paradiplomacy: a nation-building strategy?
a reference to the Basque Country

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One of the less commonly discussed features of multinational societies is the effort of their distinctive segments to become active internationally. This is most noticeable in Canada, where Quebec has developed considerable international contacts since the 1960s and where Aboriginal populations have taken their claims to international forums. It has more recently become a striking characteristic of the Belgian political system as the Flemish and Walloon governments have, since the formal federalization of 1993, developed their own foreign policy and conducted their own international relations. In Spain, Catalonia and the Basque Country have been developing, according to the provisions of their Statutes of Autonomy, a significant international presence. These developments have been associated with similar outcomes in other decentralized countries such as Australia, Germany and the United States and treated under the wider rubric of paradiplomacy, that is, the foreign policy/international relations of regional governments. There is nothing inherently flawed in considering the international activity of Quebec, Flanders or Catalonia in relation to that of Queensland, Baden-Württemburg and California, nor is it necessarily problematic to view all of those cases as instances of paradiplomacy. However, the tendency of paradiplomacy theorists to view federalism as the most important explanatory variable for the international activity of regions produces an incomplete, even inadequate understanding of the phenomenon. Indeed, this position fails to recognize and account for
the qualitative difference between this outcome in multinational states and in nation-states. It marginalizes the importance of nationalism in explaining the breadth, scope and intensity of a region’s international activity in the former and its absence, or lesser prominence, in the latter. Consequently, paradiplomacy, at least in its most developed form, needs to be reconceptualized through a theoretical linkage with substate nationalism.

This chapter shows how nationalism logically leads regional governments to seek international agency. The first section argues that paradiplomacy is a likely consequence of the existence of a strong nationalist movement because it provides opportunities for identity/nation-building, political-territorial mobilization and the promotion of regional interests. This does not mean that substate nationalism is a necessary condition for paradiplomacy, or that the intensity of a region’s international activity is a straightforward function of the strength of a nationalist movement. Domestic and international structural contexts play an important role in conditioning the consequences of nationalism for regions operating internationally, and also in determining the likelihood of diplomatic activity in the absence of nationalism. The second section therefore suggests that regional autonomy, constitutional frameworks and the national foreign policy agenda are the crucial elements of this domestic context, while political and/or economic continental regimes and the behaviour of foreign states and regions represent key elements of the international environment shaping paradiplomacy. The third section examines the case of the Basque Country. It begins by discussing Basque nationalism and then shows how it is at the core of historical as well as contemporary Basque paradiplomacy. In addition to linking nationalism in the Basque Country to paradiplomacy, this section highlights the importance of such institutional elements as the European Union, the French pays basque, the Basque Centres, the Autonomous Communities (Comunidades Autónomas) system and the Spanish foreign policy agenda in explaining and shaping Basque international relations.

Nationalism and the International Agency of Regions

Territorial forms of politics in advanced industrialized societies are undergoing a fundamental change with respect to their relationship with the “external.” Domestic elements such as cultural diversity, institutional configurations, national and regional patterns of economic development and elite behaviour are still central to the study of regionalism and nationalism, but international processes, most importantly globalization and the construction of continental regimes, can no longer be marginalized. How can the international realm be integrated into a discussion of territorial politics? There are two angles. The
first, and most straightforward, is to include variables such as global economic/technological change and supranational integration into an explanation for the presence and nature of nationalist/regionalist movements in Western societies. This angle of analysis has been the most popular as scholars are increasingly recognizing the importance of establishing causal relationships between external variables and domestic outcomes. It generally leads to suggestions that contemporary territorial politics are transformed by the international context, and are therefore qualitatively different from earlier regionalist and nationalist movements. A second, less visible and less discussed, type of linkage between territorial politics and the “external” involves domestic territorial units projecting themselves onto the international scene and, consequently, becoming international actors. In other words, another perspective on integrating international processes into territorial politics is to consider the latter an explanatory variable for one particular international process, namely the international relations of regions.

A regional government operating beyond national borders is not a new phenomenon. Many southern US states developed an international presence as early as the late 1950s to stimulate export and attract foreign investment, while their northern counterparts followed in the mid-1970s, for similar reasons. Quebec became internationally active in the wake of the 1960s Quiet Revolution; other Canadian provinces, most importantly Ontario and Alberta, did the same, albeit in a much more limited fashion, in the 1970s. The first Basque government (1936-39) sent delegations abroad and had contacts with foreign governments, diplomats and other interlocutors in the context of the Spanish Civil War. Nevertheless, the international activity of regional governments, often called paradiplomacy, has acquired new prominence in the 1990s. In all of the previously mentioned cases and others such as Australian states, the scope and intensity of paradiplomacy has greatly increased in the last few years. Regions open offices and conduct “trade missions” abroad, become involved in regional/international organizations, participate in regional/international conferences, establish bilateral relationships with states and other regions, and so on. This new prominence is the result of both domestic and international change: domestically, crucial processes include a surge in territorial politics and institutional transformations toward decentralization, while internationally they correspond with economic globalization and the construction of supranational institutions. Of foremost importance is the fact that these processes feed off each other to put pressure on central states and empower regions.

Recent literature on paradiplomacy has broadened the empirical scope of existing studies and raised new questions about the meaning of regional governments acting internationally. However, one key proposition about paradiplomacy has persisted: federalism constitutes its most important theoretical determinant.
This linkage probably derives from the fact that scholars of federalism were the first to write on paradiplomacy, and that international relations specialists who have also taken interest in the topic tend to focus on the role of constituent units in the foreign policy making of federal states. While there is most certainly a connection between federalism and paradiplomacy, the idea that the former can essentially explain the latter is questionable. Constituent units of federal (or decentralized) states may conduct paradiplomacy, but not all regions of a state develop international personalities. Furthermore, those regional governments that have been most active internationally (Quebec, Flanders, Wallonia, Catalonia and the Basque Country) share one common feature: nationalism.

