Economic integration through the EU is unlikely to increase support for independence movements in European states

blogs.lse.ac.uk/europpblog/2014/07/31/economic-integration-through-the-eu-is-unlikely-to-increase-support-for-independence-movements-in-european-states/

31/07/2014

Independence movements have gained prominence across Europe in recent decades, most notably in Scotland and Catalonia, but what impact does European integration have on this process? **Dawn Brancati** *writes that integration through the EU has often been argued to raise the likelihood of separatism as it reduces the economic need to remain part of a larger free trade area such as the UK or Spain, while also giving an incentive to act as a smaller independent state in EU decision-making. She argues, however, that in practice this effect is limited by the fact separatism relies on pre-existing domestic factors and because the economic benefits of European integration are not always visible to citizens. Moreover, seceding states may face problems joining international organisations such as the EU post-independence, particularly when the state they have seceded from is already a member.*

The end of World War II triggered an explosion in foreign trade and investment. This flurry of economic activity has often been linked to the emergence of new separatist movements around the world and the reinvigoration of quiescent ones. Even though the world has become increasingly more integrated, however, there has not been a commensurate explosion in separatist activity around the world. In fact, cross-national statistical research shows that economic integration within post-WWII Europe – the most integrated region in the world – has only had a negligible impact of separatism.

To understand why integration has not had this effect, it is important to review the reasons why economic integration is thought to spur separatism in the first place. First and foremost, economic integration – that is, the elimination of tariff and non-tariff barriers to the flow of goods, services, and factors of production between states – is argued to increase separatism by reducing the economic incentives regions have to remain within large states. In large states, regions have access to sizeable free trade zones. With integration and the elimination of trade barriers between states, though, regions no longer have to remain within states in order to have access to large free trade zones.

Credit: © European Union 2014 – European Parliament (CC-BY-SA-ND-NC-3.0)

The European Union is supposed to provide regions with even more incentives to secede. The EU is thought to increase the incentives for regions to go it alone by weakening the political and economic authority of national governments. In transferring national authority in these domains to the supranational level of government, regions have an incentive to secede in order to influence decisions at the EU-level, where they have more influence as independent states than as regions within states. The EU, some argue, also encourages separatism by providing separatist parties from different countries with an arena to interact with each other and share strategies for achieving independence.

In practice, however, the overall effect of economic integration on separatism is likely to be nominal. First, and most

obviously, separatism arises from domestic factors. Integration, if it influences separatist sentiment at all, does so principally by affecting the capability of states to secede, not the underlying reasons for their wanting to secede. Thus, in general, there already has to be a strong territorial divide within countries for integration to matter. In some countries, integration may create or exaggerate an economic divide across regions, which are not equally prepared to benefit from free trade and investment, but again, internal politics matter. Astute governments can offset regional economic disparities through well-designed policies and programmes.

Second, the economic benefits of integration to regions are not as clear-cut or as uniform as they are often portrayed. Many regions do not benefit from integration (or at least, do not think that they do). Regions that benefit the most from free trade tend to have export-driven production (mostly industrial) that is already competitive on the global market, and are not dependent on government subsidies. Meanwhile, regions with low labour costs, high unemployment, strong property rights, and favourable tax policies, tend to attract the most foreign direct investment.

EU integration furthered separatism in the Ukraine, but not for the reasons that integration theories hypothesise. EU integration has increased demands for independence among the pro-Russia regions of the Ukraine, which are most opposed to integration with the European Union — the Crimea as well as the Donetsk and Luhansk territories of Eastern Ukraine. Separatist sentiment within these regions climaxed when pro-EU Ukrainians overthrew the then president of the Ukraine, Viktor Yanukovych, in part because he refused to sign an association agreement with the EU. Yanukovych explained then that he did not sign the agreement so as not to jeopardise trade with Russia, which opposed the agreement.

The economic gains from integration through regional trade organisations are also not as clear cut as some integration theories suggest because separatist regions often face major challenges in joining free trade organisations upon independence. Meeting an organisation's accession requirements can be very difficult financially for newly independent states. These states are also likely to face political opposition to their membership within these organisations, especially if the state that the region seceded from is already a member of the organisation that the region seeks to join. In this case, the rump state is likely to vote against the wayward region's membership and get their allies to do the same.

Second, even for regions that gain from integration, there is still a lot of economic value to belonging to large states, particularly in terms of defense. Economic integration can help regions provide for their own security by raising the income of individuals and enlarging a region's tax base, but most regions are not likely to benefit enough from integration in this way to provide for their own self-defence, particularly in an era where no state seems impervious to terrorism. Newly independent states may also need strong defence structures in order to protect themselves against possible re-absorption. In Europe, the generally low likelihood of militarised conflict, and the presence of transnational defence structures on the continent, are likely to minimise these concerns, but the current conflict in the Ukraine, and previous conflicts in the Balkans, make it apparent that even in Europe these concerns are important.

The bottom line is that the relationship between economic integration is neither uniform across regions, clear-cut, nor monotonic. For this reason, economic integration is unlikely to be the death knell for states that it is often prophesied to be.

Please read our comments policy before commenting.

Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

Shortened URL for this post: **http://bit.ly/1qsgrjW**

About the author

Dawn Brancati – *Washington University in St Louis*

Dawn Brancati is Assistant Professor in the Department of Political Science at Washington University in St Louis.