What does Brexit mean for those campaigning for Scottish independence?

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The question of Scottish independence has taken centre stage in the public debate since the Brexit vote. England and Wales have voted to leave the EU, but Scotland and Northern Ireland have voted to remain. Together with this differing outcome, the absence of a post-referendum plan – and of any sign of leadership – on the part of the UK government create a favourable climate for the SNP. But what does it all mean for those campaigning for Scottish independence? Craig McAngus explains.

The decision by the UK electorate to leave the European Union has resulted in unprecedented levels of political, economic and constitutional uncertainty. The UK's future relationship with the EU is still an unknown quantity, and the leadership vacuum at the heart of the British state means that this unknown has not been abated. The UK's territorial integrity is also under question, with the sceptre of Scottish independence rearing its head again.

The 2014 Scottish independence referendum, returning a majority of 55 per cent, was a more convincing result than that of the EU referendum and, in the main, was considered as having put the issue of independence to bed – for the time being. Circumstances have undoubtedly changed, however. The SNP's 2016 Scottish election manifesto stated that a material change in circumstances, such as Scotland voting Remain whilst the overall result was Leave, would act as the basis for another independence referendum. Nicola Sturgeon has stated in the last few days that a fresh referendum on independence is very likely.

However, the SNP will not want to commit to a second referendum if they don't think it can be won. There have been a few polls since the EU referendum result which show a boost in support for independence but we will need to see if this develops into a pattern that holds over the next few months. If support does hold, then we could see a referendum happen before negotiations between the UK government and the EU conclude at the end of the Article 50 window, whenever that might actually be.



Uncertainty and risk transferred

Scottish independence this time around is still fraught with uncertainty. Currency remains a crucial and unknown issue, as does the future health of an independent Scotland's fiscal position. The collapse in the price of oil has impacted heavily on the tax take from the North Sea and the fiscal transfer through the Barnett Formula is currently supporting Scottish revenues and, by extension, spending on public services. An independent Scotland would have some serious decisions on taxation and expenditure to make in the short-term, given that it was forecast to have a fiscal deficit of 7.8 per cent of GDP in 2014/15.

Indeed, the main reasons why the last Scottish independence referendum returned a No vote was because the electorate judged that the Scottish economy would suffer if there was a Yes vote, and that there was not sufficient clarity around the question of what currency Scotland would adopt on independence. Despite Brexit, these questions still remain.

At the same time however, Brexit has changed everything: whereas the option of Scottish independence was the risky option that would spell uncertainty and sustained economic turmoil, the previously 'safe' option of the UK has now become equally, if not more, risky. The result of the EU referendum has opened up a pandora's box of uncertainty with a sharp drop in sterling, chaos in the stock market, and the demotion of the UK from its position as the 5th largest economy in the world.

The SNP has therefore been handed a favourable strategic position. No longer is the UK the safe and consistent option that was posited by the pro-UK campaign during the first independence referendum, but has now become the embodiment of the chaos that the pro-independence campaign was accused of wishing to bring upon Scotland and the UK. Arguably, the situation the UK now finds itself in is worse than would have befallen it if Scotland had voted Yes in September 2014, given that the global impact Brexit has had. Sure, Scottish independence would have had an impact globally, but not to the same extent that we are currently seeing.

Furthermore, Nicola Sturgeon has been the epitome of leadership in the absence of anything resembling the equivalent from London. The Chancellor disappeared for days, the Prime Minister is now a lame duck, and the Parliamentary Labour Party is tearing itself apart through a spate of resignations from the Shadow Cabinet and a challenge to Jeremy Corbyn's leadership. The SNP has been electorally successful in Scotland because it is seen as a competent government with capable and trustworthy leaders. The events over the past few days will have done no harm to these attributes in the eyes of the public and will only help her already strong credibility during a new campaign for independence.

The pro-UK campaign

The last independence referendum saw a pretty clear demarcation between the pro-independence SNP and the major statewide political parties. The majority of what would normally be termed as the 'establishment' – namely big business, financial institutions and newspapers – was firmly against independence. The pro-UK parties articulated the position of these groups and argued that independence would impact negatively on ordinary voters. This time around may prove to be somewhat different. We have already seen support from Scottish Labour and the Scottish Liberal Democrats for Nicola Sturgeon's strategy of negotiating with the EU directly in order to ascertain Scotland's options going forward.

Furthermore, some high-profile Scottish Labour figures have come out publicly and said that they are now very sympathetic to the idea of Scottish independence. Time will tell if more of the unionist establishment break ranks and put their weight behind an independent Scotland. One would expect that many are, for now, waiting to see how things develop over the coming weeks. However, it is not outside the realms of possibility that some major financial institutions and multinational companies see an independent Scotland in the EU a more attractive prospect than a UK outside of the EU.

Another key question for those advocating the continuation of the Anglo-Scottish union is this: who will lead such a campaign? Back in 2012, it was decided that it was best for a Labour figure to lead the campaign, backed up by financial support from the Conservative party. We must not forget that in 2012, Labour had 41 Scottish MPs and, although doing badly at the 2011 Scottish election, was still the second largest party in the Scottish Parliament. The party now has one Scottish MP and has less MSPs (24) than the Scottish Conservatives (31). Scottish Labour does not at the moment have the resources, the credibility or the public support to lead an effective pro-UK campaign.

The 2016 Scottish election showed that the Scottish electorate has become increasingly polarised between unionists and nationalists, and the unionists have increasingly turned towards the Scottish Conservatives to champion their pro-UK views. However, any sign of a pro-UK campaign headed up by a Conservative would risk decimating what's left of Scottish Labour's working class vote and probably push those who voted No last time towards independence.

Previously, the UK government could put its resources and efforts behind winning a No vote. This time around, they would have to fight a battle on two fronts as Brexit negotiations get underway. The UK government would have no choice but put the Brexit negotiations at the top of the priority list. The potential opposition that the SNP faces is therefore in a far weaker position than it was in the run-up to the first independence referendum. At the same time, the SNP itself is bolstered by over 100,000 members and a wider pro-independence movement that, although separate and independent from the SNP, will campaign for the same outcome and facilitate engagement with communities and individuals who are perhaps still sceptical of the SNP.

An EU deal may be key

Despite a favourable climate for the SNP and the wider pro-independence movement, winning a Yes vote will still be a difficult task. Doubts about independence will still be strong amongst those who need to be won over. These doubts will also be framed in the context of where the UK-EU relationship is heading. If, for example, the UK ends up negotiating a Norway-type deal whereby the UK officially leaves the EU but is still part of the European Economic Area, then the costs of Scotland remaining part of the UK are significantly reduced. If, however, the arrangement is much looser, the costs of remaining in the UK are amplified and the benefits of remaining a member state of the EU will likely carry more weight.

Nicola Sturgeon has made overtures towards the EU and member states. Her strategy is to highlight Scotland's commitment to the European project and gain allies who will support Scotland's bid to become independent. This may well prove important if a referendum is held that the UK government refuses to recognise. However, if the UK is able to begin constructive negotiations with the EU, then there is a possibility that it could ask for a partial cessation of dialogue with Scotland in return for amiability around the terms of a potential deal. The UK government also knows that, despite the rhetoric from Europe, key member states such as Germany have an intrinsic interest in maintaining close economic and political ties. Whether or not the UK can produce the leadership to promote and protect its territorial integrity is still an open question, and the early signs are that this may be unlikely.

About the Author

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