Globalization, European Integration and the Rise of Neo-nationalism in Scotland

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This article proposes the following theory: by cutting the benefits of integration and by reducing the obstacles to independence or the various forms of autonomy, globalization and European integration promotes disintegration. Moreover, the processes of decentralization imposed by globalization and European integration are resulting in the substate players having more and more financial resources and areas of jurisdiction. In brief, globalization is expanding the set of actions of the substate nationalist movements to ensure the survival of their nation. Substate nationalist movements can now implement an international policy through their paradiplomacy. The case study ‘Scotland’ is of particular interest since the state of which it is part (United Kingdom) is neither decaying nor totalitarian, but a modern welfare state in which the rule of law governs intra-societal relations.

Today, in Europe, there are no fewer than 15 active substate nationalist movements. The consequences of this are significant. There is concern about European instability and for the future of European integration. There is concern about the domino effect of the temptation to secede and about the stability of international order. In short, in the words of the American expression, we are facing a ‘clear and present danger’.

The change in perspective is important, because not so long ago the future of the nation-state appeared so inevitable that Karl Deutsch, one of the first nationalism theoreticians, argued with conviction in the 1960 and 1970s that modernization would lead to the progressive disappearance of regional and ethnic differences. Indeed, Deutsch was convinced that the dominant groups would end up assimilating the lesser ones. The idea was a simple one and proved erroneous. In Deutsch’s view, the groups on the periphery of society would be forced to join the dominant group if for no other reason than to be able to work. In the end, everyone would be affected by assimilation, since the development of the communications networks would have an increasingly profound and inevitable effect.

It is clear that the period of the triumphant nation-state is raising its importance by the degree of economic and social interaction occurring...
within its borders. Issues of security will favour the continued existence of the nation-states by mobilizing its citizens against a foreign enemy. As Charles Tilly put it so well: countries make war and war makes countries. The trend is to integration and to limiting internal fragmentation resulting from class antagonism and resistance to assimilation through the affirmation of rival identities.

The benefits of belonging to a nation-state were considerable for the members of historical nations such as Scotland. They enjoyed access to a vast market for their goods and the protection of the government in both economic and military terms. We can understand the importance of this model of economic and political development in the definition of national interest and in the establishment of ever-stronger ties among citizens. With this system, it was understood that the territorial states would regulate matters within national boundaries, enjoyed a monopoly over international representation, were the only players internationally and that the state’s diplomacy was guided by a desire for power measured primarily by its military capabilities.

Globalization has eliminated this system and is preventing its reconstruction. Until quite recently the world looked to the Westphalian system for justification. This system meant not only the start of the territorial state era, it also suggested that only the juxtaposition of sovereign political communities was viable and alone it ensured order and security. Since then, the international community has promoted the stability of territorial communities, despite the claims of substate nationalist movements. The desire was for a stable system and the cultural movements operating within the territorial states, the only guarantors of world stability, were marginalized or assimilated.

The effect of the international system was then to facilitate the job of the territorial governments by ensuring greater stability for them. The international system thus, through its own construction, effectively channeled national invention. Only the territorial state could represent the nation, thus, eliminating competition by the churches and the cultural or ethnic communities from the international stage. Today, with the arrival of globalization, the substate nationalist movements have a much broader set of actions. The traditional prerogatives of the nation-state, such as a monopoly over international representation have been considerably shaken, and the substate nationalist movements are active players, through the development of paradiplomacy, on the international stage.

This article proposes the following theory: by cutting the benefits of integration, globalization and European integration promotes disintegration. First, the benefits of belonging to a territorial state such as the United Kingdom are substantially reduced. The transformations of the welfare state
as the result of globalization implies the decline of a universal citizenship policy. The material advantages of belonging to a greater whole shrink considerably. Cultural ties are stronger links than political constructions, especially if these links are characterized by relations of domination as in Scotland. Scots are less and less British and more and more Scottish. The primary identification of people living in Scotland has been changing progressively over the years in favour of a substate identity. Until recently, public opinion polls aimed at ascertaining varying degrees of national identity have focused primarily on one group. But in a recent comparative analysis made by Guy Lachapelle (the Quebec case in comparison with Scotland, Wales and Catalonia), Scottish respondents expressed, in 1997, a higher degree of national identity (33 per cent) than the Welsh, the Québécois or the Catalans. If we add the first two answers to the questions Are you only Scottish, and Are you more Scottish than British, to the scale (only Scottish, and more Scottish than British), we observe again that the Scots (66 per cent) and Québécois (46.9 per cent) are more nationalist than the Welsh (43 per cent) and Catalans (27.5 per cent). Only 3 per cent of the Scots felt more British than Scottish and also 3 per cent felt only British. 29 per cent of the Scots felt equally Scottish and British. Devolution to Scotland (Wales and Northern Ireland), according to James G. Kellas:

has led to changes in national identification and nationalism in these countries and in England. For the first time, England has been distinguished clearly from Britain, and a form of English ethnic identity has emerged along with demands for political recognition of England. Scotland has become more national in its own terms with devolution breaking some of the ties with London and Britain as a unified political system. With a nationalist party as the main opposition in the Scottish parliament, the political agenda is at least as receptive to independence as that in other countries with unsatisfied nationalism such as Quebec, the Basque Country, Catalonia and Corsica.

Second, the obstacles to independence or the various forms of autonomy are gradually disappearing. With the internationalization of the international scene, the costs of the transition to independence have substantially decreased. Third, the processes of decentralization imposed by globalization are resulting in the substate players having more and more areas of jurisdiction and financial resources. The Scottish bureaucracy has become far more important since the devolution. Finally, with the end of the Cold War, problems of military security were replaced by problems of economic security. The national interest is therefore difficult, indeed impossible, to identify, since, if it is to everyone’s benefit to unite for
protection against a common enemy, there is no national interest in economic terms. Scotland competes with England, and Edinburgh with London. When the British government invests in high tech in England, it makes this industry more competitive with the industry in Scotland.

