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Security Policy Library

1-2014

**WHAT NOW, LITTLE ENGLAND?
PROSPECTS FOR THE FORTHCOMING SCOTLAND
AND EU REFERENDUMS**

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Published by: The Norwegian Atlantic Committee
Editor: Audun Reiby
Printed by: Hegland Trykk AS, Flekkefjord
ISSN: 0802-6602

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What now, little England? Prospects for the forthcoming Scotland and EU referendums

The concept of *little Englander* has meant different things in the course of history. A century ago it was used to label those in Britain who were anti-imperialist and wished to withdraw from the Empire and constrain Britain to its own Isles. Later, it has referred more disparagingly to a form of inward-looking gaze among those who are unwilling to accept the harsh realities of international politics and who fear and contempt what is foreign. In the post-war era, this was projected in the view that decolonisation should not entail any further responsibility on Britain's part.

Recent years have added further nuances to the conventional understanding of little Englander. It now often refers to an unwillingness to accept the idea of international community, where treaty commitments abound and where decisions are increasingly made beyond the nation state. Little Englander thus denotes a position that England ought to cater for England alone, by terminating its commitment to Europe as well as acting more forcefully on England's behalf against Scotland and Wales. This position represents an under-current that has become ever more visible. It provides an important backdrop for the double territorial challenge now faced by Prime Minister David Cameron: that of maintaining Scotland in the UK and keeping the UK in the European Union.¹

It is a challenge that will be reflected in two forthcoming referendums. The first one, on Scottish independence, has been scheduled for 18 September 2014 and is thus only eight months away. The other referendum, on continued British membership of the EU, is laced with uncertainty. The Prime Minister has suggested that it could take place in 2017, following a successful re-election of the government in 2015 and a negotiation process possibly involving the EU as a whole.

This article discusses the driving forces behind the double territorial challenge for the British government. It will consider how the two political relationships – between England and Scotland and between

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1. "Britain" and "the UK" are used interchangeably throughout the article. Formally speaking, the United Kingdom (UK) refers to England, Wales, Scotland and Northern Ireland together, while Great Britain denotes England, Scotland and Wales only. Britain may refer to each of the two entities but is used synonymously to the UK here.

	United Kingdom	Scotland
Monarch	Queen Elizabeth II	Queen Elizabeth II
Prime minister (First minister)	David Cameron	David Cameron (Alex Salmond)
Population	63 395 574 (July 2013 Est.)	5 313 600 (2011 census)
Area	243 610 km ²	78 387 km ²
GDP (nominal) - Total	\$2 443 trillion (2012 est.)	\$0,249 trillion (2013 est.)
GDP (nominal) - Per Capita	\$38 536 (2012 est)	\$46 887 (2013 est.)

Sources: CIA World Factbook (Online); The Scottish Government (www.scotland.gov.uk)

the UK and the EU – have been put to such a strain as to permit a possible break-up and look at why the referendum, a highly unusual device in British politics, has been chosen as the appropriate mode of decision-making. We will also speculate briefly on possible scenarios following each of the two referendums. In order to understand the present, however, a glance into the past is required concerning both of the two territorial questions.

The great Scottish independence project

“Devolution will kill nationalism stone dead.” That was the view of Labour’s Shadow Scottish Secretary George Robertson in 1995. It is an appropriate prelude to what the Labour government elected in 1997 sought to accomplish by creating a Scottish Parliament and a Welsh Assembly. Devolution would display that Labour was capable of renewing and extending democracy, and in so doing it would make the union sustainable.

There was an imminent need for aiding the unionist cause. Eighteen years of Conservative government in London had served to accelerate Scottish nationalism. In 1979, when Margaret Thatcher was elected Prime Minister, her party had 31,4 per cent support in Scotland, already considerably lower than in England and a weak mandate for majority rule. In 1997, by the end of the Conservative era, Scottish support had shrunk to 17,5 per cent, reducing the number of Scottish MPs from 22 to nil. The controversial poll tax had first been tested in Scotland, and public sector cuts, welfare reforms and industrial decline served to strengthen the narrative that Conservative government was primarily *English* government.

