Economic perspectives

The defence industry in Scotland

Stewart Dunlop, Fraser of Allander Institute, Department of Economics

Introduction

“The defence industry is vital to Scotland”

The above quote from the recent House of Commons Scottish Affairs Committee report concerns the volume of economic activity that the defence industry supports in Scotland. We examine this issue below and find that it can be difficult to accurately establish the importance of defence to the Scottish economy. Defence issues are ultimately political decisions and we also argue that this dearth of information is important in the light of a number of political developments that could potentially affect the contribution that defence makes to Scotland. We discuss a number of these developments and attempt where possible to gauge their impact, but it is clear that our ability to make rational choices on defence would be improved by an improved set of figures on the economic consequences of defence decisions.

The significance of defence at a community level is well illustrated by the UK Government’s recent decision to cancel its planned restructuring of the missile testing site in the Western Isles. The decision to cancel, which would have saved an estimated £50 million but involved the loss of 125 jobs on Benbecula, was taken because the economic costs to the local economy were considered to be too high, a point made by the Scottish Secretary:

“The potential savings to the Ministry of Defence were not worth the cost to the islands’ economy. It just wasn’t a price worth paying for the island”.

The defence industry in Scotland - background

While it can difficult to establish its importance even in terms of a simple measure such as employment, there is little doubt that defence is an important sector in Scotland. We look at two key indicators of defence in Scotland, the first of which is the number of military and associated civilian personnel. Outside the military, Scotland also has several large-scale defence contractors, including Babcock International at Faslane and Rosyth and BAE Systems Surface Ships shipbuilders in Glasgow and a number of global companies who maintain a presence in Scotland because of defence work, including Raytheon, Thales and others.
Service personnel
Table 1 details the 2007 level of service employment in Scotland. The UK Government’s Defence Analytical Services and Advice (DASA) database shows that 12,400 military service men and women were stationed here, around 7.6% of the UK total. To a small extent Scotland benefits less than proportionately than the rest of the UK from this part of defence, given its current UK population share is around 8.4%.

While small relative to, for example, the estimated 220,882 jobs in Manufacturing, the 12,400 military jobs clearly constitute a substantial source of employment. As the example above shows, however, defence employment may be very significant locally. Table 2 below illustrates this by detailing employment in six areas, which together account for 86% of all service employment in Scotland.

The larger economies of Glasgow and Edinburgh mean that in relative terms the contribution service personnel make to overall activity is relatively limited. It is clear, however, that service employment is significant in areas like Fife and Highland, and is particularly important in Moray and in Argyll & Bute. We also note that looking at employment by Council, the lowest level published, does not allow us to identify the extent to which small areas within these regions may rely on the military as a source of jobs.

Table 3 below gives some indication of the local importance of military employment by examining its size (relative to both total working population and population in employment) in three of the smaller areas. The figures for Argyll & Bute and Moray make clear the extent to which both rely on defence for a significant volume of their overall economic activity.

Non-service personnel
The military also employ civilians, and DASA (2007) figures show around 6,500 civilian jobs at military facilities in Scotland (Table 4). DASA therefore estimates that a total of 18,900 people were directly employed in the military sector in Scotland in 2007.

Recent employment change
It is also interesting to observe how military employment has changed in recent years. According to DASA figures, Scotland’s dependence on military employment has been falling - armed service employment in Scotland fell by over one-third from 19,300 to 12,400 between 1990-2007. Civilian employment also fell by over a third between 1997-2007, from 10,300 in 1997 to 6,500 in 2007.

It is likely that some of the change over this relatively long period simply reflects political change – a “Cold-War effect” is likely to have had some influence on this long-term reduction in numbers, as global political developments have meant a reduced need for armed forces since the early 1990’s. This is indeed borne out by the fact that the number of servicemen in the UK was 56,000 lower in 2007 than in 1997.

However, it is worth noting here that Scotland has experienced a substantially greater proportionate fall in employment when compared to the UK as a whole. Table 5 below shows the change in total employment, military and civilian, since 2000, when any effects of the 1990’s geopolitical developments have presumably worked through. Scotland has clearly seen a disproportionate reduction in all UK employment in more recent years. It is difficult to conclude anything other than that the contribution of military employment has fallen over time, and more so in Scotland than in the UK as a whole.

