Regionalism in the Age of Globalization

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Contents

1.	Introduction	3
2.	Regionalism as a Response to Globalization	4
3.	Hypotheses About Regionalism in the Age of Globalization	8
4.	The Revival of Regionalism in Scotland and Québec	9
5.	Globalization in Regionalist Discourses	12
5.1	Regional Disparity and Welfare Regionalism	13
5.2	The Functionality of Regions	17
5.3	Diminishing Economic Risks and Market-Making International Institutions	21
5.4	Sovereignty and Multi-Level Governance	24
5.5	Cultural Globalization, Identities and the ‘Narcissism of Small Differences’	30
6.	Conclusion	36
7.	Bibliography	40
7.1	Literature	40
7.2	Quoted Documents	43

1. Introduction[2]

"Why is globalization accompanied by different types of regionalism? Why does the formation of a world-wide civil society go hand in hand with a crisis of the nation-state as an ethical form of community?" These questions – raised by Seyla Benhabib in her Horkheimer Lectures[3] – are most often answered by pointing to an inherent relationship between globalization and fragmentation.[4] What is missing is solid empirical work that is concerned with identifying the causal pathways between globalization and regionalism, and tests them systematically using critical cases. This article aims to make a contribution to help fill this gap.

Globalization can be defined as the extension of boundaries of social transactions beyond state borders. Even though the scope of most of these cross-border transactions is actually not global – which is the reason why in some contexts "societal denationalization" seems the more appropriate term and will be used here interchangeably with globalization[5] – they still cause a problem for national governance simply because the social space to be governed is no longer national. The degree of denationalization can be operationalized as the proportion of cross-border transactions relative to transactions taking place within national borders. Social transactions are constituted by the exchange or common production of goods, services and capital (constituting the issue area of economy), threats (force), pollutants (environment), signs (communication) and persons (mobility). An empirical investigation using this conceptualization shows that globalization is not a uniform, but rather is an uneven process that varies significantly among issue areas, countries and over time. Denationalization has been taking place in mild forms since the 1950s, with some acceleration taking place in the 1970s. Significant denationalization thrusts, however, have occurred in a number of specific issue areas only since the second half of the 1980s, and have mainly occured in the OECD-countries. The most notable developments took place with respect to global financial markets, global environmental dangers, the Internet and organized crime.[6]

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2 Research for this project was funded by the German Research Association (Zu-62/3).

3 See Seyla Benhabib: *Kulturelle Vielfalt und demokratische Gleichheit. Politische Partizipation im Zeitalter der Globalisierung* (Frankfurt a.M.: Fischer, 1999), 27.

4 See for instance Ulrich Menzel: *Globalisierung versus Fragmentierung* (Frankfurt a.M.: Suhrkamp, 1997).

5 In course of the project, we distinguished societal denationalization, which referes to the extension of social spaces across national border from political denationalization. While the former is considered as a societal change (which has been made possible by the interplay of technology, national and international policies as well as value change) that creates problems of regulation, the latter is considered as a process of strengthening the competencies of those political institutions that are either above (international and supra-national) as well as below (regionalism) the level of traditional nation-states. With this analytical distinction we do not deny that societal and political denationalization are connected and that political denationalization is one possible response to the regulatory problems of the nation-state that are caused by societal denationalization.

6 We developed 72 indicators to determine the extent of denationalization in different issue areas and different OECD countries (see Marianne Beisheim, Sabine Dreher, Gregor Walter, Bernhard Zangl and Michael Zürn: *Im Zeitalter der Globalisierung? Thesen und Daten zur gesellschaftlichen und politischen Denationalisierung* (Baden-Baden: Nomos, 1999). For a similar undertaking with similar results see David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton: *Global Transformations. Politics, Economics, and Culture* (Cambridge: Polity Press, 1999).

Some *regionalist movements* in the OECD-world have experienced a revival parallel to globalization since the end of the 1980s. When the strength of regionalist movements is measured by popular support for regionalist goals, expressed in votes for regionalist parties and surveys on different constitutional options, and also by the support regionalist objectives receive from relevant collective actors in the political and social spheres, for instance business organizations and unions, then it can be stated clearly that movements in Northern Italy, in Catalonia, in Scotland and Wales, and in Québec gained momentum simultaneously with the globalization thrust. In order to find out whether this correlation between globalization and regionalism is due to a causal relationship we proceed in three steps. Section 1 identifies causal pathways through which globalization may stimulate the rise of regional movements. Against this background we formulate in Section 2 more specific hypotheses about the rise of regionalist movements in the age of globalization. Although these hypotheses seem to have some explanatory power about this "new regionalism", the movements in Scotland and in Québec are identified in section 3 as two cases which do not fit easily into the scheme. In section 4 a detailed analysis of the regionalist discourse in Scotland and Québec is carried out which allows us to reformulate our hypotheses and to draw some general conclusions in the final section.

2. Regionalism as a Response to Globalization

Regionalism generally refers to the decentralization of political powers or competencies from a higher towards a lower political level. More specifically, one must distinguish between "top-down" and "bottom-up" regionalism.[7] The former describes the decentralization of competencies or the establishment of regional institutions by the state, whereas the latter includes all patterns of endeavours toward political decentralization from within the particular region. Although globalization can also support top-down regionalism, i.e. by tempting central governments to decentralize responsibilities, what Anderson[8] calls the "decentralization of penury", this contribution deals with regionalism from below. To be more precise, regionalism shall be treated here as the politicization of the regional political level,[9] which aims to strengthen it politically. The goals of sub-state regionalism range from merely decentralizing some competencies to the establishment of a new independent state, in other words, separatism.

How is "bottom-up" regionalism affected by globalization? To begin with, globalization leads to three broad developments that can be labelled as uneven denationalization.[10] First, as a

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7 Michael Keating, "Europeanism and Regionalism", in Barry Jones and Michael Keating (eds.), *The European Union and the Regions* (Oxford: Clarendon, 1995), 2.

8 See Jeffrey J. Anderson: "Business Associations and the Decentralization of Penury: Functional Groups and Territorial Interests," *Governance: An International Journal of Policy and Administration* 4, No. 1, (1991).

9 Dirk Gerdes: *Regionalismus als Soziale Bewegung. Westeuropa, Frankreich, Korsika: Vom Vergleich zur Kontextanalyse* (Frankfurt/New York: Campus, 1985), 56.

10 For an analysis along these lines see Michael Zürn: *Regieren jenseits des Nationalstaates* (Frankfurt a.M.: Suhrkamp, 1998).

result of societal denationalization and the deregulation of markets,[11] the effectiveness of national policies evidently decreases in those issue areas where the spatial scope of national regulations does not reach the boundaries of real transactions. The ability to intervene into markets has been reduced by the rapidly increased flexibility of capital as well as the highly sensitive financial markets. Nor do national defence or deterrence measures look very effective against new security threats from outside, no matter whether of a military, ecological or "cultural" nature. Second, in order to restore the effectiveness of their policies, nation-states aim at establishing international regimes and institutions thus adjusting the scope of political regulations to the boundaries of social transactions. Especially in the economic sphere, international institutions like the international trade regime (WTO) and supranational integration in Europe have achieved uncontested importance. Third, as the number and the importance of these international institutions grow, the complexity of governance also increases, while the democratic control of international organizations and the development of transnational identities lags behind. While the *bourgeois* thinks and acts in global categories, the *citoyen* is still imprisoned within a national framework and needs to search for new forms of effective participation in political decision-making. Each of these three dimensions of uneven denationalization affects regionalism.

1) *Welfare Regionalism*: In a denationalized economy each region aims at increasing its attractiveness for foreign direct investment and at increasing the productivity of its economy through the *reduction of costs for national policies*. Therefore, rich regions in countries with regional disparities may see an opportunity to pursue their own economic strategies without having to provide for the interests of other, poorer regions within that nation-state. Decentralization or separation can be pursued as a means to escape duties, such as financial redistribution, linked to being part of the nation-state. This kind of welfare regionalism, the most prominent example being the Lega Nord,[12] is most likely to emerge in regions which form part of the economic core, but not the political centre of the nation-state. The Lega Nord promoted the image of the Italian state as too inefficient in economic terms and used arguments about the advantages of regionalization for the economy.[13]

2) *Functionality of Regions*: The *growing ineffectiveness of national intervention into markets* restricts the states' capacity for territorial management, which is crucial to the integration of peripheral regions into the national project. Territorial management includes the provision of benefits to the entire region, for instance, via structural and social policies. In addition, it means the incorporation of regional elites into the national elite system to prevent challenges to the established power structures.[14] If the existing state is no longer able to provide such benefits, the incentive to remain part of it diminishes and the regionalist cleavages traditionally restrained by territorial management are more likely to be mobilized.

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[11] Joachim Hirsch: "Internationale Regulation. Bedingungen von Dominanz, Abhängigkeit und Entwicklung im globalen Kapitalismus," *Das Argument* No. 198 (1993); Stephen Gill: "Globalisation, Market Civilisation, and Disciplinary Liberalism," *Millenium: Journal of International Studies* 24, no. 3 (1995).

[12] Oliver Schmidtke: *Politics of Identity. Ethnicity, Territories, and the Political Opportunity Structure in Modern Italian Society* (Sinzheim: Pro Universitate Verlag, 1996).

[13] Dwayne Woods: "The Centre No Longer Holds: The Rise of Regional Leagues in Italian Politics," *West European Politics 15*, no. 2 (1992), 58.

[14] See Michael Keating: *State and Regional Nationalism. Territorial Politics and the European State* (Hemel Hempsted: Harvester-Wheatsheaf, 1988), 18ff.

In addition, the advantages of small units in an integrating world market are increasingly being emphasized.[15] Such hypotheses can also be found in political economy approaches, particularly, "flexible specialization",[16] regulation theory[17] or neo-Schumpeterian works[18], and were popularized in the debate on a "Europe of the Regions". In the absence of macro-economic steering and in the face of increasing competition between territorial units, that are not separated by borders, the following argument gains credibility: the political level that is closer to the problems at hand requires more power and more resources to increase the regional economy's competitiveness.

3) *Diminishing Risks*: The *rise of negative integration or market-making international institutions* diminishes the risks for regionalism. Since one of the central tasks of the nation-state was the establishment of a large market, the diverse regions were granted access that they in turn did not wish to risk losing. In the past, the fear of losing markets used to be one of the main obstacles to regionalist mobilization. Considering the degree of economic integration within the OECD and regional economic blocks such as the EU and NAFTA, the size of a state is no longer relevant to its economic development.

4) *Multi-level governance:* The *rise of international institutions* could be found by individuals as well as collective political and social actors to be helpful in pursuing their regional interests. This is especially true in centralized states, where the fulfilment of regionalist goals means a substantial change in the established institutional structure. Such far-reaching changes are usually viewed with suspicion, since they imply a high degree of uncertainty. By contrast, the experience that multi-level governance, where responsibilities and competencies are shared between several political levels, works to their benefit, can change people's perceptions of politics, i.e. traditional understandings of sovereignty.[19]

The complexity of governance is also a motivation for representing region-specific interests on the international agenda directly instead of using the nation-state as a mediator. This applies to specific economic interests, but also to cultural concerns. The establishment of a smaller territorial unit as an actor on the international scene can also serve to suggest an

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15 Peter J. Katzenstein: *Small States in World Markets* (Ithaca: Cornell University Press, 1985).

16 Michael J. Piore/Charles F. Sabel: *Das Ende der Massenproduktion. Studie über die Requalifizierung der Arbeit und die Rückkehr der Ökonomie in die Gesellschaft* (Frankfurt/Main: Fischer, 1989).

17 See Robert Boyer :"The Eighties: The Search for Alternatives to Fordism," in Bob Jessop, Hans Kastendiek, Klaus Nielsen and Ove K. Pedersen (eds.), *The Politics of Flexibility. Restructuring State and Industry in Britain, Germany and Scandinavia* (Aldershot: Edward Elgar, 1991), 106-132; Alain Lipietz: *Towards a New Economic Order. Postfordism, Ecology and Democracy* (Cambridge: Polity Press, 1992) and Alain Lipietz: "The National and the Regional: Their Autonomy Vis-à-vis the Capitalist World Crisis," in Ronen P. Palan and Barry Gills eds., *Transcending the State-Global Divide. A Neostructuralist Agenda in International Relations* (Boulder/London: Lynne Rienner, 1994).

18 See Christopher Freeman, *The Economics of Innovation* (Aldershot: Edward Elgar, 1990); Carlotta Perez, "New Technologies and Development," in Christopher Freeman and Bent Ake Lundvall, eds., *Small Countries Facing the Technological Revolution* (London/New York: Pinter, 1988) and Christopher Freeman and Luc Soete, *New Explorations in the Economics of Technical Change* (London: Pinter, 1990).

19 See Niels Lange*, Zwischen Regionalismus und europäischer Integration. Wirtschaftsinteressen in regionalistischen Konflikten* (Baden-Baden: Nomos, 1998a); Niels Lange*,* "Business Interests in Regionalist Conflicts: Changing Opportunity Structures Through European Integration?," *Regional and Federal Studies* 8, no. 3 (1998b).

impression of "closer proximity" to the people (Bürgernähe), helping to overcome the uneasiness created by the growing complexity of governance. The incentives for regionalism are further increased when the economic functions traditionally carried out by the nation-state are increasingly provided by a supranational political level, that is when negative integration is supplemented by positive integration as in the EU. This holds especially true for those countries with a below-average GNP per capita and thus are major beneficiaries of regional and structural funds in EU.

