

The new horizon: the non-United Kingdom

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[Opinion polls suggest](#) that Scotland may just vote for independence this month.

Even if they don't Scotland now has taxing powers and is bound to use them.

The dawn of tax competition within the UK is upon us. In that case it's not monetary union that should worry us; I would suggest that's an issue capable of technical resolution. It's the end of fiscal union that could be really worrying if we see a race to the bottom - especially on corporation tax - that seriously reduces the amount of revenue available to all governments throughout the UK.

And oddly, this might be at its worst if Scotland remains within the Union but with strong taxing powers. [Only strong EU laws on regional subsidies might stop the race in that case.](#)

The reality is that whatever happens later this month a lot of thinking needs to be done and what is pretty clear is that very little progress has been made on it to date.

I'm not saying Scotland should not vote Yes. Or that it should vote No.

I am saying we need to think this through and so far I see very little evidence of that. My own contribution, [made in the case of Northern Ireland, is here.](#)