

# Revolt of the Rich: How Economic Considerations Influence Separatism in the Age of the Supranational Union

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## I. ABSTRACT

This paper aims to contribute to the understanding of the legal, political and social framework for secession in modern times. It proposes two fundamental dimensions for an analytic framework for understanding the political, social and legal workings of secession movements. One is placing a secession movement in the context of regional and global organizations. The other is exploring whether a secession movement is a “revolt of the rich” rather than an oppressed ethnic minority.

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This paper focuses on secession movements in Europe in the latter half of the twentieth century.

These dimensions may add to a traditional analysis in some cases. In others, they provide insights that are contrasting, counterintuitive or even surprising. The traditional analysis focuses on a *bilateral* contest over secession – between a constituent community of a state and the rest of it – rather than placing the tensions in the context of multiple tiers of authority, including local, regional and global organizations. The traditional analytic framework also looks for the source of secessionism in the desire of an *ethnic* minority to escape identity-based oppression by the majority, rather than the desire of a minority that might be more *economically* advanced to escape from being impaired in its drive for prosperity by regulatory and redistributive measures secured by the majority.

## II. INTRODUCTION

Over the past two hundred years the principal method of nation-state creation has been through the break-up or dissolution of larger nation states.<sup>1</sup> This has led to an influx of independent nations, with the period between 1945 and 2010 seeing the emergence of 141 newly independent nations.<sup>2</sup> However, despite this rise, the academic literature on secessionism continues to view these movements through the historical lens of the oppression of an ethnic minority by an ethnic majority. This continuance is unsurprising considering that the scholarship on secession often views a strong national or ethnic identity as a precondition to the rise of a secessionist movement.<sup>3</sup> While this is still an important consideration in most secession movements, this lens no longer has the same credible explanatory value that it has had in the past when it was used to analyze the break-up of colonial empires in the 19<sup>th</sup> and early 20<sup>th</sup> century. The composition of nation states susceptible to secessionist movements has changed since the 19<sup>th</sup> and early 20<sup>th</sup> century. Thus, the analysis of

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<sup>1</sup> David Armitage, “Secession and Civil War” in Don H. Doyle, ed, *Secession as an International Phenomenon: From America’s Civil War to Contemporary Separatist Movements* (Athens, Georgia: University of Georgia Press, 2010) 37 at 37.

<sup>2</sup> *Ibid.*

<sup>3</sup> Frank Dietrich, “Secession of the Rich: A Qualified Defense” (2014) 13:1 *Politics, Philosophy & Economics* 62 at 63.

secessionism requires additional lenses that allow the analysis to extend beyond historical oppression, disadvantage, and ethnic tension.

One lens we believe has significant explanatory power and is an underappreciated element of secessionism is the “revolt of the rich.” The revolt of the rich refers to a secessionist region’s ability to retain access and control of its wealth, privilege and power, and aligns with the widely accepted notion that economic considerations can play an important role in influencing secession movements.<sup>4</sup> However, the revolt of the rich goes one step further, based on the premise that it is in fact wealthy regions that seek secession to end the subsidization of poorer regions of the nation state. In this context, “rich” is used to define economic standing relative to the rest of the nation.

A second lens that should be considered in the analysis of secession movements is the appeal to a supranational organization. In nation states there are multiple tiers of authority and law making, with the national, regional and municipal tiers playing prominent roles in governing the lives of individuals. As a principle, secessionism is the reordering of these tiers of authority; such that a previously subordinate regional community might seek to be elevated to the tier of a national community through legal or extralegal means. However, since the Second World War, the establishment of supranational organizations has resulted in a new tier of authority above that of the nation-state. This new tier has subsumed a significant portion of the responsibilities previously within the exclusive jurisdiction of the national tier. The supranational tier can be viewed as the highest tier of law making, given its ability to govern the nation-states behavior towards each other and their own citizens. This highest tier of law-making is populated by organizations such as the European Union, the North Atlantic Treaty Organisation, and the United Nations. Membership in these organizations is crucial to the success of secession movement because of the economic and military security their membership can provide. The rise of supranational organizations and a shift in global security concerns from defense to deterrence has reduced the need for nations to control large territories.<sup>5</sup> Additionally, increasing globalisation has eliminated the need to have large national markets because of the ability to obtain capital and resources from

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<sup>4</sup> *Ibid* at 63.

<sup>5</sup> Ryan Griffiths, “Secession and the Invisible Hand of the International System” (2014) 40:3 *Review of International Studies* 559 at 560.

global markets.<sup>6</sup> Collectively, the ability of supranational organizations to meet the security and economic needs of seceding states has allowed smaller states to survive on the global stage.

Thus, there are two additional lens that should be applied to obtain a better understanding of the causes of secessions, the revolt of the rich and the appeal to a supranational organization.<sup>7</sup> For the purposes of this paper we will be looking at secession movements at the national tier of authority. However, we believe that such concepts can also be explored on a small scale, such as the secession of a neighbourhood from a municipality.

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<sup>6</sup> *Ibid* at 560.

<sup>7</sup> While this study attempts to highlight two factors in secession movements that tend to be overlooked, we would briefly identify to some other considerations we noticed in our survey that appear to influence enthusiasm and effectiveness for independence.

First, a secession movement will tend to define itself with reference to some kind of existing political unit with known boundaries. The fact that an area had at least some distinctive political identity (e.g., state within a federal system) might help to reinforce the sense of hared identity and provides institutional structures in which a desire for secession can be expressed. The existence of some kind of known boundary, even if it is within a federal state, lessens the risk that secession will lead to conflict, even violence, over demarcation. The Soviet Union dissolved into its pre-existing fifteen republics; Czechoslovakia split along the lines of its previous federal union and so did Yugoslavia. Eritrea had its own political identity during the era of European colonialism, and later as part of a federation with Ethiopia prior its independence, but conflict over the precise delineation of the boundary did lead to violence. Southern Sudan is a rare example of a successful secessionist movement that could not identity a pre-existing political identity and boundary. Negotiation of the boundary required protracted negotiations and arrangements to share certain resource revenues.

Second, even when a movement is largely a “revolt of the rich”, it will tend to seek independent statehood when an area can claim to have not only to be an existing political unit of some kind, but ho0me to a distinctive cultural group. It is difficult to find areas that are instinct in this way who have strong independence movements. Alberta is an example of a “revolt of the rich” secession movement. Like Quebec, it is an existing political unit with a well-defined border. Unlike Quebec, it does not have a well-defined ethnic identity different from its neighbouring provinces. Third, secessionist movements may tend to be in areas that border the oceans. When Yugoslavia split up, the first to go were coastal parts, Slovenia and Croatia. Serbia tried to maintain unit with remaining parts of the federation but ended up, along with Macedonia and Kosovo, landlocked. Eritrea, a coastal state, sought to separate from Ethiopia, which became landlocked. Its emergence as a landlocked state is another reason to doubt that Alberta separatism will gain traction.

### III. THE LITERATURE ON SECESSIONISM

#### A. The Revolt of the Rich

The traditional analysis of secession movements was best summarized in the 2007 analysis of Pavković and Radan, who broke the traditional theories into normative and explanatory theories of secession (normative in this context being political science theories on how secessionists persuade others, and for our purposes the latter being far more important). Since 1981, comprehensive theoretical explanatory frameworks for the study of succession have begun to emerge.<sup>8</sup> Scholars interested in the systematic political structures of nation-states had previously engrossed so much of their attention on the development of supranational organizations that the mass proliferation of movements in the other direction surprised them.<sup>9</sup> Such early scholarship looked for universality in their explanations<sup>10</sup> and recognized economics as sufficient preconditions of secessionism; however, they viewed such conditions as paltry in comparison to political and ethnic ones.

While Wood argues that economic disadvantages are tied to ethnic differences, the emphasis was on the ethnic component and disadvantages with little emphasis put on those of greater means. The predominant thought was that economic disadvantages were the cause of secession movements, not economic advantages. Advantages were considered “in a limited number of cases” but only where “competition for control of a lucrative resource may provide the main economic precondition for secessionist alienation,”<sup>11</sup> without seeking explanations for wealthy secessionist regions without resource-based economies. Much of this scholarship also “assumes that the agents of secessionist attempts are ‘ethnic groups’, that is, groups defined in the terms of their common culture and their beliefs in common descent or origin.”<sup>12</sup> Scholarship conceded that there was the possibility of “advanced ethnic groups” becoming secessionist

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<sup>8</sup> Aleksandar Pavković & Peter Radan, *Creating New States: Theory and Practice of Secession* (Burlington, VT: Ashgate Publishing Company, 2007) at 137.

<sup>9</sup> John Wood, “Secession: A Comparative Analytical Framework” (1981) 14:1 Can J Political Science 107 at 107.

<sup>10</sup> Pavković & Radan, *supra* note 8 at 137.

