

Scotland as an Independent Small State: Where would it seek shelter?



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Structure

- Scotland's case
- Small states/the literature
- Alliance-making/shelter
- Benefits and Costs of shelter
- The Nordic/Baltic nations
- Scotland's present shelter
- Four principal shelters
- The Nordic relationship
- Summary

Quest for independence

- United Scottish state from the 9th century
- Acts of Union in 1707 created the United Kingdom
- Campaign for independence from 1920s
- Scottish Parliament in 1999
- The Scottish National Party (SNP)
- Referendum 18 September 2014
 - ‘Should Scotland be an independent country?’
 - ☐ Yes
 - ☐ No
- Independent Scotland in March 2016 !?

What is a small state?

- Key variables
- Small in comparison with others
- Relational conceptualization
- Studies/Cases

Scotland and Nordic nations: comparison of variables commonly used to define size of states

	Population (thousands)	Territory (sq. km.)	GDP per capita (\$)	Military Capacity		
				Military Spending (% of GDP)	Armed Force Personnel	
					Active	Reserves
Sweden	9.453	450.295	39.236	1,3	21.070	200.000
Denmark	5.574	43.094	40.170	1,5	18.707	53.507
Finland	5.387	338.145	36.477	1,4	22.250	350.000
Scotland ¹	5.254	78.772	41.189	(UK 2,6)	(UK 178.470)	(UK 82.274)
Norway	4.952	323.802	57.231	1,5	26.450	45.250
Iceland	319	103.000	35.642	<i>none</i>	<i>none</i>	<i>none</i>
Greenland	57	2.166.000	-	<i>none</i>	<i>none</i>	<i>none</i>
Faroe Islands	49	1.393	-	<i>none</i>	<i>none</i>	<i>none</i>

Key concepts of the literature

- Vulnerability
- Capabilities
 - Economic problems !
 - Political problems !

How can small states compensate for their vulnerability?

- Domestic arrangements
- External arrangements
 - Alliance formation
 - Bilateral relations
 - Multilateral organizations

Seeking shelter

- Bilateral or Multilateral
- Compensate for greater vulnerability
 - Small economy, economic fluctuations ...
 - Limited domestic/international political power ...
- Limits political and economic constraints