In short, the national interest is difficult to define, because economic interests are regional or even local. In order to limit the negative effects of the territorial state’s government policy, substate nationalist movements implement an international policy through their paradiplomacy. This new phenomenon, which has grown recently, is not without risk, because it carries disorder and conflict with it. Internally, a struggle is established between a centre trying to preserve its prerogatives by actively fighting against centrifugal forces and substate nationalist movements trying to create an international identity for themselves beyond the control of the territorial states. In fact, the logic of substate nationalist movements is not national integration or territorial integrity, but rather the reinforcement of transnational collaboration, sometimes with players like the Catalans, the Flemish, the Walloon or the Québécois also looking to rebel from the territorial context that limits their international ambitions.

Globalization is also changing the nature of nationalism. Scottish nationalism today supports free trade and is outreaching. This new form of nationalism may disconcert many. Experts in nationalism have always considered there was a close link between nationalism and protectionism. In the past 20 or so years, the face of nationalism has changed considerably under the influence of globalization. Furthermore, the Scottish nationalists are not passively supporting globalization, they promote it by supporting the development of regional blocs and the liberalization of trade. In short, Scotland did not endorse free trade and European integration in spite of its nationalism; it endorsed free trade and European integration because of its nationalism. For the nationalist the development of a free trade zone reduces the expected costs of secession and provides some assurance as to the economic viability of a sovereign country. For the autonomist, the development of a free trade zone is a way to reduce the powers of the central government to intervene with the region. In Scotland the nationalists are almost unanimous in their support for European integration and, breaking with their predecessors, in advocating free trade.

Studying these substate nationalist movements, or more precisely the Scottish case, reveals how globalization raises new challenges to existing practices between subnational nationalists and central governments, which not only opens the door to new political practices, but also helps us better understand an important component of globalization. In an article concerning the dissemination of state authority, Susan Strange raises the question of the diffusion of the central government’s power toward
subnational states. This downward dissemination of state authority has been the subject of very little study and therefore requires additional research. It is very important to study the impact of globalization and European integration on substate nationalist movements because the shortage of studies on the subject leaves room for fantastic interpretations of reality. There are fears for the political stability of Europe, for European integration, and some go so far as to speak of nationalist gangrene. This study focuses on interactions between the local and global levels, a highly neglected globalization issue. The case of study, Scotland, is of particular interest since the state of which it is part (United Kingdom) is neither decaying nor totalitarian, but a (post-?) modern welfare state in which the rule of law governs intra-societal relations.

**Globalization and the Decline of the Nation-state**

The concept of globalization helps to describe the contemporary world state, which is marked by the liberalization of economic and financial trade accelerated by the development of new information technologies and modes of transport. Globalization is causing the disenclavement of the nation-state by encouraging the ascent of localism and the decentralization of economic activity. The weaknesses the nation-state must address oblige it to encourage the creation or expansion of regional spaces and international arrangements in order to put an end to the problems it cannot settle on its own and to make the international stage more predictable. It is no longer possible to treat the state as a more or less self-contained entity, confident of managing its economy in the 'national interest' which was the dominant motif of the post-war years. The European Union had developed as a way for member states to 'export' their difficult problems of economic and social transformation – agriculture, industrial development – on to the supra-national level. This was not to imply that the so-called 'nation-state' was dying, merely that it was undergoing radical transformation. No longer could the state solve its key problems on its own, and increasingly it looked to an association with its neighbours to solve common difficulties. This was a political-economic strategy of 'regionalization', which itself reflected the impact of new global forces, driven by a new international division of labour. In other words, the state was not ending but transforming, as it sought to come to terms with the new world economy. In the process, it found itself under challenge from above, the supra-state level, and below, from nationalist and regionalist movements that were asserting rights of greater self-determination in the new world order, made easier by the collapse of communism and greater liberalization in every sense of the term.
What are the effects of globalization and European integration on substate nationalist movements? Globalization has had a two-fold effect: the benefits of being in a multinational state have decreased substantially while the obstacles impeding or totally blocking independence have gradually disappeared. In addition, the process of decentralization has provided new resources to the substate players enabling them to assume greater control over political issues. All this means therefore that:

- Globalization has led to increased costs and a decline in state revenues. It therefore reduces spending on the welfare state. A major consequence of such public investment was the solidification of national links through the establishment of the notion of a universal citizen. The end of this period means that those citizens as individuals now enjoy fewer and fewer material benefits by belonging to a multinational state. The nation-state, deprived of part of its essence, is coming to terms with its own inability to mobilize its population partly because of the atomization of its civil society by market forces and by the withdrawal of the welfare state. Political parties are no longer national, but rather, regional, and the national political parties and the regional ones are no longer, if they ever were, linked. They have separate organizers, sources of funding and internal logic. The political parties that dominated in the past have lost their credibility and support. In Britain, the Conservative party is unlikely to obtain strong support in all regions of the country.

- The inability to maintain a low unemployment rate and to retain social protection measures has given impetus to measures of decentralization and devolution of authority. In short, as economic logic and the phenomena of transnationalization push toward globalization of the economy, interdependence and internationalization, political logic pushes in the direction of national fragmentation. The relationships of power within nation-states are changing in favour of the substates. Cities and regions have more responsibilities and larger budgets. They are developing a competent professional bureaucracy seemingly able to assume ever-greater responsibilities.

- As regards the foreign policy of nation-states, a growing number of people consider that the problem of military security no longer exists and that other problems are far more important. In fact, cross-border crime, terrorism, drug trafficking and immigration have been given more serious attention. Local and regional authorities have the impression that they would be more effective than their nation-state. There is considerable pressure on the central state to delegate more of its foreign policy powers.

- During the Cold War, issues of territorial military security predominated
in matters of foreign policy. Today, problems of economic security are considerably more important as national interest is becoming harder to define, complicating the process of forming alliances. National interest no longer exists, because regions have become the optimal economic entity. Furthermore, economic interests are more often local or regional thus making central government action delicate.

- The entry of subnational states into international relations is partly linked to the economic globalization process and European integration. One consequence of globalization and European integration is that it enhances the development of international relations at the substate level, because the adjustments required by the new global order can no longer be made solely at the national level. Globalization has effects that influence the powers of substate governments. Reacting to the manifestations of internationalization and transnationalization, subnational states, at least those who are able to do so, are taking international action. Interdependence does not solely involve vulnerability for the regions; it also generates many opportunities. Regions are thus increasingly developing policies in the field of international relations. Today, instead of working with their national capital, the regions and cities of Europe are establishing direct links with the global economy. In Europe, substate nationalist movements feel they are more likely accepted by Brussels than by their national government. Most regional leaders are ‘pro-Europe’ and they are even trying to establish direct links with the outside world, short-circuiting their national capital. Greater European integration will facilitate greater participation by the regions of Europe and substate movements on the international political scene.