In the years 1992 to 1995, parties and civil society in Scotland united in a constitutional convention to prepare the ground for the creation

of a Scottish Parliament. Labour and the Liberal Democrats were both part of these deliberations – but two parties stepped aside to watch the process from the sidelines: the Conservative Party, which would not conceive of devolution as a whole, and the SNP, which considered the proposals as insufficient in not discussing full independence. The Conservative vision appeared to be a frozen one, of Parliament in Westminster as the only legitimate source of power in the union. Meanwhile, the way in which SNP resisted the initial proposals served to illustrate what was taken as a fact: a devolution would – if not kill nationalism stone dead – serve as a roadblock to independence by creating a functioning quasi-federal structure to the union, with Scottish autonomy over domestic affairs. There would thus be little to chew upon for those who wished to take autonomy further.

When the Scottish Parliament was created in 1999, following a 74/26 majority in the preceding referendum, it included an electoral system that was meant to secure power sharing over time. The Labour Party, historically dominant in Scotland, abstained from sustaining the first-past-the-post system, to the chagrin of sections of the party who had hoped to dominate the new Parliament. Proportional representation was introduced, and an inclusive, cross-party politics was the declared ambition. The additional benefit was that if there were to be a sweeping increase in the SNP's electoral support, the electoral system would ensure that it would still not constitute a majority.

It took only four elections for that scheme to be proved wrong. The first two parliaments had seen Labour and the Liberal Democrats govern together in coalition. In 2007, however, the SNP marginally passed Labour as the largest party, and the parliamentary negotiations produced a single party minority government from the SNP. What followed was an ineffective, but symbolic pursuit of sovereignty. While political institutions were referred to in ever more national terms, the Scottish government started a public conversation about future independence. Its policies were framed as social democratic and harking towards a Scandinavian community seen as culturally closer than England and affiliated to Scotland's political outlook as a small, peaceful country of northern Europe. Universal welfare-state measures, ambitious family policies and a fortified environmental policy were among the specifics of the government's programme.



The nation-builders

The mix of nation-building and bread-and-butter concerns proved to be a potent cocktail, and the ability to unite the different tendencies in a coherent whole was ascribed to the First Minister, Alex Salmond. Four years after the party's entry in government, it managed the utterly unexpected: with the support of 45,6 per cent of Scottish voters, the SNP could form a majority government alone. On that basis, the independence referendum, for so long a distant dream within the party, moved from party fringe meetings to political reality.

There has never been a lack of elements to rally around in Scottish history, a nation whose past is not altogether different from Norway. Both nations were unified as seaward empire-nations in the Middle Ages, only to move toward peripheral status under a stronger neighbouring centre during the phase of accelerated nation building from the 16th century onwards. They both turned Protestant in the Reformation and concentrated heavy responsibility for cultural development and education in their State Churches. Both Norwegians and Scots furthermore maintained distinctive legal traditions and institutions as well as urban corporations with some independence in their external trade relations. Finally, in cultural terms, both countries harboured progressive rural movements with the potential to forge links with an emerging industrial working class.

Yet one of these countries, Norway, turned out to become a rapidly developing, consensus-oriented and egalitarian nation state, where democratisation ran in parallel with the pursuit of national autonomy. Its Scottish cousin meanwhile remained embedded in the Union of Great Britain. It was characterised by adversarial politics and sharp social inequalities and saw its national aspirations run awry. While 1814 turned out to be a critical juncture for Norway in creating both voters and a parliament, the Scottish trajectory involved no similar events since 1707. Through the Treaties of Union of that year, Scotland relinquished its Parliament in favour of representation in the House of Commons and adjacent institutions in London. While

Norway in 1814 moved from colonial status under Denmark to a personal union with Sweden, Scotland went in the opposite direction; from a personal union with England and Wales (dating from 1603) to incorporation in the union of Great Britain.

Today, the perceived differences from England are what the SNP play upon in their quest for independence. Scottish politics, if let loose from the grip of Westminster, will not only be more left-oriented, it will also be proportional and inclusive, peace-seeking and progressive on the international scene. That is how the young Scottish democracy has accelerated from the creation of the Scottish Parliament in 1999 to the scheduled referendum on independence. What future does this vision hold in the case of a “Yes” result in the referendum?

