

## Flimsier footings

Print

By Victor Mallet

Published: August 19 2009 03:00 | Last updated: August 19 2009 03:00

Joaquín Sorolla, the sometimes audacious Spanish impressionist whose work is on show now at Madrid's Prado museum, portrayed his country for the New York headquarters of the Hispanic Society of America nearly a century ago in oils depicting traditional, even clichéd, scenes of regional life: dancers and bullfighters in Andalucía, a bagpipe player in rural Galicia, a festival with oranges in Valencia.

This folkloric vision of Spain and its distinctively different parts still has the power to charm Spaniards and foreigners alike. But three decades of devolution, following the death of the dictator Francisco Franco in 1975 and the launch of a democratic constitution three years later, have added an intensely political and sometimes bitter flavour to Spanish discussions about their regional differences.

With the national economy in deep recession, Spain's devolution debate seems to be coming towards a head. Although there is no imminent risk of a split such as the one that divided Czechoslovakia, the arguments are more intense than in just about any other nation state of western Europe.

The economic crisis has helped to expose the high costs - to businesses and to taxpayers - of Spanish devolution and the multiple regional and local bureaucracies it has spawned, costs previously obscured by the piles of cash from property taxes during the country's housing boom. It points to problems that may grow more acute for other countries including the UK, with its debates over devolved government in Northern Ireland, Scotland and Wales.

Spain's Socialist government urgently needs to cut spending to stop the budget deficit rising above 10 per cent of gross domestic product this year but is finding its room for manoeuvre severely limited by the country's regional structure. The regions absorb about half of all public spending. A further 30 per cent of the budget goes towards non-discretionary social security payments, leaving only about one-fifth of outgoings under the direct control of the centre.

As in most large nation states - from the US to China, India, Nigeria and Brazil - there has long been a tension between the wishes of the centre and the demands of the various regions. Spain is remarkable, however, for the extent of the powers peacefully devolved over the past 30 years. Yet some Spanish regions are demanding even more than the substantial autonomy already achieved - and a few regional politicians do talk of outright independence - while Spaniards in the Castilian heartland have started to fret about a creeping fragmentation of the nation.

Luis María Anson, a conservative writer, called this month for a joint defence of Spanish unity by the main parties of left and right, saying they should start reversing the process of granting autonomy to the regions and "hispanify" the increasingly assertive region of Catalonia, centred on Barcelona. Writing in the daily *El Mundo*, he accused José Luis Rodríguez Zapatero, Spain's prime minister, of fecklessly "laying the foundations for Catalonia to become an independent state within a few years".

Fernando Savater, a philosopher and campaigner for Spanish unity, is not quite so alarmed about the country's future, although he agrees that the spread of autonomous powers has gone too far. "It would be too much to speak of disintegration, but it's true that Spain is becoming progressively less cohesive," he says. Regional nationalist attitudes "began as a reaction to Francoism and have now been converted into a sort of obligation".

Recent weeks have brought reminders of Spain's most extreme manifestation of separatism. Eta, the Basque group that has waged a long campaign of violence and murdered more than 820 people, detonated bombs in Burgos in the north and on the holiday island of Mallorca, killing two civil guards and injuring more than 40 people. Eta's violent tactics, however, are not popular among the Basques of the Spanish-French border region.

But there are other, equally significant parts of Spain where some of the inhabitants regard Madrid as a colonial power and are waging peaceful campaigns for greater autonomy or, occasionally, independence.

In addition to the Basque country, two regions known for their autonomous leanings are Catalonia in the north-east and Galicia in the north-west. Cultural separatism can be seen in the promotion of local languages in schools and other areas of public life, particularly in Catalonia. Such policies - inevitably implemented at the expense of Castilian, the Spanish language - spark occasional heated protests from Spanish nationalists.

Language, though, is only the most visible sign of the centrifugal forces at work in modern Spain. The 17 autonomous communities already control most aspects of government, including health and education. Catalonia has gone further than the rest, opening representative offices abroad and approving by a referendum in 2006 an autonomy statute to give itself even greater powers. The statute's validity has been contested by the conservative opposition Popular party (PP) and is still awaiting a ruling from Spain's constitutional court.

Catalan nationalists will resist any attempts to erode the autonomy they have already gained. They argue that they have not only succeeded in developing a vibrant Catalan culture and economy after the trauma of Franco but as one of the richest regions have heavily subsidised poorer parts of Spain and so contributed to the country's rapid postwar growth.

The more obscure regional identities, Spanish unionists argue, are an unintended consequence of democracy. As soon as the dictator died, it was inevitable that the Basques, Catalans and Galicians who had been repressed by

his centrist regime would reassert themselves. But the authors of the 1978 constitution deemed it unfair to give rights to these three regions that would not be granted to, say, Andalucía or Murcia, so Spain chose a policy of *café para todos* - coffee for all.

"There's been a contagion with the rest of the country, like swine flu," says Prof Savater. "The language and attitudes of nationalism have now extended to all regions of Spain, including those that were never nationalist. Anyone who talks of Spanish unity is frowned upon."

Even so, a combination of economic necessity and public weariness of incumbent nationalist politicians may be starting to turn the tide in favour of the Spanish unionists, at least in the Basque country and Galicia.

In elections in the two regions in March, the PP ousted a coalition of Socialists and Galician nationalists, while moderate Basque nationalists lost power for the first time since the end of the Franco era to an unusual Socialist-PP alliance whose only obvious shared belief is loyalty to Spain. Although the shifts in voting patterns were small, the new regional governments have begun modifying language policies and otherwise deemphasising regional exceptionalism.

That will please investors irritated by regional regulations - advertisers and hotel chains are among those that complain of varying standards applied across Spain. Mariano Rajoy, the PP leader, has made a law on the unity of the Spanish market a prominent part of his election programme.

For his part, Mr Zapatero has continued to deliver more fiscal stimulus spending to create jobs and has promised an extra €11bn (\$15.5bn, £9.4bn) to the regions, especially Catalonia, over the next four years because he needs the support of regional politicians in the national parliament.

To make matters worse, both the numbers and the wages of civil servants have continued to rise inexorably in spite of the crisis and price deflation. International credit rating agencies, anxious about the lack of fiscal discipline, have begun to downgrade the growing debt not only of Spain but also of its component regions.

"In the past, the institutional framework has proved to be supportive for the Spanish regions at a time when the national economy was growing quickly and continually," said a report from Moody's shortly before the rating agency downgraded Catalonia's debt at the end of last month. "In the new environment of an economic downturn, the past system strengths turn into weaknesses."

So for the first time in years, there are signs that the process of devolution might stall or even go into reverse. That would in theory be more likely if the PP, strongly committed by ideology and history to Spanish unity, came to power in the next general election due by 2012. But politicians of the PP have proved as eager as their leftwing rivals to construct regional and local power bases and to enjoy the hitherto abundant financial fruits of Spain's devolved political system. Nor, as elsewhere in Europe, will regional nationalists lightly abandon terrain won over decades.

Sir John Elliott, the British historian who is a leading expert on Spain, put it recently like this: while 21st century Europe is unlikely to splinter into mini-states, regions that saw themselves as nations will probably enjoy more freedom of action than they had during most of the 19th and 20th centuries.

But without dialogue, compromise and good leadership, he warned, "the possibility exists that Spain will end up fragmented into its component parts, just as a similar possibility exists in the case of Great Britain".

**Copyright** The Financial Times Limited 2009. Print a single copy of this article for personal use. [Contact us](#) if you wish to print more to distribute to others.