

Should small firms support Scottish independence? The case for yes and no

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Scots go to the polls on 18 September to decide whether Scotland should become independent. Should small business owners vote yes? Two entrepreneurs argue the case for and against. Once you've read both arguments, share your thoughts by posting a comment at the bottom of the page or tweeting at [@BusinessZone](#).



The case for independence: Kat Heathcote, Witherby Publishing Group

My husband started the business we own in 1998. In 2006 we were given the opportunity to initially merge with, but subsequently take over, a City of London based publishing business.

In 2007 we declared that the transaction, which finalised in January 2008, could only take place if the business was moved, in its entirety to Scotland.

That business, which is now based in Livingston near Edinburgh, was suffering the malaise that, for me, exemplifies all the reasons a Yes vote offers opportunity.

It was struggling financially because of excessively high costs of doing business in central London.



The case against independence: Callum Campbell, Fireflock

Let's get one thing straight. I'm a proud Scot who loves his home country dearly. I want nothing more than a vibrant, successful Scotland that is capable of competing on an international scale. However, it is my strong conviction that breaking away from the United Kingdom will achieve the opposite, and I'm a staunch opponent of Alex Salmond's 'Yes' campaign.

I split my time roughly equally between England and Scotland. I live in Stirling – 'The Gateway to the Highlands' - where I play an active role in local government as a Conservative councillor.

In addition, I serve as the chair of a local economic development agency that provides

It had problems retaining and attracting staff because they could not afford to live in the city, and travel costs meant they could not afford to commute.

It was failing in its undertakings to its international clients because it could not afford to warehouse locally and they were competing with many other businesses for courier services.

It was an old business with old thinking that was struggling to keep up with the industry it was in (marine and insurance, with digital publishing becoming more of a necessity) and it was unlikely to have survived without radical change. This was really not going to happen in a 7th generation family business.

Wetherby Publishing Group is now a successful business looking forward to celebrating its 275th anniversary, in Scotland, in 2015. In 2013 we published the 77th volume of Marine Insurance Clauses, another important milestone because that is how the company started how in 1740.

In Scotland we enjoy excellent communications, competitive courier rates, well educated and trained staff, reasonable office and warehousing costs and a government already showing its commitment to the SME sector.

We export 85% of our products, making us an important contributor to the economy, and that is recognised. We use UK based printers as a matter of course and try to use UK based services and products wherever we can. Note carefully, that is UK not Scottish! I see no

advice, training and networking opportunities to small businesses in the region.

I work in London where I am CEO Fireflock.com, a premium crowdfunding platform designed to match high net worth individuals and sophisticated investors with start-up, early stage and developed companies looking to raise capital. Founded last year, we set up Fireflock at Level39, One Canada Square, Canary Wharf; a buzzing floor of the UK's next fintech and retail firms.

Although my different roles mean I straddle two countries day-to-day, all of my work is underpinned by one common factor: enabling promising, young start-up firms in the United Kingdom to thrive and to grow. A promising, emerging groundswell of young, high-growth companies, whether they are based in England or Scotland, is vital to the success of both countries; creating employment opportunities, raising tax revenues and a fostering a culture of entrepreneurship and innovation. If Scotland votes to leave the Union this Thursday – and the polls are currently too close to call – then I firmly believe that the Scotland's 'businesses of tomorrow' – the next Facebook, Amazon or ASOS perhaps – will face an uphill battle to secure the funding they need to compete in the cut-throat world of international commerce.

Why?

The first concern surrounds the regulatory regime that will follow a 'yes' vote.

If Scotland becomes a 'foreign country', then

reason why that will change going forward.

While we are focused around publishing to the shipping industry our company is committed to acknowledging and exhibiting a direct responsibility toward the 30 families that our staff members are part of, and any number of other families who rely on the services we use.

As a business we look for a government who exhibits a similar commitment to its businesses and local communities.

Employees need to be confident that their children are properly cared for and educated while they are at work. They need to know that their government sees them as a valuable and valued resource and that it will protect them.

Recent conversations with members of the Scottish government have proved to us that they are not only committed to supporting SMEs, their employees and the communities in which they operate, but that they are also thinking strategically about the shipping industry that we operate in. Discussions on taxation strategies to encourage business growth are real and ongoing and the potential to shape a government that is appropriate for a 21st century economy is exciting and something we very much want to be part of.

This week our company is participating in an industry working group that represents the interests of gas companies in over 70 countries, working with them to ensure the safety of the gas shipping industry.

regulation would disqualify a whole host of companies like Fireflock from raising funds for Scottish business. Crucially, there is a strong likelihood it would cut off access to funding from London; one of the world's financial epicentres, starving these companies of much-needed investment. Running a crowdfunding site, we've seen first-hand how capital from ordinary investors like you and I can transform the fortunes of a start-up businesses.

Regulation post-independence would be much trickier to obtain.

In addition, the regulatory impact of independence would almost certainly prompt leading UK financial institutions – which employ almost 100,000 people, and generate roughly £7bn for the Scottish economy - to abandon the country. Last week pensions giant Standard Life, which employs over 5,000 people in Scotland, revealed it has drawn up contingency plans to relocate to the UK in the event of independence, citing regulatory concerns. This shift will not only negatively impact those working in finance, but also entire ecosystems built around them; amongst others small hospitality, marketing and recruitment firms servicing Scotland's banks, insurance firms and advisory firms will be hit hard.

Then there is the currency question. With so much cross-border commerce conducted between England and Scotland, a currency cost to transact between the two different markets could dangerously erode the revenues of small companies in a range of different sectors and regions that rely heavily on Anglo-Scottish trade. We know from experience that small

In October we will be travelling to Singapore, Australia, Norway and Italy, working on our products with our maritime colleagues. In recent months we have made no secret of the fact that we are strongly for independence, and our international colleagues have been equally strong in their support of that stance.

They see us as Scots, understand the currency issue is a non-issue and have enormous respect for Scotland as a maritime nation, in fact somewhat more so than the UK government would appear to.

The upside of independence is clear, the downside equally so – we judge active interest, support and participation against apathy and disinterest. While we recognize there may be a period of uncertainty during negotiation – It's really not a hard choice!

We look forward to celebrating the 300th anniversary in 2040, in a Scotland that will have been independent for so long that no-one will remember why it was thought to be such a difficult question in 2014.

businesses can live or die on the smallest of margins, and an additional tax to reach customers across the border could be fatal.

Secondly, on currency, Alex Salmond has threatened to renege on paying Scotland's debts if the Exchequer refuses to share the pound with Scotland. If this is a threat, it's akin to joking about a bomb on an airplane. If it's a genuine plan, well it's suicidal, from a business perspective. It would ruin Scotland's credibility amongst lenders, and almost certainly raise borrowing rates for Scottish firms to catastrophically high levels; yet more bad news for small business.

If the above sounds pessimistic, then consider this: the question marks over Scotland's future have already taken their toll on the country, and the Union more broadly. Nothing spooks business like uncertainty, and the whole enterprise community knows that Salmond is a gambler. Reports surfaced over the weekend that investors have dumped £17bn of UK shares, bonds and other financial assets in anticipation of a 'yes' vote, the biggest sell-off since the collapse of Lehman Brothers in 2008. If that's not an apocalyptic omen, then I don't know what is.