Promises and paradoxes

The devolution of powers to Scotland has been extended far to encompass a broad range of domestic policy areas. But it suffers from two dysfunctions that are a legacy from the historical relationship between Edinburgh and London: first, the absence of fiscal powers, as the budget assigned to Scotland remains a default proportion of the UK budget in London and, secondly, the imbalance between Scotland and the other nations and regions of Britain.

Financial sovereignty is evidently a multi-dimensional phenomenon. One aspect concerns currency policy, the strategies directed towards regulating the exchange rate vis-à-vis foreign currencies. Another deals with fiscal policy, actions regulating the supply of credit, where regulating the interest rate is the conventional instrument. A third aspect concerns financial policy, channelled through the state budget and system of taxation. Scotland has no influence on either currency or fiscal policy, given its submission to the Bank of England. That in itself is not surprising – indeed, the position of Scotland in this regard is not dissimilar from individual member states partaking in the Eurozone. More surprising, perhaps, is the fact that devolution grants so little to Scotland in the form of fiscal autonomy. In specific terms, the Scottish Parliament enjoys extensive powers over the *expenses* related to domestic policy areas, but has negligible powers over the *revenues*. The model voted over in the referendum at the

creation of the Scottish powers granted minor tax-regulating powers (+/- 3 per cent on the basic rate of income tax). These powers have hitherto not been used. Moreover, even if they were, the specific idea of how this revenue would be exempted from the UK Treasury and added to the present Scottish portion of the budget would be subject to negotiation.

It is a fairly obvious observation that genuine political choices require the ability not only to decide *where* to spend but *how much* to spend and, consequently, how to fill the state coffers to afford the desired expenses. The present model for Scotland is similar to that of a housewife apportioned a monthly endowment. Were she to follow a more ambitious strategy for family expenses, she would have to run a deficit, since collecting higher taxes from family members were beyond her powers.

In the Scottish case, this predicament is a very real one. Although social security is unitary to the UK as a whole, many of the core welfare state tasks are devolved to Scotland. Health and education are two obvious policy areas. Here, the generosity of services is an important concern, related to the rate at which they are offered as well as whether they are universal or means-tested. Succeeding governments in Scotland since 1999 have made it an essential ambition to make the welfare state more ambitious and accessible, diverging from what is considered the English model.

The pattern is even more visible in education policy, where the gradual increase in tuition fees for higher education in England has been countered with the refusal to introduce fees in Scotland. Today, university education in Scotland remains free (with the exception of a symbolic redirected towards poorer students), whereas in England, following the 2010 reform, students now pay up till £9,000 per year. The divergence has significant consequences for state finances. In England, the financing of universities has increasingly been moved from the state budget to be funded by tuition fees. This partial privatisation of revenue means that state budgets are reduced. And any change in the UK budget has knock-on effects on the fixed proportion apportioned to the Scottish government.

In sum, where there is a desire to run policies in Scotland that require higher public expenses than that which is pursued by the

UK government in London, the money needs to be found somewhere – either by increasing taxes, moving funds from other areas of the public sector or increasing state debts. The second option, which is not a satisfactory strategy at all, has hitherto been the solution in Edinburgh. It is evident that the framework for financing devolution is in dire need of reform. We can expect negotiations for reform to be on the top of the agenda should the referendum result be a “No” to independence.

What difference would independence make?

The fact that enhanced control over finances has not already been granted to Scotland is first and foremost a consequence of the historical complexity of the relationship. Britain was never construed as a federation and remains, in form, a unitary state. This means that even where Scotland is given separate treatment, the regulation of reserved policy areas does not recognise the existence of territorial entities within the state. This is also evident in the democratic problem of having Scottish MPs voting on policies that do not apply in Scotland (as when Scottish Labour parliamentarians helped increase tuition fees in 2004, a reform that would only apply in England).