<sup>11</sup> *Ibid.*

<sup>12</sup> Pavković & Radan, *supra* note 8 at 142.

defining “advanced” as “above the mean in the number of the graduates of secondary and university institutions, in bureaucratic, commercial, and professional employment and in per capita income.”<sup>13</sup> However, such scholarship settled upon predictive hypotheses:

1. Backward groups in backward regions and in advanced regions will attempt to secede earlier than advanced groups in the state; and
2. Backward groups in backward regions will also attempt to secede more frequently than any other group<sup>14</sup>

It is the inverse hypothesis of this, that our “revolt of the rich” seeks to test. Are ‘backwards groups’ the ones who have been seceding? Our proposal is that they are not, and that it is primarily those of wealth and privilege (Horowitz’s “advanced groups”) separating themselves from larger states.

## B. The *Post-Libertatem* Supranational Union

If we think of national organizations in terms of scale, we can identify six different levels: the sub-subnational unit (city within a province or state), the subnational unit (province/region within a state or state within a federation), sovereign state, regional organization (European Union or NAFTA), quasi-global organizations (WTO) and global organization (the UN). There is a tendency to analyze secession movements as a relationship between the subnational unit and the sovereign state. However, the presence of strong regional organizations or the lack thereof have played an increasingly important role in dictating the evolution of these movements. The secession literature is quite light on the growth of secession movements being influenced by regional organizations. Milena Sterio’s 2013 contribution of the “great powers’ rule” is significant in its similarities; however, it should be distinguished on several points.<sup>15</sup> Her focus was on political and ethnic oppression rather than the revolt of the rich explored here. The novelty of Sterio’s argument however, is the final “criterion [that] is the most crucial one: that any self-determination-seeking group must obtain the support of the most powerful states, which [she] refers to as the

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<sup>13</sup> DL Horowitz, *Ethnic Groups in Conflict* (Berkeley: University of California Press, 1985) at 233.

<sup>14</sup> Pavković & Radan, *supra* note 8 at 144, paraphrasing Horowitz, *Ibid*.

<sup>15</sup> Milena Sterio, *The Right to Self-Determination under International Law* (New York: Routledge, 2013) at 57.

‘great powers’.”<sup>16</sup> Her argument goes so far as to say that “the great powers’ support encompasses and engulfs the...other criteria.”<sup>17</sup> Sterio’s theory relies upon the coercive exercise of influence over other states through the “great powers” enjoying privileged status within international institutions; in leadership roles within more specialized international organizations; in military unions; and in regional organizations such as the European Union. This is compounded in her assessment by their permanent positions on the UN Security Council and their routine representation on the International Court of Justice and other tribunals.<sup>18</sup> Rather than our view of these organizations as a higher level of governance, Sterio sees them as merely a mechanism for the expression of the “great powers, by being super-sovereign.”<sup>19</sup> In cases where strong international organizations exist we reject this concept of super-sovereignty instead seeing it as a pale imitation that is relied upon by secessionists where there is no higher level of governance to join. Our understanding is that of international organizations as another level of governance capable of independent action outside the great powers’ sovereignty, which provides greater understanding of what is fuelling global secessionism. Secessionists seek to join these international organizations not merely because of their patronage from the great powers, but rather the wide array of benefits of which the great powers’ support is just one. There is far more explanatory value in the view of them as a higher tier of governance which subsumes policy responsibilities as well as the endorsement of such policies by the great powers. As this paper moves towards a detailed analysis of Western Europe, we will begin with some general observations.

The EU was formed in 1957 and now encompasses 27 European nation states. There are many benefits to having EU membership for both the nation-state and the individuals living in that state. The most important benefit for our purposes is the single market. This allows the free flow of goods, services and money between member states, thus provided a much larger market without the barriers of international trade. This is especially important for secession movements as they are losing the national market they were a part of. The EU also advocates for peace and human rights among its members ensure human security as well as financial security.

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<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid* at 58.

<sup>19</sup> *Ibid* at 59.

Secession movements seceding from EU nation-states will lose access to that national market, and without being part of the EU, they are unlikely to be economically viable.

However, in and out are not the only two options. Some countries also have trade deals with the EU, including Norway and Canada. The Agreement on the European Economic Area that includes all EU member states and regulates the internal market also includes Norway, Liechtenstein and Iceland, despite not being members of the EU itself. The EU also has a free trade agreement with Canada.

#### IV. WESTERN EUROPE

Western European separatist movements are interesting because of the explanatory power of the revolt of the rich and the appeal to a supranational organization. This is due to both the degree of wealth, as well as the advanced state of supranational bodies in this part of the world. Western Europe has witnessed secession movements in Catalonia, Basque Country, Flanders, Scotland and Northern Italy in recent years.

In Western Europe, there appears to be a trend of wealthier regions with national identities seeking secession from the poorer regions of the country. One source of tension is the established nature of the Western European welfare-state, which has seen wealthy regions grow tired of sharing their wealth through fiscal transfers. This creates a source of economic grievance for the local populations, only intensified by the economic hardship caused by the 2007-2008 financial crisis and the austerity measures that followed.

The presence of the European Union (EU) and North Atlantic Treaty Organization (NATO), which play a major role in the domestic and foreign policy making of western European countries, is critical in any secession. The responsibilities of supranational organizations include passing policies and guidelines that go on to influence the laws and regulations enacted by national governments. Therefore, national governments devolve an increasing amount of power to regional governments because the level of government that ultimately implements the policies of the supranational organization is less significant. Thus, the devolution of power grants regional governments' greater autonomy and arguably discourages secession. However, the presence of supranational organizations in Western Europe does not appear to have the expected dissuading effect on separatist



movements. Rather, these organizations have a beneficial effect on secessionist states, according to European secessionists, as their supranational services alleviate the inherent risk in forming a smaller nation. Further, because supranational organizations conduct many of the responsibilities that are traditionally performed by the state, federal governments begin to lose their relevance vis-à-vis the separatist regions, which has in fact incentivized these movements to seek independence. The EU and NATO offer separatist regions a pathway to economic viability and all but ensure their economic and military security.

In analyzing the influence of supranational organizations, many of the themes are consistent and reoccurring across Western European separatist movements. Firstly, many separatist regions would not be able to survive economically or militarily without the presence of the EU and NATO. The EU, for example, provides a single robust market that guarantees the free movement of goods, capital, services and people, thereby reducing many of the inherent risks of being a small sovereign state.<sup>20</sup> Similarly, NATO is a defensive alliance that is central to foreign policy in Western Europe. Foreign policy is one of the most important policy areas of any state, particularly those that are seceding. The organization provides collective security to its members through Article 5, which states that an attack on one member is an attack against all its members.<sup>21</sup> In effect, this would act as a formidable deterrent to potential attacks and ensure the preservation of the new state's sovereignty.

A significant obstacle to the national aspirations of Western Europe's secession movements are the strict rules of admission into the EU and NATO. Newly independent regions are not bound by the treaties of the EU and therefore need to seek readmission as a member under the normal processes of admission.<sup>22</sup> Article 49 of the Treaty on European Union

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<sup>20</sup> Diego Muro & Marijn C Vlas Kamp, "How Do Prospects of EU Membership Influence Support For Secession? A Survey Experiment in Catalonia and Scotland", (2016) 39:6 *West European Politics* 1115 at 1117.

<sup>21</sup> *North Atlantic Treaty*, NATO Member States, 4 April 1949, Article 5 (entered into force 24 August 1949).

<sup>22</sup> This is also known as the Prodi Doctrine, as articulated by Romano Prodi, former president of the European Commission in April of 2004. See e.g. Ivan Yakoviyk, MG Okladna & RR Orlovsky, "Separatism in the United Europe: Old Problem With a New Face" (2018) 140 *Problems of Legality* 132 at 140 (HeinOnline).

requires unanimous consent for admission,<sup>23</sup> scholarship suggests that therefore it is only with the consent of the country being seceded from that separatist regions may gain admission.<sup>24</sup> Like the EU, under Article 10 of the North Atlantic Treaty, membership into NATO requires unanimous consent from its members.<sup>25</sup> It is doubtful any member country that has domestic breakaway regions would agree to provide its own breakaway region membership. It is also unlikely that any country with a secessionist movement would agree to provide membership to breakaway regions in other countries for fear that it would create a precedent for their own secession movements.

## A. Southwestern Europe

### The Legacy of Divergent Industrialization and Geopolitical Conflict

Spain and Italy, as states, are products of the late 19<sup>th</sup> century. The unification of Italy in the 1860s from smaller regional states and the collapse of the Spanish Empire in the 1890s fundamentally shaped the nature of the states and their political dynamics today. Since the end of the Cold War in Italy and the fall of Franco's government in 1975 in Spain, these two countries have been in a state of defining their nationhood beyond the ideological conflicts that dominated their 20<sup>th</sup> century history.<sup>26</sup> In both these countries this redefining of the nation was twofold: the defining of the relationship between the regions and the central government, as well as the defining of the central government's expanding integration into the EU. In both countries the process of redefining the nation has coincided with a rise in secessionism in the wealthier northern regions. Both countries' northern regions had reaped the benefits of early industrialization through which they

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<sup>23</sup> *The Lisbon Treaty*, EU Member States, 13 December 2007, Article 49 (entered into force 1 December 2009).