Empirical evidence shows that regions that have been most successful in becoming international agents are penetrated by strong nationalist movements. Indeed, nationalism involves three processes that can be logically and functionally related to paradiplomacy. The first is identity construction and consolidation. Nationalism is a form of identity politics. It involves establishing boundaries between groups by providing objective markers such as language with subjective meaning. Identities are constructed and consolidated through a variety of mechanisms whose importance varies from one situation to another: cultural change, institutional development, socio-economic transformations or political context/competition. However, above and beyond these structural variables, the articulation and therefore the construction of the identities underlying nationalism is ultimately the product of discursive practices. Creating and shaping national identities necessitates “speaking the nation,” that is, promoting the idea of a national community. These claims have the most impact when put forward by political leaders since, in the context of liberal democracies, they combine popular legitimacy with policy-making powers.

The development of a region’s international presence constitutes for nationalist leaders an additional opportunity to build and consolidate a national identity. Indeed, the discourse of international relations is one of nations and, considering that states and nations are systematically conflated, so is the practice of international relations. In other words, the very definition of international agents, at least with respect to territorial-institutional units, entails nationhood. From this perspective, the development of an international agency on the part of a regional government is full of symbolic meaning, and it is therefore an attractive strategic option for nationalist leaders. Some forms of paradiplomacy are more significant than others with respect to identity construction and consolidation; namely, those involving (albeit implicitly) recognition by one or more sovereign states of the legitimacy of a region as an international actor. Bilateral relationships with states, as the closest thing to traditional diplomacy, are particularly important symbolically. So is participation in regional and international organizations/conferences. The
relevance for identities of these acts of paradiplomacy is not limited to the acts themselves; equally important is the fact that these highly visible paradiplomatic activities give nationalist leaders the opportunity to play to their domestic audience. They provide a scene from which nationhood can be proclaimed most forcefully, as a foreign, regional or even international focus offers legitimacy and discursive/communication opportunities. In short, through paradiplomacy, regions can both behave as nations and present themselves as such.

The second process of nationalism is the definition and articulation of regional/group interests. Indeed, the development of subjective communities associated with the erection of boundaries between groups involves not only identities but also a specific conception of the common good, or at least the identification of certain elements that should be promoted and/or defended. In turn, the regional/group interest definition is linked to and becomes an integral part of the collective identity. There are generally two dimensions to this definition. The first is centred on culture. In building and shaping identities, nationalist movements emphasize and politicize cultural distinctiveness; consequently, they tend to define the “national interest” primarily in terms of cultural protection/preservation. The second dimension is more clearly ideological. The emergence of nationalist movements tends to be associated with and supported by ideologically specific political forces. This has been the case in Flanders, where the Flemish Movement is strongly associated with Christian Democracy, and in Quebec, where nationalism is closely associated with trade unions and left-leaning organizations. As a result of these linkages, nationalist movements and the regions they seek to represent, although never monolithic, often have an ideological personality.

Processes of interest definition and articulation are highly intelligible in international politics. After all, traditional foreign policy is fundamentally about the definition, defence and promotion of a (state) national interest. This is why the interest component of paradiplomacy is the most straightforward and visible; indeed, regional governments operating on the international scene adopt statelike discourses, that is, they express preferences in the context of a national interest framework. These preferences may be ideological in nature and therefore lead regional governments to take a stand on such issues as free trade or the social nature of the European Union. In such cases, the issues put forward by paradiplomacy may be understood in terms of the domestic dynamics surrounding nationalism. Paradiplomacy preferences may also follow the cultural aspect of interest definition. In fact, cultural defence and promotion tend to be the most important issues of paradiplomacy, because they are central to its underlying force, nationalism. Paradiplomacy extends the domestic struggles of nationalist movements for cultural preservation into international
politics. The Quebec government, for example, expresses concerns over the linguistic nature and consequences of such international processes as globalization and the liberalization of trade, a preoccupation stemming from its domestic struggle for the prominence of French in Quebec society. Culture therefore shapes the foreign-policy agenda of regional governments, including targeted interlocutors. Flanders' paradiplomacy focuses on countries such as the Netherlands, Surinam and South Africa, where there is a cultural kinship.

The third process of nationalism is political-territorial mobilization. Nationalism is a form of politics, and is therefore fundamentally about power. The development of nationalist movements is the product of power struggles between and within groups. It primarily involves competing political elites claiming to speak on behalf of communities, that is, presenting themselves as their "true" and legitimate voice. In liberal democracies, where political legitimacy ultimately emanates from civil society, nationalist leaders seek popular support in the form of political mobilization to substantiate their various claims (representation, policy, institutional arrangements and so on). The peculiar feature of nationalism compared with other forms of politics is that mobilization has to have a territorial basis; indeed, nationalist leaders need to structure mobilization in a way that transcends social cleavages and emphasizes a commonness linked to territory. Political-territorial mobilization, although generally sporadic and fluctuating in intensity, is necessarily a feature of nationalism because it underlies claims both for power and for policy/institutional change. The power of nationalist leaders rests on the prominence, even the hegemony, of nationalism as a form of politics. In turn, this state of affairs is itself conditional on popular support, as is the ability of these leaders to bring about policy and institutional change corresponding with their specific claims, usually formal recognition/distinct status, autonomy, federalization or independence.

Political-territorial mobilization as a process of nationalism may be logically related to regional governments looking to develop international agency. The peculiarity of paradiplomacy as a form of international expression is its highly conflictual domestic dynamic. Paradiplomacy does not merely feature conflict over the definition of foreign policy objectives as is the case for traditional (state) diplomacy; it also involves struggles over the very expression of foreign policy. States rarely welcome the idea of regions "going abroad"; in fact, they tend to oppose it vigorously. Some regional political forces may adopt a similar attitude. Consequently, paradiplomatic activity, particularly in its most visible forms (regional-international conferences, bilateral relationships with states, and so on), present nationalist leaders with opportunities to stimulate political-territorial mobilization because it pits the region against the centre, and sometimes regional nationalist forces against non-nationalist ones. Since foreign
policy is one of the last reserved domains of the state, paradiplomacy represents, in the context of domestic politics, a statement about power. It can therefore be understood not only as the emergence of new actors on the international scene, but also as the most recent dimension of historical territorial conflicts whose most prominent and acute manifestation is nationalism and nationalist mobilization.

