Independence in an Interdependent World

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Should Scotland be an independent country?

What does it mean to be an independent country in context of transnational interdependence?

What would independence mean for the housing sector?
Is “independence” really on offer?
- Scotland’s ‘six unions’ -

- Scottish Government’s independence vision embedded within British Isles and EU
- Independence as end of only the parliamentary union – monarchical, currency, social, defence & European unions would remain intact
- Institutional/governmental co-operation & ‘strategic partnerships’ with rUK

“with independence... Scotland and the rest of the UK would both stand on our own two feet – taking our own decisions, and working together on issues of common interest. Our relationship would be what it should always have been – a partnership of equals.”

Nicola Sturgeon MSP, Deputy First Minister June 2013
Features of ‘Embedded Independence’

- Transnational networks/the EU in context of deepening interdependence and integration
  - Taking international influence into account
- Recognition and voice internationally
- BUT nationalist projects also embedded within looser structured cooperation/pooled sovereignty with ‘old’ state – ‘sovereignty partnership’; ‘free associated state’
- Acceptance of inevitability of partnership/interdependence, but with the right to determine which partnerships, and with whom
Independence with Partnership in the White Paper on Scotland’s Future

- Continued membership of EU and NATO
- Shared monarchy
- Sterling currency union
- Common Travel Area/labour market
- Cross-border agreements in specialist health care services/transplant
- Common research area in higher education
- BBC/SBC Joint venture

- UK-wide National Lottery/Big Lottery Fund
- Cross-border co-operation to combat serious & organised crime
- Functional cross-border bodies, e.g. Office of Rail Regulation, Civil Aviation Authority
- Strategic energy partnership, GB market, Green Investment Bank
Scotland and the EU

Would an independent Scotland be a member of the European Union:
- Automatically?
- After a normal accession process – Article 49?
- After an internal procedure – Article 48?

What would EU membership entail?
- Commitment to join the Euro?
- Opt-out of Schengen zone?
- Maintenance of share of UK budget rebate?
- Would Scotland be another “awkward partner”?
Scotland Act reserved to UK parliament:

- All legislative powers over electricity, gas, oil, coal & nuclear energy
- Energy market & energy efficiency regulation
- Scottish renewable ambition with limited power
- Growing policy divergence in low carbon priorities?

Independence Vision

- Scottish tax-funded schemes for energy efficiency & roll-out of green technology
- Single GB-wide market for electricity and gas
- Continuation of shared subsidy to incentivise renewables & upgrade infrastructure
- Shared system operator
- Strategic Energy Partnership
Welfare/Social Security

- **Scotland Act (1998) reservations:**
  - Control over social security, inc. pensions, NI, benefits & other cash transfers to individuals ‘for social security purposes’
  - Recent changes – e.g. Scottish welfare fund

- **Options for further devolution?**
  - Commitment to social security as a reserved power
  - Devolution of housing benefit/attendance allowance?

- **Expert Working Group on Welfare – 1st report**
  - Scottish & UK governments should share delivery of pensions and benefits for transitional period

- **Expert Working Group on Welfare – 2nd report**
  - Significant changes in early years to social security > benefit levels, entitlements & design
  - New ‘social security allowance’ (exc. HB)
  - Integration of HB with housing policy
Hard pre-referendum stance

- No pre-negotiation
- Benefits of union as ‘best of both worlds’ +
- Hard view of independence as separation:
  - no currency union
  - EU/NATO membership in doubt
  - Likely necessity of border posts
  - Defence co-operation unlikely
  - GB energy market can’t continue ‘in current form’
  - Social security sharing problematic & impossible without £ as currency

“If Scotland walks away from the UK, it walks away from the UK pound.”

George Osborne
Chancellor of the Exchequer

“Sharing IT systems and services would mean that an independent Scottish state would not be able to make changes to existing social security policy or processes or to opt out of GB wide reforms”

DWP Scotland Analysis paper
Post-Yes pragmatism?

- Edinburgh agreement > loser’s consent/goodwill
- Desire to maintain stability
- Easier to maintain co-operation than to completely dismantle union
- EU law as a driver to promote cross-border co-operation, mobility & market integration
- Many examples of successful cross-border co-operation – Nordic, Irish, etc

“we will continue to work together constructively in the light of the outcome, whatever it is, in the best interests of the people of Scotland and of the rest of the United Kingdom”

Edinburgh Agreement, 2012
Limits to independence with (formal) partnership

- Competing interests – business, regional, political, international – shape and constrain choices
- UK Gen Election > political costs of (in)action
- Principled & practical objection to pooling sovereignty/ceding control
- Resistance to imposed change on centre
- Concessions, where they come, will imply constraints
Governing Interdependence after independence

- Inadequacies of existing machinery of IGR - Joint Ministerial Committee/British-Irish Council
- Annual summits/joint working groups on the UK-Irish model?
- Standing institutions - e.g. North South Ministerial Council, Nordic Council of Ministers - can help to:
  - foster mutual trust
  - nurture common purpose/identity
  - raise awareness
  - get issues on national agendas
- Informal bilateral networks crucial
Why would it be different for Scotland?

“Our citizens, uniquely linked by geography and history, are connected today as never before... Our two economies benefit from a flow of people, goods, investment, capital and ideas on a scale that is rare even in this era of global economic integration...

“We intend that this Joint Statement will be the starting point for realising the potential over the next decade of even stronger relations for current and future generations living on these islands.”

David Cameron and Enda Kenny, March 2012
Further info

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