<sup>24</sup> Carlos Closa, "Secession from a Member State and EU Membership: the View from the Union" (2016) 12:2 *European Constitutional L Rev* 240 at 240-26.

<sup>25</sup> *Ibid* at Article 10.

<sup>26</sup> For a history of the cold war conflict and right-left violence in Italy see e.g. Adalberto Baldoni & Sandro Provisonato, *Anni di Piombo* ("Years of Lead") (Sperling & Kopfer, 2009). For a history of Spain see e.g. Javier Tusell. *Spain: From Dictatorship to Democracy* (London: Blackwell, 2007).

enjoyed economic as well as political dominance in the countries prior to the European wars of the 1930s and 1940s.

At the same time, the impact that the EU and NATO have had on the political discourse of these countries in the past 30 years cannot be understated. While Italy was a founding member of both NATO and the EU, Spain only entered both after the fall of Franco's government. The Great Recession strained the relationship of both states with the EU, yet as members they retain the ability to veto new admissions.<sup>27</sup> The secession movements of Catalonia, Basque Country, and Northern Italy require membership in the EU and NATO to be viable states post-secession.

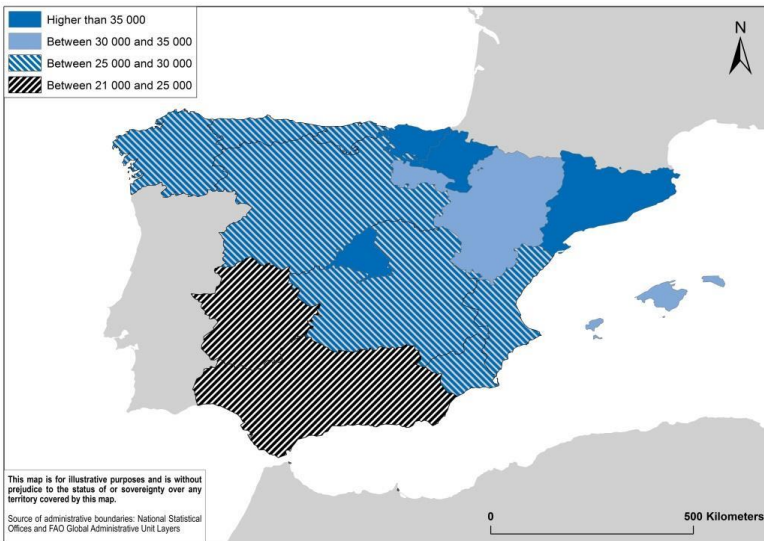
## Spain

Spain's wealthier northern regions have benefited, in the post-Franco era, from Spain's chaotic politics and its reopening to the world. With the notable exception of the capital region surrounding Madrid, all of Spain's wealthiest regions lay along its northern border with France (as illustrated in the attached map of regional differences in GDP per capita levels from 2013).<sup>28</sup>

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<sup>27</sup> Glen ME Duerr, *Secessionism and the European Union* (Lanham, Maryland: Lexington Books, 2015) at 95.

<sup>28</sup> OECD, "Regional Outlook 2016 Spain" (2016) at ch IV "Country Notes", online (pdf): <<https://www.oecd.org/cfe/regional-policy/regional-outlook-2016-spain.pdf>>.



These border regions also happen to be the gripped by separatist politics.

After the death of Franco, Spain's new, democratic, 1978 constitution moved away from the oppressive unitary model of his regime. While not fully federalist, it gave recognition to distinct "nationalities" within Spain granting them autonomous regions. Simultaneous to this granting of autonomy to previously suppressed regional bodies was the courting of western supranational organizations. Spain joined NATO on May 30, 1982, only four years after the ratification of its new constitution.<sup>29</sup> Subsequently, through the adoption of the *Single European Act*, Spain entered what would become the EU.<sup>30</sup>

### *Catalonia*

Catalonia is an autonomous region located in the northeastern part of Spain and has a population of approximately 7.49 million people (16.1% of the population of Spain).<sup>31</sup> Catalonians have a distinct national identity

<sup>29</sup> NATO, "The accession of Spain", Member Countries, 26 March 2018 online: <[https://www.nato.int/cps/ie/natohq/topics\\_52044.htm](https://www.nato.int/cps/ie/natohq/topics_52044.htm)> accessed: October 10, 2018.

<sup>30</sup> Paul Craig & Grainne de Burca, *EU Law: Text, Cases and Materials* 3rd ed. (Oxford: Oxford University Press, 2003) at 143.

<sup>31</sup> Frank Zipfel & Stefan Vetter, "Better off on their own? Economic Aspects of Regional Autonomy and Independence Movements in Europe" (2015) *EU Monitor* 1 at 4.

and different political parties in the region have long sought greater autonomy or secession from Spain.<sup>32</sup> Although there are multiple factors driving Catalan secession, one of the primary factors is the economic grievances caused by the fiscal arrangement with the federal government in Madrid.

Under Spain's fiscal arrangement, Catalonia has experienced a significant fiscal deficit. Catalonia is one of the wealthiest regions in Spain with a GDP per capita that is 17% higher than the national average, yet it does not possess fiscal autonomy.<sup>33</sup> Rather, the federal government retains the power to collect taxes and distribute revenues throughout the country in the form of public spending. This equalization scheme was made to ensure a fair system of public spending throughout the country despite differences in revenue raising capacity; however, the scheme has resulted in some regions being net contributors and others being net beneficiaries. Catalonia is the third largest net contributor, leading Catalonians to believe they are subsidizing the poorer regions of the country and receiving little in return.<sup>34</sup>

The 2007-2009 financial crisis strained relations between Madrid and Barcelona. The recession led to high unemployment rates as well as a banking and sovereign debt crisis that created greater economic disparity between the rich and poor provinces in the country.<sup>35</sup> In exchange for European funds to rescue its banking sector, Spain was forced to implement unpopular liberalizing reforms and austerity measures.<sup>36</sup> These policies further antagonized a Catalan population that began to believe to a greater extent that an independent Catalonia would be better equipped to look after the economic needs of its people.

This sentiment was reflected in the polls. While 15% of Catalans favoured independence in 2006, 44% of the population supported independence in 2012.<sup>37</sup> This level of support led political parties to begin running on platforms that included independence, culminating in a non-

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<sup>32</sup> Robert Liñera & Daniel Cetrà "The Independence Case in Comparative Perspectives" (2015) 86:2 *The Political Quarterly* 257 at 263.

<sup>33</sup> Zipfel & Vetter, *supra* note 31 at 4.

<sup>34</sup> *Ibid* at 9.

<sup>35</sup> Jonathan Hopkin "The Politics of Secession Movements: Institutional Change and Economic Crisis in Scotland and Catalonia" (Paper delivered at the SAIS John Hopkins Bologna Center, April 2016) [unpublished] at 11.

<sup>36</sup> *Ibid*.

<sup>37</sup> *Ibid* at 12.

binding referendum in 2014.<sup>38</sup> Approximately 2.3 million out of 7.5 million Catalan citizens participated in that referendum and over 80% of voters voted to create an independent state.<sup>39</sup> The low voter turnout limited its credibility and the vote was declared non-binding by the Spanish Constitutional Court.<sup>40</sup> Most recently, Carles Puigdemont, then the Catalan president, held an independence referendum on October 1<sup>st</sup>, 2017.<sup>41</sup> This referendum was followed by a unilateral declaration of independence by the Catalanian parliament on October 10, 2017.<sup>42</sup> The referendum and unilateral declaration has increased tensions with a Madrid government which has held and continues to hold that the referendum goes against the Spanish Constitution, which establishes the “indissoluble unity of the Spanish Nation”, and is therefore illegal.<sup>43</sup> These tensions prompted the unilateral dissolution of the devolved parliament under Article 155 of the Spanish Constitution.<sup>44</sup> The unilateral declaration was declared an act of rebellion and the funds spent on the referendum criminal embezzlement of public funds.<sup>45</sup>

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<sup>38</sup> Thomas Y Patrick “The Zeitgeist of Secession Amidst the March for Unification: Scotland, Catalonia and the European Union” (2016) 39:195 Boston College Intl & Comp L Rev 195 at 196.

<sup>39</sup> *Ibid.*

<sup>40</sup> *Ibid.*

<sup>41</sup> Jon Rogers & Maria Ortega, “Spain in Chaos as Catalonia Sets Date for Independence Referendum”, The Daily Express (9 June 2017) online: <[express.co.uk/news/world/815014/Catalonia-independence-referendum-date-Catalan-Carles-Puigdemont-Madrid](http://express.co.uk/news/world/815014/Catalonia-independence-referendum-date-Catalan-Carles-Puigdemont-Madrid)>.

<sup>42</sup> This occurred after a walkout staged by the minority opposition to Puigdemont’s administration. Full text of the declaration in Catalan: Parlament de Catalunya, *Declaració d’independència de Catalunya* (10 d’octubre de 2017) (President: Carles Puigdemont) online (pdf): <[ara.cat/2017/10/10/Declaracio\\_Independencia\\_amb\\_logo\\_-1.pdf](http://ara.cat/2017/10/10/Declaracio_Independencia_amb_logo_-1.pdf)>.