5) *Narcissism of small differences:* Societal denationalization and the rise of international institutions leads to an *increasing complexity of governance* creating fears and perceptions of powerlessness, particularly amongst the less educated and socially deprived sections of the population. Political Sociology has demonstrated that feelings of uncertainty foster the readiness to vote for right-wing extremist and nationalist parties. The desire for clear-cut units grows. In this manner, globalization can benefit nationalism at the state and the sub-state level. Regionalism benefits from this development when it interacts with changes taking place within the cultural sphere. To the extent that states are no longer able to protect their 'national culture' from external influences via media, telecommunication and travel or migration, they are deprived of its capacity to express or represent a common 'national' culture. In other words, the 'diffuse support'[20] for the nation-state wanes. On the other hand, the need for a sense of belonging and a collective identity remains, and might even become stronger. Regardless of whether different cultures become more similar or not, it is the impression that counts. Considering all the attempts by nation-states to protect their culture and language, one can easily conclude that there is a widespread belief that a homogenising pressure on cultures exists.

Within this context, the Freudian "narcissism of small differences" emerges and even small cultural differences can be revived politically. While collective identities in the end are always social constructions, the sense of belonging can be focused more easily on smaller entities, regions for example. Consequently, collective identities other than those associated with the existing nation-state are more likely to be mobilized. This holds particularly true in regions with an existing regionalist cleavage. Wherever regionalist movements emerged from the late 1960s onwards, they were paralleled by a widespread revival of traditional regional culture, that is arts, both visual and performing, and literature. In many cases, regionalist movements were accommodated by the establishment of radio and television programs in the regional language. Such cultural region-building can satisfy the widespread need for (new) collective identities.

In sum, the political consequences of globalization change the logic of some variables used to explain regionalism. It is no longer only the political actions of the nation-state that provoke regionalist responses, but also the undermining of some traditional functions of the nation-state through globalization and political internationalization. In an increasingly competitive world market, rich regions want to rid themselves of their national commitments, while at the same time the development of market-enhancing international institutions has reduced the risks of secession and even increased the incentives to organize regionally in order to be eligible for resources in so far as they also include market-correcting programs. The evolving

[20] Leon N. Lindberg and Stuart A. Scheingold, *Europe's Would-be Polity. Patterns of Change in the European Community* (Englewood Cliffs: Prentice-Hall, 1970).

complexity of governance beyond the nation-state in turn creates desires to emphasize cultural differences at the regional level and to represent regional interests directly, no longer via the nation-state.

3. Hypotheses About Regionalism in the Age of Globalization

How is it possible to test empirically whether or not the identified causal pathways through which globalization may affect regionalism are significant? One possibility is to develop hypotheses surrounding these causal pathways and test them in the form of a correlational analysis. These hypotheses state the conditions within which a strengthening of regionalist movements can be expected. Another possibility is to carry out an in-depth analysis of the actions by and the justifications employed by regionalist movements in order to find out whether the causal mechanisms significantly affected regionalist discourses.

The hypotheses derived from the consideration of causal pathways beg the analysis of features of those nation-states in the OECD-world with strong regionalist movements in the age of globalization.

1. If a state is characterized by strong regional disparities with significant regulations on financial transfer from the richer regions, and the richer regions are not the political centre, then regionalist movements can be expected to get stronger.

2. If a state is strongly denationalized, especially in the economic and cultural spheres, that is with a strong exposure to foreign markets and to external cultural influences, then regionalist movements can be expected to get stronger.

3. If a state is strongly involved in international institutions that create and maintain markets beyond the national level, then regionalist movements can be expected to get stronger.

4. If a state is strongly involved in international institutions that distribute resources in order to correct market outcomes beyond the national level, then regionalist movements can be expected to get stronger.

In brief, regionalism is expected to be strengthened by globalization especially in relatively wealthy regions that do not belong to the political centre within nation-states that are exposed to economic and political integration as well as the intensified exchange of economic and cultural goods.

This set of hypotheses can in correlational terms explain why, for instance, regionalist movements did grow in importance and in strength in Italy and Great Britain, while no such regionalist revival can be observed in Germany and the US.[21] On the one hand, both Italy and Great Britain are characterized by a high level of economic and cultural denationalization, by a marked degree of regional disparities and by a remarkable involvement in market-making and market-correcting international institutions. On the other

[21] See Zürn (fn. 10), 277-283, for such an analysis with the G-7 countries as universe of cases.

hand, the degree of cultural denationalization in the US is minimal (because of US dominance on cultural markets), the degree of political autonomy of richer regions is high and the involvement in international institutions is less marked than in the Europe. Germany is closer to Italy and Britain in terms of cultural denationalization and involvement in international institutions, yet regional disparities have traditionally been rather weak.

Overall, the analysis carried out so far portrays the revival of regionalism rather as the emergence of a new kind of regionalism. While regionalist movements in the 1960s and 1970s developed in relatively poor regions, like Corsica and Wales, that felt discriminated against by the economic, cultural and politically dominant centers, the new regionalism in the age of globalization appears to be a form of welfare regionalism. Economically thriving regions that are not the political centers – the Lega Nord seems to be the ideal case – want to benefit from the new opportunities created by economic globalization and the rise of international institutions and for that reason strive for increased autonomy and a weakening of the centralized nation-state.

While the above picture of the revival of regionalism helps one to understand some of the ongoing developments, its explanatory power is still limited. Although it is true that some forms of regionalism in the economic periphery of OECD countries, in Corsica, in Brittany, in Northern Scandinavia etc., have lost momentum, while welfare regionalism in Northern Italy, Catalonia, Flanders and some East European countries has emerged or increased, there are cases that do not fit into this picture. For instance, the case of Galicia is a clear case of peripheral regionalism that has gained new momentum over the last two decades.[22] Moreover, regional movements in Scotland and Québec, although they are no cases of peripheral regionalism, can hardly be categorized as blunt cases of welfare regionalism either. They seem to constitute in-between cases. Nonetheless, they clearly experienced a re-strengthening of a traditionally strong regionalist movement. It seems especially worthy to take a closer look at these cases in order to refine the the hypotheses on regionalism in the age of globalization.

4. The Revival of Regionalism in Scotland and Québec

In the remainder of this paper, we wish to carry out an in-depth analysis of the actions and justifications of regionalist movements in Scotland and Québec before and after the current thrust of globalization since the 1980s. Scotland and Québec are two regions with long-standing regionally distinct national identities. Both are located within OECD states which are subject to a high level of economic and cultural denationalization and also have a strong level of involvement in international institutions. Moreover, both countries display relatively strong regional disparities. Although the revival of these regionalist movements can thus be (at least partially) explained by the above hypotheses about the states' characteristics which induce regionalist challenges, the characters of the regionalist movements themselves are

[22] Ramon Maíz and Antón Losada, *Institutions, Political Autonomy and Nation Building: The Galician Case in Spain and Europe, 1988-1998*, Paper presented at the ECPR joint sessions of workshops, Mannheim, (1999).

hardly compatible with the respective portrayal of "new" regionalism. The question therefore is whether the causal mechanisms identified in Section 1 nevertheless play a role in these regionalist discourses and how the initial portrayal of the new type of regionalism is to be adapted.

Although much can and should be said about (regional) nationalism[23] in Scotland and Québec, for example regarding its sources and developments, we shall restrict ourselves to some very basic indicators here. There is no doubt that in both cases regionalist tendencies have become stronger over the last decade. Like other regions in the Western world, Scotland and Québec have experienced two waves of regionalism, one from the late sixties until the late seventies and one in the late eighties/early nineties. The respective nationalist parties, the Scottish National Party (SNP) and the Parti Québécois (PQ), gained electoral support in the early seventies. The SNP reached an electoral peak with 30% of the popular vote in 1974 and became a decisive factor for the minority Labour government at Westminster, while the PQ managed to take over the provincial government in 1976. These developments resulted in referenda on both the establishment of a Scottish Parliament in 1979 and the concept of Québec's sovereignty-association in 1980 respectively. In both cases, the regionalists lost. Although a majority voted for devolution in Scotland, they failed to reach the required 40% of eligible voters. In Québec, 60% voted against sovereignty-association.

After years of disappointment and silence, the failure of the Meech Lake Accord, which was supposed to end the constitutional crisis by allowing Québec some specific rights and acknowledging the province as a "distinct society", and growing discontent with England-based Conservative politics in Scotland led to a re-emergence of claims for more autonomy and even separatism. This is indicated by the growing success of both parties as well as polls on preferred constitutional options. In Québec the PQ, having campaigned for a new referendum on sovereignty, regained power in 1994, while in Scotland the social base supporting claims for devolution[24] grew. For the first time, the Labour Party unanimously favoured devolution, backed by the unions, churches, local authorities and other parties and organizations. In addition, voting behaviour in Scotland diverged from the UK average in such a way that one can speak of a different party system. While the Labour Party became the strongest party in Scotland, the SNP emerged as the second party, while the Conservatives faced severe defeats, leaving them with 11 out of 72 seats in 1992 and none in 1997. The Québec government called for a new referendum in 1995, and again lost, although by slight margin. Scottish devolutionists had to wait for a new London government before they were able to hold their referendum. A broad coalition including the separatist SNP campaigned for the establishment of a Scottish Parliament and succeeded in gaining the support of three quarters of the voters.

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[23] Of course, in both cases protagonists of regionalism would consider themselves nationalists: they regard both Québec and Scotland as proper nations. Since the motivation for regionalist tendencies is based on an appeal to a nation, there is no doubt that one can speak of nationalism. Both terms will be used for these cases, however. For reasons of comparability with other cases and relating to global developments, we use the term regionalism in the theoretical approach.

[24] In the Scottish context, devolution means the establishment of a Scottish Parliament and its endowment with certain powers. The term has lost popularity since it implies "borrowing" competencies from the centre, but still is the commonly used term for what happened in the referendum of 1997: the establishment of a Parliament.

Fig. 1: Percentage of votes for the Parti Québécois in elections for the National Assembly. *Source: Beisheim et al.*[25]

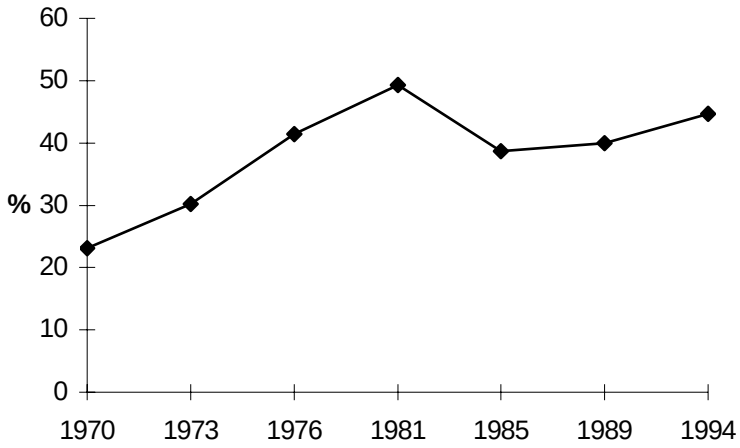
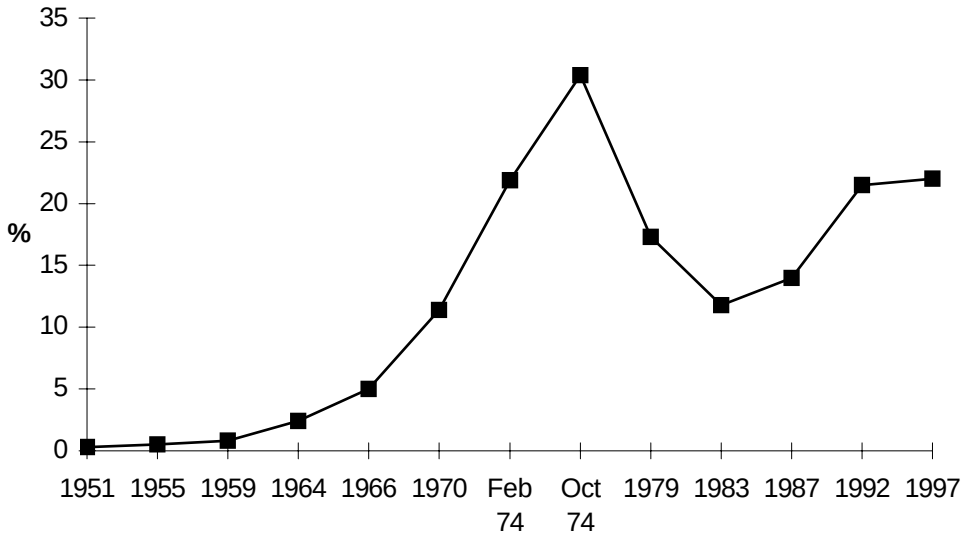


Fig. 2: Percentage of votes for the SNP in parliamentary elections in Scotland. *Source: Lange* [26]



Apart from electoral developments, polls also indicate growing support for constitutional change in both cases.[27] In Scotland, the separatist option has gained support amongst the

[25] Beisheim et al. (fn. 6), 358.
[26] Lange 1998a (fn. 19), 237.
[27] Maurice Pinard, "The dramatic reemergence of the Québec independence movement," *Jounal of International Affairs 45*, no. 1, (1992); Maurice Pinard, "Les quatre phases du mouvement indépendantiste québécois," in: Pinard, Robert Bernier and Vincent Lemieux, eds., *Un combat inachevée* (Sainte-Foy, Quebec: Presses de l'Universite du Quebec, 1997); Michael Keating,

roughly 80% favouring constitutional change.[28] A change in the discourse can also be detected in Québec: While the 1980 referendum was about sovereignty-association, thereby stressing a future association with Canada, recent debates focus on political sovereignty as such. The future will show to what extent the establishment of the Scottish Parliament in 1999 will lead to claims for more competencies and autonomy. In Québec, regionalism was also strengthened by the emergence of the Bloc Québécois, a separatist party running in the federal elections which has since gained two thirds of the province's seats. In sum, regionalism in both cases is stronger than ever and by no means a phenomenon of the past.