Independence would resolve these problems which follow from being neither fully part of a unitary state nor a recognised state in a federation. But independence entails problems of its own. National independence, in short, does not provide a simple template that is fit for all purposes. Sovereignty is a complex phenomenon in twenty-first-century Europe. Control over state finances is a sound starting point, as is command over natural resources falling within the boundaries of the state, including the maritime resources of oil, gas and fish that play a significant role in the Scottish debate. Transforming the taxation and regulatory regimes in the North Sea to accommodate independence is a complex task but it is not insurmountable. In this specific domain both parties tend to overplay the argument; North Sea activity is not by necessity linked to regulation from London, but neither is transferable to become the readily exploitable *Scotland's oil* that SNP has referred to since the 1970s.

Independence equally applies to foreign and security policy, a point which is certainly recognisable from the path towards Norwegian

independence in 1905. But that criterion is not as easy to apply in the integrated international domain of today. A separate diplomatic service for Scotland (though expected to be of limited size) will have to be established. In defence policy, the SNP now opts for continued membership of NATO, despite the party's fierce opposition to it in the past. It would however be without the nuclear weapons presently stationed there. To be disentangled from England is also taken to mean disentanglement from great-power rivalries and the nuclear defence. Ideally, it would also be forced through as non-alignment on the international scene. Within this domain, Scottish nationalists appear to have Sweden rather than Norway as a role model.

In other domains, disentanglement from England is not conceivable. Previous flirtations with the euro have, for understandable reasons, been replaced by an SNP commitment to keep the pound. (In early February 2014, the idea of a currency union with a future independent Scotland was surprisingly ruled out by George Osborne, the British Chancellor of the Exchequer. An independent Scottish currency remains however a remote idea seven months before the referendum.) It is undisputed that Queen Elizabeth II will remain head of state in an independent Scotland, as she is currently the head of 16 independent countries within the Commonwealth. On the latter issue, it is conducive to a solution that Scottish nationalists have never harboured a strong republican agenda such as the Irish.

An independent Scotland following 2014 would have to enter lengthy negotiations with the British government – running from the allocation of assets in the North Sea, and state-owned companies as well as splitting the burden of public debt. They would also have to establish agreements on cross-border welfare and consumer rights etc. All this for a share of fiscal (but not monetary) autonomy and direct representation in international organisations (where, incidentally, membership terms would have to be negotiated anew). One does not need to be cynical to ask whether it is worth the trouble to opt for full independence. That question would sound less hollow, however, if ventured from another country than Norway, where independence in 1905 was confronted with bigger potential dangers than those facing Scotland today, quintessentially in the military domain.

The option favoured by a majority of Scottish voters – that of enhanced devolution short of full independence – is not on the ballot paper on 18 September, yet it is likely to appear if the result is a “No” majority. Sketches for a more mature fiscal relationship between London and Edinburgh involving a separate share of Scottish tax for Scottish citizens are also likely to be exchanged prior to the referendum itself. Interestingly, while strong voices in the SNP called for a third option to be present in the referendum, the result may come very close to that option whether it is based on a “Yes” or “No” result in the referendum itself: a beefed-up arrangement for Scottish autonomy within the union or an “independence-lite” whereby currency, head of state and a broad range of state-level cooperation features are maintained.



Britain’s European challenge: introducing rugby in the football club?

Whether or not Scotland does remain part of the UK, the result is certain to feed into the succeeding discussion of another union, that of the EU and the UK’s position in it.

Britain and Europe is a relationship between two parties: one independent kingdom in the North Sea, the other a complex and unruly continent characterised by eternal power struggles and contradictory cultural and political patterns. That is the simple perspective cast from Britain. It is a perspective that has survived six decades of shifting weather conditions in the English Channel dividing the British Isles from the European continent.

Today, the relationship with Europe is edging dangerously close to a divorce. On 23 January 2013, following lengthy pressure from within his own ranks, Prime Minister David Cameron announced his government’s desire to hold a referendum on Britain’s EU membership. That referendum will preferably be held in the aftermath of renegotiating Britain’s membership terms as part of a broader reassessment within the EU. That reassessment, it is thought, will follow naturally from the needs for a more tightly integrated Eurozone and the opening of a

more explicitly “multi-speed Europe”, where EU membership beyond the minimum requirements of subscribing to the inner market, may include a varying number of commitments and policy areas for each individual member state.

