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ECONOMIC FACTORS FOR SEPARATISM IN EU MEMBER STATES

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Abstract: *The paper analyses some of the economic factors which determine state separatism in EU member states. Economic factors are considered one of the most essential driving forces to most separatist movements. There is no single theory, though, which has outlined the particular factors. On the other hand, separatism in EU member states has to acknowledge factors at all three levels of the multi-level governance system – subnational, national and supranational. By analyzing separatist movements in three founding members – Belgium, Italy and France, the author identifies economic factors causing and accelerating separatist movements within the states at the three levels of governance.*

Keywords: *self-determination, economic separatism, secession, multi-level governance in the EU,*

JEL Codes: *F52, F53*

INTRODUCTION

The paper discloses part of an explanatory model, elaborated within a PhD dissertation "Separatism in EU Member States". It analyses the economic factors within the model which influence the intensity of separatist movements in EU member states – more particularly, in three of the founding members of the European Communities. This has been done in order to illustrate the fact that even in countries-initiators of the integration process, the integrity of the state can be put into question. The states have been selected in order to represent the diversity of goals pursued by separatists: mainly (cultural) autonomy (France); secession and autonomy (Italy); secession and irredentism (Belgium). Three main economic factors have been identified at the three levels of the multi-level governance system of the EU: subnational, national and supranational.

EXPOSITION

Types of separatist movements, communities and theories

Separatism can be defined as an *ideology of a group of people with a common identity within a country, aiming at different levels of political self-determination*. The extent of political self-determination which separatist groups are seeking, can vary from pure **autonomy** to complete political independence and state creation (the latter movements are called **secessionist**, and the process of creation of a new state – secession. If the movement aims at merging with a neighboring state or region, then it is called **irredentist**). Separatism is one of the most complex phenomena in political science and also one of the least studied. At the same time, the practice of separatism is becoming even more topical for research, as the number of emerging states due to separatist movements has been growing. The groups of people within a state who are seeking for political self-determination, are called by different scientists "nations", "cultural minorities", "minority nations" etc. Since none of these can precisely define these communities, for the purpose of the study we are going to call them "**linguocultural communities**"

The first **theories of separatism** appeared in the 1970s with the emergence of the first salient manifestations of separatism and secession. They are basically focusing on three questions: 1) when secession of a territory (as a goal of separatism) is **legitimate** from the point of view of international

law and 2) when secession of a territory (as a goal of separatism) is justified **from moral point of view**, and 3) considering the **potential** of the newly created state **to survive**.

The current paper focuses more on the second type of theories giving way to economic factors. Economic indicators, in general, show **the level of prosperity** of separatist nations, so it is logical that these types of factors take account of the ability of the state to survive and prosper, not so much of morality of the potential secession.

Theories of separatism and economic viability of a territory

The first type of theories (1), mentioned above, attempt to introduce criteria which would justify secession on the basis of **legitimacy** of a newly created state. The second type of theories (2) is searching to justify secession on the basis of **morality criteria**, and the third type (3) is trying to justify the existence of a newly created state by its **potential to survive** – including its economic potential.

The first author who tries to classify the theories of secession, is Alan Buchanan. He groups existing theories of secession into *primary right theories* and *remedial right only theories* (Buchanan, 1997). In this way he provides clear arguments for theories (1) and (2). As for the first type, he introduces a variety of criteria which would allow a minority group to secede from the parent-state, even if no injustice is exercised upon the group (the so called “minimal realism principle”). The most important among them is the **acceptability by the international community**. This is the criterion for legitimacy.

Primary right theories can be further divided into national, attributive, associationist and plebiscitarian. **National Primary Right Theories** argue that the right to self-determination is held collectively by nations, not by individuals (Buchanan, Theories of Secession, 1997). **Attributive Primary Right Theories** again claim on the collective right to secede – but the accent is on the common attributes these peoples share - historic, geographic, ethnic, economic, linguistic, or religious bonds. They argue further that the right to self-determination should be exercised for the right reasons, i.e. to secure conditions necessary for the **prosperity** and self-respect of the group (Margalit, 1990).

Associationist theories provide for a looser interpretation of the right to secede – they allow it not only for nations but also for other collectives which are not necessarily nations. Such theories are presented by Christopher Wellman (Wellman 2005a), Andrew Altman and Wellman (Altman and Wellman 2009), David Copp (Copp 1997; Copp, 1998) and Daniel Philpott (Philpott 1995; Philpott 1998). This means they also allow for **economically viable states** to legitimately exist.

The next type according to Alan Buchanan’s grouping – the *remedial right only theories (or just-cause theories)*, say that a minority group (or linguocultural community) has legitimate right to secede only in cases in which the group has experienced **repeated historical grievances** (like systematic violations of their human rights), or when they were deprived of their territory by use of force. This type of theories justifies the criterion for morality (2).

More recent theories of secession consider secession of a territory acceptable only if the newly created independent territories would be **politically and economically viable** as sovereign states (Brilmayer, Secession and the Two Types of Territorial Claims, 2015 and Gentile, 2014). These are the theories of type (3).