Paradiplomacy is closely linked to political-territorial mobilization, not only because it represents an additional variable in political conflicts and power struggles that tends to provide opportunities for stimulating this process, but more specifically because it can serve as a tool for achieving domestic policy objectives. The development of a strong international personality gives regional leaders a prestige that can be used as leverage in negotiations on constitutional and institutional change. In fact, a region that is very active internationally projects notions of distinctiveness and autonomy in a way that may lower the degree of contention surrounding certain regional claims and demands. In the special cases where the institutional change sought by a regional government is independence, international activity becomes a functional necessity. Secessionist forces need to establish an international network and present their project to foreign states in the hope of obtaining formal recognition following a declaration of independence.

**Paradiplomacy and Opportunity Structures**

Nationalism is the single most important variable conditioning paradiplomacy. Regions where there are strong nationalist movements are much more likely to develop an international presence than are regions where there is no such movement. Also, the paradiplomacy of the former is generally more intense and extensive than that of the latter. However, structural contexts — both domestic and international — also play an important role in determining the likelihood of regions becoming international actors, because they provide opportunities for action while imposing constraints. These contexts also shape paradiplomacy agendas because they dictate the types of opportunity available to regional governments.

Three elements of the domestic structural context are particularly important in conditioning the international agency of regions. The first is the level of autonomy enjoyed by a regional government. As previously mentioned, the literature on paradiplomacy has typically considered the linkage between federalism and the international activity of regions to be most important. While we have argued that nationalism is the critical variable, the structure of the territorial power distribution also needs to be considered. Federations, and some other
decentralized systems such as Spain's Autonomous Communities (Comunidades Autónomas) and devolution in the United Kingdom, create regional agents. This agency is in turn susceptible to developing an international dimension, and the greater the regional autonomy the better the opportunity for paradiplomatic activity. This means that the active paradiplomacy of Quebec and Flanders, while primarily explained by nationalism, is also shaped by the decentralized structures of their respective federations. Similarly, the weaker international presence of American and Mexican states, while primarily the result of the absence of nationalist movements, is partially attributable to those countries' more centralized federalism.

The constitutional framework accompanying these institutional arrangements is the second element of the domestic structural context that shapes paradiplomacy. Typically, constitutions are not conducive to regions operating in the international arena; they tend to make international affairs the reserved domain of the central state. Some constitutional frameworks are particularly austere in this respect and, consequently, make paradiplomatic activity quite difficult. Mexico's constitution, for example, explicitly forbids regions to sign agreements with foreign powers. The federal government's stranglehold on international relations stemming from a 1917 provision was further reinforced in 1988, when the constitution was modified to give the president power over foreign policy rather than the narrower "diplomatic negotiations." At the other end of the spectrum are the (rare) constitutions that explicitly give regional governments power over some aspects of international affairs. These constitutional frameworks remove a crucial obstacle for regions to access the international sphere and, as a result, make paradiplomacy more likely to occur. The 1993 reform of the Belgian constitution, which included the transfer of power over international affairs to the constituent units, triggered a flurry of international activity from governments in Flanders, Wallonia and the French-speaking community.

Finally, the focus of a national foreign policy, and of international affairs more generally, also conditions the opportunities for paradiplomacy. In a context where strategic and military issues are emphasized, regions have little to say since defence policy remains the exclusive prerogative of central states. There is more room for regions to find their way onto the international scene (if cultural and economic issues are more prominent), as regional governments often have, by virtue of the domestic distribution of power, an initial interest and some degree of empowerment with respect to these matters. It is no coincidence that paradiplomacy has become more important since the end of the Cold War; indeed, the breakdown of the conceptual categories of "high" and "low" politics has rendered national foreign policy agendas less hierarchical and therefore more likely to attract the attention of regions.
It is interesting to note that these three sets of domestic opportunity structures, which complement nationalist movements, in analyzing the origins and nature of paradiplomacy tend to be most favourable when such movements actually exist. In other words, the domestic structural context cannot always be neatly separated from nationalism. Extensive regional autonomy is often, although not always, the product of nationalism. Constitutions that give regions powers over international affairs are likely to have their roots in nationalist conflicts, as is the case in Belgium. Culture as a foreign-policy issue may be important to various types of states, but it is particularly important to multinational ones, which tend to be naturally sensitive to cultural differences.

The international agency of regional governments in the West is also shaped by at least two sets of international structures. The first is continental regimes. In Europe, the EU represents a political regime that provides regions with the opportunities and impetus to act beyond national borders. It does so in at least three ways. First, at the broadest level, the EU has fundamentally changed the nature of the Western European state by capturing some of its sovereignty. In so doing, it has changed the view of the state by political actors from one of a coherent, monolithic unit serving as the only possible linkage between inside and outside to one of a perforated entity. It has also invited previously domestic actors such as regional governments to take advantage of the new openings to access the international scene. Second, EU policies such as structural adjustment programs that make regions their central units build regional governments as potential international actors by establishing a conceptual and political link with the "outside." Third, the EU, through the Committee of Regions, offers immediate channels through which regional governments can become international actors. Despite its political weakness, the Committee presents some regions with a concrete opportunity to operate beyond national borders, while drawing others that might not have had the means or motivation to actively seek an international role. In other words, the EU can be seen not merely as an opportunity structure, but indeed as a force behind the very international agency of some Western European regional governments.

Of course, the EU is also an economic regime. As such, it shapes the relationship between regions and the "outside," as do less developed free trade structures like those existing in North America. Continental economic integration and the larger process of globalization have diminished the capacity of states to structure their domestic economies, including and perhaps most importantly their ability to tackle issues of territorial economic inequalities and discrepancies. Consequently, the phenomenon of states losing power to market forces is a particularly significant development for regions. In response to this weakened leadership of central states in governing the economy, many regional governments have taken it upon themselves to actively attract foreign investment.
and promote exports. These are core objectives of most if not all paradiplomacies, and they involve some international network/action: offices abroad, trade missions and so on. Economic integration and trade liberalization – because they come with a set of norms and rules – also involve challenges to forms of socio-political and cultural organizations that may be specific to some regions. Consequently, some regional governments (Quebec, for example) have viewed the development of an international voice as a necessary condition for dealing effectively with these processes.