What history taught Britain

Certainly, there is nothing new in the disposition in Britain to crave for alternatives to the “ever closer Union” referred to in the Rome Treaty. The penchant for looking at Europe as the eternal other has historical but also psychological causes. Britain does not like Russia or Turkey stand at the crossroads of civilisations, choosing between the West and an Orthodox or Oriental alternative. Nevertheless, in the psychological geopolitics led by successive postwar governments in London, the “three circles” metaphor devised by Churchill remained the dominant signpost. Britain could not, and would not, leave all eggs in one basket. The special relationship with the United States would hold a continued significance in British foreign policy, as would the relationship to previous colonies through the Commonwealth.

The community along both these axes would be one of trade and security, surely, but it would also be a community of values. Across the Atlantic ran a robust lineage consisting of the English language, the rule of law, liberal democracy and the free economy. Europe has in the dominant British mindset represented so many values that were foreign and to be feared: a penchant for authoritarianism and extremities; Catholic influence over politics; rigid legal systems; weak democracies permitting political polarisation, minority government and endless squabbling in parliament. France and Belgium, interestingly, represent fearful images each in their own way. The French for their persistent belief in ideological dogma and dramatic constitutional transitions, the Belgians for their endless division of power between different groups and levels, diluting political leadership and sound reason in favour of compromise and foot-dragging.

The ability to oppose invasions has contributed to the strong legacy of sovereignty in British foreign policy. Being an island state with a global empire has also fortified the belief in global free trade. This has historically been trade across the sea. Britain is historically a naval power more than anything else, in sharp contrast to the large

standing armies attributed to other European powers. It has been a naval power primarily intended to support and maintain a market economy, as reflected in the concept of *free trade imperialism*. The expanding Britain that colonised India through a trading company was the same famously referred to by Napoleon as “a nation of shop-keepers”. Trade as the engine of development is among the very few guiding principles of British foreign policy throughout the centuries.

The shortcomings of staying on the sidelines...

Historically, disentanglement with European affairs has been seen as a prerequisite to maintain these values within a framework of internal state-building and democratisation. The preference for letting things take their course in relative isolation from Europe is an analysis which also applies to the relationship between the nations on the British Isles. Faced with European politics, the dominant strategy on Britain’s part was to balance power where balancing was needed to halt the dominance by any single state.

The war experience served to consolidate these values and made Britain an unlikely partner when the process of European integration began in the early 1950s. Integration also seemed to resolve the continuous need to check the rise of dominant powers, a strategy that had failed so fatefully with Hitler’s Germany in the 1930s. What emerged from the process of reorientation after the War was a Britain that remained on the platform while the train of European integration set off.

Within that train, decisions were taken that would prove to be quite fateful to Britain’s prospects when entering the European Community alongside Denmark and Ireland two decades later. One policy area which was arranged in discord with British interests was the Common Agricultural Policy (CAP), which continues to be seen in Britain as a manner of subsidising French farmers rather than opening up markets and supporting free trade, as should be the key concerns for the EU.

CAP is perhaps the classical example of the consequences of arriving late at the table where others have already composed the menu. However, to take the metaphor further, the existence of an established menu has never stopped British governments from trying

to negotiate arrangements à la carte. It is a legacy that runs back to Margaret Thatcher's negotiated rebate to ensure a form of balance of payments between Britain and the EU in the early 1980s. It was seen again in the Maastricht negotiations in 1991/92, where John Major succeeded in securing British opt-outs from several policy areas, including parts of the justice and home affairs portfolio and the euro. And it is found yet again today when what the British government requests is precisely a more flexible approach to integration than the unitary approach preferred by the EU institutions.

...meets the dissatisfaction of being on the inside

Paradoxically, the EU that is met with much scepticism in Britain today is also one where a lot of the development over the last two decades – despite the Eurozone crisis – have corresponded with the British vision of what European integration should be about. The enlargement in 2004 is the quintessential example – opening markets rather than strengthening federalist ambitions and at the same time introducing new member states which share many of the British instincts in foreign and security policy (loyalty to NATO and the United States) as well as in economic policy (seeking liberalisation rather than renewed regulation from above). Reforms on the broader EU agenda have also pointed towards strengthening higher education and research, streamlining the public sector and extending the internal market to services; all are measures promoted by Britain.