<sup>43</sup> Patrick, *supra* note 38 at 208.

<sup>44</sup> *Presidente del Gobierno de España*, online (pdf): <[https://e.issuu.com/embed.html?identifier=49jmb1955lsq&hostUrl=https%3A%2F%2Felpais.com%2Fpolitica%2F2017%2F10%2F11%2Factualidad%2F1507740518\\_167702.html&hostReferrer=https%3A%2F%2Felpais.com%2Fpolitica%2F2017%2F10%2F11%2Factualidad%2F1507722383\\_328995.html&embedType=script#27388340/54183439](https://e.issuu.com/embed.html?identifier=49jmb1955lsq&hostUrl=https%3A%2F%2Felpais.com%2Fpolitica%2F2017%2F10%2F11%2Factualidad%2F1507740518_167702.html&hostReferrer=https%3A%2F%2Felpais.com%2Fpolitica%2F2017%2F10%2F11%2Factualidad%2F1507722383_328995.html&embedType=script#27388340/54183439)>. See also: Spanish Constitution 1978, VII, Ch. 1, Sec. 155 (2) (Official English Translation), online (pdf): <[congreso.es/portal/page/portal/Congreso/Congreso/Hist\\_Normas/Norm/const\\_espa\\_texto\\_ingles\\_0.pdf](http://congreso.es/portal/page/portal/Congreso/Congreso/Hist_Normas/Norm/const_espa_texto_ingles_0.pdf)>.

<sup>45</sup> See official German high court decision summary: Germany, Schleswig-Holsteinisches Oberlandesgericht, *Press release*, “Matter Carles Puigdemont: The extradition for the

### *Basque Country*

Basque nationalism spans over three distinct territories, Spanish Basque Country, French Basque Country and Navarre. In terms of its demographics, Spanish Basque Country is an autonomous community in Spain located in the north of the country with a population of 2.18 million people (4.7% of the population).<sup>46</sup> Navarre neighbours Spanish Basque Country to the east and has a population of 0.68 million people (1.4% of the population).<sup>47</sup> Lastly, the population of French Basque Country is approximately 300,000.<sup>48</sup> In France, the Basques represent less than 1% of the population and do not widely support independence.<sup>49</sup> As a result, we focus our analysis on the Spanish territories.

The Basque people have a distinct national identity, language and culture, but unlike the Catalanian secessionist movement, Basque nationalism has recently manifested itself through armed struggle as well as politically. An armed leftist organization called the Basque Homeland and Liberty carried out bombings, assassinations and kidnappings in an attempt to establish an independent Basque state.<sup>50</sup> The group disbanded on April 8<sup>th</sup>, 2017.<sup>51</sup> Yet, the political effort to create a Basque country continues and is led by the Christian-Basque Nationalist Party.<sup>52</sup>

Basque Country is the most prosperous region in Spain, with a GDP per capita 30% higher than the national average.<sup>53</sup> Meanwhile, Navarre has a GDP per capita 28.2% higher than the national average.<sup>54</sup> Basque Country

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accusation of embezzlement of public funds is admissible; an extradition for the accusation of rebellion is inadmissible. Carles Puigdemont remains free” online: <<http://schleswigholstein.de/DE/Justiz/OLG/Presse/PI/201806Puigdemontenglisch.html>>.

<sup>46</sup> Zipfel & Vetter, *supra* note 31 at 4.

<sup>47</sup> *Ibid.*

<sup>48</sup> Christian L Wright “The French Side of Basque Country”, New York Times (5 June 2015) online: <<http://nytimes.com/2015/06/07/travel/the-french-side-of-basque-country.html>>.

<sup>49</sup> Imanol Murua “Basque Separatists Inch Along, Watching Catalonia Closely”, The Conversation (6 May 2014) online: <<http://theconversation.com/basque-separatists-inch-along-watching-catalonia-closely-26115>>.

<sup>50</sup> “Spain’s Separatist ETA Hands Over Remaining Weapons, Ending Bloody Campaign”, Deutsche Welle (8 April 2017) online: <<http://www.dw.com/en/top-stories/s-9097>>.

<sup>51</sup> *Ibid.*

<sup>52</sup> Liñera & Cetrà, *supra* note 32.

<sup>53</sup> Zipfel & Vetter, *supra* note 31 at 4.

<sup>54</sup> *Ibid.*

and Navarre have been given the status of “Comunidad Foral” since 1979 and 1982, respectively.<sup>55</sup> This designation affords the region fiscal autonomy and preferential treatment within the equalization scheme which grants Basque Country the power to collect most taxes themselves.<sup>56</sup> Although these regional governments must transfer a certain share of their tax revenue to the central government for functions that occur at the national level, these amounts are low and enable these regions to maintain a fiscal surplus.<sup>57</sup> In effect, this scheme eliminates the possibility of a fiscal deficit thereby removing an important source of resentment for the Basque population.

Basque nationalism has lost much of its momentum. Its fiscal arrangement has put its territories in a beneficial economic position, which has stymied the secession movement. In fact, the leading nationalist party, the Christian-democratic Basque Nationalist Party, has been elusive about independence by alternating between pro-self-government and pro-sovereignty positions.<sup>58</sup> More recently, the party has expressed its support for a proposal to establish a new political status for Basque Country in 2020.<sup>59</sup> As for the Spanish government, one of the greatest dangers is the domino effect that an independent Catalonia may have on other regions, including reigniting the national aspirations of Basque Country.

## Italy

In Northern Italy, the Lega Nord is a political party that has sought greater fiscal autonomy and independence for what they refer to as the Republic of Padania. The Republic is composed of 14 northern “nations” including: Lombardy, Veneto, Piedmont, Tuscany, Emilia, Liguria, Marche, Romagna, Umbria, Friuli, Trentino, South Tyrol, Venezia Giulia and Aosta Valley.<sup>60</sup> Traditionally, there has been a north-south divide in Italy with certain social and economic differences between the two territorial groups, but historically the North has not had a distinct and unified political identity. In contrast to the unified South, the North had been a collection

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<sup>55</sup> *Ibid* at 7.

<sup>56</sup> *Ibid*.

<sup>57</sup> Liñera & Cetrà, *supra* note 32 at 261.

<sup>58</sup> *Ibid* at 260.

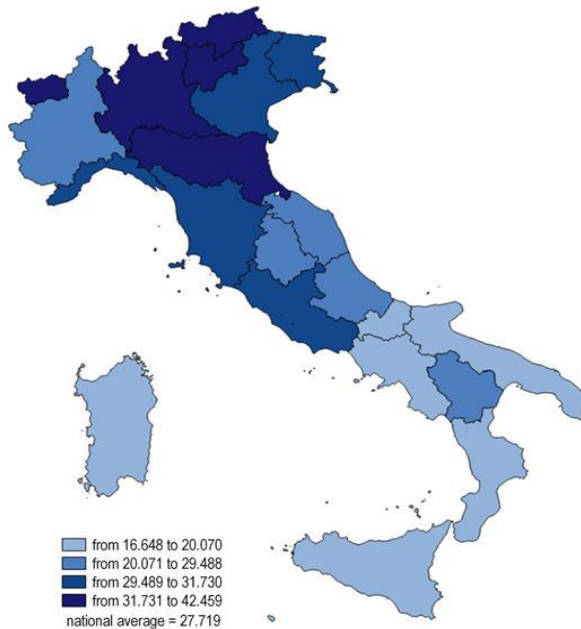
<sup>59</sup> *Ibid*.rà,

<sup>60</sup> Umberto Bossi “Dichiarazione di Indipendenza e Sovranità Della Padnia” (1996) online: *WikiSource* <[https://it.wikisource.org/wiki/Dichiarazione\\_di\\_indipendenza\\_della\\_Padania](https://it.wikisource.org/wiki/Dichiarazione_di_indipendenza_della_Padania)>.



of independent kingdoms and republics in the centuries prior to Italian Unification in the 1800s. However, recent scholarship has recognized that the existence of a *post hoc* ethnic or national identity is neither necessary nor sufficient for the formation and international recognition of a secession state.<sup>61</sup> A collective identity of “the North” was only effectively introduced into the Italian politics in the 1990s by the Lega Nord, who has always defended self-government but not always in the form of secession.<sup>62</sup>

One of the primary factors that has driven Lega Nord’s popularity is the wealth distribution that occurs from north to south. As illustrated through the maps below displaying the GDP per capita by region and value



<sup>61</sup> Pandarian Secession is an example used by Wienstock in his Rawlsian critique of David Miller’s oppression based ‘Substantivist’ theory of secession. Specifically that it illustrates Miller’s unintentional incentive towards national myth manufacturing rather than rationality. See Daniel M Weinstock, “Toward A Proceduralist Theory of Secession”, (2000) *Can. JL & Juri* 251 at 254; citing David Miller, “Secession and the Principle of Nationality” in J Couture et al., eds., (1996) 22 *Can. JP Supp. Vol*, Rethinking Nationalism.