- Globalization is expanding the set of actions of the substate nationalist movements to ensure their survival as a nation. With the advent of globalization and more particularly with the various processes of internationalization, many obstacles have been removed. Protectionism has been replaced by free trade. All this is establishing a trend. There is a propensity for redefining problems of economic restructuring locally rather than nationally, hence the appearance of a significant social rift between the various segments of the nation. In addition, free trade is cutting the costs of interdependence by providing many openings for local goods, and therefore economic suffocation is unlikely. The practicality of being in a multinational context is accordingly lessened. The wager of regional nationalism is that membership in the European Union, for Scotland, will considerably reduce the cost of independence, if it comes to that. In addition, the establishment of international agreements or bodies with respect to world trade (the WTO), matters of
military security (NATO), issues of energy, resources and so on, make independence possible. The protection afforded by the borders of countries is no longer needed. The processes of internationalization assure the viability of independence. In short, the changes created by globalization are making substate nationalist movements think independence may be achieved more easily. Globalization is not creating substate nationalist movements, but it is expanding their set of actions.

Globalization and Scotland

Scotland, established as a kingdom in the Middle Ages, with its own parliamentary and royal institutions, had to organize itself very quickly in order to resist the hegemonic advances of the English crown. Around 1560, reform swept through Scotland. In 1603, the two crowns were combined, and James VI, a Stuart and a Scot, acceded to the throne of England. In 1707, the two parliaments united to create a single state. The reasons for the Union of 1707 were many. The English considered it a good opportunity to consolidate Protestant succession in both countries and ensure the routing of the Jacobites favourable to the Stuart dynasty. The Stuarts were defeated in 1745. The Union also blocked attempts to form an alliance with France.

For the Scots, the Union offered many benefits, including economic ones. This union freed trade with England and enabled the Scots to play a role in the expanding English empire. There was enormous enthusiasm for the British empire, because it would provide many possibilities for economic development and it had cultural influence on the rest of the world, through, among others, religious missions that were of a significant size for their day. In addition, on matters of security, the Union was seen as the best way to protect Scotland’s political freedom against enemies outside Britain reputed to be hostile to Protestantism. Scottish nationalists will insist today that a lot of palm greasing was required to ensure the success of the Union of 1707.

Britain’s identity was developed through war, not in place of existing identities but on top of them. In fact, the many wars against France between 1707 and 1837, which was a common enemy, helped cement the identities of the Scottish, Welsh and English. They also defined themselves as Protestants fighting the main Catholic power: France. France served as a foil, with the French portrayed by the new British as superstitious, militarist, decadent and not liberated.

The Union of 1707 marked the end of a real Scottish parliament, although it was never officially abolished. There were many debates on the meaning of this union, but we should note one point: civil Scottish society
remained intact. Experts on Scotland focussed on three ‘national’ institutions, the holy trinity, in establishing the existence of Scottish autonomy: the Presbyterian church, the legal system and the system of education, which differed from the English one.\footnote{15}

Localism remained a constant in Scotland. The British state was satisfied with looking after matters of defence, international policy and the maintenance of a stable currency. Unlike in the French Jacobin state systematic assimilation through the standardization of culture was not the norm. The British state concentrated on managing the countries in its empire and matters of defence, intervening only rarely. It gave civil society a lot of room to move, intervening only when social or political order was threatened. The British state was small with a small bureaucracy suitable to a free market.\footnote{16}

Scottish nationalism was not separatist in the nineteenth century, because no Scottish faction felt its rights sufficiently infringed by the political system to want to change it. Nationalism was cultural and anchored in civil society, but was also unionist.\footnote{17} It was so, because the Scots were proud of their accomplishment and the benefits the Union of 1707 afforded their nation.\footnote{18} In addition, many Scots felt that only a Scotland in the Union could influence international affairs.

As the central state developed from the end of the nineteenth century onwards, tensions between the centre and the periphery gave increasingly rise to national fervour. In order to reduce tensions with the centre, the Scottish Office was established in 1885 in response to nationalist pressures demanding that Westminster pay greater attention to Scottish problems. This nationalist reaction was born of the fact that the government in London was interfering increasingly in social affairs.\footnote{19} The Scottish Office developed considerably in the meantime. In the years between 1920 and 1940 it became the defender of Scotland’s interests under the Conservatives and the Liberals alike. It exerted pressure on Westminster as of 1926 for an increase in social spending, special legislation for Scotland and permission for Scotland to establish a welfare state without interference from London. The Scottish Office subsequently defended Scotland’s nationalist interests by defining how the central state should intervene in Scotland.

Nationalism in Scotland also lobbied for a Scottish parliament. Since the mid-nineteenth century many intellectuals had argued that Scotland should have some measure of autonomy. In the campaign that led up to the creation of the Scottish Office, the option was up in the air, but only momentarily. In addition, at the end of the century, the Liberal Party was interested in the idea following Gladstone’s offer to give Ireland Home Rule. In Liberal circles, it was held that Scotland was more radical than England and that the preference of the Scots for social legislation was stymied by the natural
conservatism of the English. The Liberals felt that Scotland was more socialist and therefore should have a status similar to that of the British dominions like Canada or Australia. It was also contended that the parliament of Westminster was congested. It was argued that, if internal issues were handed over to a Scottish parliament, London could concentrate on the Empire. A number of bills were put to a vote in the 1920s in order to promote Scottish Home Rule. None of them passed. There was, however, support for the idea from a majority of Scottish ministers.20

The failure of one of these bills gave rise to the National Party of Scotland (NPS) in 1928. The NPS was rather vague on the status it sought for the parliament of Scotland, that is, an independent parliament or one subordinate to Westminster. It quickly opted for Scottish independence, however. In 1934, it was dissolved in the creation of the Scottish National Party (SNP) together with the Scottish Party, a party of the right promoting Home Rule and not independence. These two currents continue to exist in these parties.21

The SNP had a negligible impact in the 1930s. The Scottish Conservatives used the threat of independence in order to obtain greater autonomy for Scotland. The SNP had brief success during the Second World War, drawing on the truce between Labour, the Unionists and the Liberals. In all, the SNP had little impact until the 1960s.22 At the same time, the welfare state reinforced homogeneity across the UK, and the British two party system consisting of Labour and the Conservatives dominated Scotland and England alike.