5. Globalization in Regionalist Discourses

In order to probe empirically whether the causal mechanisms identified in Section 1 also play a role in the seemingly deviant cases of Scotland and Québec, we now focus on the actual content of the regionalist discourse. Regionalist claims are never isolated topics within political discourse, but usually backed by functional arguments. This means that regional autonomy or souvereignty is seen as a means to reach other goals such as the preservation of culture, economic growth etc. To find out how much globalization has influenced regionalism, changes in the patterns of arguments made by the regionalists and their opponents will be examined. At the level of observation, the empirical question is to what extent arguments relating to developments induced by globalization have appeared and gained importance within the debate. Consequently, the analysis must focus on *changes* in the patterns of arguments made which paralleled the growth of regionalist tendencies in the respective region. A longitudinal comparison should thus include periods before and after accelerated denationalization and ask whether there has been a change in the regionalist discourses that indicates the importance of the causal pathways through which globalization may affect regionalism.[29]

Nations against the State. The New Politics of Nationalism in Québec, Catalonia and Scotland (Houndsmills/London: MacMillan, New York: St. Martin's, 1996).

[28] *The Economist*, January 7, 1995.

[29] The sources used are literature, campaign documents and print media in specific periods. In addition to this, interviews were conducted with representatives of parties and other relevant collective actors such as unions and business associations. In Scotland, the first – pre-denationalization – period analysed is the time from the first electoral success of the SNP until the referendum of 1979. The second – post-denationalization – period, from the early 1980s to the early 1990s, includes the time of the Scottish Constitutional Convention, a broad coalition of parties (Labour and Liberal democrats), the trade unions, churches and other groups, whose final report was presented in 1990. We added an analysis of the most recent developments, that is the referendum debate of 1997. The phases examined in Québec are quite similar, the first ranging from the rise of the PQ until the referendum of 1980, the second from the failure of the Meech Lake Accord to the presentation of the Bélanger-Campeau Commission's final report. The "Commission sur l'avenir politique et constitutionnel du Québec", named after their presidents Bélanger and Campeau, was set up after the constitutional amendment which was intended to guarantee Québec specific rights and recognition as a *distinct society* was rejected by two provinces. The commission held hearings all over the province and received petitions from over 600 organizations and individuals. Fifty-five experts were asked to assess Québec's future prospects. The final report was issued in March 1991, and concluded that, if re-negotiations of Québec's status within the federation should fail, the province should become sovereign (Commission sur l'avenir politique et constitutionnel du Québec (Bélanger-Campeau): *Report*, Québec [1991]). The third period is the

5.1 Regional Dispartiy and Welfare Regionalism

If the notion holds true that regionalism is driven more and more by welfare chauvinism, then economic benefits of autonomy or separation should replace traditional regionalist claims for self-determination and social justice which dominated the discourse in the seventies. Whether this causal pathway can be identified also in the regionalist discourses in Scotland and Québec can be determined by looking at the following questions: Is the strength of regionalist tendencies based on growing economic self-confidence? Are regionalist claims increasingly based on arguments relating to economic advantages? To what extent is belonging to the current nation-state portrayed as an economic burden? Are the regionalists' economic objectives linked to social equality or restricted to economic growth in the region?

When it comes to "welfare regionalism", neither Québec nor Scotland can be regarded as ideal cases, since both these regions have traditionally been considered as economically somewhat disadvantaged. However, both regions have caught up significantly within the last two decades. In the long run, Scotland has developed from a periphery into a part of the economic core.[30] The Scottish economy, having suffered from the concentration of crisis ridden industries during much of this century, in the meantime recovered significantly.[31] In 1992, its per-capita GDP had reached 98.14% of the UK average. Bearing the concentration of economic activity in the South-West of the UK in mind, this leaves Scotland in a far better position than most other parts of the UK. Québec, on the other hand, has always been part of the economic core, although peripheral in comparison to Ontario.[32] Its per-capita GDP remained below average and fell between 1965 and 1979 from 91.7 to 89.7%.[33] In the long run, however, the reforms of the so-called Quiet Revolution[34] and successive policies directed at strengthening the regional economy bore fruit. In 1987, Québec's economic growth was higher than Ontario's for the first time, it grew from 3.1% to 5.3% in 1988 and by that point had been positive for six years.[35] On the whole, Québec and Scotland have moved up in the economic hierarchy of regions. Is this reflected in the regionalist discourses?

(a) Scotland: Traditionally, the SNP had its biggest electoral support during economic crises, especially when both major parties could be held responsible. As a result, the rise of the

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debate prior to the most recent referendum in 1995. However, in the Québécois case, the debate on the Canada-US Free Trade Agreement (FTA) allows some insight and was included where necessary.

30 David McCrone, *Understanding Scotland. The Sociology of a Stateless Nation* (London: Routledge, 1992), 46.

31 See David Bell and Sheila Dow, "Economic Policy Options for a Scottish Parliament," *Scottish Affairs* 13, (1995), 46.

32 Kenneth McRoberts, "Internal Colonialism: the Case of Quebec," *Ethnic and Racial Studies* Vol. 2, No. 3 (1979), 298.

33 William D. Shipman, ed., *Trade and Investment Across the Northeast Boundary: Québec, the Atlantic Provinces and New England* (Montréal: The Institute for Research on Public Policy [IRPP], 1986), 15.

34 The so-called Quiet Revolution was a government-led process of modernization in the 1960s aimed at economic growth and "province-building", that is, the extension of Québec's state apparatus (see William D. Coleman, *The Independence Movement in Québec 1945-1980* [Toronto: University of Toronto Press, 1984]; Alain G. Gagnon and Mary Beth Montcalm, *Québec: Beyond the Quiet Revolution* [Toronto: Nelson, 1989]).

35 See Matthew Fraser, *Québec Inc. French-Canadian Entrepreneurs and the New Business Elite* (Toronto: Key Porter Books, 1987), 97ff.; and Canada/Department of Industry, Science and Technology, *The Québec Economy 1988. Planning, Analysis and Evaluation* (Ottawa, 1989), 2.

party in the late sixties correlated with the decline of heavy industries.[36] On the other hand, the feeling of being financially dependent on the UK proved to be a major obstacle to the growth of nationalism. This constellation changed during the 1970s, when new growth centres emerged in Scotland and North Sea Oil was discovered. Now the SNP could point to the problem areas saying "look how it is" and to the oil centres saying "look how it could be".[37] These examples indicate that the argument, Scotland was actually rich, but betrayed of her wealth, had already become a central part of SNP propaganda. The actual oil-campaign began in 1971, arguing that, according to international law, the oil belonged to the Scottish people. Being part of the UK, Scotland had to remit 90% of the revenue, and Scottish oil was used to readjust the English economy, i.e. London's traffic system.[38] Central slogans were "We Scots are the most generous people on earth – we are giving our oil away", and "Scotland's oil – to London with love?"[39] At the same time, the SNP tried to improve their leftist image by declaring a "war on Scottish poverty".[40]

The unionists, however, used the same strategy as in the sphere of trade and markets (see below, 4.3), and warned Scots that they were running the risk of losing British subsidies. Their campaign centred around three issues: (1) the costs of a Scottish Assembly, (2) too much government, and (3) the end of the UK.[41] The latter is usually referred to as the "slippery slope" argument: Devolution being the first step towards independence. These issues provided a negative agenda, which meant that the devolutionists always had to argue against negative consequences instead of proclaiming the advantages.[42]

After the 1979 referendum was lost, the SNP focused on the "big lie"[43] that Scotland was dependent on UK finances. North Sea Oil was still on the agenda, but to a lesser extent than in the seventies. The SNP used the oil argument against the Constitutional Convention's devolution plans, claiming that such a concept would leave the oil with London.[44] However, the argument surrounding Scotland's potential wealth was moved away from the oil question and tended to be based on factors such as Edinburgh being a financial centre, and the emerging High Tech industries. The devolutionists concentrated on London's policies, which were said to harm the Scottish economy.

The unionists did not change their strategy of depicting Scotland as being financially dependent on the UK and tried to convince the public that the recent growth was a result of

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36 See Byron Criddle, "Scotland, The EEC and Devolution," in Martin Kolinski, ed., *Divided Loyalities. British RegionalAssortion and European Integration* (Manchester: Manchester University Press, 1978), 49.

37 Ibid.

38 Billy Wolfe*, Scotland Lives* (Edinburgh: Reprographia, 1973), 157ff.

39 Ibid.

40 See Ian O. Bayne*,* 1991: "The Impact of 1979 on the SNP," in Tom Gallagher, ed., *Nationalism in the Nineties* (Edinburgh: Polygon, 1991), 52.

41 Robert McLean, *Labour and Scottish Home Rule, Part 2/Unionist Complacency to Crisis Management 1945-1988* (Broxburn: Labour Communications, 1989), 36.

42 Ray Perman*,* "The Devolution Referendum Campaign of 1979," in H. M. and N.L. Drucker, eds., *Scottish Government Yearbook 1980*, 59.

43 Jim Sillars/SNP 1991: *Scotland and Europe 1992. Time for Decision*, Edinburgh (1991), 3.

44 Alexander Salmond*,* "Northern Ireland and the Scottish Question", in *Scottish Affairs 13* (1995), 74; and SNP (Scottish National Party), *Best for Scotland - A Real Scottish Parliament* (Internet, 1996), 4.

governmental policies.[45] Even after the 1997 election, they centred their campaign against devolution particularly on the argument that public expenditure in Scotland was higher than the UK average. Although this was a relevant issue for the voters,[46] their strategy did not bear fruit. Scotland Forward and member organizations, although still reacting to such claims, successfully appealed to the growing economic self-consciousness amongst Scots, which, according to observers (several interviews), was one of the main reasons for the referendum result.

In sum, it is certainly stretching the facts to speak of welfare regionalism in the Scottish case. The analysis nevertheless shows how important a reasonably strong economy, in this case based on export-oriented sectors - and especially a conscious awareness of this fact - is for regionalist mobilization. Scotland moved from relative deprivation towards relative economic stability and devolution. Since economic success used to be a central legitimizing factor for the UK in Scotland,[47] the unionists now faced severe difficulties in convincing the Scottish electorate of the economic advantages of the union.

b) Québec: Québec's relative peripherality to Ontario was a major obstacle for the separatists. They had difficulties in convincing the public that sovereignty would be economically viable. When support for the PQ grew in the late sixties and early seventies, the federalists focused their arguments on economic issues. They published calculations suggesting that the province received half a billion dollars more than it paid to the federal government annually and promised "profitable federalism" as the only viable alternative.[48] Since the subjective economic expectations amongst the public were rather pessimistic, the PQ was in an unfavourable position to argue against fears that sovereignty would mean a net financial loss.[49] The PQ's situation worsened after the 1976 elections when federal politicians declared that, in negotiations on future financial transfers, they would bear in mind that the province had a separatist government.[50] The economic crisis at that time added pressure on the PQ government and the supporters of sovereignty-association. As a result, they declared that the referendum would be held on the mandate to negotiate sovereignty-association, while any future changes of the status quo should be subject to a second referendum.[51] In addition, the PQ and the trade unions argued that the economic difficulties were a result of

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45 HMSO (Her Majesty's Scottish Office), *Scotland and the Union. A Partnership for Good* (Edinburgh, 1993), 13f.

46 Political Context, *Report on Devolution Poll* (London, 1996), 5.

47 Lindsay Paterson, "Editorial. The Failure of Scottland's Political Parties," *Scottish Affairs* 3 (1993).

48 John Saywell*, The Rise of the Parti Québécois 1967-76* (Toronto/Buffalo: University of Toronto Press, 1977), 31ff.

49 See Clift, Dominique, *Quebec. Nationalism in Crisis* (Kingston/Montreal: McGill-Queen's University Press, 1982), 89.

50 *The Toronto Star*, Nov. 20, 1976.

51 *Marsolais, Claude-V.,* Le référendum confisqué. Histoire du référendum québécois du 20 mai 1980, Montréal: vlb éditeur, 1992, 75-250, here: 150f.