The second set of international structures shaping paradiplomacy is the state system. Regional governments are generally excluded from formal bilateral and multilateral relationships. In fact, traditional diplomacy has been built around the sovereign state, and the rules and procedures that structure it have further reinforced the hegemonic role of states as actors in international politics. However, states are increasingly willing to have bilateral relations with regional governments. Flanders, for example, has signed co-operation agreements with Canada, the United States, South Africa, Russia and Japan. Some states have in fact developed particularly significant relationships with foreign regions. France, for example, treats the Quebec premier very much like a head of state and deals with the province in a fashion approximating its traditional bilateral relations. These opportunities for regional governments to enter into formal relationships with states give them new legitimacy and enhance their international personality. Finally, bilateralism in paradiplomacy is not limited to state-region relations; in fact, the bulk of paradiplomatic activity occurs between regional governments, that is, in the form of interregional and transborder/transnational relationships. The Four Motors of Europe – an organization composed of the regions of Rhône-Alpes, Lombardy, Catalonia and Baden-Württemberg that seek closer economic, social and cultural co-operation – is a well-documented instance of this type of paradiplomacy. Bilateral relationships between regions trigger a dynamic process that is central in developing the international activity of regions: indeed, because these relationships are not contingent on foreign states recognizing regions as international actors, they offer great potential for the autonomous development of regional governments’ international legitimacy, an outcome that in turn fosters these same transnational relationships.

Basque Nationalism

The Basque Country is geographically situated at the western end of the Pyrenees and covers territory in Spain and France. The most populated area of the Basque Country is in Spain, which is a compound state incorporating various degrees of internal ethno-territorial plurality.
The modern political unification of Spain took place by means of a dynastic union under the Catholic Kings in 1469 (Isabella of Castile and Ferdinand of Aragon). However, its constituent territories (crowns, kingdoms, principalities, dominions and provinces) maintained their autonomous existence. The incorporation of these territories into the Hispanic monarchy was achieved at an early stage of the European Modern Age, centuries before the processes of national homogenization were carried out by other European monarchies.

Prior to the union of the Catholic Kings, the Castilian princes had brought about – through conquests and royal marriages – the unification of Leon and Castile (1230) as well as the incorporation of the Basque provinces of Guipuzcoa (1200), Alava (1332) and Biscay (1379). According to Salvador de Madariaga, the three Basque provinces were not constituent units of the Basque Country. That was a modern political creation. But all three provinces took good care of their fueros, or local rights and traditions, before and after they joined the Castilian Crown: “They would not recognized Lord or King without the prior and solemn pledge for honouring their fueros.”

During the nineteenth century, many territories of Spain, particularly those with strong historical identities and traditions of self-government, perceived liberal centralism as unnatural and stifling. This provoked these regions to demand the restitution of their fueros, or ancient rights to autonomy. Navarre, the Basque provinces and Catalonia were most vehement in contesting attempts at centralist reform. The circumstances ensured that the rebel Carlists were able to benefit from the peripheral hostility toward government in Madrid.

After the Carlist defeats in the civil wars of 1833-40, 1846-48 and 1872-75, the Basque Nationalist Party (Partido Nacionalista Vasco–Euzko Alderdi Jetzaleta, PNV-EAJ) was founded in 1895 by an early Carlist, Sabino de Arana Goiri. In its early stages, Arana developed his nationalist proposals for the province of Biscay, not the whole of the Basque Country, with the label of bizkaitarrismo. In 1893 his Bizcaya por su independencia (Independence for Biscay) was published. At the beginning of the twentieth century, the PNV-EAJ was less successful in contesting elections and in obtaining class-wide support than the Catalanist Lliga, partly because of its religious emphasis and its ethnocentric claims. Early Basque nationalism stressed traditional community values that were opposed to bourgeois industrial society, the effects of which involved a considerable influx into the Basque Country of migrants from the rest of Spain.

Primitive Basque essentialism of a racist nature was the ideological basis of early Basque nationalism, which combined with powerful populist elements and ethno-religious exclusivism to produce a discourse quite distinct from that of Catalan nationalism. This latter ideology was more intellectual, less folkloric and
less secessionist. It possibly provoked greater resistance than Basque nationalism because it offered an alternative view of Spain, whereas the Basque frequently turned its back on Spain. Both nationalisms, however, can be seen as political manifestations of a vigorous and prosperous periphery, in contrast with the inept and parasitical centralism of the Spanish state to which it was subordinated.

In spite of its short existence, the Second Republic (1931-39) contributed considerably to the resolution of ethno-territorial conflicts in Spain. The most notable improvement was the constitutional design of the state following a regionalized model, situated somewhere between a unitary and a federal state. This led to statutes of autonomy for Catalonia, the Basque Country and Galicia.

Three days after the proclamation of the Second Republic in 1931, an assembly of Basque mayors gathered by José Antonio Aguirre, leader of the Basque Nationalist Party, claimed their right to autonomy within a Spanish federal republic by the legendary Oak of Gernika. Months later, another assembly of mayors met in the city of Estella (Lizarra) and passed the proposal for a statute of autonomy, ratified also by the Navarran local councils and the Carlist representatives. Nevertheless, the proposal's passage through the Spanish Parliament was thornier than was the Catalan Statute.

A new statute project for the Basque Country was prepared in 1932, but it was rejected by the Navarran local councils. By the end of the following year, the project did not include Navarre and was supported in a referendum by 47 percent of Alavese and almost 90 percent of Biscayans and Guipuzcoans. The proposal was put forward in the Spanish Parliament in December of 1933, but two years later it had still not been passed. After the left-wing victory of the Popular Front in the February 1936 elections, the members of Parliament for the Basque Country presented the proposal, approved by referendum in October 1933, to Parliament once again. By the beginning of the Civil War, the Parliamentary Commission had practically completed its approval. On October 1, 1936, the Basque Statute of Autonomy was passed, with similar rights and powers to those of Catalonia.

After the Civil War, the country fell firmly into the hands of a deeply centrist, reactionary coalition, which even had imperialist pretensions. The dictatorship did not truly end until General Franco died in 1975. Paradoxically, Franco's dictatorship provided an atmosphere that was conducive to the regionalism, autonomism and nationalism of today (although strictly speaking separatism and federalism have older roots). There was substantial consensus among the forces opposing Francoism, an indication of the capacity of substate nationalism to overcome ideological and political divisions.