Yet EU scepticism remains in the British political elites – to some extent on the left, but most predominantly on the right, where Conservative voices are joined (and to some extent outperformed) by the rising success of UKIP. What are its basic elements and how will they fare on the road to a possible referendum?

The prevailing idea behind Margaret Thatcher's premiership has been described by political scientist Andrew Gamble as "the free economy and the strong state". Market liberalisation should be combined with dominant political institutions on the national level, centred on a forceful government and a legal system with full jurisdiction within the national territory. To a large extent, these are the very same arguments that prevail on the British right today in their opposition to the EU. Where Norwegian EU scepticism reflects an anxiety

for the market liberalisation engineered by Brussels, the dominant vein of British scepticism derives from the fear of EU regulation of an otherwise free market.

Such regulation is evident, it is said, in EU calls for minimum standards of employment regulation, exemplified by the hated working time directive. Not only do these attempts at regulation obstruct national autonomy, they go directly against the grain of the free market. The same logic applies in the criticism against EU attempts at shared standards of corporate taxation and regulation of the financial industry. It is the age-old idea of inefficient, over-regulated Europe that reappears in the British debate on these issues, nurtured by the idea that the British economic model of a flexible labour market and free mobility of investment is a superior one.

Euroscepticism soft and hard

The Conservative Party is for all practical purposes divided between soft and hard Eurosceptics. The soft group encompasses those who seek to renegotiate the EU treaties to a watered-down free trade agreement, the details of which remain unclear. However, it seems obvious that a favourable agreement would include an opt-out from swathes of EU labour market regulation as well as various aspects of justice and home affairs (involving, for example, the welfare rights of mobile labour within the EU). The government would also seek to obtain a much-reduced role for the European Court of Human Rights. However, since this is an institution endorsed by the EU but hosted by the Council of Europe, it is an argument that is partly decoupled from Britain's relations to the EU.

Prime Minister David Cameron and most of his Cabinet colleagues subscribe to this group. It is however challenged by a powerful minority within his parliamentary party who are hard Eurosceptics, thus seeking to break altogether with the EU. To make matters worse for the Prime Minister, this latter group has over the last year been further encouraged by the rise of UKIP to enter a form of "argument race" where ever-stronger language is used to put all caution aside and allow the British electorate a vote on EU membership sooner rather than later.

Hard Eurosceptics within UKIP and the Conservative Party share a vision of Britain standing on its own feet outside of the EU and oriented towards its age-old global role, entertaining partnerships with far-away allies instead of being entangled with Europe. Furthermore, they see it as their vision to re-erect the British Parliament as the supreme legislator determining the laws of the land. Part of the reason why these branches can heap enhanced pressure on the Prime Minister is the electoral calendar which ensures that the European Parliament elections of May this year are held as all parties are preparing for the general election of May 2015. Where the government should be determining the political weather, Cameron sees instead that rival political forces have gradually taken over that role.

Territorial challenges combined: the Prime Minister's dilemma

David Cameron is no English chauvinist desiring to detach Scotland from the Union, nor is he prone to break with international alliances or the EU as long he is the master of events. The fear at the beginning of 2013, however, is that internal tension in his party seconded by bad political footwork may force the British government into a corner. In dealing with Edinburgh and Brussels, the worst-case scenario would then be a break-up of the relations with both. That is not a result likely to be desired by any British Prime Minister; Cameron is no exception.

In reality, the questions of Britain's role in the EU and Scotland's role in Britain are closely related. The possibility of a British exit from the EU in 2017 will play a role in the Scottish referendum campaign unfolding towards 18 September. First and foremost, it will do so as part of the "Yes" argument for Scottish independence. A Conservative-led government in London is precisely what Scottish nationalists need in order to force the argument that Scotland strikes a different note than their English cousin south of the border. The essence of this narrative is that England is simply different in leading a politics that is adversarial, great-power-oriented, right-wing and Eurosceptic. The welfare-state cuts and the calls to renegotiate with (and potentially withdraw from) the EU under the current government have worked to confirm the veracity of the England vs. Scotland narrative.