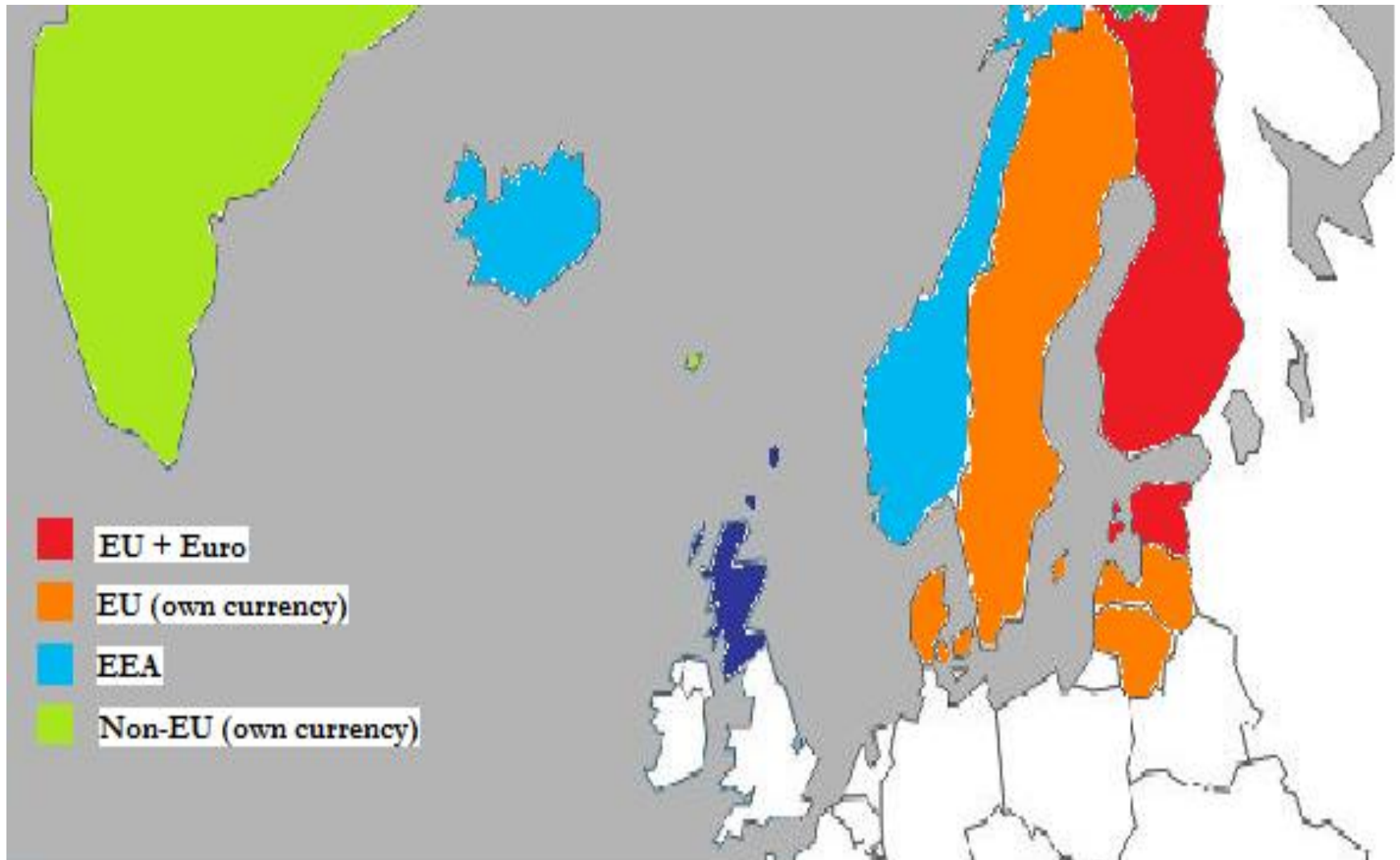
Shelter

- Reduction of risk before the crisis event
- Assistance in absorbing shocks when risk becomes severe
- Help in recovering after the event

Shelter

- Political shelter
- Economic shelter
- Societal shelter

Nordic nations – ‘EU’ shelter: Benefits and costs



Present economic, political, societal and security shelter of the Nordic nations and Scotland

Shelter Type	Economy	Currency union	Political	Societal	Hard security	Soft security
Sweden	EU	<i>no</i>	EU	EU/NC ¹	<i>no</i>	EU/Schengen
Denmark	EU	DKK(EU) ²	EU/NATO	EU/NC	NATO	EU/Schengen
Finland	EU	EU	EU	EU/NC	<i>no</i>	EU/Schengen
Scotland	UK/EU	UK	UK/EU/NATO	UK/EU	UK/NATO	UK/EU
Norway	EEA/EFTA ³	<i>no</i>	NATO	EEA/NC	NATO	Schengen
Iceland	EEA/EFTA	<i>no</i>	NATO	EEA/NC/WNC ⁴	NATO/USA	Schengen
Greenland	DK ⁵	DK	DK/USA/NATO	DK/NC/WNC	DK/USA/NATO	DK/Schengen
Faroe Islands	DK	DK	DK/NATO	DK/NC/WNC	DK/NATO	DK/Schengen