Defence contractors
The other key aspect part of Scotland’s defence dependency is contractors who undertake defence work in Scotland. Since this paper is attempting to examine Scotland’s total dependence on defence we focus principally on the number of jobs supported in contractors, since this would allow us to estimate total employment in both the military and contractor sectors.

i) DASA estimates
We begin by looking at official estimates on Scottish employment supported by UK military spending. DASA has developed estimates of the number of direct full time jobs in the UK that are supported by Ministry of Defence (MOD) spending and Table 6 details these for Scotland and the UK as a whole.

The table appears to highlight two interesting results. It shows firstly that the estimated number of jobs in companies in Scotland supported by MOD expenditure fell by 30% in the four years to 2006/07. Coupled with the reduced level of service employment discussed earlier, this would indicate that Scotland’s overall dependence on defence had fallen substantially. Secondly, Scotland’s share of total UK defence employment also fell sharply, from around 8% in 2002/03 to 5% in 2006/07, suggesting that Scotland’s defence contractors have lost comparative advantage compared to the UK.

However, an examination of the basis of the figures in Table 6 casts considerable doubt on the accuracy with which they actually measure the number of jobs in Scotland supported by MOD spending. For example, DASA itself notes that the regional location codes on which the estimates are based can fail to distinguish how MOD contract expenditure is divided between the direct contractor and its sub contractors – if a sub-contractor is located in a different region from the main contractor, the underlying assumptions on regional expenditure will fail to match actual regional expenditure. The codes also fail to take account of changes in spending between regions over time – given that MOD contracts may last many years, movements of production between regions during the course of a contract may not be captured. Finally, the
Table 1: Service personnel

<table>
<thead>
<tr>
<th>UK Regions</th>
<th>Number (FTE)*</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>140,300</td>
<td>86.5</td>
</tr>
<tr>
<td>Wales</td>
<td>5,000</td>
<td>3.1</td>
</tr>
<tr>
<td>Scotland</td>
<td>12,400</td>
<td>7.6</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>4,500</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: - UK Defence Statistics 2008, Table 2.3
* Full-time equivalent

Table 2: Service personnel

<table>
<thead>
<tr>
<th>Selected Scottish Regions</th>
<th>Number*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moray</td>
<td>3,100</td>
</tr>
<tr>
<td>Argyll and Bute</td>
<td>2,980</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>1,550</td>
</tr>
<tr>
<td>Fife</td>
<td>1,460</td>
</tr>
<tr>
<td>Highland</td>
<td>620</td>
</tr>
<tr>
<td>Glasgow</td>
<td>560</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,270</td>
</tr>
</tbody>
</table>

Source: DASA, TSP 10, Table 5.1
* Full-time equivalent

Table 3: Military personnel as:

<table>
<thead>
<tr>
<th></th>
<th>Moray</th>
<th>Argyll &amp; Bute</th>
<th>Highland</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of working age population</td>
<td>5.9</td>
<td>5.5</td>
<td>0.5</td>
</tr>
<tr>
<td>% of population in employment</td>
<td>6.9</td>
<td>6.8</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: DASA, National Online Manpower Information Services (NOMIS)

Table 4: Civilian personnel

<table>
<thead>
<tr>
<th>UK Regions</th>
<th>Number (FTE)*</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>65,500</td>
<td>83.0</td>
</tr>
<tr>
<td>Wales</td>
<td>2,400</td>
<td>3.0</td>
</tr>
<tr>
<td>Scotland</td>
<td>6,500</td>
<td>8.2</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>4,500</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,900</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: UK Defence Statistics 2008, Table 2.3
* Full-time equivalent
Table 5: Fall in UK military employment, 2000-2008

<table>
<thead>
<tr>
<th>Location</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>6.2</td>
</tr>
<tr>
<td>England</td>
<td>1.9</td>
</tr>
<tr>
<td>Wales</td>
<td>39.8</td>
</tr>
<tr>
<td>Scotland</td>
<td>17.9</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>23.7</td>
</tr>
</tbody>
</table>

Source: UK Defence Statistics 2008, Table 2.3

Table 6: Employment dependent on UK military expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2003</td>
<td>135.0</td>
<td>10.0</td>
</tr>
<tr>
<td>2003-2004</td>
<td>135.0</td>
<td>10.0</td>
</tr>
<tr>
<td>2004-2005</td>
<td>123.0</td>
<td>9.0</td>
</tr>
<tr>
<td>2005-2006</td>
<td>130.0</td>
<td>9.0</td>
</tr>
<tr>
<td>2006-2007</td>
<td>135.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Source: Ministry of Defence