Québec being disadvantaged within the federation.[52] This strategy to dissipate widespread economic fears failed however – as indicated by several polls.[53]

When the Meech Lake Accord was rejected in 1990, Québec's economy was in a far better position; even some members of the traditionally federalist Liberals argued that a separation could be economically advantageous.[54] PQ leader Jacques Parizeau centred his arguments for separation on the negative effects that Canadian federalism had on the Québec economy.[55] In its report to the Bélanger-Campeau Commission, the PQ even argued that inter-provincial transfer payments would cost Québec more than it received.[56] Based on the experts' views, the Commission concluded that Québec's economy was healthy and well-equipped to play in the "jeu économique mondial".[57] Even the federalist Liberals stated that the economy was strong enough for Québec to survive as a sovereign state.[58] Although they did not share the conclusion that sovereignty was inevitable, they agreed that Québec could consider all alternatives to the constitutional status quo.[59]

During the referendum campaign of 1995, the PQ still argued that Québec would be better off without Canada. The federal government would spend less money on economic development in Québec than elsewhere[60] and the province would save three billion Canadian Dollars in expenditures if it became independent.[61] The umbrella organization for the Yes side, the "partenaires pour la souveraineté", argued that an independent Québec would be one of the "small wealthy countries" in the world.[62] The unions supported the PQ and accused the federalists of "scaremongering".[63] In sum, the question of competencies in the field of economic policies played an important role in the campaign, while both sides quoted experts on whether sovereignty would harm or benefit the economy.

The decisive argument, however, was still on the side of the federalists: the national debt. Since Québec would have to take over its part of the debt, they argued, the province would run into a financial crisis.[64] A smaller state would not be as "credible" to the banks, and the

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52 Québec/Gouvernement/Conseil exécutif, *Québec-Canada: A New Deal. The Québec Gouvernment proposal for a new partnership between equals: sovereignty-association* (Québec 1979); FTQ (Fédération des travailleurs et travailleuses du Québec), *Déclaration de Politique et Recommandation du Conseil Général sur La Question Nationale* (Montréal 1980).

53 See Maurice Pinard, Richard Hamilton, "Motivational Dimensions in the Quebec Independence Movement: A Test of a New Model," *Research in Social Movements, Conflicts and Change* 9 (1986).

54 *The Gazette*, March 9, 1990.

55 Jacques Parizeau, "What does Sovereignty Association mean?" Notes for a speech to be delivered at The Empire Club of Canada and the Canadian Club, 11.12.1990 (Toronto 1990), 9.

56 PQ (Parti Québécois), *La necessaire souveraineté* (Québec, 1990), Annexe.

57 Commission sur l'avenir politique et constitutionnel du Québec, *Documents de Travail 4* (Québec, 1991).

58 Parti Libéral, *Un Québec libre de ses choix. Rapport du Comité constitutionnel du Parti Libéral du Québec* (Québec, 28. Jan. 1991).

59 Commission sur l'avenir politique et constitutionnel du Québec (fn. 29), 92-98.

60 Québec/Gouvernement, *The Bill Respecting the Future of Québec. Answers to Key Questions Posed By Quebecers* (Québec, 1995), 7, 15.

61 PQ (Parti Québécois), *Sovereignty. Answers to your Questions* (Montréal, 1995), 26.

62 Partenaires por la souveraineté, *Une société de projets* (Montréal, 1995) (div. leaflets).

63 FTQ (Fédération des travailleurs et travailleuses du Québec), *Déclaration sur l'avenir du Québec* (Montréal, 1990), 5.

64 Raynauld, André, "Les finances publiques du Québec et le défi de la séparation," in Comité des Québécoises et des Québécois pour le NON (eds.), *Des voix pour le NON* (Québec, 1995), 81/84.

financial situation would result in a lower standard of living.[65] Their arguments were supported by the ongoing economic crisis in the mid-1990s. Since support for the status quo always grows during crises,[66] the federalists did not have to pronounce the benefits of federalism. Instead, they focussed their campaign on the risks of sovereignty. This strategy obviously brought forth the intended results: 75% of all those opposing sovereignty did so because they feared negative economic consequences.[67] Even though the separatists gained 10% compared to the referendum of 1980, they failed to convince the public that sovereignty was an economically viable option. Against this empirical background it is certainly wrong to speak of welfare regionalism. However, the relative catching-up of Québec economy changed the regionalists' strategies and broadened their support base.

5.2 The Functionality of Regions

The argument that the regional level is more "functional" for economic steering is usually based on structural changes in the world economy. The notion of regional growth clusters is an epistemic concept based upon a certain understanding of what is logical and feasible in a denationalized economy. The question is then to what degree such considerations have entered into the debate both within and about the region, and to what degree are they used to support regionalist claims. Empirically, we need to ask: To what extent is the popular "small is beautiful" argument regarding economic steering used to support regionalist claims? Do regionalists relate to the nation-state's loss of economic steering capacity and to regional strategies to attract foreign investment?

(a) Scotland: Adequate economic policy strategies specifically relating to Scotland already played a significant role when the SNP had their first electoral success. At that time, however, the debate centred around domestic control of the economy. For the SNP, it was clear that all relevant decisions had to be made at the Scottish level if the economic situation were to be improved.[68] The Labour Party was split between its commitment to decentralization and the centralist agenda of seventies-style socialism.[69]

The counter-argument was pushed by organized business. Accusing the devolutionists of "emotional nationalism", the Scottish section of the Confederation of British Industry (CBI) denied any economic rationale for devolution and warned that devolution would lead to confusion, insecurity and thus the withdrawal of investors.[70] This lay the foundation for the No-side's main line of argument in the referendum debate. Together with the costs of an Assembly, "insecurity" was their main argument. They went so far as to claim that, if business was against devolution, it must be bad for the economy.[71] The Yes-side was on the

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65 CPQ (Conseil du Patronat du Québec), *Bulletin Special Issue 3: The Dollar and the Debt: The Risks of Independence* (Montréal, 1995), 4.

66 Michael Keating: "Canada and Quebec: Two Nationalisms in the Global Age," *Scottish Affairs* 11, (1995), 23.

67 *The Gazette*, 3.10.1995.

68 See Ray Burnett, "Socialists and the SNP," in Gordon Brown (ed.), *The Red Paper on Scotland* (Edinburgh: EUSPB, 1975), 110.

69 McLean (fn. 41), 18-21.

70 See C. J. Risk, "Devolution. The Commercial Community's Fears," in: *Scottish Government Yearbook* 1978, 120-128 and *The Herald*, Feb. 20, 1978.

71 *The Herald*, Feb. 28, 1979.

defensive. They could barely do more than accuse the unionists of "scaremongering", but the agenda was set by the No-side.

During the eighties, the Labour Party slowly replaced their traditional centralism by a "small is beautiful" argument. Partly in reaction to the Tories' neo-liberal policies, devolution was increasingly linked with economic policy reforms, which suggested that a Scottish Parliament should be given more competencies than the Assembly proposed in the seventies. The 1992 election manifesto declared that devolution was part of a renewed industrial policy .[72] The unions followed this line of argument. The "functionality" of economic planning at the Scottish level became a central element of their manifestos.[73] Both Labour and the STUC were central actors within the Constitutional Convention, whose economic policy concepts were rather interventionist.[74] The establishment of a Scottish Parliament was increasingly seen as a source of wealth, while the "functionality" of such an institution was deemed to be based on (a) the rather corporatist tradition in Scotland, (b) the proximity to the problems, and (c) the possibility to overcome London's detrimental economic policies.[75]

The SNP's program underwent a similar development. Political competencies to shape policies according to the needs of the economy became a central element of their demands. Taking the European context explicitly into account, the party saw economic planning at the Scottish level as the key to economic growth, while "control" was replaced by "attracting investment". When Salmond became party leader, the "Scottish Centre for Economic and Social Research" was founded to supply the party's arguments with expertise. Later, the SNP also employed external experts to convince the public of their economic aptitude. This proved to be the strategy with which to counter the Conservatives' argument concerning business. The SNP and the devolutionists were eager to quote businesspeople who favoured devolution or even independence.

Organized business, on the other hand, had become rather cautious. Although they were still against devolution, they argued along functional lines and mainly against "too much interventionism" and other leftist points. Only ideologically neo-liberal organizations such as "Aims of Industry" publicly fought against devolution. The Conservatives, however, did not change their strategies at all. Even when the 1997 referendum drew near, there was barely any change of arguments in the unionist camp. They focused on the costs of a Parliament and too much bureaucracy, both of which would inevitably lead to more taxes. Labelling them "Tartan Tax", they implied that Scots would have to pay taxes for folkloristic nationalism. Finally, they repeated their old argument that public expenditure was higher in Scotland, which would mean that a Scottish Parliament would inevitably have to rise taxes. As the referendum result reveals, such arguments did not fall on fertile ground. Being deprived of their most important ally, organized business, the Conservatives failed to convince the public of the dangers of devolution. Aside from a small group of conservative businessmen, most

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[72] Labour (Scottish Labour Party), *It's time to get Scotland moving again. Labour's Scottish Election Manifesto* (Glasgow, 1992), 10.

[73] STUC (Scottish Trades Union Congress), *Scotland - A Land fit for People* (Glasgow, 1987); STUC, "Scottish Parliament: an economic necessity, not a democratic luxury," *Scottish Trade Union Review* 54, no. 3 (1992).

[74] Constitutional Convention, *Towards Scotland's Parliament* (Edinburgh, 1990), 14-16.

[75] Constitutional Convention, *Scotland's Parliament. Scotland's Right* (Edinburgh, 1995).

organizations remained silent during the campaign, although CBI was convinced that most businesspeople would still be against devolution .[76]

Taxes proved to be the only point for the No-side to be made during the referendum campaign. Although the devolutionists were never able to overcome the widespread mental connection of tax powers and tax-raising powers, it was not sufficient to deter the people from devolution. When it came to the "trust" of the business community and "functionality", the devolutionists moved from the defensive and reactive to the offensive and pro-active position. They even managed to make the economic benefits a central campaign issue (press analysis) and to sell devolution as a means to improve the economy. With the aid of polls, they were able to grasp the people's fears and hopes and to shape their arguments accordingly. Although social issues were more dominant in the debate, it was with the economic policy agenda that the devolutionists gained the most ground.

(b) Québec: The PQ has always been concerned with economic policy conceptions. As opposed to the Canadian mainstream, it was founded as a social democratic party favouring interventionist policies. Therefore, organized business (mainly Anglophone) opposed the party from the outset and threatened to pull out of the province if the PQ were elected. Although the PQ platform was already more business-friendly than in 1970, it still demanded tripartite corporatist strategies, foreign investment controls and public ownership in some areas – and won. The Liberals, trying to use the threats uttered by business for their federalist purposes, did not succeed in portraying a PQ government as an economic risk. Business associations continued to fight separatism and financed the "Federalist Committee" which led the No-side in the 1980 referendum campaign. Backed by the trade unions, the PQ campaigned for sovereignty-association and linked this model to their interventionist strategies. While the Lévesque-government accused Canada's "inherent centralism" of causing economic problems for Québec, it demanded more economic powers for the province, including taxation and tariff legislation.[77] The unsuccessful referendum, however, shows that the PQ had been elected for their economic and social policy and not because the public wanted sovereignty.

In the early eighties, the PQ moved toward the neoliberal mainstream and favoured deregulation.[78] Their relations with business improved, but the latter were still opposed to the PQ's main goal. After the failure of Meech Lake, the Conseil du Patronat (CPQ) did at least support the decentralization of important competencies. Within the parameters of the Bélanger-Campeau Commission, business representatives agreed that Québec, not Canada, should have the resources and powers to support the provincial economy's adaptation to the world market. They were not in favour of sovereignty, albeit less opposed than before. Parizeau attempted to use this change of mind as an argument for the economic soundness of separatism.[79]

The Bélanger-Campeau Commission focused on functional arguments. Canadian federalism was considered inefficient while struggles over competencies used up too many resources, polarize and scare investors. According to the Commission, the current system was unable

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[76] *The Scotsman*, April 14, 1997.
[77] Québec/Gouvernement/Conseil exécutif (fn. 52), 89ff.
[78] Keating (fn. 66), 18.
[79] E.g. *Journal de Québec*, March 2, 1991.

to face the challenges of globalization .[80] Their experts argued in a similar manner, citing small states like Norway as examples of successful adaptation to the world economy.[81] Parizeau argued that Québec needed sovereignty to reach goals such as full employment and environmental protection.[82] The Liberals did not quite share this view, but agreed that Canada did not pay enough for research and development (R&D) in Québec and that the constitutional situation was the main source of all economic problems.[83] Québec's advantages were seen in the corporatist structures and established policy instruments within the province – a legacy from its interventionist past.[84]

The PQ profited well from such a unanimity amongst political forces concerning the necessary decentralization of political powers in the economic sphere and won the 1994 elections. The PQ's program "Québec dans un monde nouveau"[85] concentrated on functional arguments about the potential of economic steering in Québec and explicitly referred to globalization. Canadian federalism was considered incapable of accomplishing the new *projét de societé* the PQ was striving for. Elements of the "industrial districts" model were as obvious in the program as traces of Katzenstein's *Small States in World Markets* being Parizeau's favourite book (interview). During the referendum campaign, experts and reports stressing the competitiveness of small states were quoted. PQ officials compared a sovereign Québec to financial centres like Luxembourg or Singapore.[86]

Just as it had been 15 years earlier, the 1995 referendum debate was dominated by economic issues. When it came to considerations of functionality, the Yes-camp was now on the offensive. While the trade unions backed the PQ's functional arguments,[87] business moved again to the opposite camp. Although some industrialists joined a group which declared that business should stay out of the debate, the big organizations publicly opposed sovereignty. Their main arguments, however, were concerned with resources and markets, the only "functional" point being the threat of "insecurity" damaging the economic climate.[88] Liberal leader Johnson referred to liberalized financial markets, indicating that investors' first reaction to a Yes in the referendum would be to withdraw large sums from Québec.[89]

To sum up: The widespread agreement that economic steering in smaller territorial units has functional advantages helped the sovereigntists to set the agenda. Functionality arguments did, however, not convince the public of the necessity of sovereignty. Nor were they able to convince business, whose fears of constitutional change were stronger than any expectation to profit from decentralization. Nevertheless, it became a significant component of the regionalist discourse.