Four key sources of shelter

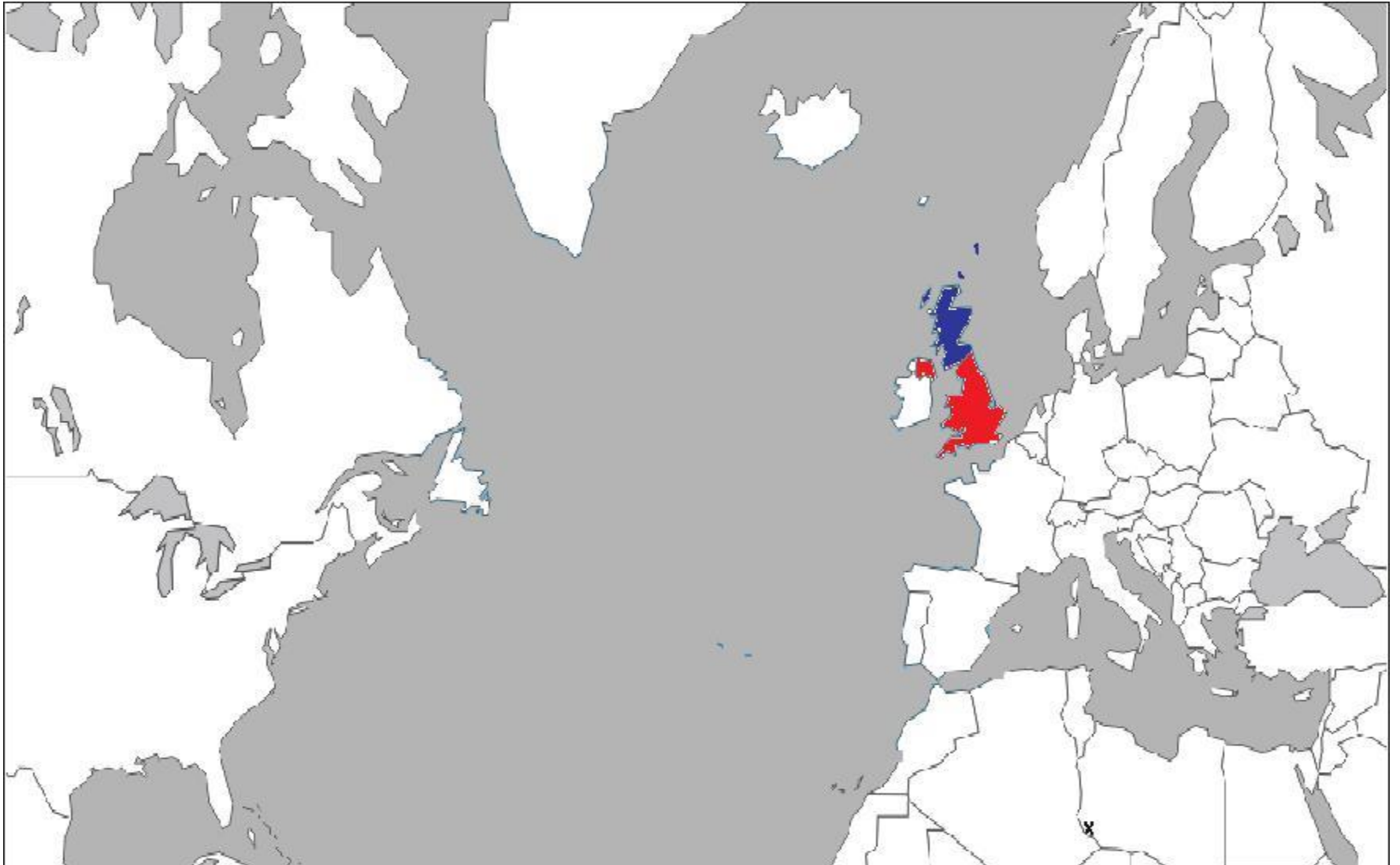
Sought by SNP:

- NATO
- European Union

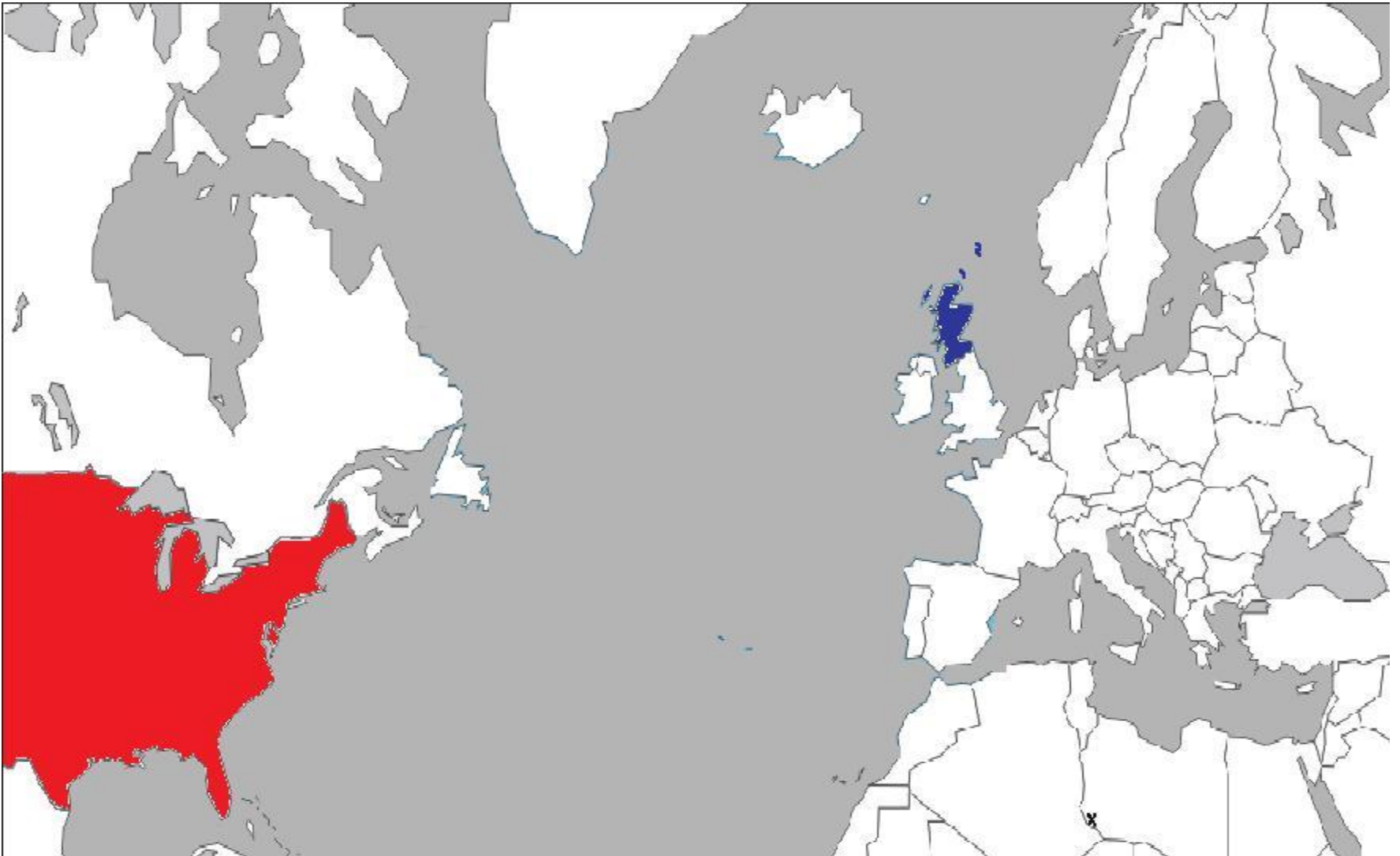
Equally (or more) vital in practice:

- USA as a nation
- Remnant UK (rUK)
- **Potential Nordic roles**
 - institutional options