<sup>62</sup> Francesco Diuna & Jared Bok “Sub-National Movements and the Politicization of NAFTA and the EU” in A Hurrelmann & S Shneider ed *The Legitimacy of Regional Integration in Europe and the Americas. Transformation of the State* (London: Palgrave Macmillan, 2015) 193 at 210.

added per capita by sub-regional province, respectively.<sup>63</sup> The economies of the northern provinces are wealthier compared to the economies of the southern regions; consequently, northern Italy carries the greater burden of equalization in Italy.<sup>64</sup> A recent study projects that about 30% of Lombardy's taxes are transferred to poorer regions, while residents of Calabria receive 55% more than they pay in taxes.<sup>65</sup>

The Great Recession in the late 2000s and its immense impact on the Italian economy increased the grievances of Northern Italy.<sup>66</sup> Economic conditions and a rise in sovereign debt forced the Italian government to implement austerity measures.<sup>67</sup> The economic crash and subsequent governmental policies led a disgruntled northern population to believe they had been subsidizing the southern regions. In 2006, the Lega Nord received 4.58% and 4.48% votes of the Chamber of Deputies and the Senate, whereas in 2008, those numbers were 8.3% and 8.1%, respectively.<sup>68</sup> As a result, the party became President Berlusconi's most valuable ally in his centre-right coalition.<sup>69</sup> In the European elections in 2009 the Lega Nord received 10.2% of the votes.<sup>70</sup>

The position of the Lega Nord regarding Padania's status vis-à-vis Italy has not always been consistent. Throughout its history the party has sought federalism, then secessionism and more recently devolution.<sup>71</sup> Under the leadership of Matteo Salvini, the Lega Nord has toned down its message of secessionism, instead focusing on gaining greater autonomy for the northern regions.<sup>72</sup> On October 22, 2017 the wealthy northern regions of Lombardy and Veneto, which are strong supporters of the Lega Nord, held a referendum where new local powers were won for the regional governments

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<sup>63</sup> Italy, "Regional Accounts" 20 December 2017.

<sup>64</sup> Zipfel & Vetter, *supra* note 31 at 17.

<sup>65</sup> *Ibid.*

<sup>66</sup> In 2007 Italy's GDP grew by 1.5% but after the recession hit its GDP declined by 1.3% in 2008 and 5% in 2009. Collège Universitaire de Sciences Po, "The Far Right in Italy", Marta Lorimer & Lorenzo Pomarico, online: <<http://www.sciencespo.fr/coesionet/sites/default/files/Italy%20Extremism.pdf>>.

<sup>67</sup> See Collège Universitaire de Sciences Po, *Ibid.*

<sup>68</sup> *Ibid.*

<sup>69</sup> *Ibid.*

<sup>70</sup> *Ibid.*

<sup>71</sup> Diuna & Bok, *supra* note 62.

<sup>72</sup> Anna Momigliano, "Italy's Northern League Goes Local to Stay National", *Politico* (18 October 2017) online: <<https://www.politico.eu>>.

in Milan and Venice.<sup>73</sup> In 2015 the party did remarkably well in the regional elections, illustrated by their win in Veneto and receiving 20% of the vote in Tuscany.<sup>74</sup> However, this success was built on Salvini re-focusing the party's efforts from a regional strategy to a national strategy, which changed the rhetoric of the party.<sup>75</sup> In 2018 Lega Nord made significant gains in the elections and formed the head of a new governing coalition with the populist Five Star Movement.<sup>76</sup> This election campaign marked a shift from separatists to Italian nationalists, after which Salvini focused entirely on migration issues and a reimagining of Italy's place in the EU.

Lately, Lega Nord has taken a Eurosceptic stance, along with the move from separatism to nationalism, specifically citing immigration as one of their grievances with the European Union. Salvini argues that Italy should leave the EU unless it reforms, specifically the Schengen Zone and the Dublin Treaty.<sup>77</sup> The Dublin Treaty mandates asylum seekers must be processed in the country of first arrival and, Italy's proximity to Northern Africa makes it vulnerable to high levels of immigration. For example, In 2018 Italy processed over 50,000 requests for asylum.<sup>78</sup> As a result, the Lega Nord has stated that the EU is a threat to their cultural identity and economic prosperity, thereby demonstrating that supranational organizations can also serve to encourage regionalism/secessionism and push separatist movements away from regional integration.<sup>79</sup> Today, Salvini still advocates for taking Italy out of the Eurozone Common Currency and asking the federal government to revisit its commitments to NATO.<sup>80</sup> Time will tell

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<sup>73</sup> Agence France-Press, "Northern Italy regions overwhelmingly vote for greater autonomy" *The Guardian* (23 Oct 2017), online: <[theguardian.com/world/2017/oct/23/northern-italy-regions-overwhelmingly-vote-for-greater-autonomy](http://theguardian.com/world/2017/oct/23/northern-italy-regions-overwhelmingly-vote-for-greater-autonomy)>.

<sup>74</sup> Stephanie Kirchgassner, "Rightwing Northern League Makes Gains in Italian Elections", *The Guardian* (1 June 2015) online: <[theguardian.com/international](http://theguardian.com/international)>.

<sup>75</sup> Momigliano, *supra* note 72.

<sup>76</sup> Ian Bremmer "Five Things to Know About Italy's Populist Coalition Government", *Time* (18 May 2018), online: <[time.com/5280993/m5s-lega-italy-populist-coalition/](http://time.com/5280993/m5s-lega-italy-populist-coalition/)>.

<sup>77</sup> Will Kirby "Last Chance!' Eurosceptic Leader Blasts 'outdated' Schengen Zone - Will Italy Quit EU?" *The Daily Express* (18 August 2017) online: <<https://www.express.co.uk/news/world/842882/italy-eu-european-union-northern-league-matteo-salvini-schengen-zone>>.

<sup>78</sup> ASGI "Statistics - Italy" online: *AIDA Asylum Information Database* <<https://www.asylumineurope.org/reports/country/italy/statistics>>.

<sup>79</sup> Diuna & Bok, *supra* note 62 at 19-20.

<sup>80</sup> Andrew Desiderio, "Italy's Matteo Salvini Is Donald Trump's Loudest Foreign Surrogate"

how far Salvini will take his Eurosceptic rhetoric given that he has been empowered by his alliance with the similarly Eurosceptic yet left wing and predominantly southern Five Star Movement.

This completion of the journey from secessionist fringe group to nationalist governing party, from Europhilic to Euroscepticism in such a rapid time frame, can only be understood through the motivation of restoring Northern Italy to its position of prominence. This journey is best explained by the use of multiple strategies by those seeking greater influence for their wealthy region. In this case, a potential answer could be that the economic anxieties appear to be getting replaced with anxieties about outsiders and a preference for their national Union over the European Union.<sup>81</sup> Lega Nord presents an interesting case study of the changing of tactics to achieve the same end; increasing policy making power of particular regional interests.

## B. Northwestern Europe

### New wealth in previously disadvantaged regions

Flanders and Scotland present the unique challenge of economic ascendancy leading to secessionist movements in pro-internationalist regions. Both regions have only recently become rich after a long history of being the poorer halves of their respective unions. Previous secession research played into this idea identifying them as being secessionist territories where the level of development is lower than their respective national average.<sup>82</sup> However, this has become an outdated notion as they have both experienced rapid development in recent decades. Both regions are Europhilic and support for the EU in Scotland and Flanders is high compared to the national average in their respective unions.

Scotland and Belgium have stronger relationships with the EU than Spain and Italy. Belgium was a founding member of the predecessor to the

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(2 June 2017) *The Daily Beast*, online: <[thedailybeast.com/italys-matteo-salvini-is-donald-trumps-loudest-foreign-surrogate](http://thedailybeast.com/italys-matteo-salvini-is-donald-trumps-loudest-foreign-surrogate)>.

<sup>81</sup> Alexander Stille, "How Matteo Salvini pulled Italy to the far right" *The Guardian* (9 August 2018), online: <[theguardian.com/news/2018/aug/09/how-matteo-salvini-pulled-italy-to-the-far-right](http://theguardian.com/news/2018/aug/09/how-matteo-salvini-pulled-italy-to-the-far-right)>.

<sup>82</sup> Milica Zarkovic Bookman, *The Economics of Secession* (New York: St. Martin's Press, 1992).

EU, the European Economic Community, in 1958.<sup>83</sup> The EU and many of its institutions, such as the European Commission and European Parliament, are headquartered in Brussels. Consequently, Belgium has always had a close relationship with the EU and its prominent role in the organization would make the admission of Flanders challenging. Similarly, Scotland, unlike the rest of Britain, is a steadfast advocate of the EU. Its secession movement is partially the result of a desire to return to the EU post-Brexit.

## Belgium

Belgium is divided into three regions: Flanders, Wallonia and Brussels-Capital Region with a combined population of approximately 11 million people.<sup>84</sup> Flanders is a Dutch-speaking separatist region located in the north of the country and contains 58% of the population.<sup>85</sup> Wallonia is a French-speaking region located in the south of the country and contains 32% of the population.<sup>86</sup> Lastly, Brussels is located in the center of the country, but is entirely within the regional boundaries of Flanders and has 10% of the population.<sup>87</sup>

Flanders did not always have a distinct political identity and has no history of independence. Flanders became an identifiable region due to the difficulties the Belgian state had in forging a common national identity among Dutch speakers in the North and Frenchspeakers in the South. These difficulties were only exasperated by the propaganda of the occupying German Army during WWI and WWII which emphasized Flanders' distinct Germanic culture in opposition to Belgian nationalism.