In the Basque Country, the secessionist guerrilla group ETA found considerable popular support, and, as a result of the oppressive political environment,
became intertwined with the democratic movement. In 1973, ETA assassinated Admiral Carrero Blanco, Franco’s prime minister and heir apparent. Those who advocated political violence against the Franco dictatorship at that time were not regarded without sympathy by many sectors of the population, and not only in the Basque Country. With the advent of liberal democracy, many of these people would eventually distance themselves from ETA, largely because of the intensification of its campaign. The military nucleus of ETA continued to insist that the militants of the Basque national liberation movement were the only victims of police torturers and of the representatives of Centrist oppression.

The 1978 democratic Constitution was made possible by a wide agreement among Conservatives, Centrists, Nationalists, Socialists and Communists for the implementation of the federalizing Estado de las Autonomías. This agreement took the form of an unwritten pledge to extend the political dialogue and consociationalism into the future. This open model of asymmetrical federalization did not presuppose the ways and means by which the different “historical nationalities” (Basque Country, Catalonia, Galicia) and regions could finally be articulated.

Since 1978, Spain has witnessed a profound decentralization and devolution of power to the regions. Spanish meso-governments have full control over all aspects of the ab novo programs produced by their political initiative, including the budgets. Table 1 shows the territorial reallocation of public spending in the last 20 years. There has been an impressive expansion of regional expenditure. Despite requests by local authorities and municipalities to have a greater share of the Spanish total public expenditure, the increase has been little more than 3 percent, whereas regional spending has climbed 30 percentage points.

The exercise of home rule implies setting budgetary priorities for all policies and services to be complied with statutorily. Certainly the Basque Country and Navarre, with a system of fiscal quasi-independence, have been able to fund their policies more generously. The concierto financial system allows them to collect all main taxes, including income tax, corporate taxes and VAT, and also, since 1997, the “special taxes” (on petrol, tobacco and spirits). Thus, the Basque and Navarran institutions collect practically all taxes and transfer an agreed-upon quota to the Spanish central treasury. These transfers represent compensation for Spanish common expenditures and cover the costs of running the state administrative bodies. Consequently, the per capita level of public expenditure in the Basque Country is much higher than the Spanish mean. Compared with the autonomous public spending in Catalonia, the Basque per capita expenditure is 1.8 times higher. (According to 1995 data, mean nonfinancial per capita spending carried out by Catalonia and Galicia was 1,373 euros, compared with 2,508 euros in the Basque Country.)
During this period of generalized home rule (1978-2000), the situation in the Basque Country has been highly conditioned by political violence, in particular the intensification by ETA of its terrorist strategy. A third of all assassinations by ETA occurred during the critical period of transition to democracy (1978-80). A second wave of terrorism coincided with the formation of a nationalist/non-nationalist PNV-EAJ and PSE-PSOE coalition government. This followed the spiral of action-repression-action first deployed by ETA during the late Franco period, which aimed at consolidating a counterstate and counter-society – comprising a significant proportion of the population operating with its own laws and code of conduct. In reaction to this strategy of violence, during the period 1988-98 all the major democratic parties operating in the Basque Country concluded the Pacto de Ajuaria Enea. This was a Basque democratic interparty platform to coordinate their policies against terrorism in a quest for consociational solutions to achieve peace. This Pact reflected the societal reaction against ETA’s terrorism.

On September 12, 1998, the Basque nationalist parties (Partido Nacionalista Vasco, Herri Batasuna [later to become Euskal Herritarrok, or EH], and Eusko Alkartasuna, EA, together with the Basque branch of the Spanish coalition of United Left [IU]) signed the Pacto de Lizarra (Estella), claiming to be inspired by the 1998 Good Friday Agreement in Northern Ireland. The Basque wings of neither of the main Spanish political parties (PP and PSE/EE-PSOE) participated in this forum. The main claim of the Pact was to negotiate political sovereignty, territoriality and self-determination with the Spanish central government. It was signed five days before ETA declared a truce. Since then the signing of the Pacto de Lizarra, dialogue and negotiations among the Basque political forces have proven difficult. In the meantime, the 1998 Basque elections, held on October 25, 1998, resulted in a political stalemate. The ceasefire declared by the Basque

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1 Beginning of the process of devolution.
2 Government’s estimates.

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terrorists in September 1998 was unilaterally revoked 14 months later. This presented a new set of political challenges for the political parties and the citizenry at large. ETA intensified its campaign of terrorism, in which representatives of the non-nationalist parties, PP and PSE/EE, were killed. These events have dramatically polarized the political situation in the Basque Country.

The strategy of sectarian terrorism deployed by ETA can be seen as a prolonged attempt to break the mould of Basque dual identity. This dual identity is a societal feature characteristic not only of the Basque Country, but also of Spain as a whole, with its plural ethno-territorial makeup. It is an important factor that explains to a large extent the respective degrees of internal consent and dissent in decentralized Spain.

Here, as in other multinational states, the quest for home rule by nationalist movements corresponds with the manifestation of this duality in people’s self-identification: the more the primordial regional (ethno-territorial) identity prevails, at the expense of an identification with the modern state, the greater will be the demands for political autonomy. Conversely, the more developed the national (state) identification is, the less likely it is that ethno-territorial conflicts will occur. At the other extreme, the complete absence of one of the two elements of a dual identity would lead to deep socio-political divisions. If this were the case, the demand would be for outright sovereignty and independence instead of for self-government. In other words, when citizens in a substate community identify themselves exclusively, the institutional manifestation of their identification will tend also to be exclusive.

The results of the Basque elections held on May 13, 2001, reflected a polarization of voters’ nationalist and non-nationalist preferences into two blocs of similar electoral weight. In no previous Basque elections have the blocs been as close to each other in electoral support. In 1998, nationalist parties (PNV-EAJ, Eusko Alkartasuna and Euskal Herriarrok) collected fewer votes (54.5 percent) as compared with the 1994 elections (56.3 percent). In 2001, votes cast for the nationalist parties decreased to 53.2 percent of the total, whereas the non-nationalists obtained 46.8 percent of the vote. These percentages translated into 40 nationalist and 35 non-nationalist seats. Less than 90,000 votes separated the two blocs (the total votes cast was approximately 1.4 million). The trend indicates a narrowing in the difference between the popularity of the two blocs. One possible interpretation of this electoral shift is that the Basque electorate sought to avoid a clear victory of one camp over the other. According to this interpretation, electoral polarization served the purpose of preventing political imposition of the victorious over the defeated.