Table 7: Employment in the naval, aerospace and defence industries, Scotland 2006

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naval</td>
<td>7,291</td>
<td>45.0</td>
</tr>
<tr>
<td>Aerospace</td>
<td>4,537</td>
<td>28.0</td>
</tr>
<tr>
<td>Defence</td>
<td>4,375</td>
<td>27.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,203</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: ADS Scotland, Aerospace, Defence and Naval, Survey 2006

Table 8: Employment created by BAE Systems

<table>
<thead>
<tr>
<th></th>
<th>Initial employment</th>
<th>Additional employment</th>
<th>Total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3,404</td>
<td>2,312</td>
<td>5,717</td>
</tr>
</tbody>
</table>
procedure used to estimate employment is based on the structure of UK production in 1995.

There is clearly a considerable amount of doubt on the accuracy of the DASA estimates. Our best assessment is that official UK government estimates actually provide very little useful guidance on the size of the economic contribution that defence spending makes to the Scottish economy. DASA developed the figures in Table 6 specifically in response to questions from MPs and MSPs on the importance of defence to regional economies, but they appear to tell us very little about this and the estimates clearly need to be revisited.

ii) ADS Scotland survey
An alternative source of information on defence contractors is the annual Scottish survey undertaken by ADS, an industry body representing the Aerospace, Defence and Security industries. We look below at the ADS 2006 survey findings, approximately the same period as the 2006/07 DASA figures discussed above.

We would ideally in the present context like to gauge the total amount of private sector employment created by defence spending in Scottish based contractors, and the ADS survey does go some way towards this. However, it only covers companies involved in aerospace, defence or security. Companies outside these sectors are not included, and ADS figures do not include employment in other sectors that may sell to the MOD.

Secondly, the total amount of activity that is defence dependent is not always apparent. For example, ADS stated to the Scottish Affairs Committee that some aerospace work is defence-related, but the proportion of this is not recorded.

Finally, ADS survey includes figures both for a Defence and a Naval sector. However, they have informed us that their Naval sector is wholly supported by defence spending, and we discuss it below as part of defence-dependent employment.

The 2006 ADS survey shows that Aerospace, Defence and Security employed a total of 16,203 people in Scotland (Table 7). Assuming that Naval is wholly supported by defence spending, Defence and Naval together account for 11,666 jobs. This is around two-thirds above the DASA estimate of 7,000 jobs, even though the ADS survey does not include all MOD spending. A comparison of the 2007 ADS survey with the results of the previous year also show that employment in the Defence and Naval sectors actually grew by over 13%. The suggestion that employment in contractors increased, albeit based on one year’s data contrasts strongly with the DASA findings.

The ADS survey details other important characteristics of the industry’s economic importance. Firstly, the sector spent a significant amount on Research & Development in Scotland, £74 million in 2006. Reflecting this, ADS argue that the sector is important not only on account of the number of jobs it provides, but also because of the type of jobs – 5,100 employees are graduates, almost one-third (31.5%) of the total workforce. This high skill level is reflected in industry wages which are around 34% above the Scottish average.

It also points to the industry’s position as a supplier of apprenticeships. It provided around 600 apprenticeships in 2007, which it claims was around half of the Scottish total. Figures supplied to us by BAE Systems Surface Ships also confirm the importance of the industry’s role on this measure – the company has the largest apprenticeship scheme in Scotland, with over 500 apprentices taken on in the last five years.

Spin-off effects
All of the above employment estimates show only the direct jobs supported by military expenditure. They include only employment at military bases or in contractors, and do not take account of any multiplier effects that result from wage spending by employees or by contractor spending at suppliers.

There is a very limited amount of information on the further impact of defence contracts, and it is of interest here to note that the MOD itself apparently has no knowledge of the spin-off impact of its own Carrier programme. When asked in a parliamentary question to estimate the indirect jobs created as a result of the carriers, the Minister for Defence procurement replied that the MOD “do not hold information relating to the number of indirect jobs”.

Recent research by the Fraser of Allander Institute does provide some measure of the extent to which one major contractor, BAE Systems Surface Ships, creates employment across the wider Scottish economy. Table 8 shows estimates of their total employment impact in Scotland. This shows that the company’s 3,404 employees in Glasgow support a further 2,312 jobs in Scotland once wage spending by employees and spending at local suppliers is taken into account. Every one job in Glasgow was estimated to support a further 0.68 of a job elsewhere in Scotland. The study also estimated that the £102.4
million worth of wages paid to employees in Glasgow supported a total of £156.4 million worth of Scottish wages.