Historically, Wallonia was the wealthiest region in Belgium but after WWII it was surpassed by Flanders as the most economically prosperous

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<sup>83</sup> European Union, *Belgium*, (October 2, 2018), online: <[https://europa.eu/european-union/about-eu/countries/member-countries/belgium\\_en](https://europa.eu/european-union/about-eu/countries/member-countries/belgium_en)>.

<sup>84</sup> "Is Secession the Answer? The Case of Catalonia, Flanders and Scotland" online: (2013) *Knowledge@Wharton*, online: <[knowledge.wharton.upenn.edu/article/secession-answer-case-catalonia-flanders-scotland/](http://knowledge.wharton.upenn.edu/article/secession-answer-case-catalonia-flanders-scotland/)>.

<sup>85</sup> *Ibid.*

<sup>86</sup> *Ibid.*

<sup>87</sup> *Ibid.*

region.<sup>88</sup> The decline in industrial manufacturing and rise of shipping and international services as Belgium's primary industries made Flanders more prosperous than its landlocked southern partner. A newly wealthy Flanders desired more fiscal autonomy, which led to calls for reform to appease them as a means to maintain the union. This shift led to constitutional reforms, including a decentralized federal state with three language communities (Dutch, French and German), each with their own parliaments and competencies.<sup>89</sup> It is important to note that each region is officially monolingual, except for Brussels which is bilingual (French and Dutch). This arrangement has caused great divisions in the country as it separated the population among territorial and linguistic spheres.<sup>90</sup>

Like the Catalonians, the Flemish do not believe that they receive their fair share of the national economy. Flanders produces 82% of Belgium's total exports and has an unemployment rate of 6.3% to Wallonia's 15.2%.<sup>91</sup> This disparity has caused the Flemish to resent equalization payments, which they perceive as subsidies to a wasteful Walloon government. Payments between regions are not reported in Belgium; thus, only estimates exist. One study conducted at KU Leuven estimated that in 2007 Flanders transferred 0.23% and 4.55% of national GDP to Brussels and Wallonia, respectively.<sup>92</sup> In 2009, those numbers were 0.08% to Brussels and 1.7% to Wallonia.<sup>93</sup> Alternatively, a study by the National Bank of Belgium estimated that in 2005, Flanders transferred 1.9% of national GDP.<sup>94</sup> Although just estimates, these studies suggest that Flanders was at an economic disadvantage under Belgium's fiscal arrangement.

The financial crisis heightened calls for independence in Flanders. With Belgium's debt after the crisis climbing to 104.5% of GDP in 2013, the Flemish population believed they should not have to carry the burden of paying for the poorer south.<sup>95</sup> This view led the Flemish population to harden their stance in the 2010 election resulting in 44% of the Flemish

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<sup>88</sup> Christopher K Connolly "Independence in Europe: Secession, Sovereignty and the European Union" (2013) 24:51 *Duke J Comp & Int L* 51 at 64.

<sup>89</sup> *Ibid.*

<sup>90</sup> *Ibid* at 65.

<sup>91</sup> Knowledge@Wharton, *supra* note 84.

<sup>92</sup> Zipfel & Vetter, *supra* note 31 at 15.

<sup>93</sup> *Ibid.*

<sup>94</sup> *Ibid* at 16.

<sup>95</sup> *Ibid* at 14.

population voting for two independence parties, 31.7% for N-VA and 12.3% for Vlaams Belang.<sup>96</sup> The outcome of the election caused a political impasse that left Belgium without a government for 541 days.<sup>97</sup>

To ease the Flemish desire for greater autonomy, Belgium passed decentralization reforms. First, the ‘Sixth State Reform’ in 2011 continued to decentralize powers to the regions by reinforcing “the tax-collecting competences of the regions and guarantees the municipalities higher transfers from the central government, expanding the responsibilities of the region at the same time.”<sup>98</sup> In all, an additional €20 billion were transferred from the federal government to the regions.<sup>99</sup> In 2014, an amendment also ensured that 4.7% of GDP was further transferred to the regions.<sup>100</sup> After these changes, support for secession in Flanders began to subside. In the 2014 election 38.3% of the Flemish population voted for independence parties, which was a decrease of close to 6% from the 2010 elections.<sup>101</sup> However, the N-VA is still the leading party in the Belgian Parliament and stands for the gradual secession of Flanders from Belgium.<sup>102</sup>

## United Kingdom

The United Kingdom separated from the EU in January 2020 but was still in the transition stage where it is still bound by EU laws and regulations until the end of 2020. As of December 31, 2020 The United Kingdom is no longer subject to any rules or regulations of the EU and the relationship is governed by the EU-UK Trade and Cooperation Agreement. This separation could be viewed through a similar secessionist lens as has been applied above, except now in the context of the state seceding from a supranational organization. Such an analysis with regards to the two-fold theory of this paper, is beyond the scope of this paper. What is, however, a

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<sup>96</sup> *Ibid.*

<sup>97</sup> *Ibid.*

<sup>98</sup> *Ibid* at 15.

<sup>99</sup> Jurgen Goossens & Pieter Cannoot “Belgian Federalism After the Sixth State Reform” (2015) 7:2 Perspectives on Federalism 29 at 31.

<sup>100</sup> Zipfel & Vetter, *supra* note 31 at 14.

<sup>101</sup> *Ibid* at 15.

<sup>102</sup> Holly Ellyatt, “If Catalonia Goes Independent, These Place Could Be Next”, CNBC (6 October 2017), online: <[cnbc.com/2017/10/06/if-catalonia-goes-independent-these-places-could-be-next.html](http://cnbc.com/2017/10/06/if-catalonia-goes-independent-these-places-could-be-next.html)>.

spectacular example of a revolt of the rich is one of the UK's component countries' secessionist movement. A country which has a deep connection to the EU, and whose future in the UK has been brought into question by Brexit.

### *Scotland's Revolting Rich*

Scotland is one of four countries that make up the UK, along with England, Wales and Northern Ireland. Scotland entered into a union with England in 1707, but maintained its own culture and institutions.<sup>103</sup> Politically, the Scottish national movement remained unpopular and weak until the late 1960s, when oil was discovered off the coast of the North Sea.<sup>104</sup> In the 1990s the secessionist literature viewed the economics of Scotland's secession movement as that of a "less developed" region seeking to separate from a more developed state.<sup>105</sup> Such predictions were made at a time of unusually low oil prices and relied on historical data based on Scotland's previously undeveloped economy. That has rapidly changed over the course of the past few decades, as Scotland has pulled away from the rest of the UK (with the exception of Greater London).<sup>106</sup>



<sup>1</sup> Regional Gross Value Added (GVA) per head has been calculated using the 'Income Approach'.  
<sup>2</sup> Boundaries shown are for nomenclature of territorial units for statistics (NUTS) level 1 areas.  
 Source: Office for National Statistics licensed under the Open Government Licence v.3.0.  
 Contains OS data © Crown copyright 2015

Map; Regional GVA per head by NUTS 1 area, United Kingdom.<sup>90</sup>

<sup>103</sup> Connolly, *supra* note 88 at 60.

<sup>104</sup> Paul Collier & Anke Hoeffler, "The Political Economy of Secession" in Hurst Hannum & Ellen F Babbit, ed. *Negotiating Self-Determination* (Lanham, MD: Lexington Books, 2006) 37 at 40.

<sup>105</sup> Pavković & Radan, *supra* note 8 at 146. See also Bookman *supra* note 82.

<sup>106</sup> United Kingdom, Office for National Statistics, Regional Gross Value Added: Income Approach (December 2015) online: <<https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvaluead>



The discovery of oil in the North Sea had an important effect on Scottish nationalism, although it was limited at first. In 1970, the leading nationalist party in Scotland, the Scottish National Party (SNP), received sufficient votes for one Member of Parliament.<sup>107</sup> In 1973, the price of oil quadrupled after the Organization of Arab Petroleum Exporting Countries (OAPEC), along with Egypt and Syria, imposed an oil embargo in retaliation for American support for Israel in the Yom Kippur War.<sup>108</sup> In response, the British government imposed taxes on oil companies which would allow the government to collect 90% of their additional oil revenues.<sup>109</sup> At this point the SNP began to make strides within the British political arena by running with the slogan 'It's Scotland's oil'.<sup>110</sup> They argued that if Scotland was independent, the tax revenue would have been shared among 5 million Scots as opposed to 50 million British citizens, giving Scots a ten-fold rise in revenue per capita.<sup>111</sup> This message resonated with the Scottish, and in 1974, the SNP had eleven Members of Parliament and over 30% of the Scottish vote.<sup>112</sup>

The SNP continued to succeed in the polls and gained popularity due to London's pro-union policies. During the 1980s and 1990s, the Conservative Party in Britain increasingly centralized power, which, "alienated many Scottish institutions accustomed to being afforded a wide berth by London and in turn increased Scottish support for autonomy."<sup>113</sup> In 1997, the UK government passed the Scotland Act, which established a parliament in Edinburgh, in 1999 the parliament was given legislative powers and limited fiscal authority.<sup>114</sup> This was done to prevent the Scottish nationalist movement from gaining momentum and symbolized an important political victory for Scottish nationalists. The SNP continued to succeed in the polls, and in 2007 it overtook the Labour Party in the Scottish parliament and formed a minority administration. This SNP dominance of

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dedincomeapproach/december2015>

<sup>107</sup> *Ibid* at 6.