Overall, the most significant result of the 2001 Basque elections was the decline of EH, the coalition sponsored by ETA. This follows a rejection by a
majority of Basques of ETA’s strategy of terrorism to achieve its political goals. EH representation in the Basque Parliament of Vitoria-Gasteiz decreased by 50 percent (from 14 seats in 1998 to 7 seats in 2001). The popular vote for EH dropped dramatically, from 17.8 percent in 1998 to 10 percent in 2001. There was an almost linear transfer of votes from EH to the coalition formed by PNV and EA. This can be interpreted as a political statement by those who identify themselves as nationalists but do not want a Basque nation built on assassinations and extortion, against the sectarian killings by ETA. Clearly, a large majority of Basques want to avoid a societal fracture that could lead to civil confrontation.3

The clear victory of the PNV-EA coalition can be interpreted as not only support for a coalition of democratic nationalist parties but also a reaction against the Spanish media campaign that portrayed PNV and EA as demons, or as being the same as ETA. The aggressive PP campaign in the Basque Country, where it hoped to win the election after the signing of a Pact for the Liberties with the PSOE, also contributed to an electoral backlash. As has often been the case in Spain since the transition to democracy, nationalists in the three historical nationalities (Basque Country, Catalonia and Galicia) have gained support in elections by portraying themselves as “victims” of political attacks by the central state. This discourse, which gives cohesion to nationalist parties, paints ‘Madrid’ as the external adversary and illustrates how nationalism has proven to be a powerful instrument to achieve electoral success.

There are various possible scenarios for the future of the Basque country. There is no doubt that political uncertainty will remain highly conditioned by ETA’s terrorism. After 2001 the level of tension between the two blocs (nationalist and non-nationalist) did not decline. The Spanish premier, José María Aznar (PP), has made it clear that there is no place for self-determination outside the constitutional procedures established to reform the Basque Statute of Autonomy and the provisions of the 1978 Spanish Constitution. The Lehendakari (president) of the Basque government made a proposal before the Basque Parliament on September 27, 2002, for a Pact for Cohabitation (Pacto para la Convivencia). This is based on free association and cosovereignty between the Basque Country and Spain, and does not imply outright independence or secession.

A sizable number of nationalist voters stated that they do not want the Basque Country to secede from the rest of Spain (see table 2). At the same time they want the Basque Country to have a high degree of political autonomy – namely, self-determination – that would preserve its political distinctiveness within a democratic Spain, and they want a European Union where meso-communities have a greater say in public affairs. Only one-fifth, approximately, of PNV voters were in favour of full independence for the Basque Country.
Table 2
Preferences for the Territorial Organization of the Basque Country
(% of Voters)

<table>
<thead>
<tr>
<th></th>
<th>Basque Country</th>
<th>PNV</th>
<th>EA</th>
<th>HB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralized</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Autonomy as at present</td>
<td>34</td>
<td>33</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>More autonomy</td>
<td>22</td>
<td>35</td>
<td>42</td>
<td>9</td>
</tr>
<tr>
<td>Independence</td>
<td>19</td>
<td>18</td>
<td>21</td>
<td>83</td>
</tr>
<tr>
<td>Don’t know</td>
<td>19</td>
<td>8</td>
<td>15</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Spanish Centro de Investigaciones Sociológicas and Pallarés et al. (1997, table 10).

Xabier Arzallus, leader of the PNV, believes that just 51 percent of “yes” votes in a referendum for independence would be enough to secede from Spain. In this situation the PNV would expect its supporters to vote in favour of independence. However, the same day this statement was made to the media, Iñaki Anasagasti, leader of the PNV parliamentary group in the Spanish Parliament in Madrid, expressed a contrary view by saying that “it would be politically absurd to propose an independent Basque Country in a united Europe.” These differing viewpoints reflect the ambivalent stance of the PNV with respect to this delicate issue. A clear position in either direction would unequivocally alienate sections of PNV voters.

The Basque Country, Paradiplomacy and the European Union

Throughout the twentieth century, the international dimension of the Basque Nationalist Party (PNV-EAJ), as the main political representative of the nationalist movement in the Basque Country, has acquired paramount importance. Already at the time of the interparty negotiations over the wording of the Statute of Autonomy during the Second Republic (1931-39), the thorniest issue was the Basque nationalists’ demand to establish independent and bilateral relations between the Basque Country and the Roman Catholic Church. Many Basque nationalists, fervent Catholics, resented the anticlerical republican climate. They proposed an independent Concordat between the Basque Country and the Vatican. At the end of 1931, the central government had decided...
to suspend 12 Basque newspapers because they were encouraging a popular uprising against civil authorities so that “the interests of the Catholic religion could be defended.”

After the coup d'état by General Franco in 1936 and the subsequent outbreak of the Civil War, the Basque Statute of Autonomy was approved on October 1, 1936, with similar rights and powers to that of Catalonia. Representatives of all Republican parties were present at the ceremony to appoint José Antonio Aguirre as lehendakari, or president, of the Basque autonomous government. At the same time, Manuel Irujo, representative of the PNV-EAJ, became a member of the Spanish central government. Later on, during the Civil War, “Basque governmental officials behave as if they were running an independent state. Furthermore, they maintained secret bilateral contacts not only with Britain and the Vatican, but also with fascist Italy so that a separate armistice could be worked out [for the Basque Country]... However, after Franco took control of the territories in the northern coast of Spain, the Basque leaders moved to Barcelona were they continued to participate in the Republican government and to support the Republican Army [during the rest of the Civil War].”