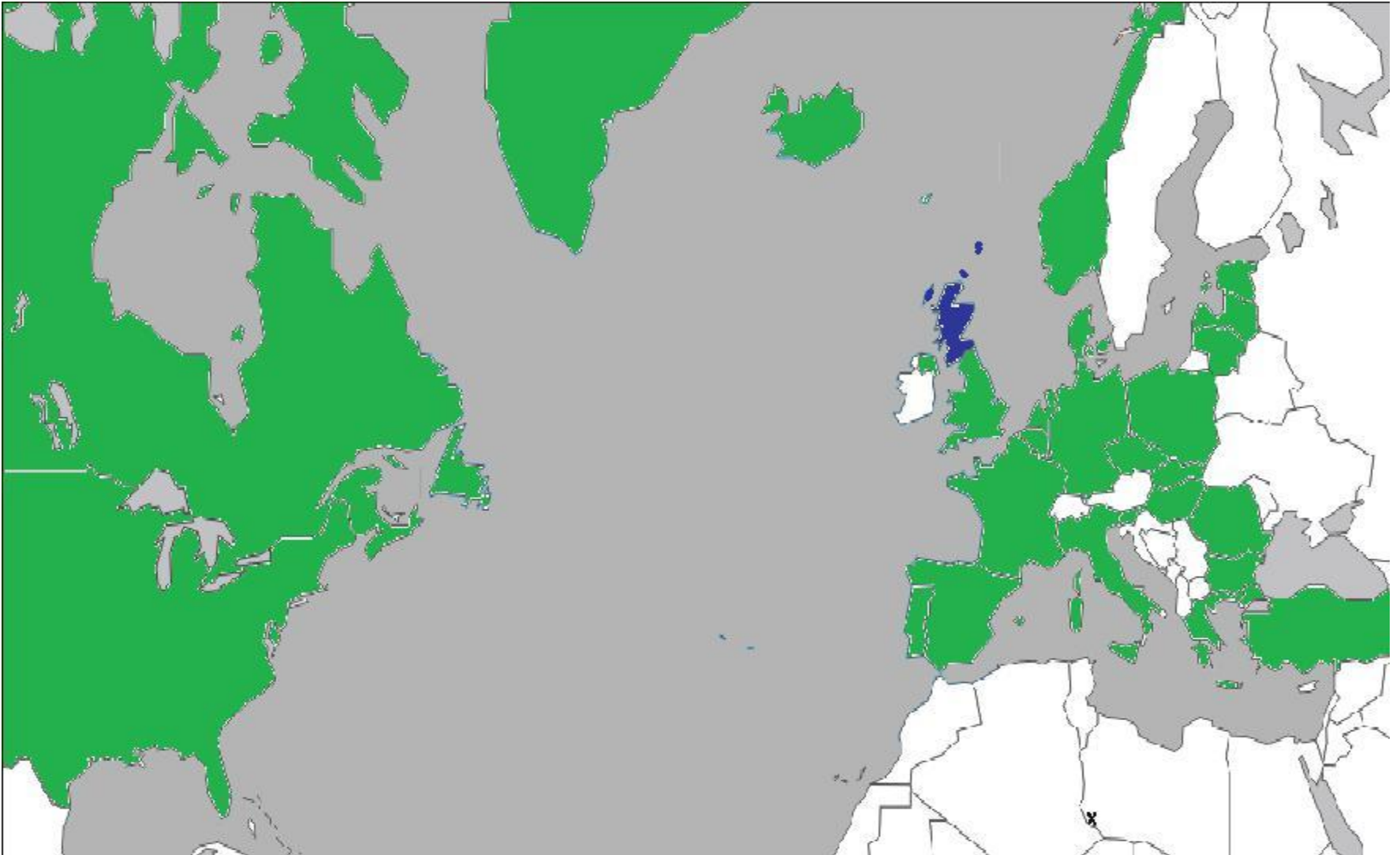
Scotland and the rUK



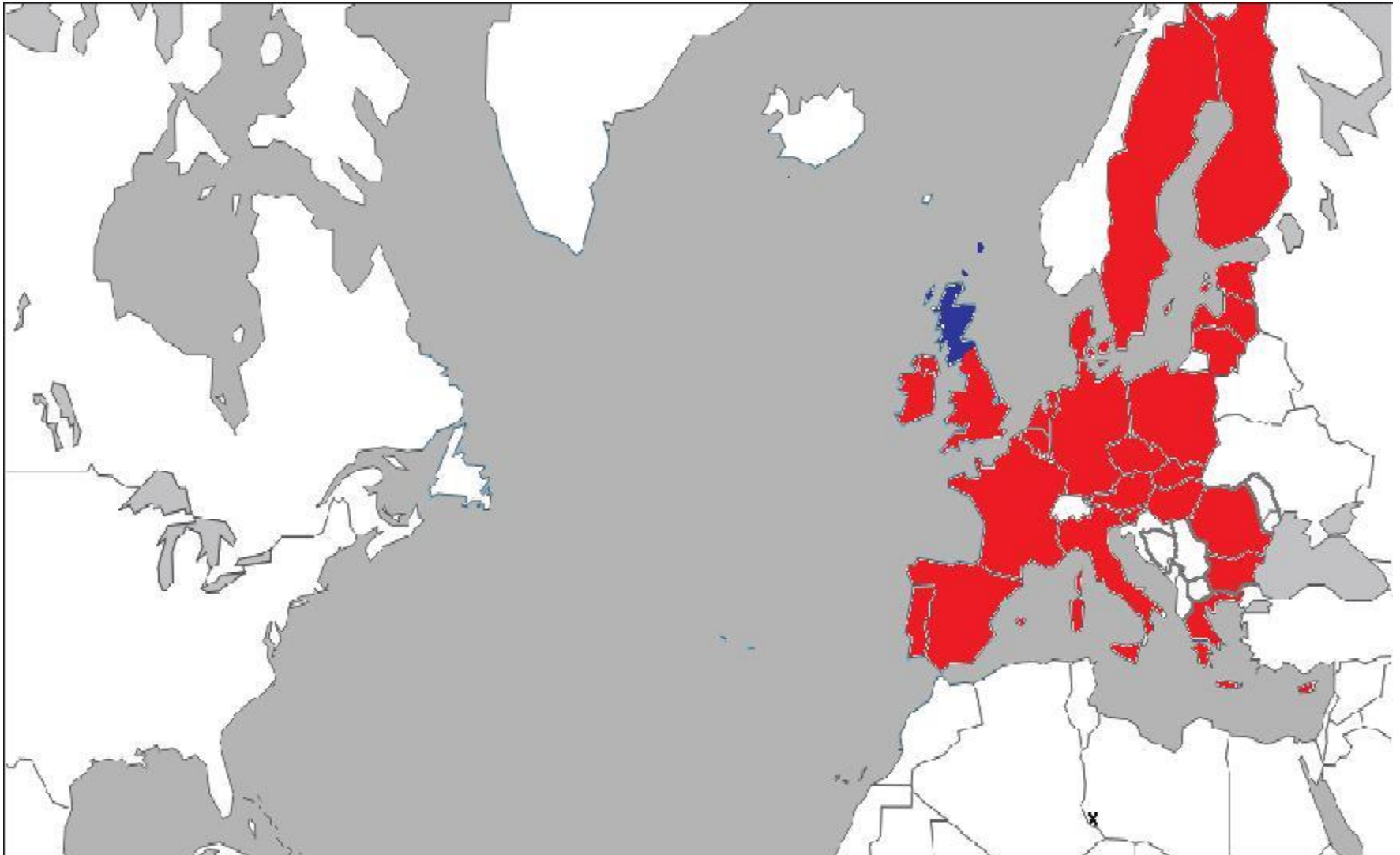
Scotland and USA



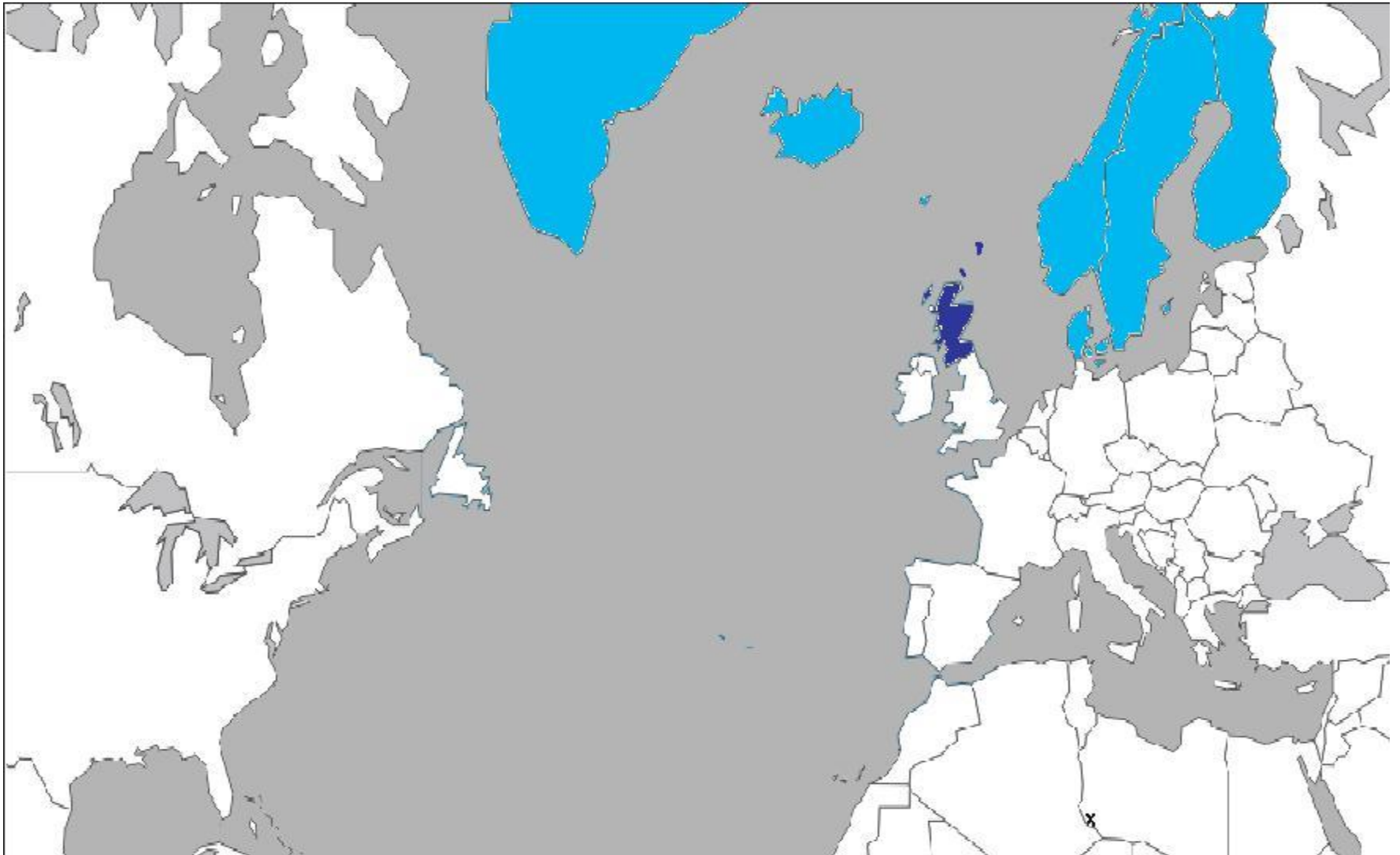
Scotland and NATO



Scotland and the EU



Scotland and the Nordic nations



Scotland - Arctic



CONCLUSIONS:

Hypothetical shelter solutions for Scotland after independence

Economy	Currency union	Political	Societal	Hard Security	Soft security
EU/rUK	rUK	EU/NATO/NC	rUK/EU/NC	rUK/US/NATO	rUK/EU

Shelter – but not just smallness...

- The small seek maximum integration
 - The EU
 - The smallest countries and bilateralism
- Different in the North
 - Cost and benefits by taking shelter

END

Benefits

- Larger and more stable markets - competition
 - Freedom of trade
 - Assure supplies – more stable prices
 - Share and spread risks
 - Emergency help
-
- More co-control than with a 1-state shelter
 - Exploit supranational features
 - influence via Commission, EP, Court, lobbying etc

External benefits

- Part of a larger trading bloc
 - better leverage over terms + rules of trade
 - with individual large partners
 - in international organizations
- Part of a larger currency bloc
- Chance of defence if economic interests ‘attacked’ by an outsider

Costs

- Opening to competition
- Losing/diluting control of national resources
- Regional trade/import dependence likely to grow
- Submission to extensive regulations
- Budget contributions

Costs

- Sovereignty
- Identity
- Still a small voice
- Help in trouble ! - Harsh conditions !
- Burden
- Conflicts
- Harder to get out / shift sides