The growing political divergence of the two partners within the British state began to show as early as the mid-1950s. While the Conservatives remained the party of England, they began their slow decline in Scotland. The reasons were complex, but they had much to do with globalization. Scotland had an unemployment level, while low by later standards, of twice the English rate. It suffered considerable emigration as its economy, with state help, sought to transform itself. The state vehicle was indigenous to Scotland, the Scottish Office, that apparatus of bureaucracy and boards which governed the country at the behest of the Westminster government. In the 1960s structural economic problems shook the country. The UK’s economic credibility declined steadily.23 The period of post-war economic expansion drew to a close and heightened some of the country’s economic problems. The economy of Scotland, completely flat, had diversified little since the second half of the nineteenth century. The Labour government tried with little success to change this situation between 1964 and 1970. Between 1974 and 1979 the second Wilson government was too busy handling the many crises to change the situation. British social democracy therefore also followed the western trend of calling the welfare state of the
post-war period into question. The structural change caused by globalization is central to our argument. With the transformation of the British welfare state, the Scots had less and less material interest in belonging to Britain. The end of universal social policy also led to the atomization of civil society and an increase in the number of autonomist movements proposing either massive devolution of powers or consolidation of the powers of the Scottish Office as a solution to the crisis of the nation-state, arguing that only Scots knew what was good for Scotland, or even total independence. In the 1970s, in response to the growth of Scottish nationalism and of the SNP, the Labour government gave the Scottish Secretary increasing responsibility for economic development. Subsequently, the only areas of domestic policy in which the Scottish Office did not play an important role counted little for national autonomy. It began to dawn on people that the British Empire was increasingly a thing of the past and could no longer be used to lever the Scots into an important international role.

Social democratic theories remained strong in Scotland creating a greater than ever potential for division and tensions between the centre and the periphery. Tensions became evident for the first time near the end of the 1950s, when the Unionist Party began its long descent from nearly half of the votes in the general election of 1955 to nearly 24 per cent in 1987. There were many reasons for this change. First, Protestant workers slowly stopped voting on religious bases and rejoined the ranks of the Labour Party and subsequently the SNP. The second reason was the unflagging hope of the Scottish middle class for a rebirth of the welfare state. This fact explained why the Conservatives, which espoused neo-liberal ideas in the 1970s, would achieve so little success in Scottish elections. Political parties were successful in Scotland only when they addressed Scottish issues.

The difference in voting between Scotland and the south became increasingly apparent with the rise in popularity of the Conservatives in England in the 1980s. The second indication of divergence was the electoral successes of the SNP from the end of the 1960s. Although their success in the 1970 election was relative, the return of a Conservative government to office in 1970–74 contributed to the rise of the SNP. Following the discovery of major oil reserves off the Scottish coast, which seemed to ensure the viability of an independent Scotland, there was ever more talk of independence from the SNP. Anger was directed at the English for benefiting from oil profits and neglecting the major sectors of the Scottish economy. This unforeseen good transformed the political calculus. No longer was Scotland trapped by economic circumstances in the British state because it could not imagine an economic future beyond that state. Oil transformed not only the economy but also the political psychology of the
nation. Here was an economic resource which helped to keep the British exchequer afloat, but which lay in state jurisdiction but on the continental shelf. The international nature of the oil economy, coupled with a transformed manufacturing economy which owed far more to international capital and overseas markets, meant that loosening the ties to the state was much easier for Scotland.

The nationalists played the anti-conservatism card to the hilt. At the closing of a shipyard in 1971, Scottish reaction was both nationalist and socialist. The equation involving the two ideologies was very prominent in Scotland. In the 1974 election, the SNP garnered nearly 30 per cent of the vote. The rise in the popularity of the independence movement cannot be explained just by the rise in the independence movement in Scotland. The SNP drew votes of protest against the British parliament as well. Interest in the possibility of establishing a Scottish parliament increased. The Conservatives proposed an elected senate that would represent Scottish interests at Westminster. The Labour government proposed the establishment of a commission to study the issue. It would recommend the establishment of a Scottish parliament to legislate in certain areas.

The Labour government tried proposing the establishment of a Scottish parliament to Westminster. The Conservatives under Margaret Thatcher fiercely opposed the idea and vigorously criticized the proposal. In an effort to bring their proposal for a parliament to a conclusion, Labour substantially reduced the powers of the new parliament and had to hold a referendum on a Scottish Parliament. The referendum was held in 1979, and 51.9 per cent of the population voted in favour. The only problem is that this represented only 32.9 per cent of the electorate and fell well short of the majority required (40 per cent). According to Alice Brown, David McCrone and Lindsay Paterson, the failure of the SNP was due to the rise of the Labour Party, which again embraced social democracy so important to the Scots. These authors maintain that the reason for the weak support for the creation of a parliament was the fact that Labour had created new agencies in the existing constitutional context to preserve the welfare state. An assembly seemed superfluous in the constitutional structure of the moment and also risked creating new problems.27 The SNP's weak electoral performance appeared to be explained by the Scots' preference for a strong welfare state and special agencies for Scotland.

Margaret Thatcher assured the SNP's popularity in the 1980s.28 By questioning the welfare state, the Iron Lady created the conditions needed to bring the sovereignists back in numbers. She had been swept to power in 1979 with a twofold agenda and on the back of English votes. On the one hand, she sought to reverse economic reduction by unpacking the welfare state and the nationalized industries culminating in a policy of deregulation
and privatization. On the other hand, she sought to make Britain 'great' again by going to war with Argentina over the Falkland Islands. It turned out that these political tactics contradicted each other. That of economic liberalization – minimizing the state – clashed fundamentally with that of conservative nationalism – asserting the state. The former sought to untie the economic sinews which bound up the different parts of the UK: removing the adjective 'British' from coal, steel, gas, rail and so on. This meant both that the same institutional systems no longer ran throughout the UK. It also meant that, symbolically, the delivery of many of these products and services was no longer 'British'. By attacking the very popular social programmes in Scotland, the Conservatives created unanimity in opposition to themselves. Labour succeeded in convincing the Scots that a Scottish parliament would have protected them from the mistreatment of the Conservatives. Following the 1987 election, Labour joined with the Liberal Party and other political groups to put to paper a new proposal for Home Rule.