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80 Commission sur l'avenir politique et constitutionnel du Québec (fn. 29), 40f.
81 Commission sur l'avenir politique et constitutionnel du Québec (fn. 57), Document 4.
82 Parizeau (fn. 55).
83 Parti Libéral (fn. 58).
84 Ibid.
85 PQ (Parti Québécois), *Le Québec dans un monde nouveau* (Québec, 1993); *PQ, Quebec in a New World* (Toronto, 1994), 68.
86 *Le Devoir*, Sept. 23, 1996.
87 CSN (Confédération des syndicats nationaux), *Un Choix Clair Pour la CSN: La Souveraineté du Québec* (Montréal, 1995).
88 Marcel Coté, "La récession du divorce," in Comité des Québécoises et des Québécois pour le NON (eds.), *Des voix pour le NON* (Québec, 1995), 20.
89 *The Gazette*, Oct. 11, 1995.

5.3 Diminishing Economic Risks and Market-Making International Institutions

The transnational integration of markets diminishes or even eliminates the risks traditionally associated with the realization of regionalist objectives, ie. the loss of national markets and investors. If economic globalization strengthens regionalism, it should be expected that regionalist actors will increasingly refer to this process. The following questions, therefore, need to be adressed. (1) To what extent has the argument that political decentralization leads to the loss of markets played a role in the past? Is it still employed or has it disappeared from the debate? (2) Are economic interdependence and integration increasingly used to defend regionalist objectives against such accusations? To what extent do regionalist actors refer to the transnational market?

Both the UK and Canada are subject to economic integration. While Canada is a member of the North American Free Trade Agreement (NAFTA), the UK is a member of the EU and thereby part of the Common Market. Foreign trade has grown significantly over the last decades, in Britain from US $ 20.65 billion (1970) to $ 112.99 billion (1980) and $ 250.02 billion in 1990.[90] The Scottish economy is even more open, accounting for more then 10% of British exports.[91] Canada has the highest export quota (foreign trade compared to GDP) amongst the G7 states, followed by the UK, while foreign trade has changed directions. After a long period of protectionism against US imports, during which the largest share of foreign trade was with the UK, successive trade liberalization measures have made the USA the most important external market for Canadian products.

For both regions, however, the "national" market remains important. In 1986, Québec exported around 40% of its GDP, and half of it went to other Canadian provinces.[92] This ratio has changed, however. While the ratio of interprovincial versus international trade was 116% in 1981, it declined to 72% in 1994.[93] In the Scottish case, it should be kept in mind that market access was the main motive of Scottish elites to negotiate the Act of Union.[94] Scotland's most important market remains the rest of the UK, although the importance of the EU has grown significantly. When the UK entered the EC in 1973, only 23% of all Scottish exports went to other member states. In 1992, this share had more than doubled with 59% going to the European Common Market.[95] Is this change in the relative importance of the national markets and the increasing stability of transnational markets reflected in the regionalist discourse?

(a) Scotland: The question whether Scottish autonomy or separation would reduce market accessibility for Scottish industry has always dominated the debate on nationalism in Scotland. Hence, the SNP was reproached for risking Scotland's economic well-being from

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90 Beisheim et al.(fn. 6), 269.
91 Scottish Enterprise, *Annual Report 1992-1993* (Glasgow, 1993), 37.
92 Québec/Ministère du commerce extérieur, *The Canada-United States Free Trade Agreement. A Québec Viewpoint* (Québec, 1988), 8.
93 Pierre-Paul Proulx, "Economic Integration, it's Effects on the Allocation of Powers, and Economic Policy Challenges for Quebec and the Rest of Canada," in John E. Trent, et al. (eds.), *Québec - Canada. What's the Way Ahead?* (Ottawa: University of Ottawa Press, 1996), 185.
94 Klaus Stolz, *Schottland in der Europäischen Union. Integration und Autonomie einer staatslosen Nation* (Bochum: Brockmeyer, 1998), 87.
95 Ibid., 175.

their first electoral campaigns onwards. Although the party tried to repudiate this blame by explicitly declaring the maintenance of economic union with England a principal goal,[96] they remained quite defensive in this respect. The problem was aggravated by the party's stance on European integration at the time: their slogan "no to London and Brussels", which was coined in defence of the steel and fishing industries,[97] did not seem to favour economic integration. The unionists, on the other hand, succeeded in convincing the public that a big market was more important than autonomy and the implementation of Scottish economic policies.[98] The anti-devolutionists' main line of argument was, nonetheless, the "slippery slope" argument: devolution would lead to secession, which then would mean the break-up of markets.[99] Although the Labour government tried to convince the public that devolution would actually preserve the union, the devolutionists maintained their defensive stance.

The situation changed in the late 1980s, when the SNP developed their "Independence in Europe" concept, which allowed them to propagate the advantages of an even larger market. A central, and usually the principle, argument was that Scotland would remain a member of the EC.[100] "For example, the single market between Scotland and England is guaranteed by the 1957 Treaty of Rome and the 1987 Single European Act – not the 1707 Treaty of Union".[101] The party moved beyond such defensive lines of argument and began to embrace the idea of an open economy as such. The SNP viewed the Common Market as an opportunity for the Scottish export-oriented economy which could only be exploited properly by an independent Scottish government.[102] Pointing to other successful sub-state units and small states in Europe, the SNP portrayed devolution as the "natural" answer to the challenges and prospects of European integration and globalization.[103] The unionists (mainly the Tories and organized business), on the other hand, did not change their strategies at all and tried to fight devolution and separatism with the same arguments, i.e. using the "slippery slope" thesis.[104] Still, the devolutionists were no longer pressurized by such arguments. In sum, the roles within the debate on this issue had changed completely, with the devolutionists moving from the defensive to a pro-active, offensive position.

(b) Québec: In a similar way to the SNP, the PQ has always been charged with jeopardizing access to the national market, although such fears have been accounted for in all their programs, and, in particular, in their concept of "sovereignty-association". In spite of these attempts to assure the public that sovereignty would not mean fragmented markets, their political opponents at the national and provincial levels as well as organized business did not stop to urge this issue. While the federal government announced that it would reject any

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96 Wolfe (fn. 38).
97 Criddle (fn. 36), 55.
98 Isobel Lindsay, "The SNP and the Lure of Europe," in Tom Gallagher (ed.), *Nationalism in the Nineties* (Edinburgh: Polygon, 1991), 92.
99 McLean (fn. 41), 36.
100 SNP (Scottish National Party), *Scotland's Future - Independence in Europe* (Edinburgh, 1989), 2; SNP, *Scotland, A European Nation. The Case for Independent Scottish Membership of the European Community* (Edinburgh, 1992a), 16.
101 SNP (Scottish National Party), *Independence in Europe. Change Now for a Better Life. The case for national status for Scotland as an independent Member of the European Community* (Edinburgh, 1992b), 2.
102 SNP 1992a (fn. 100), 12.
103 Nigel Smith, "The Business Case for Devolution," *Scottish Affairs* 16 (1996), 16, and personal interviews.
104 HMSO (fn. 45), 12f.

negotiations with a sovereign Québec, business leaders declared that they would pull out of the province if it became sovereign.[105]

When the Free Trade Agreement with the United States was negotiated in the mid-eighties, hardly any one saw a connection between free trade and Québec's sovereignty. A remarkable exception was the subsequent PQ-leader Jacques Parizeau, an economist, who declared that sovereignty could no longer endanger markets for Québécois business. He even considered "sovereignty-association" obsolete, since markets would now be guaranteed by the FTA and he expected business to line up with the nationalists.[106] Although the claim for free trade with the USA had a certain tradition within the nationalist camp, this discussion was restricted to a very small group of intellectuals and did not play a role in the public debate.

After Parizeau was elected as the party leader, free trade became a central issue for the PQ. Parizeau assumed that free trade had also changed Canada's ideological landscape, making it impossible to cut economic ties with any partner.[107] The federalists, on the other hand, argued that a sovereign Québec would not automatically become a member of the FTA and that economic ties would have to be re-negotiated.[108] By contrast, the Bélanger-Campeau Commission agreed that the maintenance of the Canadian market was essential, but did not consider it to be endangered by sovereignty. On the contrary, trade liberalization was even seen as a reason to devolve all the political competencies in the economic sphere to Québec.[109]

As the date of the referendum approached, the federalists managed to make market access the central issue of the debate. In doing so, they once again, pressurized the PQ government into assuming a defensive stance. The federal government assisted by declaring that Canada, not Québec, would dictate the conditions of future economic links. Even the US government supported this view with respect to NAFTA. During the campaign, both sides employed experts to support their views, but the federalist camp was clearly in the lead.

To sum up, although the PQ had developed from a traditionally social democratic to a liberal party at least in terms of foreign trade, and had explicitly developed a concept of "free trade nationalism",[110] the opposite camp had grasped the importance of this issue. The polls suggested that guaranteed economic union was a major precondition for voting Yes in the referendum,[111] and the federalists were clever enough to shatter the PQ's argument that this would be the case in the public mind. However, the changed circumstances were reflected in the contents of the debate, and in the fact that the result of the referendum was much closer than before.

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105 Marsolais (fn. 51): 224-226; Fraser (fn. 35), 83f.

106 Austin R. Riggs and Tom Velk (eds.), *Canadian-American Free Trade: Historical, Political and Economic Dimensions* (Montréal: The Institute for Research on Public Policy (IRPP), 1987, 214ff.

107 See Parizeau (fn. 55), 14 and Hudson Meadwell, "The Politics of Nationalism in Quebec," *World Politics* 45, no. 2 (1993), 224.

108 Marsolais (fn. 51), 231.

109 PQ (fn. 85); PQ *Le Parti Québécois. Un projet de société stimulant. Résumé du program du Parti Québécois* (engl.: *The Parti Québécois. A Challenging Project for Québec. Summary of the Parti Québécois' Program* [Translation]) (Québec, 1994).

110 Michael Keating, (fn. 27), 53.

111 *The Globe and Mail*, 30.09.1995.

5.4 Sovereignty and Multi-Level Governance

When a nation-state's problem-solving capacity becomes less effective in many areas, regionalist movements can make use of this weakness by adapting their arguments. They can question traditional notions of sovereignty by, for example, relating regional autonomy to supranational integration and international co-operation. They can also, as the example of the Lega Nord makes clear, exploit individuals' fears and insecurities arising out of the decline of effecitive national and public security policies by propagating "law-and-order" and promising the re-establishment of the state's problem solving capacity. The central intervening variable is a strong involvement of the respective state in international and supranational institutions that also aim at market-correcting policies. If they do have an influence, then the regionalist discourse can be expected to indicate a new understanding of the state and the political sphere. The question then arises which form and what level of autonomy regionalists demand? Have their concepts changed from a more fragmentative (i.e. absolute sovereignty) to a more integrative (pro supranational integration) regionalism? If this is the case, do they base their argument on the nation-state's ineffective problem-solving capacities while aiming at re-establishing it through supranational integration and regional governance? To what degree do democratic arguments such as self-determination and better access to supranational decision-making processes play a role in the regionalist discourse?

To begin with, both Canada and Britain are strongly involved in international co-operation, the latter even being a member of the EU, which balances negative integration (market-making policies) with positive integration (market-correcting policies). In contrast, NAFTA, of which Canada is a member, lacks positive integration and thus does not provide resources for regions on a supranational level.

(a) Scotland: One of the decisive splits between the SNP and Labour concerned the notion of statehood. Like the SNP, the latter were quite state-centered in their strategies, but the state they had in mind was the British state. This social democratic centralism changed only after the 1974 elections, though mainly for tactical reasons, that is, they saw a Labour-dominated Scottish Parliament as a tool to reach their own political goals.[112] This indicates to their purely instrumentalist approach to devolution. Originally, the SNP fought on the same platform: sovereignty was the principal goal, allowing Scotland to redistribute wealth and steer the economy.[113] The 1977 program still declared "sovereignty over territory and resources" to be the principal aim.[114]

The unionists only started to pick up such issues when the 1979 referendum drew closer. Their political arguments focussed on the "West Lothian Question", that is, the reduction of Scottish MPs at Westminster, and the "slippery slope" argument, which implied that devolution would be the first step to independence.[115] The argument exacerbated the growing dissatisfaction with reforms and institutional changes in the last years of the Labour

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112 Bill Niven, "Regional Policy and the Scottish Assembly," in Brown (fn. 68), 214.
113 Bob Tait, "The Left, the SNP and Oil," in Brown (ibid.), 125.
114 SNP (Scottish National Party), *Policy Document: Constitution* (Edinburgh, 1977).
115 McLean (fn. 41), 28, 36.

government. One of their central points, therefore, was "too much bureaucracy", thereby forcing the devolutionists to argue against negative consequences instead of promoting positive ones. The only positive alteration the devolutionists could forward was the democratic question, but they failed to establish this as an issue in the debate. Finally, the "slippery slope" and other negative issues dominated the agenda, aggravated by the negative record of the then unpopular Labour government.[116]

The election of the Thatcher government changed things completely. All political and social forces which had been opposed to the neo-liberal retreat of the state now saw devolution as a means to re-establish the state's problem-solving capacity. The Scottish trade unions, being active members of the Constitutional Convention, made devolution a core element of their platforms. Devolution was seen as the only strategy to get "better policies" in many fields: "... a Scottish Parliament could take action to intervene – to create jobs and cut unemployment. The same arguments hold when you are talking about other "bread and butter" issues too – health, education, social services".[117] The growing perception of the necessity of devolution was clearly a reaction to Conservative politics. Labour and the Constitutional Convention argued along two strands: first, they stressed the democratic argument, accusing the government of establishing many undemocratic QUANGOS (quasi non-governmental organizations). Second, they sought the re-establishment of instruments for economic and social planning.[118] Although Labour subsequently watered down the Convention's proposals in their own manifestos, the party clearly incorporated devolution into a wider concept of political reform.

