The Price of Scottish Independence

NEW YORK – Though the world’s eyes now are on Scotland’s referendum on independence from the United Kingdom, Scotland is not alone in seeking to redraw national boundaries. There are independence movements in many other parts of the world; indeed, 39 new states have joined the United Nations since 1980. Many more aspirants are waiting in the wings, and would likely be encouraged by a Scottish “Yes” vote.

The Scottish pro-independence campaign is based on four claims. The first is cultural: to protect and strengthen the identity of the Scottish people. The second is ideological: to move Scotland toward a Scandinavian-style social democracy. The third is political: to bring democratic governance closer to the people. And the fourth is economic: to lay claim to a larger share of North Sea oil and gas.

UK political leaders and many European governments are strongly urging the Scots to vote against independence. Scottish independence, the “No” campaign argues, would
bring few if any of the claimed benefits; on the contrary, it would cause many economic calamities, ranging from financial panics to the flight of jobs and industry from Scotland. Moreover, an independent Scotland might be excluded from the European Union and NATO.

What should the rest of the world think about this debate? Should the Scottish independence campaign be hailed as a breakthrough for claims to cultural identity and self-governance? Or should it be viewed as yet another source of instability and weakness in Europe – one that would increase uncertainty in other countries and parts of the world?

Secession movements can, no doubt, cause great instability. Consider the regional and even global turmoil over Kosovo, South Sudan, Kurdistan, and Crimea. Yet national independence can also be handled peacefully and smoothly. The 1993 division of Czechoslovakia into the Czech Republic and Slovakia – the famed “velvet divorce” – imposed no significant or lasting costs on either successor state. Both accepted the division, and, knowing that their future lay within the EU, focused their attention on accession.

Here, then, is a plausible and positive scenario for an independent Scotland. The rest of the UK (called the “RUK” in the current debate), including England, Wales, and Northern Ireland, would quickly and efficiently negotiate the terms of independence with Scotland, agreeing how to share the UK’s public debt and public assets, including offshore oil and gas. Both sides would be pragmatic and moderate in their demands.

At the same time, the EU would agree immediately to Scotland’s continued membership, given that Scotland already abides by all of the required laws and democratic standards. Similarly, NATO would agree immediately to keep Scotland in the Alliance (though the Scottish National Party’s pledge to close US and British nuclear-submarine bases would be a complication to be overcome).

Both Scotland and the RUK might agree that Scotland would temporarily keep the British pound but would move to a new Scottish pound or the euro. If such monetary arrangements are transparent and cooperatively drawn, they could occur smoothly.
and without financial turmoil.

But if the RUK, the EU, and NATO respond vindictively to a Yes vote – whether to teach Scotland a lesson or to deter others (such as Catalonia) – matters could become very ugly and very costly. Suppose that a newly independent Scotland is thrown out of the EU and NATO, and told that it will remain outside for years to come. In this scenario, a financial panic could indeed be provoked, and both Scotland and the RUK would suffer economically.

The key point is that the costs of separation are a matter of choice, not of inevitability. They would depend mainly on how the RUK, the EU, and NATO decided to respond to a Yes vote, and how moderate a newly independent Scotland would be in its negotiating positions. If cool heads prevail, Scottish independence could proceed at a relatively low cost.

The dangers of national secession are much greater in places without overarching entities like the EU and NATO to constrain the situation among the successor states. In such circumstances, unilateral claims of independence opposed by the national government or a sub-national unit often lead to a breakdown of trade and finance – and often to outright war, as we saw in the breakup of the Soviet Union, Yugoslavia, and most recently, Sudan.

In those cases, separation was indeed followed by deep economic and political crises, which in some ways persist. Indeed, in the case of ex-Yugoslavia and the former Soviet Union, the EU and NATO absorbed some but not all of the successor states, thereby raising major geopolitical tensions.

International politics in the twenty-first century can no longer be about nation-states alone. Most key issues that are vital for national wellbeing – trade, finance, the rule of law, security, and the physical environment – depend at least as much on the presence of effective regional and global institutions. Even if Scotland declares independence, it will – and should continue to be – bound by a dense web of European and global rules and responsibilities.

I am personally sympathetic to Scotland’s independence as a way to bolster Scottish
democracy and cultural identity. Yet I support independence only on the assumption that Scotland and the RUK would remain part of a strong and effective EU and NATO.

Certainly, a Yes vote would put an even higher premium on effective EU governance. But, if the EU and NATO were to “punish” a newly independent Scotland by excluding it, real disaster could ensue, not only for Scotland and the UK, but also for European democracy and security.

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