The Scottish Office, prior to the arrival of Margaret Thatcher, had defended the interests of the Scots in Westminster and would be used by the Conservatives to impose London's directives on the Scots. It had developed primarily as an expression of the complex networks of largely autonomous social institutions and became an instrument of the Thatcher government. The idea of an autonomous Scottish parliament was gathering momentum, especially because the Conservatives were in a minority in Scotland. In the run-up to the general elections of 1997, the Labour Party made the topic of a Scottish (and Welsh) autonomous parliament a major issue. An overwhelming majority of 74.3 per cent voted in favour of establishing a Scottish parliament and 63.5 per cent thought that this assembly should also have tax-raising powers.

Today, Scotland retains both the marks of its origin as well as later transformations designed to enable adjustment to modern international markets. The Scottish economist, Neil Hood, has observed that 'Scotland may be a small economy, but it speaks to the world. Its Gross Domestic Product may account for less than 9 per cent of that of the UK. But it is, as it has historically long been, one of the most open economies in the world. ... Openness to trade and investment has, for more than a century, been one of its defining characteristics.'

Thus, more than one-third of the final economic demand in Scotland is export related, with its biggest 'export' market the rest of the UK. After the rest of the UK, continental Europe is its single most important market for manufactured exports, with two products (whisky and computer related products) representing 40 per cent of manufactured exports. The most rapid growth has been in office machinery exports which rose from 25 per cent to
40 per cent between 1984 and 1996. After the European Union which accounts for 60 per cent of non-UK manufactured exports, comes North America, followed by the Far East. The importance of export markets is reflected by the significance of inward investment. 30 per cent of those employed in manufacturing work for overseas-based multinationals, especially American ones.

Whereas in 1945 there were only six US-owned manufacturing units in Scotland, by 1981 these numbered 178, plus an additional 138 from other countries. While inward investment has become a feature of many parts of the UK in the latter years of the twentieth century, Scotland's share of foreign inward investment projects has, since the 1990s, averaged consistently 15–20 per cent of the annual total.

What is the meaning of this new political economy in Scotland? That capital for this transformation was found overseas coincided with a sustained attack on publicly owned industries by the Conservative government in the 1980s and 1990s. While the rest of the UK remains Scotland's most important market, and its economic and political ties remain with the rest of the state, Scotland has become internationalized in its trading relations. This was also true of the nineteenth century, but only in the context of the British Empire which is no more. Atomizing the state-owned industries from the 1980s had the effect of disconnecting Scotland from much of the British state. While the state remains a key player in adjusting economic activity, it no longer owns the levers themselves, and in an open economy like that of the UK, has far less room to manoeuvre.

The reconvening of a Scottish parliament in 1999 placed many of the remaining levers for encouraging inward investment in the hands of local politicians and decision-makers. While setting the rates for many macro-economic taxes remains at the British level, the European Union plays an increasing part in economic regulation. Hence, Scotland is faced with negotiating with two unions: British and European. No longer is it a matter of nesting within an existing state, accepting its macro-economic dictates, and living within its means, or of striking out for the somewhat precarious world of independence.

**Scotland and European Integration**

At first, European integration had little impact on Scottish nationalism. The reason seemed to be that the British Empire was so strong that there was little interest to be part of an integrated Europe. The nationalists' constitutional proposals rather redefined the role of Scotland in the British Empire than in Europe. The desire was for a status similar to that of Canada or Australia in the empire or Home Rule within Britain.
In the 1940s, Douglas Young was elected head of the SNP. He would become the defender of a constitutional proposal to make Britain a federation in the European Union. This proposal was confirmed near the end of the Second World War. The SNP took a very strong stand on Europe at its annual convention in 1948. This proposal was largely similar to the SNP’s position of independence within Europe taken in 1988. Douglas Young was the principle promoter of this idea in a pamphlet that established a clear link between Scotland’s independence and the European Union. However, Douglas Young was on the point of leaving the SNP. Robert McIntyre took up the SNP’s proposal. His influence on the SNP would be considerable and in fact he was the first SNP member in 1945. McIntyre, like Young, established a strong link between autonomy and European integration.

This desire to include a European dimension in their plans grew with the decision by the SNP to get involved in European integration plans. The SNP, represented by Robert McIntyre, attempted to take part in the various conferences on European integration, decentralization and the regions. The 1950s, which saw rapid progress in European integration, was a low period for the SNP both politically and electorally. With the Schuman Plan and the creation of the European Coal and Steel Community, the idea of European integration took on an institutional reality. The SNP sought representation on this new institution. It was highly critical of the British government’s decision not to join these new institutions. The SNP used the opportunity to call the British government isolationist and to depict itself as more internationalist. This position was reiterated when the European Defence Community failed in 1954.

Even though the SNP adopted a position in favour of European integration in the 1940s, the idea had its share of opponents who became very influential in the 1960s. The change in attitude may be explained by the fact that, when Britain applied for membership of the European Community, the European leaders negotiated only with the representatives of the centre thereby further marginalizing the Scots. This situation drove the SNP to take a hostile stand against Europe. In short, to the SNP, the European Community seemed centralizing and elitist and cared little about democracy or regional representation. The SNP put the British state and the European community in the same league.

The SNP’s anti-European position was linked to the fact that the European Commission made no effort to encourage participation by the other players not representing sovereign governments. This explains why the SNP called for a referendum on Britain’s entry into the European Community. The SNP’s criteria were not limited to that. The party saw the common market as a means that would have a major negative impact on the
Scottish economy. In addition, it seemed ever more pressing for Scotland to achieve autonomy before integration into Europe through the efforts of the British. However, the importance of the SNP’s anti-European strategy must not be exaggerated. It remained a relatively marginal issue in the party’s debates.

In the 1970s, with the prospect of Britain joining the European Community, the issue gained importance. The SNP rapidly opposed the idea of Britain joining Europe in favour of a more flexible form of free trade. Having joined the European Community in 1973, the Labour government held a referendum on the question in 1975, thus honouring an election promise to renegotiate the entry conditions into the agreement. This decision by the Labour government served the purposes of the SNP, which had in fact called for a referendum. Moreover, the referendum was held just after a brilliant electoral performance by the SNP. The SNP benefited from the division of the Conservatives and Labour and made the referendum a broader national issue. It successfully gave the impression that the issue was Scottish independence or representation in European institutions as a British province. The SNP used the European proposal to promote independence. It wanted a convincing NO from the Scots and a solid YES in England. Labour, suspecting the action, arranged for a national ballot count that would not reveal regional results. The SNP contemplated a separate referendum for Scotland, but quickly dropped the idea.