Today the world is witnessing some of the most active and severe separatist movements in regions which have better economic indicators than the state as a whole, and thus contribute disproportionately more to the prosperity of the parent-state than the other regions. In such regions the most important factor for separatism is economic misbalance. The most prominent examples are the movements in Spanish Catalonia, Scotland, in the northern part of Italy.

Although not in all cases economic factors are the main catalyst for separatism movements, they influence, to a greater or to a lesser extent, the intensity of political-based and culture-based movements; of movements which aim at political independence, and of autonomy-seeking movements. The current paper explains this influence.

Economic factors for separatism in EU member states

1) Subnational level: economic disbalances between the regions

The most popular statement about separatist movements is that they most often emerge in regions which possess better economic indicators. In Belgium, if we compare the two competitive regions – Flanders and Wallonia, in Flanders separatism is generally more pronounced. This is also the region with best economic performance. **Belgium** is the state in which Industrial revolution started on continental Europe. Nevertheless, it only sharpened inequalities between the regions, as Wallonia experienced more growth (together with Antwerp and Ghent), while West Flanders faced deindustrialization because of the decline in the traditional for the region linen industry.

This trend reversed shortly after the Second World War, when the old coal mines of Wallonia, which were at that time the main source for profit, were abandoned. Meanwhile, Flanders took a step forward by stronger industrial development, and in the 1960s became the richest province. It already monopolized the production by 1958. The triangle Ghent-Antwerp-Brussels displaced the Wallonian most productive Sambre-Meuse line which couldn't compete anymore with its declining heavy industry (Bitsch, 2008). We can compare the contribution of each of the main Belgian regions for the country's gross domestic product (GDP). For example, in 2020 Flanders provided for 60.12% of Belgian GDP (Eurostat, 2020). There is also difference in the level of GDP per capita in purchasing power parity of the country and the separate regions. Thus, in 2018, the GDP in PPP of Flanders made up 119% of the EU average (compared to 117% for Belgium). In **France** – a country with tradition for fiscal control over its regions, we can observe the reverse tendency: the regions with more pronounced separatist movements show a lower level of GDP per capita compared to the regions without separatism – like those in Northern France – all of them having GDP above 32 000 euros (Eurostat, 2020). According to Minder, who tries to compare separatism in Catalonia in Spain to Northern Catalonia in France, the motives for the separatist movements in Spain are more of economic nature, since Catalonia is one of the richest parts of Spain. Conversely, the French region Pyrénées-Orientales (Northern Catalonia) is one of the poorest in France and therefore the driving forces for the separatists are predominantly cultural (Minder, 2016).

Stefano Piperno points out that the **Italian regions** with special statute have partial fiscal autonomy, and they also possess their own resources. Nevertheless, in many cases they are not using them properly: instead, they are often misusing them in sectors common with the regions with ordinary statute. In this way, they are making the central government to perform these functions which have been provided to the regions by means of their special statute (Piperno, 2000). This one of the factors for economic differences and economic-based separatism at regional level. Another regional difference here is the North-South divide – the better economic performance of the North leads to more pronounced separatist claims compared to the South of the country. European integration and the economic boom in the 1950s smoothed the gap, but the crisis at the end of 1980s fueled separatist movements.

2) National level: economic turbulences and business cycles

The years 1992-1993 are most often viewed as the worst recession in the **Belgian economy** since the Second World War. In 1991 the Flemish parties withdraw from government, thus announcing the so-called at that time “alert signal” (Bitsch, 2008). In 2011, the country emerged from the economic crisis. As a result, separatism in Belgium subsided in the period between 2011 and 2013. As for France, the country recovered quickly from the Second World War, but the central government paid less attention to the peripheral regions. The problem was most visible at the island of Corsica and on the Breton peninsula. It was in the 1960s when the “Corsican problem” appeared, and protests were organized in the region of Breton. At the same time, whole sectors like agriculture and industry suffered the difficulties to adapt to the European Common Market. This was valid particularly for small-scale agriculture – in Southern, Central and Western France. Barren fields were abandoned because they were no longer profiting their owners. The central government of France decided to consolidate agricultural production, which was met with hostility in Brittany

(Mikel, 1999). In contrast to the post-war period, France handled the global economic crisis from 2008 better than other countries. The period of the global crisis is characterized by decline of separatism. In 1984 **Italy** becomes the leader of the countries within the European Common Market, but at the same time it had to deal with a huge public debt (93% of GDP). It is in the 1980s when the majority of Italian regional separatist parties were created. In the early 1990s Italy is already on the verge of bankruptcy. In 1990-92 the most influential separatist party - the Northern League - was established by unification of several regional parties. In 1992, the budget deficit and government debt reached 10.2% and 108% of GDP, respectively; the pound has to leave the European monetary system (Milza, 2007)

3) Supranational level: economic policies of the European Union

In Italy, the creation of a common market is perceived as a negative factor by regional economic subjects. The progressive reduction of barriers to international trade has exposed Italian companies to fierce competition, which has affected in particular those regions in the Italian Northeast and Center that have relied strongly on others in traditional manufacturing sectors. Conversely, the Northwest and the South have found a way out of the situation by turning to more flexible production, further specialization, and the search for higher quality (KriegerBoden, Christiane (Ed.), 2003).