During the long Francoist dictatorship the Basque autonomous government in exile was very active. It took every opportunity to denounce to international bodies the lack of liberties in the Basque Country. These activities were given a priority and served the “domestic” purpose of keeping the Basque government in exile as the institutional reference of an active opposition to Franco’s regime. The PNV, as one of the founding parties of the Christian-Democrat International, received support mainly from “brother” parties in Europe and Latin America. Let us remember that it was only in the late 1990s and after its confrontation with the Spanish Partido Popular (PP, also a Christian-Democrat party) that the PNV abandoned the European Popular Party and similar Christian-Democrat international organizations.

As previously mentioned, regions where there are strong nationalist movements are much more likely to develop an international presence than regions where no such movement exists. With the ratification in 1980 of the Basque Statute of Autonomy, early Basque governments (mostly coalitions between nationalists and socialists) put active involvement in European affairs high on their agenda. In fact, some of the Spanish historical nationalities decided to establish representative offices – quasi-embassies – in Brussels to monitor European decisions affecting them and to promote their interests in relation to their devolved powers and autonomous competencies. The Spanish government contested the establishment of such delegations in Brussels in the Spanish Constitutional Court. However, in 1994, the highest tribunal in Spain supported the prerogative of the Basque government to set up its office of representation
in Brussels. By virtue of this decision (165/94) the rights of the other Spanish Autonomous Communities to do the same later on were recognized.

The first process of nationalism, providing cohesion to territorial identities, has made international participation a cornerstone of meso-level political activism. In Spain all the regionalisms and home rule movements, not only the powerful Basque and Catalan nationalisms, have clearly expressed their European vocations. They all share the desire of the Spaniards to become full European citizens after a long and sordid dictatorship. They have been able to develop a new cosmopolitan activism that combines, on the one hand, an active opposition to the centralized model of the nation-state and, on the other, a mobilization of substate identities coupled with active supranational participation.

In order to illustrate how this and the other processes of nationalism are linked to Basque paradiplomacy, references to the 2001 electoral programs of the Basque parties — in particular those of the PNV/EA nationalist winning coalition and EH — will be made. The PNV/EA coalition put forward a general statement for a federal Europe promoting the notion of a Peoples’ Europe and stressing the idea of a institutional aggregate in which nation-states and stateless nations would be secured a say in the running of their own affairs. In this context, the EU serves as an external opportunity structure for the nationalist coalition to project, both discursively and politically/institutionally, the idea of the Basque nation outside Spain. By conceptually associating the Basque Country with EU member states, it further blurs the distinction between region and state, thereby bolstering the potential for the Basque identity to be considered national. This approach involves, for the main nationalist coalition, two specific objectives with respect to its European policy: 1) to secure the direct participation of the Basque government in EU institutions, and in particular in their own exclusive areas of competence (e.g., fiscal and tax matters), and 2) to safeguard the principle of territorial subsidiarity in the EU, which means that decisions are to be taken transnationally only if the local, regional or national level cannot perform better. In other words, the preferred locus for decision-making is the one closest to the citizen.

A peculiarity of the Basque case with respect to the process of identity construction is that the Basque nation is conceptualized, at least following the more nationalist interpretation, as encompassing not only the Spanish provinces of Araba, Gipuzkoa and Biscay, as well as Navarre, but also the French districts of Labourd (Lapurdi), Soule (Zuberoa) and Lower Navarre (Behenafarroa, or Nafarroa Behera) in the département of the Atlantic Pyrenees. In this context, the supranationalism of the EU allows for the articulation of a Basque identity that is not limited to Spanish territories, which is politically more credible — albeit still problematic — than if Basque parties were confronted with a “traditional”
international border. This does not mean, however, that Basque nationalist forces are satisfied with the current European order. The program of the radical EH puts the emphasis on the lack of sovereignty of stateless nations in Europe and the impossibility for them to participate in decision-making: "we are in the hands of Madrid and Paris."

With respect to the second process of nationalism, the definition and articulation of regional/group interests, the main trigger for Basque involvement in international affairs has no doubt been culture. The very nature of the Basque language, whose origins are simply unknown, has contributed to feeding the Basque mythology of uniqueness. In this area, the unity of the Basque Country is based upon those lands (Euskal Herria) where Euskeria (the Basque language) is spoken. Consequently, culture and the Basque diaspora are of great importance to the PNV/EA coalition. There are around 130 Euskal Etxeak (Basque centres) in the world, which are seen as channels for spreading the Basque culture internationally. These centres – the product of Basque nationalism – are an element of the international structural context that favours and facilitates the Basque Country government's international activity. For the PNV/EA coalition, these structures serve to promote Basque institutional interests in the countries where Basque Centres are located. For Euskal Herritarrok (EH), a priority is to create an Institute of Culture for International Relations, with the aim of promoting its ideas by participating in international meetings "where Euskal Herria is recognized as a nation."

With respect to the third process of political-territorial mobilization, the international dimension is particularly crucial because the Basque nationalist movement seeks recognition of a right, that of self-determination, which finds all its meaning in the international arena. Indeed, after the 2001 Basque elections, the PNV-EA coalition made self-determination a priority to achieve peace. Self-determination is closely linked with the so-called Basque realm of political decision-making, or the "we-decide approach." In Basque paradiplomacy the linkage between self-determination and the international arena serves to support Basque claims with the Spanish state of the Basque Country's inherent right to self-determination through international agency, a key aspect of nationhood.

In the Basque case, self-determination has an inherent international dimension, since it involves all of Euskal Herria, thus extending over parts of two member states of the European Union, Spain and France. EH considers the constitutional arrangements in Spain and France (autonomism and Jacobinism) "incompatible with Basque democracy because their existence imply [sic] our national disappearance. The toughest negation suffered by the Basque nation is its territorial division..." For the PNV-EAJ coalition, a strategic goal is to allow a federation between the
Basque Country and Navarre in Spain, and to “guarantee the liberty to estab-
lish any mode of association and/or co-operation with Iparralde”\textsuperscript{11} (i.e., the
French territories of Lapurdi, Zuberoa and Nafarroa Behera).