At the party meeting in 1975, the SNP voted unanimously for a NO, despite the presence of sovereignists who supported European integration. It was however less radical in the campaign. The Scottish supporters of the SNP slowly began to support the YES option. SNP members favouring the European proposal found comfort in the Scots’ attitude. In fact, 62 per cent of Scots supported Scotland’s representation in the European Community. The result confirmed the lead of the YES partisans. No region in Scotland appeared to have voted NO, despite a difference of 10 per cent between the YES option in Scotland and in England.

The anti-Europe strategy of the SNP seemed to have failed. Following a referendum, the SNP supported Scottish representation within European institutions. It changed its strategy and began to promote Scottish representation in Europe. The results of the referendum supported the advent of a more pro-European position within the party.

Two Scottish Labour members encouraged by the results of the referendum founded a Scottish Labour Party and proposed a more radical measure of decentralization than that put forward by the main Labour Party. Gradually, the Scottish Labour Party even proposed the idea of Scotland’s independence in Europe. The party did not have a lot of success, and its members joined either the Labour Party or the SNP.
The possibility of electing members of the European Parliament directly significantly influenced the SNP's attitude to Europe. In fact, the prospect of European elections expanded the party platform and enabled it to affect the course of things more directly. The first direct elections in June 1979 followed two SNP failures at the polls: the referendum on Labour's proposed devolution and the general elections of May 1979 in which the SNP lost nine of its 11 seats at Westminster. The European Parliament election, despite apprehensions, ended on a positive note for the SNP. The SNP's support among the Scottish electorate rose slightly. In addition, the election of Winnie Ewing to Strasbourg led to a change in the SNP's attitude towards Europe. Ms. Ewing's success at the polls enabled the SNP to become familiar with the institutions in Strasbourg and Brussels and to understand the basic regional politics better. The political gains involved in being part of Europe were then undeniable and put the effects of the country's loss of sovereignty in perspective.

As of 1983, the SNP began again to relate the issue of independence to European integration. This return to source would be confirmed by the SNP's position on the merits of Scottish independence in a European context in 1988. A number of factors led to this change in strategy by the SNP. First, the expansion of the European Community with the creation of a single market made the European project more worthwhile to those advocating independence, because it reduced the risks of independence. Second, a number of the negative aspects of European integration such as the haughty attitude of the Eurocrats or Brussels' autocratic approach were disappearing. Third, the SNP changed. New members such as Jim Sillars, the founder of the Scottish Labour Party, converted to the virtues of an independent Scotland in the context of Europe. He helped develop a new pro European nationalism. Finally, the SNP enjoyed new political advantages in playing the European card in British politics. This pro European position contrasted with the Euro-skeptic position of Margaret Thatcher's Conservatives.

The idea of European integration was supported by those favouring the idea of a Scottish parliament and by the SNP independence supporters. To the SNP, the EU offered a new constitutional context permitting Scottish independence. The EU provided a context for the issues of internal security and new opportunities for trade. The new opportunities were all the more interesting now that the British Empire was dead and buried, the monarchy declining and the British economy no longer as vigorous as it had been in Victorian times. The accusations of separatism and ethnic withdrawal were no longer relevant in the context of an independent Scotland in the European Union. The Liberals and the Labour Party also found relevance, because the principle of subsidiarity supported their roles as substate players. European integration suited the supporters of decentralization. This
change in attitude of the Scots in favour of Europe was unprecedented since
the Union of 1707. According to Brown, McCrone and Paterson, Britain
was no longer perceived and admired as the source of progressive ideas.
Europe had co-opted the English in this domain. Declaring oneself
European in Scotland today is a matter of pride and a symbol of modernity
as was the case, some 100 years ago, in declaring oneself British.

Scotland is a more fervent partisan of Europe than England, because it
has shown itself much more open to the continuance of the welfare state
than was the British government. The many conflicts between the
Conservatives and the European Union simply reinforced this perception.
All political parties, except the Conservatives, held that Europe was their
ally in their respective programmes. The certainty that Europe would, in the
end, intervene in political and economic areas strengthened the idea of a
Scottish parliament. It was often suggested that Europe would take over
currency, macro-economic policies, international relations and defence
policy leaving parliaments with jurisdiction over social and education
policies, jurisdictions that Scotland wanted to recover. However, we should
not overstate the Scottish support for the EU. Polls suggest that Scotland is
more pro-European than England but still on the skeptical side.

The arguments cited in support of the Union of 1707 are today being
cited in favour of Europe. Europe offers a larger market beneficial to the
development of trade. If a small country is more culturally secure in a
larger political context, here again Europe is in the lead, because Europe
must respect the cultural diversity of its members, whereas Britain is
dominated by the English, reputedly not very sympathetic to Scottish
claims. In addition, all stripes of Scottish nationalists believe that Europe
offers economic advantages for Scotland through regional development
funds. Scottish nationalists are concerned about the negative impact of the
anti-European policies of the Conservatives.

The pro-European position of the SNP was a triumph for the European
nationalists within the party, because even the opponents of the idea of
Europe accepted the new party line without much difficulty. However, it
must be noted that some fundamentalists nevertheless left the party to found
the Scottish Sovereignty Movement, which was unsuccessful and has now
disappeared. According to a survey among SNP members, 74 per cent
support Scotland's independence within Europe, whereas 16 per cent prefer
the idea of independence outside Europe.

One of the notable effects of SNP policy on Scottish politics is the
Europeanization of the programmes of political parties operating in
Scotland. In fact, both the Labour and Conservative Parties added a
European element to their constitutional programme. Labour promised that
their parliament would have responsibility for European affairs and the
option of appointing ministers to Europe. The Conservatives, wanted to expand the jurisdiction of the Scottish Office to include lobbying in Brussels and representing the interests of Scotland in Europe. The Conservatives argued that the Scottish Office and local existing structures would establish a trade office in Brussels.