<sup>108</sup> Collier & Hoeffler, *supra* note 104 at 7.

<sup>109</sup> *Ibid*.

<sup>110</sup> *Ibid*.

<sup>111</sup> *Ibid*.

<sup>112</sup> *Ibid* at 6.

<sup>113</sup> Connolly, *supra* note 88 at 61.

<sup>114</sup> *Ibid*.

Scottish social democracy remained a permanent trend for the subsequent decade.<sup>115</sup>

The 2008 financial crisis had a strong impact on Scotland's independence movement. The Labour government initially offered the British economy protection through a bailout of financial services and a stimulus package.<sup>116</sup> However, after the Labour Party was defeated in the 2010 election, the Conservatives imposed significant public spending cuts.<sup>117</sup> These austerity measures were unpopular in Scotland; thus, when the Labour Party failed to explicitly oppose these policies, the SNP became the only party that stood against London's austerity measures.<sup>118</sup>

This political development enabled the SNP to claim that they were the only party representing Scottish interests, providing the SNP with an opportunity to advance their political agenda. As a result, support for the SNP grew from 31% in 2007 to 44% in 2011, providing the SNP with a majority government.<sup>119</sup> The SNP had run on a promise to demand an independence referendum. After their triumph, the SNP did hold a Scottish referendum in 2014, but it was unable to secure sufficient votes to gain independence. The referendum resulted in a 55.3%-44.7% victory for the pro-union side.<sup>120</sup>

The fiscal arrangement between Scotland and the UK was a significant factor that contributed to the SNP's drive to hold a referendum, but arguably its eventual failure as well. The UK employs the 'Barnett Formula,' which is a method of distribution that allocates lump sums to regions based on "the identical absolute per capita changes (in GBP) of comparable services when there is a change in the provision of services in England."<sup>121</sup> It is important to note that the formula "makes absolutely no attempt to determine local needs, but instead considers to what extent tasks are decentralized, i.e. delegated to the corresponding government."<sup>122</sup> As a

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<sup>115</sup> *Ibid.*

<sup>116</sup> Hopkin, *supra* note 35 at 8.

<sup>117</sup> *Ibid.*

<sup>118</sup> *Ibid* at 9.

<sup>119</sup> *Ibid* at 8.

<sup>120</sup> "Scottish Referendum: Scotland Votes 'No' to Independence", BBC News (19 September 2014), online: <[bbc.com/news/uk-scotland-29270441](http://bbc.com/news/uk-scotland-29270441)>.

<sup>121</sup> Zipfel & Vetter, *supra* note 31 at 12.

<sup>122</sup> *Ibid* at 12.

result, different regions receive different degrees of fiscal transfers from the national government.

Within this equalization scheme, Scotland has enjoyed a favourable position. Although Scotland enjoys little autonomy in revenue it has a high degree of autonomy in expenditure.<sup>123</sup> Since the 1980s, Scotland's total per capita spending on public services has been approximately 11% higher than at the national level.<sup>124</sup> Consequently, Scotland has been able to spend according to its economic needs.

The North Sea oil and gas tax revenues were another central factor to the SNP's campaign for independence. Without the tax revenues Scotland's per capita tax receipts are 98.3% of the national average.<sup>125</sup> With the tax revenue, Scotland is likely to have a higher GDP per capita than the rest of the UK. For example, during the 2008/2009 fiscal year, after accounting for the tax revenues from oil and gas, Scotland had a GDP of 108.5% in relation to the UK.<sup>126</sup> Thus, Scotland's North Sea oil resources would form a central part of its economy were it to secede from the UK.

The volatility of oil prices along with Scotland's peripheral status renders the Scottish secession movement a difficult undertaking. When the independence referendum was held in 2014, oil and gas tax revenues generated £1.8bn.<sup>127</sup> In 2015, the price of oil dropped and oil tax revenues generated £60m, which left Scotland with a fiscal deficit of nearly £15bn or 9.5% of its GDP.<sup>128</sup> This degree of volatility would prevent the SNP from ensuring that the social programs they promised would be established. Moreover, Scotland's small economy along with the lack of real monetary or fiscal autonomy contributed to the SNP's failure.<sup>129</sup> The SNP advocated to remain as part of the UK monetary system without any specifics as to how that would occur, and it could not use its limited fiscal powers to raise the

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<sup>123</sup> *Ibid* at 11.

<sup>124</sup> *Ibid* at 12.

<sup>125</sup> *Ibid* at 13.

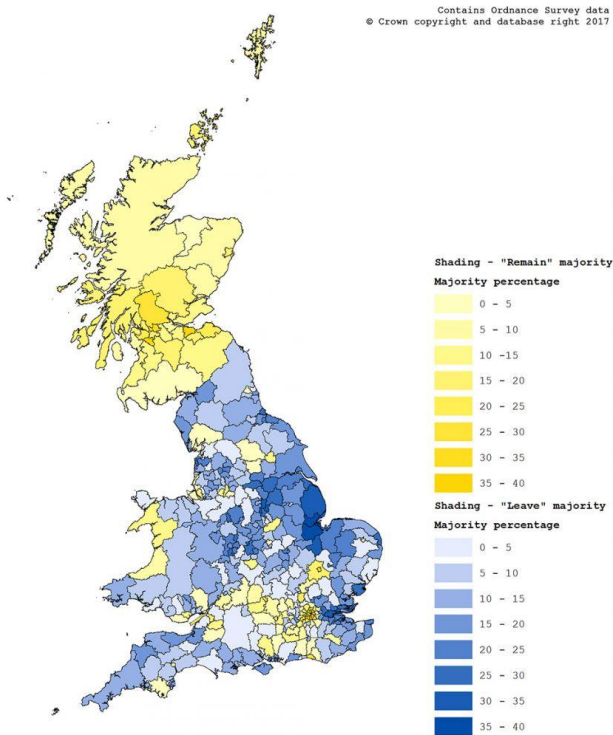
<sup>126</sup> *Ibid*.

<sup>127</sup> Ian Jack, "Without Oil Money, The Nationalist Dream Will Have to Run on Emotion", *The Guardian* (24 September 2016), online <<http://www.execreview.com/2016/09/without-oil-money-the-nationalist-dream-will-have-to-run-on-emotion/>>.

<sup>128</sup> *Ibid*.

<sup>129</sup> Hopkin, *supra* note 35 at 9.

top rate of income tax for fear of high earners leaving Scotland and undermining the revenue base.<sup>130</sup>



After the referendum, the central government in London agreed to provide Scotland with greater autonomy. London has agreed to introduce a new Scottish rate of income tax which will diminish Scottish taxes owed to Westminster.<sup>131</sup> As a result, Scotland will be able to keep the revenues raised from the new tax. Scotland will also, among other things, gain full control over income tax, have a greater say on welfare spending and have the ability to borrow more from the central government.<sup>132</sup> These concessions were

<sup>130</sup> *Ibid.*

<sup>131</sup> United Kingdom, House of Commons Library, Devolution of Financial Powers to the Scottish Parliament: Recent Developments NO 07077 (1 March 2016) at 3-4.

<sup>132</sup> *Ibid.*

granted to ease tensions between Scottish nationalist and the central government. In the 2016 election the SNP lost 21 seats in the British Parliament, temporarily halting the momentum of the Scottish secessionist movement and the prospects of holding a second post-Brexit referendum.<sup>133</sup> However, in 2019, the SNP gained back 13 of those seats, indicating that the secessionist movement is once again gaining momentum post-Brexit.<sup>134</sup>

In the UK the recent vote to exit the EU or 'Brexit', was a major political development that reinvigorated the SNP after the failed vote in 2014.<sup>135</sup> The Scottish referendum in 2014 occurred prior to the Brexit vote in 2016, which means Scots voted on their independence prior to a vote that took Scotland out of the EU. Moreover, while the UK as a whole voted to leave the EU by a 51.9%-48.1% margin, 62% of Scots voted to stay in the EU.<sup>136</sup> The vote suggests that Scotland's democratic rights have been negated as they were one of the most ubiquitously anti-Brexit regions in the country. Brexit resulted in the suspension of European employment and welfare rights as well as EU funding for research and infrastructure in Scotland, which may serve to heighten calls for greater autonomy or independence.<sup>137</sup> The SNP has now vowed to hold another independence referendum, indicating that the calls for independence might grow louder as the UK navigates its post-Brexit place in Europe.