Labour also changed their thinking on the issue of sovereignty. While the party had stressed Scots Law and the sovereignty of the people until the early 1990s, Blair now declared that the sovereignty of Westminster would not be touched by devolution.[119] The SNP's understanding of sovereignty had already changed within their concept of "Independence in Europe". Membership of the EC was considered a legitimate reason for reducing sovereignty in some areas.[120] Sovereignty was still considered necessary to be an "equal amongst equals" in Europe, but the "pooling of sovereignty" was welcomed.[121] Similar to the Convention, the SNP linked their constitutional goals to democratic reforms.

As in other areas, the Tories' arguments did not waver at all. They reiterated the "slippery slope" argument and the danger of losing Scottish influence in Westminster, which had secured Scotland's advantages under the union.[122] Democratic reforms such as proportional representation were regarded with suspicion. Scottish MPs elected on lists would not have direct links with their voters. Consequently, allowing them to decide would be an "insult" to Scotland.[123]

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116 See Tom Gallagher (ed.), *Nationalism in the Nineties* (Edinburgh: Polygon, 1991), 12.
117 STUC (fn. 73).
118 Constitutional Convention (fn. 74; fn. 75); Labour press releases etc.
119 *The Scotsman*, March 8, 1995.
120 Ibid.
121 Sillars (fn. 43), 5.
122 HMSO (fn. 45)
123 *The Guardian*, July 6, 1996.

During the referendum debate, linking devolution and democratic reform proved helpful to the Yes-side. Their campaign was dominated by four topics: (1) the polarization between Scotland and the Tories, (2) the portrayal of devolution as a means to modernization, (3) arguments against the threat of higher taxes and, finally, (4) the implication that under devolution Scots would decide Scottish affairs.[124] The latter point became increasingly central. The Tories' lack of political legitimation and their unpopular policies were increasingly used to mobilize the public. In this issue area, the Yes-side managed to concentrate on the positive aspects of devolution, while the negative agenda was limited to Tory policies. Scotland Forward and affiliate organizations promised progressive, interventionist and socially equitable policies. Social policy remained a strong issue, and devolution was sold as an "insurance" against Conservative onslaughts on the welfare state.

The development of the SNP's understanding of sovereignty cannot be analysed without taking the European context into account. Of course, their No-campaign before the referendum on EC-membership was based on fears of centralization ("No to London and Brussels"), and the main reason was that Scotland would not be represented ("No voice, no entry"). As a proper nation, Scotland could not be represented in Brussels by England.[125] But even before "Independence in Europe" was adopted as an official strategy, their programs became more pro European, although "Scotland's voice" remained the central argument for symbolic and pragmatic reasons. Amongst the former was the expectation that a positive image fostered by a Scottish EU Commissioner or EU presidency would strengthen Scottish self-consciousness. A pragmatic reason is the simple fact that many relevant decisions are now taken at the European level. Finally, a pro-European stance was a convenient opportunity to charge the Tories for depriving Scotland of some benefits through their anti-European image.

However, the most important change can be detected in the party's understanding of sovereignty. The necessity of veto powers in the EU was no longer derived from historical claims to sovereignty. Instead, it was increasingly seen in pragmatic terms, and it was thought that veto powers would never be invoked anyhow. A positive, pro-European image would be the best for Scotland. The "little Englanders" had always fought against Europe and had developed a negative image. European integration was seen as an example for small states which had never been as powerful as within the EU framework, where the Commission would support their interests.[126] Finally, the change towards "Independence in Europe" was a strategic move to fight the Tories' argument that the SNP would turn Scotland into a "socialist, isolated state".[127] They were even able to turn the argument around and blame the Tories for isolating Scotland from the rest.

The non-separatist devolutionists increasingly referred to the European context to support their arguments as well. Following the STUC, the Labour Party portrayed Europe as a means

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124 Peter Jones, "A Start to a New Song: The 1997 Devolution Referendum Campaign," *Scottish Affairs* 21 (1997), 9.

125 Wolfe (fn. 38), 138.

126 SNP (Scottish National Party), *Independence in Europe. Make it Happen Now! The 1992 Manifesto of the Scottish National Party* (Edinburgh, 1992c); SNP: *Recovery in Scotland. Make it happen now! How we will Rebuild the Scottish Economy* (Edinburgh, 1992d); SNP 1992a (fn. 100); SNP (fn. 101).

127 Scottish Conservative Party, *Politics Today No. 2, 1991: Scotland* (London, 1991), 31.

to fight Conservative policies by gaining allies across the continent.[128] Decentralization was seen as compatible with developments on the continent, where, according to the Labour Party, subnational units like the German Länder had the opportunity to influence European policies. To their understanding, having a Scottish voice and belonging to a big member state were two ways of exerting as much influence as possible. The fact that they referred to the Committee of the Regions did, of course, invoke harsh criticism from the SNP, who had no desire to define Scotland as merely a region. The concepts of the Constitutional Convention and other organizations include the European context as well. The Convention was the organization that moved the furthest away from traditional understandings of sovereignty. According to them, Scotland should have a voice in Europe, but not by establishing a new nation-state. In any event, Europe was moving away from that concept, while the principle of subsidiarity would increase the importance of sub-national units.[129]

Taken together, domestic political factors and the European context advantaged those forces in Scotland which fought for political decentralization. The devolutionists' goal to re-establish the state's problem-solving capacity was obviously in line with the desires of the Scottish electorate. Scotland Forward was clever enough to study their opinions and needs and use the results of such polls to adjust their campaign.[130] Most importantly, the SNP's perception of sovereignty also had changed. According to Isabel Lindsay,[131] three aspects of the SNP's pro-European move have to be distinguished. They now saw Europe as a means to (a) achieve independence by bypassing Westminster, (b) refute the blame of being separatist, and (c) to find a way out of psychological and practical dependence on the UK.

(b) Québec: The debate on economic policy as already seen above has indicated that the PQ has always been a political force that stressed the importance of state intervention. This strong role was not restricted to domestic policies, for their understanding of sovereignty resembled de Gaulle's "Europe des patries".[132] This mixture of a strong state and absolute sovereignty led the federalist Liberals to criticize the Péquistes for their "isolationism" and refer to their leader, René Lévesque, as the "Castro of Québec".[133] The PQ's strong interventionism made the unions their truest ally, since they expected sovereignty to lead to "democratic socialism".[134] When the PQ was first elected to provincial government in 1976, the "patriation" of the Canadian constitution was on the agenda, while both main political parties used the debate to demand more powers for Québec within the federation. The difference, however, lay in the PQ's insistence on sovereignty, which was still traditional but did not exclude economic interdependence. Referring to international law, the PQ government defined sovereignty as the ability to make political decisions without being

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128 STUC (Scottish Trades Union Congress) General Council, *Supplementary Report to Section Q "Home and International Affairs" on Scottish Constitutional and Electoral Reform, 93rd Annual Congress, 16.-20. April 1990* (Glasgow, 1990); STUC 1992 (fn. 73); Labour (Scottish Labour Party), *Election Manifesto 1992* (Glasgow, 1992).

129 Constitutional Convention (fn. 74), 8.

130 See Political Context (fn. 46).

131 Lindsay (fn. 98), 87-90.

132 Peter Waldmann, *Ethnischer Radikalismus. Ursachen und Folgen gewaltsamer Minderheitenkonflikte am Beispiel des Baskenlandes, Nordirlands und Québecs* (Opladen: Westdeutscher Verlag, 1989), 145.

133 Saywell (fn. 48), 33.

134 Marsolais (fn. 51), 205.

subordinate to any superior political level.[135] While the social democratic program had already been watered down, the PQ government still promised state-centred social development. An independent Québec should be able to combine social, employment and education policies in order to follow a coherent strategy of social development, which again persuaded the then PQ-critical trade unions to support them in the referendum campaign.

In this area, the Liberals had more difficulties in countering the PQ's arguments. They were eager not to appear as defenders of the status quo, but promised "renewed federalism" with more powers for Québec.[136] They still believed in the possibility of asymmetrical federalism, claiming that both levels of government should be "sovereign" in their competencies.[137] Attacked by Lévesque, who said that their position would then even fall behind the attempts of the last 20 years to achieve more power, the Liberals turned to the Québec version of the "slippery slope" argument. A Québec run by separatists and demanding "sovereignty-association" with Canada would be similar to Cuba trying to become a Canadian province.[138]

Political rights and sovereignty re-entered the political agenda only two years after the referendum, when the constitution was "repatriated" from London without Québec's consent. The refusal of special competencies to the province was seen as the denial of the Francophones' political community.[139] The claim to more political power was also based on the federal government's refusal to include Québec's status as a "distinct society" in the constitution. Political and cultural aspects are, therefore, difficult to separate here. The "distinct society" clause was included in the later rejected Meech Lake Accord. After its failure, the Bélanger-Campeau Commission also argued that Québec needed more political powers to defend the Francophone community. On the one hand, then, the Commission admitted that, in the face of globalization, the state had lost some influence. On the other hand, it was expected that having the powers of a sovereign state would enable Québec to organize social change.[140]

In the years that followed, a gap between the PQ's platform and actual policies can be detected. While the party's economic policy had become rather neo-liberal and traditional concepts of social policy were criticized rhetorically, every single promise regarding what a sovereign Québec would be capable of still implied a strong state.[141] Sovereignty was defined according to the following three criteria: (1) Québec should collect all taxes, (2) every law should be passed by the National Assembly, and (3) every international treaty should be negotiated by the Québec government and ratified by the National Assembly.[142] Changes in the international context served as an argument that Québec needed full sovereignty to pursue its interests.[143] Canada's consent was not seen as a prerequisite for independence

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135 Québec/Gouvernement/Conseil exécutif (fn. 52), 50.
136 Ibid., 14f.
137 Parti Libéral, *Une nouvelle fédération canadienne. La Commission constitutionelle du Parti libéral du Québec* (Montréal, 1980), 22.
138 Marsolais (fn. 51), 102.
139 Daniel Latouche, "Canada and Québec, Past and Future: An Essay," in: *Royal Commission on the Economic Union and Development Prospects for Canada (MacDonald-Commission)*, Vol. 70 (Toronto/Buffalo/ London: University of Toronto Press, 1986), 57.
140 Commission sur l'avenir politique et constitutionnel du Québec (fn. 29), 53.
141 PQ 1994 (fn. 85); PQ (fn. 61).
142 PQ 1994 (fn. 85), 43; PQ (fn. 109), 5.
143 PQ (fn. 109), 6.

and the establishment of common institutions with the former mother country was restricted to the economic sphere.[144]

This radical stance was severely watered down during the referendum campaign. In the face of widespread fears, Parizeau accepted the necessity of proposing political union with Canada in order to ensure public support.[145] Bloc Québécois leader Bouchard referred to the Maastricht treaty as an example of a future relationship between the two countries.[146] Finally the original plan to declare sovereignty and then negotiate political union[147] was reversed. As such, the referendum question was: "Do you agree that Québec should become sovereign after having made a formal offer to Canada for a new economic and political partnership within the scope of the bill respecting the future of Québec and of the agreement signed on 12 June 1995?".[148] In spite of this modification, the unions and the "Partenaires pour la souveraineté" declared sovereignty the primary means to achieve social solidarity. In contrast with the PQ, whose political reforms linked to sovereignty consisted of a mere decentralization within Québec, these two organizations combined sovereignty with democratic reforms.[149]

The opposite camp was eager to make it clear that a No in the referendum would not mean satisfaction with the status quo (interview). Canadian federalism should be "flexibilized". Claiming that Québec could exercise more sovereignty within Canada than EU member states, the Liberals accused the PQ of having an "orthodox" understanding of sovereignty while hiding the main consequence of sovereignty: borders. A Yes in the referendum would mean the end of mobility for Québécois in Canada, Liberal leader Johnson declared.[150] Prime Minister Chrétien made it clear that a Yes would result in Canada treating Québec "just like every other foreign country".[151]

In sum, the role of the state was a salient issue in Québec's regionalist discourse. The specific corporatist tradition was used by the nationalist forces to mobilize the public for sovereignty. Yet the peaks of regionalist mobilization had less to do with the state's declining problem solving capacity. Rather it was the perceived refusal of the Canadian state to meet Québec's specific needs that led to upsurges of separatism. The corporatist political culture did nevertheless force the sovereigntists to link their primary goal to social reform which in turn require an active state. The only method with which they could convincingly promote sovereignty was to find functional arguments why full sovereignty was needed to pursue the common good. They had to insist on the policy-making capacities of nation-states. Consequently, they were torn between their aspirations and the actual loss of the state's problem-solving capacity.

