

## DEVOLUTION

# Regions step up demands for autonomy

Catalans and Basques want recognition as nations, writes Leslie Crawford

Spain's general election in March coincided with a growing clamour for more autonomy from Spain's largely self-governing regions.

The challenge for Mr Zapatero will be how to satisfy these demands without allowing the country to fall apart.

Under Spain's quasi-federal system 17 regions known as Comunidades Autonomas enjoy possibly the greatest degree of self-government in Europe. Regional governments take the biggest share of tax revenues, accounting for 47 per cent of public spending. They run their own health and education services and police forces.

Regional legislatures play a big role in urban planning and in the promotion of regional development. The Basque country and Navarre have special arrangements whereby they set and collect their own taxes returning only a fraction of the total to Madrid.

The central government's 40 per cent of public spending is mainly taken up with running the social security system including the provision of state pensions and large-scale infrastructure projects.

The *ayuntamientos*, or town halls, are worse off: they receive a mere 13 per cent of Spain's tax revenues. Many town halls are broke. Most survive by selling public land to developers.

The demands of regional governments are of two kinds: the first is for more power and a greater share of tax revenues to go with it. The second concerns the yearning of some regions, notably Catalonia and the Basque country, to be recognised as "nations" within the state with, for example, official recognition of their distinct languages within the EU and the right to field "national sides" in sports competitions.

Pasqual Maragall, president of the Generalitat, the Catalan regional government, complains that Madrid tends to see itself as a star extending its arms to outlying regions.

This has important practical implications, for example, in the way transport networks have been planned. "Like the spokes of a wheel," he says, "radiating from the centre."

The way Catalans see it this makes little sense. A logical transport network for Spain would include fast railway links and motorways across the industrial north linking Bilbao, Zaragoza and Barcelona and a Mediterranean axis stretching from the French border to the Strait of Gibraltar. World Bank reports recommended this strategy in the 1960s yet it is still waiting to happen.

Catalonia also wants to change the way Spain finances itself. Catalans claim they put more in the public kitty than they get back in the way of investments. "We accept the principle of solidarity with the

poorer regions of Spain," says Antoni Castells, the Generalitat's finance minister. "The problem is the size of our net contribution. We need to establish acceptable criteria for fiscal transfers."

The Spanish government does not publish figures showing the breakdown of tax collection and spending per region. It wants to avoid an acrimonious debate over winners and losers that would further undermine the fragile unity in Spain. Tax experts believe that if the figures were made public, the rich regions of the Basque country and Navarre would be exposed as the biggest beneficiaries, further inflaming tensions between regions.

The new Socialist government concedes that Spain's political geography, now 25 years old, is in need of reform. It has promised to study a fairer tax deal for Catalonia and to look favourably upon a new set of autonomy statutes that will be drafted by the Catalan parliament.

The fact that the Socialist party is in power in Madrid and Catalonia should ease tensions which had become almost intolerable when the conservative Popular party ruled Spain. Paradoxically, it also puts more pressure on Mr Maragall, who leads a shaky coalition of Socialists, radical Catalan nationalists and former communists, to extract a favourable new deal from Mr Zapatero's government.

"My biggest fear is that the negotiations will drag on and on and that the Cortes [national parliament] will not give priority to the approval of our new statutes," Mr Maragall says. "I want these matters solved within four years."

The Basque regional government, led by Basque nationalists for almost 25 years, has a more ambitious set of demands which Mr Zapatero has flatly ruled out as unacceptable. Juan José Ibarretxe, the Basque president, has drafted a new set of autonomy statutes that would transform the Basque country into "an associated free state" with Spain.

Basques would have their own passports and identity cards, and their own representation within the EU. The regional government would take control of the justice and social security systems. Critics describe Mr Ibarretxe's plan as a declaration of independence in disguise. But Josu Jon Imaz, leader of the Basque Nationalist party, says: "Independence is a debate of the past. We don't believe in frontiers. What we want is to be able to take our decisions within a European space."

Mr Zapatero has told Mr Ibarretxe to drop his independence plan in order to allow the Spanish and Basque authorities to turn a new leaf in their relations. For the moment Mr Ibarretxe is not backing down but there are hopes that the two men will eventually find common ground.