It is clear that the number of direct employees in defence must account for only a minimum estimate of the extent to which the defence industry supports employment in Scotland, but the current position is that we actually know little of this aspect of the industry’s wider impact. Further information on this type would clearly help to assess the overall importance of defence in Scotland.

The outlook for defence
As mentioned, a key issue surrounding defence is that decisions are ultimately political ones. We now examine a number of political developments that could affect the industry in Scotland, all of which could directly affect the amount of activity and employment it supports.

Public expenditure
The most immediate current issues surround the UK’s current fiscal problems and all three major UK political parties have recently signalled the need to restrain public expenditure. The MOD’s current budget is estimated at £32.6 billion in 2007/08, about 2.5% of UK GDP and there have been concerns about whether a budget of this size can be exempt from cuts.

Both the current UK government and the main opposition party have committed themselves to holding a Strategic Defence Review (SDR) that will define the UK’s future military role for the forthcoming decade, and both parties have understandably been reluctant to spell out plans for defence in advance of this. However the SDR will not report until 2011. We simply do not at present know how pressure on the public finances might affect the UK government’s future plans for defence. Recent statements by the Secretary of State for Defence have thrown some doubt on the Government’s overall support for the defence budget. The Minister recently warned military leaders that they must “live in the real world” and said that the government “cannot exclude major shifts in the way we use defence spending”.

The other main UK parties have signalled that defence spending either could (in the case of the Conservatives) or will (Liberal Democrats) be reduced. The Conservatives have indicated that they will instigate a defence review “quickly” should they form the next government, and have also said that this will examine a number of major defence projects. As the quote below confirms, such a review could include two major Scottish defence contracts, the aircraft carriers currently being constructed in Glasgow (later to be fitted at Rosyth) and the nuclear facilities at HM Naval Base Clyde:

“Whether … the armed services need … to project power through a proper navy and carriers: having the best replacement there is for an independent nuclear deterrent - these are reasons for all these things. But clearly, when you are reviewing spending, you have to review all spending”

The Shadow Chancellor has also implied that the new carriers are one of the major defence projects potentially subject to review, and has said in particular that he wishes to examine the “break clauses” on the project.

BAE Systems Surface Ships signed contracts to build the carriers in July 2008 and construction began in July this year. Construction is being undertaken at several yards in the UK and work will be ongoing in Glasgow until 2014 and 2016 respectively. Final assembly of the ships has also begun at Rosyth in Fife. The carrier programme guarantees shipbuilding on the Clyde until 2016 and will also create work in Fife after that.

It would extremely controversial to halt work that has already begun. As shown earlier, the company building the carriers is estimated to support a total of over 5,000 jobs in Scotland. The current position is that UK ministers have recently said that they will “continue to support the two shipyards” and the SNP have also said that they strongly support the decision to build the carriers. We are not aware of any Liberal Democrat statement on the carriers. A recent pamphlet by the party’s Treasury spokesman did suggest that that major savings could be made in the defence budget by cancelling or scaling down weapons systems, but suggested that the main targets were Eurofighter, the A400M transport aircraft and Trident.

As noted, the carrier programme effectively sustains work on the Clyde until 2016. In addition, the MOD has also signed a Terms of Business Agreement (ToBA) with BAE Systems. The agreement, which intends to protect key industrial capabilities in British shipbuilding, gives the company a minimum of 15-years exclusivity on design, build and support for specified MOD shipbuilding programmes.

The MOD has made it clear that the ToBA does not “commit the MOD to any particular level of expenditure in any geographical location” or specify how BAE Systems should plan its work. However, recent years have seen Scotland performing strongly against the UK shipbuilding industry. For example, Scotland’s share of the UK
shipbuilding sector rose from 22% to 33% between 2002/07 and Scottish Government figures show that its overall contribution to Scottish GVA rose from 0.29% to 0.58% in the same period. This recent strong performance shows that Scotland appears to be gaining comparative advantage in shipbuilding and it is a source of concern that uncertainty over the carriers may affect Scotland’s ability to contribute to future programmes.

Another key defence contract affecting Scotland is Trident. The UK parliament voted to take the first steps towards renewing Trident in 2007. The decision was supported by both main UK parties. The UK government has recently said that there is “no intention on this Government’s part of moving our position on Trident” and the Conservatives have said that while maintaining some form of UK nuclear deterrent is “non-negotiable” it has refused to rule out reviewing Trident.