In short, the SNP exploited the European connection as a means to improving the attractiveness of its sovereignist option. Scottish nationalists opted for Europe, because it seemed not only more open to minority nationalism movements, but significantly reduced the risks associated with Scottish independence. This SNP strategy also meant that nationalist movements were resolutely modern and turned to the future, because the leaders of the SNP were not trying to turn Scotland into a classic nation-state as in the nineteenth century. The idea was to opt for independence in an increasingly interdependent world. The Europeanization of the SNP's objectives shows the party's acceptance of the limitations of sovereign states imposed by globalization.

Scottish Paradiplomacy

The European integration process also had a significant impact on the development of paradiplomacy in Scotland. With the development of European integration, many international events have direct impact on the new powers of the new Scottish parliament. Scottish nationalist leaders thus want to have a say in preserving their cultural, economic and national identity. Furthermore, the regions in Europe have an important role in implementing European legislation, but feel they do not have a sufficient say in preparing and determining European policies and legislation. What is also significant is the extent to which Scotland's European priorities differed from the rest of the country. Doubts then arose as to whether they could be sufficiently accommodated by successive British governments in their dealings with the EU, and whether these governments were even capable of representing Scotland's interests in the EU, given their antipathy to European integration and their past failure to comprehend Scottish distinctiveness.

Nowadays Scotland's relations with the EU have become politically contentious. In part this is because the Treaty on European Union transfers even more competence from the UK to the EU, with the result that decision making becomes even more distant from Scotland. Since the Scottish Parliament has only been in existence for a few years any analysis on its relations with the EU can be little more than theoretical. Even so, the recent arrangements do enable us to make observations as to whether or not Scotland's influence in the EU will increase as a result of devolution. Some
would suggest that little has changed. Under the Scotland Act (1998), relations with the EU are a reserved power, that is it remains the responsibility of the Westminster government. Nowadays, Scottish ministers are still denied the right to automatically attend the Council of Ministers and if they would vote, as before, they would be representing the UK. The interdepartmental compromise continues, so the possibility that Scotland can be marginalized in intercivil service negotiations remains. Scottish concerns still have to be accommodated in a pan-UK position on EU policies and there is no guarantee that this would occur if once again a government in London was unsympathetic to Scotland’s demands.

There are also grounds for confidence. The fact that there is a Scottish Parliament means that for the first time in centuries there is a democratically elected body which has the legitimate authority to speak on behalf of the whole of Scotland. Therefore, if a future British government was conducting itself in a manner which was intrinsically de-synchronized from Scotland’s best interests, then the Scottish parliament might agree a resolution condemning the British government’s conduct. If there was such a resolution, the British government could no longer maintain that it was speaking for the UK in its entirety during the deliberations of the European Council of Ministers. That being so, it might encourage the British government to consider the Scottish perspective if the potential for conflict existed before the relevant meeting of the Council. In turn that might lead to a greater bargaining between the Scottish and British tiers of government over EU policy which in the long run could be to Scotland’s benefit. Furthermore, the fact that foreign relations are an exclusive prerogative is largely irrelevant because Scotland’s political leaders cannot avoid becoming entangled in international affairs. According to Alex Wright:

The findings of a survey confirmed the depth of the EU’s encroachment into the Scottish Office’s activities. It revealed that 20 per cent of its staff, amounting to some 1200 personnel, were performing EU-related work and that 300 separate EU-related functions were being undertaken. Of the 117 Divisions surveyed, 89 had a connection with the EU, whilst 34 gave their European functions a ‘crucial’ or ‘major’ rating. The lines between domestic and foreign policy have become increasingly blurred and nowhere is this more apparent than with the EU. Should European integration progress further, the point will come where more laws affecting Scotland derive from Brussels than from London. Consequently, the issue of ‘who governs Scotland’ will become more contentious and the UK’s representation of Scotland’s interests in the EU will be subject to even greater scrutiny. So, there is good reason to presume that the EU, which in
the past has been a ‘driver’ of Scottish autonomy, will continue to do so but probably more unequivocally. According to Keith Robbins:

Scotland [...] has in the past been an independent state. Control of its domestic affairs [...] may lead to demand for control of its foreign affairs – at least in the context of a European Union where the boundary between foreign and domestic can be clearly drawn only with increasing difficulty. And, before ‘independence’ is reached, if it ever is, there may be a period of increasing disputation between the Scottish executive and UK departments on EU matters.  

This new phenomenon is not without its risks because it leads to disorder and conflict. In the UK, the development of a Scottish paradiplomacy may create a conflict with the central government: The impression is created that the central and the substate authorities are condemned to fight a zero-sum struggle for access to the international system, the former seeking to prevent the latter from playing a role in the development of foreign policy and to limit all international action by them.

Although not all regional movements have the same concept of Europe, they can nevertheless form European alliances for the purposes of making specific demands. The European integration process promoted the development of transnational regionalist organizations. These organizations are presented by Peter Lynch in two ways: as an answer to European integration and as support by the autonomist parties for ‘independence in Europe or a Europe of the regions’. The substate nationalist movements joined forces in a European political organization which enabled them to secure political status and financial resources. This type of organization was limited in Europe prior to the 1980s, that is before the European Free Alliance. The Committee of Regions introduced by the Maastricht Treaty also fostered the development of transnational ties between substate nationalist movements. For example, Henry McLeish, the First Minister of Scotland, has signed a joint declaration in June 2001 with the other constitutional regions of Europe (Bavaria, Catalonia, North Rhine-Westphalia, Salzburg, Wallonia and Flanders – the coordinator of the initiative) to contribute to the debate about the future of the European Union and its key tasks. These constitutional regions want to contribute to the debate about the future of the European Union and highlight a number of issues that are of vital importance to them.

Prior to devolution, Scotland’s international relations were essentially governed by the Scottish Office under the British Parliament’s close supervision (it has since been replaced by the Scottish Executive which is accountable to the Scottish Parliament and by the Scotland Office). For the moment, the British government reigns in Scotland’s attempts at
international action. Scotland’s weak international relations make any comparison with Québec, Flanders or Catalonia difficult. For example, in Québec, the department concerned with foreign affairs comprises nearly 800 public servants, including approximately 430 in foreign countries. In 1999, Quebec had 26 foreign delegations, including one in Paris which has quasi-embassy status.