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144 PQ 1994 (fn. 85), 45.
145 See Richard S. Conley, "Sovereignty or the Status Quo? The 1995 Pre-Referendum Debate in Québec," *Journal of Commonwealth & Comparative Politics* 35, no. 1, 84f.
146 Manon Cornellier, *The Bloc* (Toronto: J. Lorimer, 1995), 144.
147 Québec/Gouvernement *Draft Bill on the Sovereignty of Québec. A Message from the Prime Minister* (Québec, 1994), 3.
148 See Derek Bateman, "Quebec: The Second Referendum", *Scottish Affairs* 14 (1996), 5f.
149 CSN (fn. 87).
150 *The Globe and Mail*, 28.9.1995.
151 *The Gazette*, 27.8.1995.

5.5 Cultural Globalization, Identities and the 'Narcissism of Small Differences'

If cultural globalization blurs national differences in culture, the desire for difference may be alternatively provided by smaller units. In order to probe the role of this causal pathway, the following questions need to be discussed. (1) Is there a growth of cultural events (theatre, exhibitions, film production) in the regional language and/or relating to the regional cultural tradition? (2) Does the circulation of regionally based newspapers and extent of regional TV programs increase? (3) How important is regional identity for regionalist propaganda? Is the regional collective identity defined according to ethnic, historical, linguistic or territorial criteria? (4) Do regionalists see the region's cultural identity as a response to homogenization in world culture? (5) Is it restricted to the region itself, does it reach out to trans-national or post-national collectivities and how is the "other" constructed?

(a) Scotland: Although Britain imports fewer culturally relevant goods than other G 7 states, growth between 1970 ($ 457.4 million) and 1987 ($ 7303.9 million) is significant. Imports of newspapers and journals grew from $ 14.1 billion in 1970 to $ 230.7 billion in 1993. On British TV, the content produced outside the UK grew from 12.5% in 1973 to 17% in 1986.[152] Being a part of Britain, Scotland is inevitably exposed to a significant influx of cultural influences. It should be noted, however, that Scottish TV programs have increased as well and that the newspaper market is dominated by Scottish products.[153] In this sense, cultural exposure to the world market has been responded to by an increase in the consumption of regional cultural goods.

The existence of a distinct Scottish cultural identity has always been subject to debate. The widespread conviction that such a culture exists is based on a few myths which nonetheless reflect aspects of reality. There is hardly any distinct language to speak of (only 1-1.5% of the population speak Gaelic), but the cultivation of *Scots*, the dialect spoken North of the border, is definitely part of the collective identity. Scottish nationalism is said to have weak historical connections,[154] but some elements of the collective identity are based on historical events which are interpreted in a specific way (the re-interpretation of the Act of Union as English conquest is one example). Another prominent myth is Scottish "collectivism", based on the radical tradition of the labour movement. Studies have actually revealed that collectivist values are shared by more people in Scotland than in England.[155] Finally, the distinct institutional system including the Presbyterian Church, Scots Law, the educational system and especially the national football team have shaped Scottish identity and the awareness thereof to a great extent.

For the SNP, Scottish identity has always been linked to the myths of collectivism and egalitarianism. The ethnic element has never been strong, although some people like ex-party leader Billy Wolfe tended to derive such values from the Celtic origins (another myth) of the Scottish people.[156] At the same time, Scottish identity has hardly been exclusive, that is,

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152 Beisheim et al. (fn. 6), 73-90.
153 Stolz (fn. 94), 108f.
154 See Richard J. Finlay, "Controling the Past: Scottish Historiography and Scottish Identity in the 19th and 20th Centuries," *Scottish Affairs* 9 (1994), 129f.
155 Arthur Midwinter, Michael Keating and James Mitchell, *Politics and Public Policy in Scotland* (Houndsmills/London: MacMillan, 1991), 210.
156 Burnett (fn. 68), 117.

usually all people living in Scotland were included in the construction of the Scottish people. There were, however, certain fears that Scottish culture might be endangered by "uncontrolled immigration from England and elsewhere",[157] but such factors never played a significant role in SNP policy. Their definition of Scotland has always been a territorial one. Scottish citizenship should be given to everyone living in Scotland at the time independence was achieved.[158] Questions of cultural identity therefore never played a role in election campaigns of the seventies or the referendum debate of 1979.

In the following years, cultural identity only played a role in SNP manifestos. The construction of identity was still inclusive, immigrants were seen as enriching Scottish society.[159] History was used to mark Scotland's affinity towards the continent, pro-Europeanism thereby marked a central element of Scottish identity. At the same time, the anti-European bias of English politics was seen as isolating Scotland from Europe, and the "little Englanders" were accused of xenophobic tendencies.[160] Scottish inferiority should be overcome by strengthening the European component of Scottish identity. Only the plans to support Gaelic by printing all official documents bilingually[161] and increase the proportion of Scottish-made broadcasting programs to 40%[162] seemed a little backward-looking, but they did not imply strict enforcement. On the whole, the party tried to appeal to the voters' emotions by accusing opponents of independence of being "anti-Scottish".[163] The non-separatist wing of Scottish nationalism remained silent on this issue until the debate on a Scottish Parliament emerged again in the late eighties. Scottish culture was then seen in very similar terms as to those of the SNP.

During the referendum campaign of 1997, the Yes-side clearly appealed to the emotional side of Scottish identity. Without explicitly marking elements of Scottishness, the campaign focused on "Scottish solutions, Scottish issues, Scottish priorities".[164] The press, almost unanimously on the Yes-side, stressed the right to self-determination, while Scotland Forward and the SNP portrayed the No-side as the "same old anti-Scottish Right" (press releases). Such an emotional campaign was difficult for the unionists. They accused the Yes-side of backwardness and "jingoism", calling their appeal to Scottish identity the "Braveheart-campaign" which would endanger Scottish jobs. Such allegations of irrationality were again seen as an attack on Scottish self-confidence and identity, especially when they were picked up by Baroness Thatcher, one of the most unpopular people in Scotland.[165] Hence, on referendum day, The *Scotsman* wrote that "those who would save Scotland from itself seem to think little of the Scots." Their attempt to appeal to a sense of Britishness also failed – not even the death of Princess Diana could mobilize pro-British sentiments.[166] Finally, they

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157 Wolfe (fn. 38), 160.
158 SNP (fn. 114), 1.
159 SNP (Scottish National Party), *Play the Scottish Card. SNP General Election Manifesto 1987* (Edinburgh, 1987), 3-8.
160 SNP 1992a (fn. 100).
161 Ibid., 16.
162 SNP 1992c (fn. 126), 8.
163 SNP (fn. 101), 4.
164 Labour (Scottish Labour Party), *Referendum Briefing Notes. The Scottish Parliament - the Facts* (Dunblane, 1997).
165 *The Scotsman*, Sept. 9, 1997
166 Jones (fn. 124), 12.

repeated the mistakes of the past by blaming Scottish politicians of being incapable of running the country and threatening that Scotland's share of the budget would be reduced.

In sum, the development of Scottish identity reveals two interesting aspects. First, the perception of a distinct identity and a positive understanding thereof has definitely increased, as can be detected in polls.[167] This development made it easier for the devolutionists to criticize the No-side for being anti-Scottish. Second, the Scottish collective identity seems to be compatible with cultural globalization. Although there is a growing consciousness of the Scottish past, while symbols such as the Kilt have reappeared in public life and a renaissance of Scottish literature, drama, music and arts can be detected,[168] this development has by no means changed the openness of the Scottish collective identity construction. While the personal openness is rooted in the widespread myth of collectivism, the easy incorporation of a European component was made still easier by the former dual identity of being Scottish and British.

(b) Québec: There is no doubt that the French language is the key element of Québécois identity. Before the Quiet Revolution the past, it was used by the clerical elites to "protect" the population from secularized influences on the continent.[169] After the Second World War, the construction of identity started to change from "French Canadians" to Québécois", while the territorial component increasingly replaced the religious focus.[170] The struggle over the language has always dominated the debate and shaped the cleavage against English speaking Canada. Within the political elite, there is a consensus that there is a Francophone nation represented by the sovereign government of Québec. The main cultural difference with Canada is the relationship between individual and group rights. For the Québécois, Canada consists of several communities whose rights have to be protected. They never shared, therefore, the "Canadian dream" of a society based on individual rights.[171] Although this view changed with the Quiet Revolution, the cleavage between individual rights and the defence of Québec's cultural identity remains on the agenda. The question arises of whether the aggravated fight for Québécois culture has to do with cultural globalization and how far the perception thereof has changed qualitatively. Data is difficult to find. On the one hand, Canada has one of the highest shares of culturally relevant imports in the Western world.[172] On the other hand, Québec's imports are mainly from Francophone countries and, hence, used to support the development of Québécois culture.[173]

The traditional definition of Québécois identity, as it was represented by the PQ and predecessors, was at least in part an ethnic one. The PQ believed that every people

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167 See Lynn Bennie, Jack Brand and James Mitchell, *How Scotland votes. Scottish parties and elections* (Manchester/New York: Manchester University Press, 1997), 132-134.

168 Harvie, Christopher, *Scotland and Nationalism. Scottish Society and Politics 1707-1994* (London: Routledge, 1991), 30.

169 Clift (fn. 49), 87-90.

170 Dimitrios Karmis, *Identities in Québec: between 'la souche' and atomization* (Montréal: Cahiers du PEQ [Program d'études sur le Québec No. 8], 1997), 14.

171 Jane Jenson, 1997: "Fated to Live in Interested Times: Canada's Changing Citizenship Regimes," *Canadian Journal of Political Science/Revue Canadienne de Science Politique 30*, no.4, 638f.

172 Beisheim et al. (fn. 6), 88ff.

173 Alfred Olivier Hero and Louis Balthazar, *Contemporary Québec and the United States 1960-1985* (Boston: Harvard University Center for International Affairs, 1988), 218/255f.

possesses a "collective personality" which has to be looked after.[174] In the political debate, the main issue remained the French language and its protection from assimilation. Right from the beginning, the PQ promised to make French the only official language.[175] Especially after electoral defeats, the party tended to polarize between linguistic groups, blaming the "Anglophone block" for preventing the majority from living up to their needs.[176] Over the years, immigration policy became another element of the battle for the Francophone culture. The fact that immigrants preferred to send their children to Anglophone schools caused the PQ to propose laws forcing them to be educated in French.

After their election in 1976, one of the first moves of the Lévesque government was to pass a law to protect the French language. The party was split on this issue,[177] but the assimilationist wing striving for the forced assimilation of immigrants was in the lead when Bill 101 was passed. The referendum debate was dominated by cultural issues; the Lévesque government declared the equality of Francophones the main reason for sovereignty-association. Historical events such as the 1763 law excluding Francophones from public service were dug out to show how disadvantaged Francophones had always been. Canada's extension to the West was portrayed as an anti-Francophone conspiracy intended to turn them into a minority.[178] This demographic threat was a cornerstone of the PQ's line of argument in the referendum campaign. Although the Liberals shared many points,[179] this led to a polarization along the linguistic cleavage. Almost every single non-Francophone in the province, including the native peoples, voted against sovereignty-association.[180] While the PQ tried to avoid any ethnic definition of the Québec nation, they effectively did so by constructing the collective identity along linguistic lines and historical developments.

After the lost referendum, the integrationist wing within the PQ gained influence. Nationalism was modernized and deprived of some authoritarian elements. The fear that the Francophone culture might be undermined, however, remained.[181] For Québec's political elites, the failure of the Meech Lake Accord was but one more backlash against the Francophone community within Canada. The rejection of the distinct society clause was the main motive for the strengthening of Québec nationalism in the aftermath of Meech Lake. Parizeau stated that the fact that Canada had remained united over such a long period was obviously the result of a misunderstanding. While Québec had always thought that Canada was comprised of two founding nations, English Canada considered the country to consist of ten equal provinces.[182] Within the PQ, the integrationist wing lost influence; a proposal to allow bilingual signs again was turned down at a party convention.[183]

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174 Waldmann (fn. 132), 145.
175 Saywell (fn. 48), 40.
176 Ibid., 40.
177 Gaetan Tremblay, "The Future of Quebec's Culture and Communication System in the Post-Referendum Context," *Scottish Affairs* 17 (1996), 51.
178 Québec/Gouvernement/Conseil exécutif (fn. 52), 55.
179 Parti Libéral (fn. 137).
180 Marsolais (fn. 51), 135.
181 Clift (fn. 49), 127.
182 Jacques Parizeau, *Notes for a speech at the Annual Assembly of the Eastern regional Conference of the Council of state Governments*, 7.8.1995, 3.
183 Karmis (fn. 170), 20.

No other topic took more room in the debates and the final report of the Bélanger-Campeau Commission than Québec's culture. Québec's identity, not only defined by language, but also by the province's former achievements and international presence, was considered to be endangered within the Canadian federation. The Commission stated that it was obviously impossible to reconcile the Québécois and Canadian identities, visions and aspirations within the framework of Canadian federation.[184] The conclusion was clear: either Québec would get full sovereignty in all culturally relevant areas and a right to veto in constitutional affairs, or separation was inevitable.[185] The PQ and the unions went further still, and declared that Québec could live up to her "personality" as a sovereign part of "global village".[186] The international context was explicitly referred to as a better framework to protect Québec's culture.

