

The politics of identity shakes the European continent

The Catalan crisis is deepening. The Catalan nationalists tried to engage the Spanish state in talks after their illegal referendum showed a strong vote for independence with other voters absenting themselves. Instead of offering them a legal way forward, the Spanish state proposes to double up on its unpleasant behaviour when they sent in the national police to try to prevent the vote, by now threatening to close down the Catalan regional government. If they go ahead as suggested there could be a tussle over who controls the officials and police currently answering to the Catalan government, with loyalties divided and authority in question. The Catalan politicians are invoking memories of Franco's regime which also tried to curb independent tendencies in Catalonia. They may want to carry on with their government in exile. With an estimated half a million protesting today on the streets of Barcelona against the proposed Spanish action, it is not going to be an easy matter enforcing what Madrid thinks should be the rules of Spanish state law.

This is but one of several cases of important regions of larger countries seeking to be independent or to have more autonomy. The typical pattern is for the richer parts of a country to come to resent the control of the wider state, particularly because the state takes much more money from them than they get back as public spending in their area. In Catalonia they generate 20% of the National Income but receive only 11% of the public spending for Spain as a whole.

Yesterday in Italy legal non binding referenda were held in both Lombardy and Veneto over whether the voters want more autonomy. Here again money was an important topic. Lombardy provides over 50 bn Euros a year to Rome which it does not get back, and Veneto over 15bn. When this is combined with austerity budgets to hit Euro area targets it creates resentments. It is difficult to know how, close to a national election, the Italian state will respond to this strong demand to keep more of their own money and to control their own migration and planning policies that has emerged in the referendum debates. It is fuelling support for 5 Star and the Northern League, two parties that are polling well and hoping to benefit from this mood in the next national election.

Only in the UK has democracy prevailed, with the grant of a successful referendum to Scotland to settle the issue. There the nationalists argued that Scotland was a net contributor to the Union based on high estimates of future UK revenues from North Sea oil which the nationalists attributed entirely to Scotland. The subsequent sharp fall in the oil price and the continued decline in output from North Sea fields makes it clear Scotland is not a net tax contributor to the UK in the way Catalonia is to Spain or Lombardy to Italy, even if you accept the contested argument that all North Sea revenues should be attributed to Scotland.

In Ukraine the Russian Crimea has split from the country, followed by a referendum organised under Russian auspices to validate it which was not held with international approval or agreed standards and inspection but which delivered a large vote in favour of secession.

The EU used to fan regional feelings through its encouragement of a Europe of the regions. It sought to promote and strengthen regional identities, favouring regional governments to distribute EU grants. It likes regional languages and other signs of difference. It is strange therefore that now it is faced with the consequences of a greater sense of regional identity and the wish for more regional autonomy the EU recites the mantra that these are matters for the state concerned. By saying this it sides against the regional political movements. I guess it assumes the states will win and they will retain control over the tax revenues which the EU needs to share to sustain itself.