Highlands is Eilean Siar, the Highlands and Argyll and Bute; Lothians is all the 3 local authorities; North East Scotland is Moray, Orkney and the Shetlands; South Scotland is the Scottish Borders and Dumfries and Galloway, West of Glasgow is Inverclyde and the 2 Renfrewshire authorities.

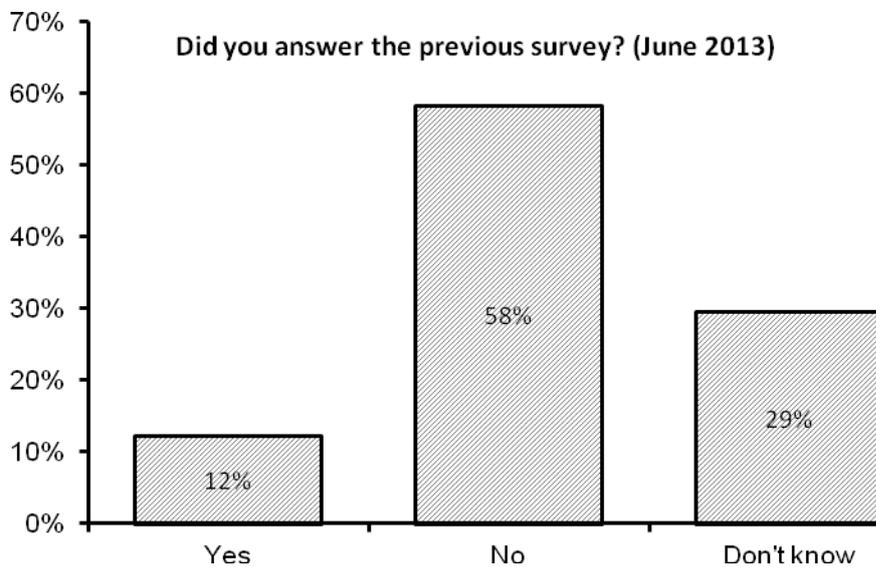
Appendix 2: Survey Questions

The following are the questions that were included in the survey.

Q1. Did your company answer the previous (June 2013) online independence survey issued by the Scottish Chambers?

Yes or no or Don't Know

The answer to this question is not shown in the main report, since it is not germane to the main arguments of the paper. It was asked to determine whether the same firms responded to the June 2013 SCC survey and the March 2014 SCC survey. A relatively small proportion of firms participated in both surveys, which increases the standard errors of comparisons between the first and second surveys since they do not form a panel. Thus, we do not draw any strong inferences about how SCC members' views may have changed between the first and second surveys.



Q2. How would you rate the quality of the independence debate up to now?

Excellent, Very good, Good, Fair, Poor, Dismal

Q3. Assess how useful you have found the following bodies' contributions to the debate

Very Useful, Useful, Neutral, Not very useful, Useless

Scottish Government

Yes Campaign

Better Together

UK Government

Q4. Are you aware of the Scottish Government's White Paper on independence?

Yes or no

Q5. How would you rate this document?

Very good, Good, Fair, Poor, Fair

Q6. Are you aware of the UK Government's papers (currency, pensions, banking etc) relating to independence?

Yes or no

Q7. How would you rate these documents?

Very good, Good, Fair, Poor , Fair

Q8. Has the independence debate influenced any business decisions you have taken?

Yes or no

Q9. Would you expect to change your business strategy if Scotland became independent?

Yes or no

Q10. In what way would your strategy change?

Q11. What do you see as the main business opportunity for your business associated with independence? Choose from the list or describe

More Scottish appropriate policies from government

Improved business support from government

Close identification with 'Scottish brand'

Growth of the firm

No opportunities

Other opportunity

Q12. What do you see as the main business risk for your business associated with independence? Choose from the list or describe

Uncertainty/ time it takes to transfer to independence

Less access / business links with the rUK

Less identification with the 'UK/British brand'

Contraction of the firm

No risks

Other risk

Q13. Does your firm have a Risk Register and have you included the possibility of constitutional change on it?

No Risk Register

There is a Risk Register, constitutional change is not on it

There is a Risk Register, constitutional change is on it

There is a Risk Register, do not know if constitutional change is on it

Q14. The previous survey identified the following issues as important in relation to independence for respondent's businesses. Whether you answered the previous survey or not, how important do you rate these issues in relation to independence for your business now?

Extremely Important	Neither Important nor Important	Unimportant	Not very important	Not at all important
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Income Tax Rates

Business rates

Corporation tax

National Insurance Contributions

Business Regulation
Currency
Migration
Child care for staff

Q15. A number of currency options have been discussed for an independent Scotland. Please rate the following options, for the impact it would have on your business

Extremely positive impact	Positive impact	Neutral impact	Negative impact	Extremely negative impact
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Scotland retains Sterling and remains part of a currency union with the rUK
Scotland retains Sterling and is not part of a currency union with the rUK
Scotland creates its own currency
Scotland joins the Euro currency zone

Q16. Suppose that Scotland does not vote for independence. What changes in the way that Scotland is governed that would affect your business, would you like to see?

No Change
I would like the Scottish Parliament to have more powers

Q17. What impact would you expect to happen to your business from the following scenarios

Positive impact No impact Negative impact Do not know

Independent Scotland leaves EU, rUK(rest of UK) stays in
rUK leaves EU, Independent Scotland stays in
Independent Scotland stays in EU. rUK stays in EU
The UK survives. Both England and Scotland leave EU
The UK survives. Both Scotland and England remain members of EU