Like most narratives, it is rather selective with the facts in order to fit its argument. While Scottish politics may be more left-oriented (balancing between the Scottish National Party (SNP) and Labour, both of which can be considered centre-left), opinion poll research can point to no decisive difference between Scottish and English voters. And although the Scottish Parliament, based on proportional elections, has pursued a more consensual, inclusive form of politics, the SNP has been more than willing to run roughshod over the unionist parties when it comes to the independence agenda unfolding since 2011. Finally, while Scottish voters are more positively inclined towards European integration than their English counterparts, both are more sceptical to European integration than the majority of EU member states.

The relationship between the two referendums also goes the opposite way. Were a majority of Scottish voters to opt for independence in 2014, that result is certain to impinge on a possible EU referendum three years later. A Britain without Scotland, colloquially referred to as “rest-UK”, will find it hard to punch anywhere near its historical weight on the international stage. Within the EU, there will be voices heard that Britain should be seen less as an equal to the big three of Germany, France and Italy and more like the intermediate member states of Spain and Poland.

The British nuclear defence is likely to be cast into doubt, based as it is on the Trident missiles located at Clyde Naval Base on the Scottish west coast. Britain’s permanent seat at the UN Security Council could also be disputed.

What all this would mean for a referendum campaign in 2017 is too early to say, but it is fair to predict that the decision could be seen as a crossroads akin to that of the late 1960s. At that time, both of the two leading parties considered grudgingly that Britain would have to opt for Europe, given the loss of Empire and the global power base it had entailed. The political elite of the rest-UK could be offered an echo of that choice in 2017, between an integrated Europe and splendid isolation on the world stage. Britain may have many friends but it will still have to swim alone in a pond where the emerging powers of Asia are likely to dominate alongside the United States, the EU and Russia. If that is the prospect in 2017, a possible conclusion prior to the

referendum would be that the rest-UK is better advised to strengthen rather than break its links with Europe, despite the historical tradition of engaging freely with a globalised economy with trading partners around the world.

Uncertain paths

Will there be an EU referendum at all? Labour has so far rejected to commit itself either way, arguing that it is simply the wrong discussion to lead at a time where all hands ought to be on deck for an economic recovery. The European elections in May 2014, followed by the appointment of a new European Commission, is likely to accelerate the debate within the EU on where to head forward. That is also likely to force Labour to take a stand with regard to possible negotiations and the prospect of a referendum if the party enters government at the 2015 elections.

History shows that the mentioning of a referendum may prove to be a self-fulfilling prophecy, difficult to withdraw once it is on the table. The Conservative Party originally demanded a referendum on the Lisbon Treaty, which the Labour government was unwilling to grant. Now, Labour is exposed to that thorny issue yet again. If they succeed in regaining government in 2015, can and should a referendum be called off? If the plans for a referendum are maintained, what sort of should precede them; what should be the offer presented to the British people? It is an electorate that only once has been asked to vote over any EU issue. That was in 1975, under a Labour government which used the referendum device to paper over the cracks within the government. Faced with disunity within his party, the then Prime Minister Harold Wilson chose to take the issue to the people to ask whether the recently obtained membership of the union should be maintained. The result the, a 67/33 majority in favour of membership, is highly unlikely to be repeated today, nor in 2017.

Perhaps the most plausible outcome of the Scottish and EU processes would be a "Yes" to continued union in the Scottish referendum followed by a highly divisive and drawn-out EU referendum campaign. Here, it is not inconceivable that the outcome in England and Scotland on future relations with the EU could differ considerably, with Scottish voters displaying a higher support for continued

membership. Given the tense relationship between London and Scottish nationalists, that would create a delicate situation, especially if the overall result were a “No”. However, by far the worst-case scenario for Prime Minister Cameron would be Scottish independence followed by a breach of faith with the EU. In the 1950s, Britain stood alone where European integration departed. Choosing to withdraw today would be of an altogether different nature. *Little Englandism* is not a desirable strategy for the twenty-first century. More generally, isolation, while pure and comprehensible on the inside, is rarely the answer for governing one’s own fate on the global chess board: That truth is brought home even more forcefully by the numerous international organisations which British security and growth rely upon.

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