Although the Scottish Office was a branch of ‘central government’, it not only enjoyed a degree of autonomy from London but also had its own agenda which sometimes could diverge from other government departments in London. This was in particular true in the case of European integration, where even before the UK joined, doubts were raised over how Scotland’s interests could be represented in the EU. The Scottish Office had a certain amount of autonomy, but nevertheless remained under close supervision. However, its flexibility was sufficient to enable it to introduce promotional campaigns in the 1980s. When the Scottish Development Agency undertook to develop a network of offices in Europe, North America and Japan, the Department of Trade and Industry and the Foreign and Commonwealth Office indignantly observed an encroachment of the British government’s international affairs monopoly. The incident caused significant tension which subsequently became public. Following lengthy debate the British government agreed to create a new organization called ‘Locate’ in Scotland that would be under control of the Scottish Office. The Scottish Development Office’s overseas offices, however, would not be successful and would close a few years later.

Scotland House in Brussels attracted widespread publicity when it was established in the autumn of 1999. This is not a Scottish Embassy as such but it does mark something of a sea change as Scottish civil servants will now have a permanent base in Brussels. Moreover, they will probably be co-located with the residents of Scotland Europa with the result that staff from both organizations will have the opportunity to share intelligence and pool their resources. Scotland Europa is a public-private representation. It has developed a pluralistic and open conception of paradiplomacy which allocates a large role to business associations, firms, research and educational institutions, and cultural bodies. In order to retain their support, these institutions have to see some tangible result for their efforts. There will be a clear demarcation between the activities of Scotland House and Scotland Europa, but the advantage of being under the same tartan roof is that Scotland will be able to offer a one-stop shop and present a clear identity to the various European institutions. Both features are considered essential if the country is to inject a Scottish dimension into EU decision-making successfully, and establish a strong presence in a city which already houses over 150 offices representing regions and subnational parliaments throughout the European Union.
At this point in time when the Scottish Parliament is in its infancy, there are grounds for claiming that Scotland's representation in the EU remains inadequate. The UK executive retains too much discretion over how Scottish affairs should be promoted and protected in Brussels. Scotland remains one-step removed from the Council of Ministers which, in spite of co-decision procedures with the European Parliament and continuing institutional reform plans, remains the EU's powerhouse. Nonetheless, even though European affairs are a reserved power for London the existence of a Scottish Parliament promises much in the future. Ministers will be encouraged to be proactive towards the EU and their actions will be subject to the scrutiny of Members of the Scottish Parliament (MSPs) both in the European Committee and in the debating chamber. The Scottish Parliament has the potential to undermine the integrity of the UK in as much as MSPs might adopt different positions on developments in the EU to their colleagues in Westminster. Accordingly, we can expect the UK Government to adopt a more consensual style with regard to its territorial governments if it wished to avoid the impression amongst the other member states in the EU that it was internally divided. Devolution has completely changed the order and could significantly transform the way in which Britain's foreign policy is made.

Conclusion

Globalization is expanding the set of actions of the substate nationalist movements to ensure their survival as a nation. By cutting the benefits of integration, globalization promotes disintegration. The obstacles to independence or the various forms of autonomy are gradually disappearing. The processes of decentralization imposed by globalization are resulting in the substate players having more and more areas of jurisdiction and financial resources. Finally, with the end of the Cold War, the security argument for unification of the past is not as pressing today. As the feasibility of the new state-formation increases, nationalists are more likely to support independence. That is exactly what the SNP did. And as feasibility increases, the incentive structures of political entrepreneurs will be changed and they will see political advantages in threatening independence. As long as there are political profits to be made, someone will rise to the occasion.

As long as international politics is organized on a territorial basis, substate nationalists will prefer a territorial state of their own. The rise of nationalism, or rather, neo-nationalism in Scotland owed little to the defence of traditional cultural emblems such as language. This was no reactionary social movement, dismayed by the onward march of time and progress. Indeed, the lack of linguistic distinctiveness in Scotland, for only
1.5 per cent of the population spoke Gaelic, meant that a ‘cultural’ form of nationalism took second place to a more ‘political’ or civic one. What drove nationalism in late twentieth century Scotland was a sense of political and economic betrayal, or, at least, a retrenchment of development by the British state. Such a feeling had been given impetus by the discovery of North Sea Oil in the late 1960s, thus allowing the resurgent Scottish National Party to claim that it was ‘Scotland’s Oil’.

In the face of globalization and European integration, many international events have direct impact on the powers of subnational states like Scotland. Thus subnational nationalist leaders may want to have a say in preserving their cultural, economic and national identity. Lastly, with an international trade development policy, a trade diplomacy, subnational nationalist movements find outlets for their goods and capital for their development projects, which substantially reduce the power the territorial state has over them. The development of paradipломacies has played a major role in the nation-building process of subnational nationalism. The fact that subnational nationalist movements have international partners gives them a positive image. Taking international action and enjoying privileged relationships with sovereign states have played and will continue to play an important role in a nation-building process of subnational nationalism. In addition, when taking international action, one is forced to define a national interest, which may well contradict the definition of that same interest at the territorial state level. And the process goes much further. Subnational nationalist movements all agree on one point: they have a right to self-determination. Since sovereignty is an intersubjective matter, contact must be established with recognized international players in order to obtain their support for the case of attempted secession.

NOTES

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10. Guy Gosselin and Gordon Mace, Souveraineté et mutations de territoires: le cas canadien (Montréal and Bordeaux: Université de Montréal et Université de Bordeaux, 1996).


20. Ibid., p.17.


22. Ibid., p.25.


33. Ibid.

34. Peter Lynch, p.25.

35. Ibid., p.28.

36. Ibid., p.29.

37. Ibid., p.31.
40. Brown, McCrone, and Paterson, p.23.
42. Brown, McCrone, and Paterson, p.20.
47. David Lloyd George suggested, in the inter-war period, that, if possible, British foreign policy was best left in the hands of an Englishman ... Quoted in Keith Robbins, ‘Britain and Europe: Devolution and Foreign Policy’, *International Affairs*, Vol.74, No.1 (1998).
50. Peter Lynch, p.23.
55. Ibid.
59. Nationalist movements in Scotland base their desire for autonomy or independence on moral principles. In Scotland, the SNP argues that if Scotland became independent it could finally become a true democracy in which rights and freedoms would be respected and protected.