While the main concern of the Commission had been Canada's rejection of the Francophone culture, the referendum debate was again shaped by attempts to positively define Québec's identity. The PQ program was torn between civic and ethnic definitions; the 1991 program defines Québécois as being Francophones. In 1993, Parizeau declared that independence could only be achieved with the support of the "Québécois de souche".[187] At the same time, the party tried to appear open and tolerant by stressing the rights of the Anglophone minority, whilst insisting that French was the main vehicle of Québec's cultural identity. Admitting that no culture could survive without external influences, the PQ made it clear that Québec's culture was Francophone. A sovereign Québec could profit from co-operating with other Francophone states and immigrants would make a clear decision to go to a Francophone country.[188]

The trade unions, traditionally critical of free trade, were able to relate their arguments to the dangers of increased trade for Québec's culture.[189] They also stressed other elements, particularly the corporatist structures and "collectivist" values, which were said to be incompatible with neo-liberal free trade ideology.[190] With regard to the cultural-nationalist organizations such as the Société St. Jean-Baptiste and the Mouvement National des Québécoises et Québécois, Canadian constitutional history remained the principal threat. Still, they also referred to cultural globalization, arguing that in the face of uncontrolled trade, efforts should be stepped up maintain Québec's "exclusively French" character.[191] The latter was also seen to be endangered by the immigration of Anglophones and other non-French-speaking groups. Therefore, they demanded legal guarantees that immigrants be integrated into the Francophone community (Conley 1997: 78).[192] In addition, they wanted French to be the only language of instruction in Québec's schools, with English lessons beginning at the higher

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184 Commission sur l'avenir politique et constitutionnel du Québec (fn. 29), 19, 27.
185 Ibid., 48f.
186 PQ (fn. 56), 6.
187 Old stock Québécois, Keating (fn. 66), 18.
188 PQ 1994 (fn. 85), 36ff.
189 FTQ (Fédération des travailleurs et travailleuses du Québec), *Plan d'action. Plus qu'un oui. Un pays! Référendum 1995* (Montréal, 1995a); FTQ, 1995b: *Manifeste de la FTQ. Plus qu'un oui. Un pays! Référendum 1995* (Montréal, 1995b); CSN (fn. 87).
190 FTQ 1995a (fn. 189), 6.
191 SSJBM (Société Saint-Jean-Baptiste de Montréal), *Pour une culture publique commune. mémoire de la Société Saint-Jean-Baptiste de Montréal* (Montréal, 1995), 20.
192 Conley (fn. 145), 78.

grade, and to improve students' knowledge of Québécois history in order to develop a "culture publique commune".[193]

The PQ shared some of the above anxieties. The globalization of the media and cultural markets as well as migration were seen to undermine the cohesion of national cultures and spaces.[194] In their view, national cultures were still necessary to lead societies; even economic strategies would not make sense without a "cultural plan".[195] On the other hand, the party still tried to portray globalization as a chance to strengthen Québec's culture and to develop a positive image of open-mindedness.[196] Parizeau defined the increasing exchange of information and culture as a chance to present Québec to the world.[197] According to Québec's Minister of Culture, growing interdependence leads to an increasing demand for cultural affirmation and recognition amongst countries and peoples. Having subjected its own cultural market to Americanization, English Canada would not be able to understand such aspirations.[198]

However, all the attempts to endow Québec nationalism with such an image of open-mindedness were undermined when some prominent nationalists made inept comments. For example, one Bloc Québécois politician declared that only people of French descent would qualify as Québécois; another one wanted to deprive immigrants of their right to vote in the referendum (Conley 1997: 80). The cultural-nationalist organizations took the most radical position on the language issue. They even criticized the fact that the referendum question did not include proposals for language regulation in a sovereign Québec. According to their perspective, sovereignty was primarily a means to protect Québec's culture (Conley 1997: 78). Their construction of identity was primarily based on descent: "Les Québécois partagent une histoire, une culture et une langue: le français".[199] Such definitions, however, exposed the nationalist camp to allegations of being ethnically minded or even racist. In this case, the debates surrounding the situation of linguistic minorities proved to be the nationalists' biggest problem. Their organizations stayed away from the public hearings, thereby further undermining the legitimacy of the pre-referendum proceedings. The nationalists were in a Catch-22 position: "In case the PQ government ignores the existence of such minorities, it is accused of being assimilationist. If it does, it is accused of making differences and discrimination" (interview).

Despite the nationalists' problems in this issue area, it also proved to be their strongest asset. No one could afford to downplay the defence of the Francophone culture, and even the Liberals considered the language to be the "heart" of it.[200] Therefore, the bilingual cleavage remained the crucial one. The separatists' gains compared to 1980 were only made amongst the Francophone population, 60% of whom voted Yes, while 95% of those speaking

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193 Ibid., 14.
194 PQ 1993 (fn. 85); PQ 1994 (fn. 85), 14.
195 Ibid.
196 Québec/Gouvernement (fn. 60).
197 Jacques Parizeau*, Notes for a Speech at the Canadian Club by the Canadian Prime Minister Jaques Parizeau. A Frank Talk between Neighbours about the Present and the Future* (Toronto, 22.11.1994), 3.
198 La Presse, Oct. 19, 1995; The Gazette, Oct. 17, 1995.
199 SSJBM (fn. 191), 3.
200 Parti Libéral, *Agir pour le Québec. Document d'orientation politique. 26e Congrès des membres, Mars 1994* (Québec, 1994), 58.

other languages at home voted No.[201] This reflects a significant change in the Québécois' definitions of collective identities. In 1970, only 21% of the Francophone population considered themselves *Québécois*, while 44% thought of themselves as *Canadiens français* and 34% as *Canadiens*. The latter option had already dropped to 14% in 1979, with 37% seeing themselves as *Québécois*. In 1990, the proportions had changed completely: 59% of the Francophones identified themselves as *Québécois*, 28% as *Canadiens français* and only 9% as *Canadiens*.[202] Hence, identification with Québec rose significantly. It is quite interesting to see that this process went hand in hand with the modernization of the identity construction and increasing openness of Québec's society to external influences. One may interpret these findings as support for the "narcissism of small differences". However, the PQ has so far been unable to effectively use the changing international environment to mobilize a majority in favour of sovereignty.

6. Conclusion

Globalization offers new opportunities for regionalist mobilization by reducing risks of and creating new incentives for regionalism. However, this seems to be only true if the regionalist movement in question displays certain characteristics. A successful economy and a form of regionalism that is self-confident enough to feel prepared to act in a global environment are the most important features of successful regionalism in a globalized world. Only such regionalist movements can take advantage of the new opportunity structures by adapting to the new environment. As both cases discussed above reveal, this adaptability does not simply depend on political entrepreneurs' strategies, but proves to be highly path-dependent and lies in the history and the economic success of the region. At the same time, the cases of Scotland and Québec demonstrate that the new opportunity structure can be utilized for quite different political programs. In the context of globalization, regionalism must not necessarily be neo-liberal in nature, aiming at reducing obligations towards weaker regions. The new opportunity structures can also work in favour of leftist or collectivist regionalisms as long as there is a sufficiently strong economic base.

The most obvious impact of globalization on the regionalist discourse can be found in the economic sphere. In both cases, regionalists were able to use the reduced risk of losing markets to their own advantage. The comparison, however, shows that the character of the market-maintaining international institution matters: the European Common Market seems to be more convincing than a mere trade agreement such as NAFTA. The PQ had more difficulties in convincing the public that market access was secure than the devolutionists in Scotland. While in Canada the nation-state still promises more economic security, this function has been taken over to a certain degree by the EU in Scotland.

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201 Jean Guy Lacroix, "The Reproduction of Quebec National Identity in the Post Referendum Context," *Scottish Affairs* 17 (1996), 72; David Milne, "Past and Future: Reflections after the Referendum," in John E. Trent et al., eds., *Québec - Canada. What's the Way Ahead?. Nouveaux sentirs vers l'avenir* (Ottawa: University of Ottawa Press, 1996), 82.

202 For data, see Pinard 1992, 1997 (fn. 27).

Regional or endogenous development strategies can support regionalist mobilization especially in regions whose political tradition differs from the national one. One important precondition is the relative success of such strategies. Both Scotland and Québec have caught up economically because their strategies of corporatist concertation proved to be more coherent. Since regionalist actors could easily refer to globalization here, they can be regarded as regionally specific responses to the challenges of globalization. Success also implies a further precondition: relative wealth proved to be important for extending the support base for regionalism. As opposed to the seventies, protagonists of regionalism avoided portraying the regional economy as weak. Instead, they stressed the endogenous potential which could only be developed if strategies were employed at the appropriate level. It is wrong to assume that in the age of globalization regionalism is necessarily a welfare regionalism based on neo-liberal ideology. It is true, however, that economic success is a pre-requisite for successful regionalist movements. This is different from earlier times.

Legitimacy crises could be detected in the UK and Canada, although both were seen and protrayed as home-made, rather than induced by globalization. In Scotland, the widespread support for devolution was a clear rebuttal of the neo-liberal withdrawal of the state, which can, in a certain way, be portrayed as both a driving force and a result of globalization.[203] As in Québec, the legitimacy of the state was further undermined by centralization. Therefore, one of the main arguments for devolution was that a Scottish Parliament could protect Scotland against such neo-liberal policies. Regionalism does indeed arise against the background of a perceived crisis of the nation-state. However, the perception of crisis must not necessarily result from too much state and regulation for dealing with the challenges of globalization. It can equally be the result of too much neo-liberalism, as in Britain, or too much of the status quo, as in Italy. Today's regionalism is characterized by a new opportunity structure and seems to be wide open with respect to its ideological connotations.

The main difference between the two cases in question lies in the fact that Scottish nationalists explicitly refer to European multi-level governance, while the PQ wants to reduce the number of political levels. Their arguments against Canadian federalism resemble those of the British Tories against devolution and supranational integration. These patterns of argument are based on a traditional understanding of sovereignty which is less compatible with the complex situation induced by globalization. While in the PQ case this is definitely a reaction to Canada's unwillingness to acknowledge Québec's needs, the comparison shows that people can be more easily convinced of political decentralization in cases where an external support system such as the EU exists. Even unpopular nation-states still promise more protection than states-to-be, which means that the significance of the nation-state has not declined as much as the debate on globalization, at times, implies. Yet national sovereignty loses importance wherever governance systems beyond the nation-state turn out to be functional. In such cases, regional nationalists do not need to continue waving the sovereignty flag, which seems to place them in conflict with reality.

Regional cultural identities can be both a mobilizing factor and an obstacle to modernization. Although there was scant evidence that globalization is seen as a threat to the regional cultural identity, this does not necessarily negate our argument. The underlying mechanism is rather a subconscious one, and explicitly negative reactions to other cultures have a

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[203] Gill (fn. 11).

negative connotation in Western democracies. While the correlation between cultural globalization and growing identification with Scotland and Québec is obvious, the increased cultural exchange not only leads to defensiveness, but regionalist actors also regard it as a chance to strengthen the regional cultural identity internally by presenting it externally. The Scots were more successful in this regard than the Québécois, although cultural factors play a much more important role in the latter case, where the Francophone culture is perceived to be under threat. It is precisely this strong bilingual cleavage that has been the main obstacle to developing a convincing modern and open-minded construction of Québécois identity. The perceived threat leads to an increased desire to mark off one's own cultural identity against others. In the case of Québec, this led to polarization and even alarmed members of the Francophone community.

A collective identity that does not include traces of ethnic criteria of belonging can obviously mobilize broader segments of the population for regionalist goals. In Scotland, the boundaries are territorial and institutional, which means that every person who lives within the country can be won for a regionalist project. Again, the Scots do not face the same problems as the Québécois. Immigrants, for example, do not have the choice to associate with another linguistic group, which is seen as a threat to the Francophone (on the Canadian scale: minority) culture and in turn increases assimilationist tendencies. The Scottish identity construction is as path-dependent as the Québécois. Having joined the UK voluntarily provided for a dual identity in which the "British" part is now increasingly replaced by a European part. In Québec, the development of the collective identity construction took the opposite direction, from *Canadien français* to the one-dimensional *Québécois*, which still includes exclusive elements. Again, it can be stated that the content of today's regionalism is not pre-determined by the new opportunity structure, but that we can observe quite different types of regionalism along the dimensions of inclusion and exclusion.

The comparison of these two cases shows that the impact of globalization on regionalism is as uneven and diverse as the process itself. It can strengthen regionalism through the changes it induces in the economic, political and cultural spheres. An optimistic conclusion of our comparison could be that regionalists with an inclusive identity construction who see themselves as part of a complex form of governance beyond the nation-state, and are able to link their claims to promising regional development concepts, should be more successful in the long run. However, whether regionalists are able to take advantage of these new opportunity structures is highly path-dependent. The main factors, such as economic development potential, inclusiveness of the regional or national identity construction or understandings of sovereignty which are compatible with societal and political denationalization, are not born overnight. On the contrary, economic potential and conceptions, political culture and collective identities usually need a long time to develop. Taken together with the strategies regionalist actors need to develop, these diverse prerequisites for successful regionalist mobilization suggest that there is no simple recipe for successful regionalism - which is not a completely surprising result. The impact of globalization on regionalism - and thereby the challenge of the nation-state - is and will remain quite asymmetric.

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