In Flanders, on the other hand, the creation of the EU Common Market (1992) was perceived positively (mainly due to the fact that Flanders because of its geographic location has managed to attract foreign investors and develop international trade), and during this period separatist phenomena declined. The creation of the Customs Union (1968) and the removal of trade barriers also led to decline of separatism in Belgium.

In France, the decisive factor for catalysing separatist movements is EU regional policy, which is strongly mediated by the national level of governance which favours central regions at the expense of peripheral regions. In the case of an old country such as France, the europeanisation of regional policy runs counter to existing national traditions - in this case in the form of nationally controlled territorial planning. Here it clearly represents **the tension between strong national traditions and the evolving Europeanisation** of EU regional policy (Cole A. R., 2012). Compared to other EU members, the French state has tried to maintain strict guidelines for regional-European interactions, for example by the activities of its Central Planning Agency, DATAR (in French - *Direction à l'aménagement du territoire et à l'régionale*). This state agency keeps control over key policy instruments. Since the 1960s and 1970s, the central administration has opposed the development of a European regional policy, which was perceived as a potential competitor to the national territorial management policy. In Italy redirecting EU structural funds to the new member states after the Southern enlargement in 1986 created conditions for proliferation of separatism. In terms of impact of investment, the Community's contribution to the four largest beneficiaries - Greece, Spain, Ireland and Portugal - was significant, equivalent to an average of 8% of capital formation, ranging from 5% in Spain, 13.5% in Portugal, 16% in Greece to 17% in Ireland (Dall'Erba, 2003). After the accession of these countries to the EU, European funding started shifting to them, as a result of which Italy remained in the background. These changes strengthened the anti-European rhetoric of the separatist parties in Northern Italy, resulting in their unification into the Northern League in 1990-1992. The Maastricht Treaty led to the creation of the Cohesion Fund as a new source of funding regions at European level. In a similar manner, the main objective of the Cohesion Fund was (again) to help the four poorer EU countries (Greece, Spain, Ireland and Portugal) to overcome the difficulties they faced in transitioning to a monetary union (Dall'Erba, 2003). In the 1990s the implementation of the Common Agricultural Policy created preconditions for conflict between Northern and Southern Italy because mismanagement of projects and violating EU quotas in agricultural production led to financial sanctions, which were applied to the whole country. The Northern League claimed that the central government has paid EU fines for the southern producers, and thus the North is compensating for the South for their inefficiency and inability to comply with the rules of Common Agricultural Policy (Giordano, 2004). In other words,

the economic factor at the supranational level leads either to decline or to upheaval of separatist phenomena.

CONCLUSION

The results from the research show that the prevailing type of separatist movements and their ultimate goal depend on the government system of the particular state. In a federal state like Belgium separatism is more intense and aims basically at secession or irredentism.

Italy is a more specific case: although a unitary state, it possesses the so called **Special Statute Regions**. These are regions with certain **fiscal competences**. They were specially designed by the state to prevent separatist movements in its periphery (some of the Special Statute Regions are Aosta Valley, Trentino-South Tyrol, Friuli-Venezia Giulia, Sardinia, Sicily). Still come regional economic differences remain in these regions, which fuel separatism movements. A further regional factor of separatism is the general **economic gap between the rich North and the poor South**.

As a whole, the analysis of economic factors at subnational level helps us to **disprove two stereotypes** regarding separatism. Although the prevailing view is that separatism is typical of economically rich regional communities, the findings of this study show that such movements exist in both economically developed and in less developed regions. The difference is in the ultimate goals of separatists: **in more developed regions, they seek for secession or irredentism, while in regions which lag behind, the separatists are seeking for more autonomy**. Separatists consider that **fiscal autonomy would resolve an injustice**. From the point of view of the richest regions, it is unfair for them to sustain the poor (who, they believe, do not work hard enough); from the perspective of the poor, the unfair situation is the general economic inequality.

The analysis of the factor **economic turbulences and business cycles** at national level shows that in periods of economic growth, separatist phenomena decline. In periods of recession, separatist phenomena increase (as well as in periods of growth, when growth does not affect separatist regions). Recession is viewed by separatists as inability of the national government to deal with economic problems. Thus, separatism is a claim for secession as means to resolve these problems.

Regarding the factor **economic policies of the European Union, the study shows that, if** the regions populated by linguocultural communities relevant to this research, are financially neglected in the context of certain economic policies, then separatist phenomena are getting more intensive. France, for example, is a centralized state which has a long history of building a strong national identity. As such, the country has a tradition of suppressing the identity of the smaller linguocultural communities. The study of separatism in France shows that, although the EU institutions and their policies provide opportunities for participation, the **nation state can act as a gate-keeper** and prevent from being bypassed, having realized that the practice of EU multilevel governance strengthens regional and local voices.

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