Scotland - Second Independence Referendum

Why in news?

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Scottish First Minister seeks second independence referendum.

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What are the pros?

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- Scotland would have more control over its political destiny. Currently many decisions are taken in Westminster.
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- Scotland is more liberal than the rest of the UK and could push forward policies to increase social welfare.
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- It could also decide to remain in the EU.
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- It could exploit more freely some economic resources, in particular the North Sea oil.
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- It would also have more means and freedom to defend its own culture and identity.
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What are the cons?

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- Scotland may be forced to stop using the Pound (GBP) as its currency.
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- Even if it allowed the usage, it would be very dangerous to maintain the currency while not having any control over the Bank of England which is in charge of deciding the monetary policy.
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- Both Scotland and the UK would lose political power at international level.
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- Scotland could no longer be a part of permanent member of UNSC.
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- The independence of Scotland could trigger a wave of separatist movements in Europe, weakening the political union of the continent and creating social and economic uncertainty.
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- Many businesses could leave Scotland or at least transfer their headquarters to London as Scotland is a much smaller market than the UK.
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- There could be social problems linked to the separation of the countries as there are many mixed families.
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- The separation of the countries could also create administrative problems.
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Why the demands emerged again?

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- In Brexit referendum a clear majority of Scots voted ‘Remain’.
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- Yet they were forced to leave.
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- So the issue of self-determination has been brought back to the political agenda.
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- The prospects for a separate Scotland once again revived after British Prime Minister’s speech on 17 January 2017 announcing the exit form the single market and customs union.
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What are the challenges before Scotland?

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- The economic argument of Scotland to leave is at its weakest, as there is decline in oil prices and a huge fiscal deficit.
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- A large share of Scotland’s trade is within the U.K.
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- Scotland’s EU entry would have to be ratified by every single member state. But countries like Spain are unlikely to back as they themselves are fighting a long drawn separatist movement.
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Source: The Hindu

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