The Liberal Democrats are the only party to have made firm commitments on defence, including a recent statement that they would not renew the Trident programme. The party accepts that public spending must fall and the UK’s fiscal position is undoubtedly the key reason behind this decision. However, it is also important to note that the Liberal Democrats are also the first mainstream UK party to accept the argument that Trident no longer meets the UK’s defence needs, in effect saying that it is both unnecessary and unaffordable.

Discussions over Trident are not new – its geopolitical justification has been subject to scrutiny since the demise of the Soviet Union, and Clarke (2004), for example, argues that:

“the rationale for a strategic nuclear deterrent is increasingly weak....A world dominated by a single superpower hegemon...is not a world which gives minor players much of a role in strategic deterrence. It is scarcely conceivable that that other known nuclear powers such as India, Pakistan or North Korea or even near nuclear powers such as Iran could become a strategic threat to the UK homeland...whatever British interests might be threatened.”

The Liberal Democrat leader recently summarised his party’s position as follows:

“a cold war missile system designed to penetrate Soviet defences ... at any time...from any location anywhere round the planet, is not our foremost security challenge now. We have got to be grown-up and honest about it”.

The party has begun its own review of how Britain could operate a scaled-down deterrent, but have said that it would be an “unhappy event” if this concluded with Britain retaining a nuclear deterrent. We examine the position on Trident further below.

**European defence cooperation**

Public expenditure problems have also caused some to argue that if UK is unable to afford to sustain all of major current defence contracts then greater European cooperation in defence as a possible way forward. One proponent of this view is Sir Malcolm Rifkind, a former UK Secretary of State for Scotland, Defence and Foreign Affairs. He argues that the current defence budget is simply “too big to be exempt from cuts”. One or other of the major projects is likely to be cancelled, and he suggests that “the most likely casualties are the aircraft carriers, the joint strike fighters and even Trident submarines”.

The argument that greater cooperation may substitute for nationally-based defence policies is obviously likely to prove highly controversial and is almost certainly some way off. However, greater cooperation across a wide range of political functions has been an ongoing feature of the European Union since its inception, and will further increase with the Lisbon Treaty’s ratification. The underlying argument, that it is extremely difficult to envisage situations where a threat to the security of any one European Union member could not be considered as threat to all, means European cooperation in defence is, according to Menzies Campbell, “not only good military sense, it is a political necessity as well”.

The choice is between unaffordable national domestic capability and a greater pooling of defence capability at the regional level. If it is indeed the case that existing defence budgets proves to be unsustainable across Europe, the case for pooling resources does appear to strengthen and any move towards greater cooperation would clearly result in reduced defence spending. Where Scotland comes into this is difficult to say. Sir Malcolm himself gives little guidance on this except to argue that each country should specialise in the area which is most important to its own security – “for the UK, this would be maritime, for Germany its land forces”.

**Constitutional change**

The other key political issue is the prospect of constitutional change. Scottish independence could in theory affect any part of the defence sector in Scotland, since there would have to be a process of negotiation concerning ownership of defence assets following the break-up of the UK. In truth,
we know little about how either military employment or employment in defence contractors would actually be affected. The SNP has recently said that an independent nationalist administration would be happy to allow existing UK military forces to continue to be based in Scotland, stating that since Scotland and the rest of the UK would remain “friends and allies”, it would be “perfectly possible to share basing, procurement and training facilities with the rest of the UK”. Predictably, this suggestion was immediately dismissed by other parties, who argue that what remains of the UK would have little interest in either retaining military resources or placing work with defence contractors. A Scotland Office source argued that:

...The Royal Navy would not give contracts to a foreign country... in all, 20,000 defence-related jobs would be at risk... no Trident, no Nimrod, no Kinloss.

An outbreak of clarity from the political parties seems to be an unlikely prospect at the moment – notably, the Scottish Affairs Committee recently divided along party lines over whether its recent report should “refrain from speculation about any effect the establishment of an independent Scottish state might have on the provision of defence jobs within Scotland’s territorial boundaries”.

The constitutional question also raises particular issues concerning the nuclear facilities at HMNB Clyde. In 2002, Chalmers and Walker began their analysis by noting that among the states that possess nuclear weapons, “the United Kingdom is now regarded as one of the least problematic”, owing to, inter alia, its stable democracy, disciplined military forces and cooperative approach to international security. The thrust of this paper was on how Scottish independence might impact on the UK’s nuclear capability, particularly because the UK’s only nuclear weapons delivery mechanism is located in Scotland - with independence, what remains of the UK would then have its sole delivery mechanism located in a foreign country.