As pointed out earlier, the power of nationalist leaders rests on the prominence
of nationalism as a form of politics and the leaders’ ability to bring about policy
and institutional change. In our case study, the claims for self-determination do
not preclude what institutionalized form will be achieved by \textit{Euskal Herria}. The
PNV is employing a degree of calculated ambivalence on this delicate issue.
Basque self-determination cannot be equated with the constitution of a fully
independent nation-state that would incorporate territories of both Spain and
France. Instead, transfrontier co-operation is regarded as the means to secure
“direct representation before EU institutions...”\textsuperscript{12}

Basque paradiplomacy aims to achieve formal recognition by the EU of its
capacity for self-government and self-determination on those matters on which
the subsidiarity principle allows for autonomous governmental policies. In this
context, the considerable autonomy enjoyed by the Basque Country within
Spain puts the region in a favourable position to be active in the EU and
beyond. This domestic autonomy is likely to keep increasing, the two other his-
torical nationalities (particularly Catalonia), as well as some of the other regions,
are attempting to outdo each other in their territorial claims, which will inten-
sify the pressure on the Spanish state. Of course, Basque autonomy falls short
of what could be considered full sovereignty in some areas, namely fiscal and
tax matters. This has made possible the implementation of new policies with
far-reaching consequences, not only for the Basque Country, but also for Spain
as a whole. For example, the implementation in 1988 of a minimum income
guarantee program to combat poverty and social exclusion provoked a “demo-
stration effect” in the rest of the Spanish Autonomous Communities. At present
all these regional programs are important constituents of the Spanish welfare
“safety net.”

The Spanish constitution appears to leave little room for involvement
of regions in international affairs, since it stipulates that the central state has exclu-
sive jurisdiction over international relations (article 149). However, Autonomous
Communities do have power over matters such as research and the promotion
of culture (article 148), which are increasingly acquiring an international
dimension. These powers are confirmed in the Statute of Autonomy of the Basque
Country (Title I, article 10).

As a feature of the domestic institutional context, the Spanish constitutional
framework also allows for a horizontal consultation process and, eventually, code-
termination on matters affecting both central and regional governments (such as
the EU). The efficacy of the conferences is related not to the generalization of
the policy-making process but to the exchange of information as mechanism of "institutional courtesy." Indeed, sectoral conferences have often served to outline the parties' respective positions. In line with the vocational European approach shown by all the Spanish regions, the Sectoral Conference for European Affairs has so far been the most effective of all 24 conferences as a forum for multilateral discussion and for preparing further decisions. Interestingly, the Basque government has been reluctant in some cases to fully participate in these horizontal consultations and has preferred to follow its own course of action, which is congruent with an original feature of Basque nationalism, its particularism and preference for bilateral relationships with the Spanish central state and/or European institutions.

In the past decade Spanish foreign policy has favoured the international agency of Autonomous Communities since its thrust has become the Europeanization process, which increasingly involves regions. This focus on Europe by the Spanish state has coincided with less attention being given to strategic and military matters in the context of a post-Cold War, economics-oriented global order and, in Western Europe, a period of relatively stable economic growth characterized by the absence of war. Since this period of peace and stability is likely to last, despite some authors' pessimistic predictions (trade conflicts between world regions, religious fundamentalism, xenophobia and so on), Spain's Autonomous Communities will profit from a political/foreign policy agenda that is generally friendly to regional governments.

Finally, one issue that is usually overlooked but that has proven to be of the utmost importance for paradiplomacy and external relations in Spain is the links and party allegiances between regional and central governments. When regional and central level executives are on good terms, the central state will take into account the position and interests of regional governments, even when the matter concerns areas of its exclusive jurisdiction. This domestic dimension of EU decision-making, however, has been scarcely analyzed, and further research is needed.

Conclusion

Among recent developments in the politics of Western states and international relations, the phenomenon of regional governments seeking to develop international agency has generally been marginal and unremarkable. This is hardly surprising since the past 15 years have been marked by ethnic conflicts, civil wars, trade liberalization, the restructuring of welfare states and other major developments. However, paradiplomacy is bound to have far-reaching consequences for multinational states, as it affects their domestic politics and the very nature of internal-external linkages.
Paradiplomacy encourages nationalism because it presents opportunities for political-territorial mobilization and the promotion of regional-specific interests. Once a regional government takes an interest in developing its own international personality, foreign affairs are likely to become an additional source of conflict in the multinational state. On the surface, these central-regional disputes might appear to be about the division of power and differing foreign policy objectives; in reality, they are fundamentally about identity and political legitimacy. This makes paradiplomacy a form of territorial conflict that is more difficult to manage in multinational states than in traditional nation-states. Regions where there is a nationalist movement engage in paradiplomatic activities, even if their foreign policy agenda is very similar to that of the central state, thus rendering any compromise over the content of foreign policy almost meaningless. By the same token, central states, in addition to seeking to preserve their traditional role, associate exclusivity in international affairs with the expression of a coherent national identity. This suggests that a division of international affairs whereby each level of government is empowered to act internationally in areas of domestic jurisdiction would be an unworkable solution for most states. It did occur in Belgium, but only because nationalism there comes from the Flemings who, because they represent a numerical majority, control central institutions and drive constitutional-institutional reforms.

As a result of paradiplomacy, multinational societies are at the forefront of a new mode of internal-external linkage. Traditionally, the state served as the most important if not the only connection with the international realm; through foreign policy, it aggregated domestic interests and preferences and expressed them to other international actors, usually states. This mechanism is still significant, but now it coexists with other forms of domestic-international linkages. Examples of these are the social, religious and cultural movements that increasingly target international processes such as globalization, and take organizational forms that do not recognize national borders. These movements are transnational; they involve individuals, groups and associations establishing connections – often through new technologies – with similar actors in other countries, without going through the state. Paradiplomacy is another type of internal-external connection that shares characteristics with traditional state foreign policy and transnationalism, without being one or the other. Indeed, it involves state-like units projecting themselves onto the international scene without the help and often against the will of the central state. Regional governments as international actors have the fluidity of transnational movements, yet they are intelligible to the traditional state because of their territorial-institutional nature. Some multinational states thus wield a special and potentially very effective international agency that connects domestic and international politics. The manner in which they do this needs to be explored further.
Notes
2. Pi i Margall (1977, p. 251).
5. Madariaga (1979, p. 331)
6. Olábarri Gortázar (1985, p. 135)
Bibliography


