



SCF response to UK Government consultation on the UK Internal Market white paper, August 2020

Scottish Crofting Federation (SCF) is dedicated to campaigning for crofters and fighting for the future of crofting. SCF is the largest association of small-scale food producers in the UK. Its mission is to safeguard and promote the rights, livelihoods and culture of crofters and their communities. Working through its membership across the Highlands and Islands of Scotland, it can respond authoritatively at local, national and international levels on the many issues affecting crofting and crofting communities.

We welcome the opportunity to respond to the UK Government consultation on the UK Internal Market white paper and do so in this paper rather than the online survey as we found the questions very restrictive – though we hope our observations cover these areas. We found the white paper confusing – the Executive Summary appears to contain information that does not appear in the main body of the document so we sometimes have to refer to the summary. Whilst we appreciate that the white paper refers to all sectors, we will focus mainly on agriculture as that is our members' primary area of concern.

The means of achieving a coherent internal market

Overall we accept the need for an organised internal market but this must be designed and agreed by all four UK administrations, not imposed by one – even if that be the UK Parliament. The Common Frameworks programme developed jointly between the UK Government and devolved administrations seems fit to do this: “frameworks should be created where necessary to *enable the functioning of the UK Internal Market whilst acknowledging policy difference*” (88)¹.

We consider Common Frameworks to be the appropriate mechanism to fulfil the intended objectives of mutual recognition and non-discrimination, and also to follow the two main design rules:

- a) foster collaboration and dialogue; and
- b) build trust with business and maintain openness.

We support the fact that the Scottish Government remains an active participant in the Common Frameworks programme (90) and suggest that if it is determined by the four nations that this mechanism is inadequate, it can be modified. However, the white paper does not offer evidence sufficient to justify the need for primary legislation over and above the Common Frameworks and existing legislation governing relations between the four nations – you note that “most potential barriers to internal trade can come from differences in regulation which do not take the form of primary legislation” (101). We therefore support the Scottish Government's decision to withdraw from this process.

Maintaining high standards

The UK and Scotland produces food of high standard and that is our selling strategy – that has been the market we address and we envisage that this will increase in importance.

In this context we are pleased to see the UK Government “is not just committed to retaining high regulatory standards (such as animal welfare) – but exceeding the various protections offered by the EU” (9), “We will not lower our standards nor put the UK's biosecurity at risk as we negotiate new trade deals” (34) and “These import standards include a ban on using artificial growth hormones in domestic and imported products and

¹ Numbers in brackets indicate the paragraph referred to.



set out that no products, other than potable water, are approved to decontaminate poultry carcasses" (35). We would expect no less than the commitment to "maintain this world-leading position moving forward" (31) of course.

We therefore must maintain our high standards and *not allow undercutting by imports of lower standard*.

We question the statement: "If a good produced in Scotland, and adhering to the Scottish labelling regulations, can be placed on the Scottish market, it can also be placed on the English and Welsh markets without the additional need to comply with English or Welsh requirements" (49). Are there possible unforeseen consequences? If a good is produced in England, for example, and adheres to the English labelling regulations, can it also be placed on the Scottish market without the additional need to comply with Scottish requirements even if Scottish labelling regulations are of a higher standard? "The Government's view is that direct discrimination should be prohibited; it is also seeking views on how to legislate for indirect discrimination" (51) - this sounds as though it could be impossible to prevent the ingress of sub-standard goods from other parts of the UK. If is the case then we oppose this.

Governance

We note the suggestion "that the evolution and overall shape of the UK's Internal Market will be overseen by the UK Parliament, and that key decisions will be put to the UK Parliament for approval, rather than resting exclusively with the UK Government" (154). This intention is somewhat flawed, however, in that England does not have a parliament, so the UK Parliament acts as both a UK parliament and an English parliament, which could lead to bias. We would want to see the evolution and overall shape of the UK's Internal Market being overseen by the four nations and any independent monitoring body, made up of representatives of the four administrations, must "not lead to third-party determinations that directly overturn the actions of elected administrations" (156) and "will not generate any binding recommendations". Could this, therefore, simply be part of the Common Frameworks mechanism – "an independent body with close links to the UK Parliament and devolved legislatures" (167)?

Subsidies

Whilst the UK government states that "the devolved administrations would retain the right to legislate in devolved policy areas that they currently enjoy" (32) and states "The UK Government will work with the devolved administrations to determine how subsidies should be given in a coherent way across the UK that protects the coherence of the Internal Market, whilst ensuring the devolved administrations can continue to control their own individual spending decisions within this system" (56), this appears to be nullified by "we will legislate to expressly provide that subsidy control is a reserved matter" (173). Agriculture support is currently devolved and, given that Scotland's agriculture is markedly different from England's, we would want to see control of agricultural subsidies remain in the power of Scottish Government – that "the devolved administrations will remain responsible for their own spending decisions on subsidies (how much, to whom and for what)" (174). We therefore support a mutually agreed UK framework (following recommendations of the Bew Review) but with scope for variations between the four legislatures.