

GANNETT

Scotland can make it on its own: column

There's plenty of reason to believe the small nation would be a success.

David Boaz

September 17, 2014

I'm not Scottish. But my eighth-generation ancestor, Thomas Boaz, was born in Scotland in [1721](#). Seeking religious freedom, he migrated first to [Ireland](#) and then shortly to the colony of Virginia. So I have a romantic attachment to my distant Scottish heritage.

In 1997 I climbed the Wallace Monument, all [246 steps](#), on the 700th anniversary of the [Battle of Stirling Bridge](#), at which Andrew Murray and William Wallace defeated the English forces, as seen in the movie [Braveheart](#).

Now, in the 700th anniversary year of the [Battle of Bannockburn](#) when an army commanded by England's King Edward II was defeated by a smaller force led by [Robert the Bruce](#), Scotland is holding a [referendum on independence](#). Advocates want to take Scotland out of the United Kingdom and assume their place in the world as an independent nation.

There are good arguments on both sides of the issue. Scotland has prospered in union with England, Wales, and Northern Ireland. Some scholars argue that the [Act of Union in 1707](#) made the Scots part of a larger and more advanced nation and opened the way to the Scottish Enlightenment of David Hume and Adam Smith.

[But whatever the benefits of union](#) might have been in 1707, surely they have been realized by now. And independence for any country ought to appeal to Americans. So herewith a few arguments for independence.

1) [Scotland is a nation. That's simple enough.](#) As it happens, England is a nation, too. Even today the English people often forget to call themselves "British." England and Scotland are both nations with history and culture. They need not be combined in one state.

2) There's some evidence that small countries enjoy more freedom and prosperity than larger countries. The Nobel laureate Gary Becker [wrote](#) in 2005 that "being small now may even have efficiency advantages. ... [As trade barriers have come down over the past half-century,] small countries can now gain the advantages of large markets through trading with other nations."

Recent reports by [Credit Suisse](#) and by the Welsh politician and entrepreneur [Adam Price](#) lend some detailed support to that thesis. In any case, Scotland is hardly a uniquely small country. It has a similar [population](#) to Sweden, [Norway](#), [Denmark](#), or Switzerland.

3) Critics of independence often say that Scotland is subsidized by wealthier England. The analysis is controversial, but it does appear that the United Kingdom [spends](#) about £1,500 (\$2,500) more per person in Scotland than it does nationally. If it is true, as many British conservatives say, that Scots are whiny subsidy-suckers, then take them off the dole. An independent Scotland would have to create its own prosperity.

4) Finally, surely the good people of England wouldn't be churlish if Scotland decided to separate. Some British opponents of independence insist that an [independent Scotland couldn't use the British pound](#), and that the UK would oppose Scotland's admission to the European Union.

But it's not clear that the UK could stop Scots from using the pound. Several countries use the U.S. dollar as their currency. Economist Steve H. Hanke of Johns Hopkins University, a leading analyst of dollarization and currency boards, [says](#) Scotland could set up a currency board and essentially peg the new Scottish pound to the British pound one-for-one. Scots could do business with either Scottish or British notes.

As for the EU, it's clearly important for small countries to be able to trade freely over a wide area. That's the basic value of the EU. But many Britons now chafe under the rules and regulations of the EU bureaucracy. Maybe Scotland would do better to join the [European Economic Area](#), a broader common market of European countries that aims to "enable goods, services, capital, and persons to move freely about the EEA in an open and competitive environment, a concept referred to as the four freedoms." Free trade, no supranational regulations, what's not to like?

England and the UK would only hurt their own citizens if they sought to prevent free trade and joint currency with Scotland. Governments have been known to hurt their own citizens in pursuit of power, but the British people would have good reason to insist that they be free to trade with their neighbors across the [River Tweed](#).

In any case, the economic arguments will go on till the vote on September 18. Scotland certainly has the elements necessary to be a successful European country. The real question is whether the

Scots themselves desire, to borrow an [Irish anthem](#), "that Scotland long a province be/A nation once again." As a descendant of Scots who helped America secure its independence, I hope so.

David Boaz is executive vice president of the Cato Institute and author of [The Libertarian Mind](#), coming in February.