There is a huge disparity between what the Scottish proindependence camp demands from the EU and what it offers

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A newly independent Scotland will have to work out many issues, not least its relationship with the EU. Unhelpfully, writes **Sasha Vereker**, the Yes camp has staked out a harsh negotiating stance with on the EU. It wants to retain all the advantages it currently enjoys as a member of the UK, such as the budget rebate, while renegotiating other aspects, such as the Common Fishing Policy.

The EU will see two independence referendums this autumn, in Scotland and in Catalonia. Parallels between them are made, and possible implications discussed. Spain, they say, fears that Scotland will set Catalonia a bad example, and so may block Scottish entry into the EU. However, the official Spanish position is that, since the Scottish referendum is legal and the Catalan one is not, there is

no comparison between them. Rather than facing an outright veto, the problem of Scotland's EU membership will be more subtle.

Every EU country has pragmatic reasons to ensure that Scottish membership of the EU is uninterrupted. These reasons are to do with continuity. Scottish citizens were EU citizens for over 40 years; Scotland contributes to the EU budget, shares the Common Agricultural Policy and Common Fishing Policy; it has workers from EU member states, and EU countries have Scots living and working on their territory. If Scottish EU membership were stopped, it would lead to considerable practical difficulties for all.

However, continuity arguments only go this far, and an easy entry for Scotland will set a precedent for want-away regions like Catalonia. Scottish membership of the EU might be in the other members' interest, but accepting Scotland at any cost is not. Although Scotland has the potential to be a welcome member of the EU, Alex Salmond has set out a harsh negotiating stance on key issues:

- Scotland wants to keep the pound as its national currency. A move to the euro would be unpopular in light of the Eurozone crisis.
- The Schengen area countries (that is, all EU countries apart from the UK and Ireland) allow free movement of people across their territories. Scotland wants to opt out of this policy.
- An independent Scotland would want to renegotiate the Common Fishing Policy, which is bad news for Spain and other fishing countries, such as Denmark.
- Scotland wants to keep its part of the UK rebate, meaning that it would get back 66% of its contributions to the EU.

Whilst it is understandable that Scotland wants EU membership on favourable terms, it also has to bring something to the negotiating table. Alex Salmond outlined the main attractions in his speech in Bruges: contributions to the EU budget, fisheries, energy provision, and Scottish universities. Here I shall look at the first two, as well as trade, which is also an important factor for EU membership.

What Scotland offers

It is difficult to estimate Scottish contributions to the EU budget, but let us see how much it will contribute based on the assumptions made by the pro-independence campaign. Assume that Scotland will keep the rebate (which is unlikely), and that it will contribute the same amount as it did when it was part of the UK (although this is also unlikely). Scotland is expected to pay the EU £3.3bn over seven years from 2014-2020 if it remains in the UK.



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That's around £160m per year after the rebate, which, using the 2011 figures, places Scotland 25th in terms of contributions, behind comparatively undeveloped new entrants, such as Romania and Bulgaria (the latter has population comparable to that of Scotland). Thus, if the pro-independence campaigners do not budge, Scotland's contributions would not be tempting for the EU.

Access to Scottish fisheries is attractive, but the official position of the Yes campaign is that an independent Scotland would fight to keep more of the fisheries for itself.

Scotland's trade with the EU is extensive, with 46% of Scottish international exports going into the EU member states. This figure will jump dramatically after independence, since the rest of the UK is Scotland's major trading partner, and this trade is currently classified as internal. Obviously, trade is a mutually beneficial enterprise, but it is Scotland who makes money out of the EU, not vice versa, since it exports more than it imports, and 70% of Scottish businessmen say that any interruption to Scottish EU membership will affect them negatively.

A weak hand for bargaining

There is a huge disparity between what the independence campaign demands from the EU and what it currently offers. In summation, the Yes campaign wants to opt out of common policies (Schengen and the euro) and keep the UK rebate, all simply on the basis of historical precedent. But setting aside precedent, it also wants to change the terms of EU access to Scottish fisheries. Scotland seems to bring nothing attractive to the EU, apart from whiskey. World-renowned whiskey, of course, but is that enough?

Independence campaigners see an opportunity to renegotiate EU membership in Scotland's favour, but do not expect other EU member states to do the same. This is short-sighted, and ignores the fact that it is against the interests of Spain and other countries with separatist movements to make entry of a breakaway state easy. Whilst Scottish membership is unlikely to be vetoed, it is even more unlikely to proceed on the terms proposed by the Yes campaign.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting. Homepage image credit: Thomas Widmann

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