The scenario outlined by Chalmers and Walker was that the advent of an independent Scotland under a nationalist administration would almost certainly result in the removal of nuclear weapons from Scotland. There is in fact little doubt that such a government would indeed insist on their removal - the SNP is a longstanding opponent of nuclear weapons, and its defence spokesman reiterated its stance as recently as last month, saying “No independent nation of five million has nuclear weapons, and nor should we”. Like the common European defence policy outlined above, Scottish independence has yet to become a political reality. However, the possibility of Scotland having to face the choice over whether to retain nuclear weapons, as part of the wider decision over independence itself, has clearly become a more immediate issue with the election of an SNP administration in Holyrood in 2007 which proposes to hold an independence referendum. The economic effects of removing the weapons will be an important feature of this debate and it would clearly be useful to have some indication of the impact of this.

It is clear that HMNB Clyde is a substantial local economic resource. As noted earlier, MOD figures indicate that just under 3,000 servicemen and women are stationed in Argyll & Bute. In addition, employment figures provided to us by Babcock Marine further emphasise the importance of Faslane and Coulport to the local area. Babcock Marine, who service and maintain Trident at Faslane, employs 1,320 people at HMNB Clyde and 75% of its employees live within 10 miles of the base. Direct employment is thus around 4,300 jobs, a figure that does not include any MOD civilian personnel employed alongside the military, or any measure of the size of spin-off effects.

The study published jointly by the Scottish Campaign for Nuclear Disarmament and the Scottish Trades Union Congress (SCND/STUC) in 2007 is the only recent attempt to estimate the impact of removing Trident from Scotland. This study estimated that the removal of Trident would result in a loss of 2,191 jobs. However, some of the assumptions underlying this figure are clearly untested. For example, the estimate depends on there being no net reduction in the 500 Royal Marines designated to protect Trident, on the assumption that they would simply be allocated a new role and remain in Scotland. This seems unlikely given that they have the specific role of guarding Trident.

The report also estimated that between 1,300 – 1,600 sailors at HMNB Clyde were dependent on Trident. However, its estimate that only a total of 300 service jobs would be lost by cancelling Trident is based on its assumption that only 300 of these sailors are Scottish – sailors recruited from outwith Scotland are excluded. Despite the fact that these jobs are in Scotland because of Trident, they are not counted as part of the reduction in military jobs in Scotland associated with cancelling Trident. The report also argues that the savings in public spending created by cancelling Trident could be used to create local employment in other industries, a state of affairs that will be more difficult to sustain in an era where overall public spending requires to be cut.

Conclusions
Difficult choices on defence will need to be made in the future. Defence is an important issue in a number of current political debates, but we currently lack clarity on the consequences of the choices that will at some point need to be made. Official figures are lacking in many important respects and may even be misleading. Given also that these decisions will ultimately be made by voters, it would clearly assist the public if the political parties would spell out in more detail what they believe are realistic options and the consequences of these. Neither of these situations seems likely to improve in the near future, but until we have this information we are making decisions in the dark.

Endnotes
2. “Islands celebrate MOD’s change of heart over missile site cuts”, Scotsman, 18th September 2009.
3. The figure of 8.4% is based on the most recently available population data from mid-2007.
5. DASA does not provide an estimate of civilian employment before 1997.
6. Other factors are obviously at work in Northern Ireland.
8. House of Commons Written Answers 16 October 2009 Volume No. 497, Part No. 125
10. MOD Website, about defence, Defence spending.
13. “Defence and thousands of jobs in Tory firing line” Scotsman, 16th September 2009. The others are the Eurofighter and A400 transporters.
16 Reply by Bill Rammell, House of Commons, Defence Written answers and statements, 5 October 2009).
18 “MPs vote to renew Trident”, Guardian 14th March 2007)
20. “SNP angry at Tory leader’s Trident vow” Scotsman, 30th June 2009.
22. “Nick Clegg says Lib Dems won’t replace Trident because world has moved on”. Guardian, 16 June 2009.
25. SNP will let English keep military bases”, Scotland on Sunday, 17th October 2009.
27. See the Scottish Affairs Committee, page 28.
31. For example, it argued that a significant number of former MOD employees could retrain to join the police force.