### C. Western Europe as a case study

An underappreciated trend in Western Europe has been for wealthy regions making fiscal transfers to poor regions of a state to seek secession to retain more of their wealth. This trend is evident in Flanders, Basque, Catalonia, Scotland and Northern Italy. Further, this trend occurs in conjunction with the traditional cause of secession: the oppression of an

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<sup>133</sup> BBC News, News Release "2017 Election: Results" (June 8, 2017), online: <[bbc.com/news/election/2017/results/england](http://bbc.com/news/election/2017/results/england)>.

<sup>134</sup> BBC News "Election 2019: Results", (December 12, 2019) online: <<https://www.bbc.com/news/election/2019/results>>.

<sup>135</sup> Chris Green "Mapping the Brexit vote" *University of Oxford* March 7, 2017 online: <<http://www.ox.ac.uk/news-and-events/oxford-and-brexit/brexit-analysis/mapping-brexit-vote>>.

<sup>136</sup> BBC News, Press Release, "EU Referendum: Results", (June 23, 2016) online: <[bbc.com/news/politics/eureferendum/results](http://bbc.com/news/politics/eureferendum/results)>.

<sup>137</sup> Hopkin, *supra* note 35 at 10.

ethnic minority by the ethnic majority. However, wealth in ethnic minority regions has incentivized these regions to seek secession based on a frustration with fiscal transfers to the ethnic majority. The combination of oppressed ethnic minorities and the fiscal policy of transferring wealth from richer regions within a country to poorer regions as a reason for secession is evident in Western Europe.

Another underappreciated element of these secession movements is the role played by supranational organizations. These organizations have two primary influences. First, they provide the necessary economic and military security for small states to survive. The EU offers a single robust market for the exchange of goods and services that allows small regions to thrive without large national markets. Meanwhile, membership in NATO can ensure the territorial integrity of small states since NATO treaties confirm that an attack on one member is an attack against all members. Second, supranational organizations in Western Europe pose a challenge to secession movements. These newly independent regions would have to seek readmission, which could be vetoed by their former national governments.

The culmination of these underappreciated elements has resulted in secession movements that fall short of obtaining full autonomy. The states of Western Europe have tempered separatist movements by devolving power and granting greater autonomy to regional governments. This has seen varying degrees of success in Flanders, Scotland, and Basque Country. It is particularly effective where the state is a member of an established supranational organization and can block the admission of the seceding region. This makes greater autonomy within the state more beneficial than full independence without admission into the EU and NATO.

## V. CENTRAL EUROPE

The secession movements of Central Europe primarily fall within the traditional analysis: the oppression of an ethnic minority by an ethnic majority. However, this traditional analysis overlooks other factors that contribute to the emergence and success of secessions movements, primarily the revolt of the rich and the appeal to a supranational organization. In regard to the revolt of the rich, the difference between Western and Central Europe is that the secession movements in Western Europe have involved developed economies whereas in Central Europe the secession is from a developing state dealing with stagnant or receding economic growth. In

Western Europe secession movements are blocked from obtaining membership in supranational organizations by the ability of the central government to veto their application. Secession movements in Central Europe do not face such barriers because the central governments from which they seek secession are former communist states that do not have membership in established supranational organizations. As a result of these differences, particularly the appeal to a supranational organization, secession movements in Central Europe have seen greater success than secession movements in Western Europe. Ultimately, the differences between secession movements in Western and Central Europe is more easily appreciable through an understanding of the elements of the revolt of the rich and appeal to a supranational organization.

## A. Balkans

### Forced Slavic Identity and State Collapse Post-Communism

Czechoslovakia and Yugoslavia were both formed on the basis of national identities after the demise of the Austro-Hungarian Empire in 1918.<sup>138</sup> The historic, cultural, political and ethnic diversity of these regions resulted in vastly different cultural, historical and economic experiences. Consequently, there was an economic and cultural disparity that existed between the various republics, with some regions becoming economically prosperous while others struggled. The differences between the republics would prevent them from forming a unified national identity after the fall of communism and ultimately result in the dissolution of Czechoslovakia and the collapse of Yugoslavia.

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<sup>138</sup> Czechoslovakia was formed on the basis of a Czechoslovak identity that united the Czech and Slovak peoples. See Carol Skalnik Leff, *The Czech and Slovak Republics: Nation Versus State* (Boulder, Colo: Westview Press, 1997) at 19-21; Blanka Kudej, "Legal history of Czechoslovakia: from its creation in 1918 to its peaceful separation in 1992" (1996) 24:1 Intl J Leg Info 71 at 72; Nadya Nedelsky, *Defining the Sovereign Community: The Czech and Slovak Republics* (Philadelphia: University of Pennsylvania Press, 2009) at 65.

Yugoslavia was formed on the basis of a unified south Slavic state that could compete against regional economic and strategic interest. It unified Serbia, Montenegro, Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina. See Kate Hudson, *Breaking the South Slave Dream: The Rise and Fall of Yugoslavia* (London: Pluto Press, 2003) at 8, 53.

## Czechoslovakia

In Czechoslovakia the Velvet Revolution brought an end to the communist regime in 1989 and in the post-communist state the new government had to manage fundamental changes to the nation, economy, and political framework.<sup>139</sup> The differences between the two republics, both cultural and economic, meant that they required and demanded different solutions to the fundamental changes.<sup>140</sup> A subsequent inability to come to a mutual agreement on how to address the fundamental changes, particularly with respect to economic reforms and the drafting of a new constitution, led to an agreement to dissolve Czechoslovakia on January 1, 1993, in what has been referred to as the ‘Velvet Divorce’.<sup>141</sup> The circumstances under which the divorce occurred were unique in that there wasn’t a widespread independence movement, clear secession, or an independence referendum.<sup>142</sup> Ultimately, it was the political leaders of the Czech Republic that ended negotiations with the Slovak Republic and rejected a common state, leading to the dissolution of Czechoslovakia.<sup>143</sup>

### *The Revolt of the Rich*

The Czech Republic’s decision to end negotiations was influenced by economic considerations. Two considerations played an important role:

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<sup>139</sup> The Velvet Revolution was caused by a student demonstration on November 17, 1989 that was brutally suppressed and led to the downfall of the communist government. See Robin HE Shepherd, *Czechoslovakia: The Velvet Revolution and Beyond* (Great Britain: MacMillan Press, 2000) at 3; Leff, *supra* note 138 at 76.

<sup>140</sup> Historically the Slovak population was largely conservative Catholic with a rural economy, whereas the Czech population had been much more secular and had a highly industrialized economy. See Salvatore Massa, “Secession by Mutual Assent: A Comparative Analysis of the Dissolution of Czechoslovakia and the Separatist Movement in Canada” (1995) 14 *Wis Intl LJ* 183 at 185.

<sup>141</sup> Czechoslovakia was dissolved after the passing of Constitutional Law No. 542/1992 on November 25, 1992. The law was passed with exactly the number of required votes in the Czech Council of Chambers. See Darina Macková, “Some Legal Aspects of the Dissolution of Former Czechoslovakia” (2003) 53:2 *Zbornik Pravnog Fakulteta u Zagrebu* 375 at 375-6.

<sup>142</sup> Leff, *supra* note 138 at 132.

<sup>143</sup> *Ibid* at 131; Paal Sigurd Hilde, “Slovak Nationalism and the Break-up of Czechoslovakia” (1999) 51:4 *Europe-Asia Studies* 647 at 649.



economic reform and subsidization. As the richer of the two republics, the Czech Republic revolted against a common state because it had grown tired of subsidizing the comparatively poorer Slovak Republic and believed their differing views on economic reform threatened to constrain economic growth and development.

Between 1918 and 1992, but not including the WWII period, the Slovaks received preferential budgetary allocations.<sup>144</sup> Since the Czech Republic was stronger economically, preferential budgetary allocations for the Slovak Republic meant that economic resources were being transferred from the Czechs to the Slovaks. As a result, by the Velvet Revolution in 1989, the Czechs had started to view the Slovaks as an economic liability.<sup>145</sup> Tired of transferring its economic resources to the Slovaks, the Czech Minister of Finance called for a halt to subsidization of the Slovak Republic in January of 1990.<sup>146</sup> Although the Minister of Finance was unsuccessful, halting the subsidies would have resulted in savings equal to 7% of the national budget or close to 25 billion koruna (\$1 billion USD).<sup>147</sup>

Economic reform, specifically the transition to a market economy, was also a point of contention between the Slovak and Czech Republics. The Czechs wanted the shift to a market economy to be quick and radical.<sup>148</sup> The Slovaks were resistant because of the harsher impact such an approach would have on their economy.<sup>149</sup>

The Slovak economy, shaped during the communist era, favoured heavy industry, particularly military production, and was heavily dependent on trade within the communist bloc.<sup>150</sup> Consequently, employment and industrialization in the Slovak Republic were dependent on Soviet demand for military products.<sup>151</sup> This is in contrast to the Czech economy, which was more integrated with western markets (in particular Germany), and therefore

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<sup>144</sup> Otto Ulc, "Czechoslovakia's Velvet Divorce" (1996) 30:3 East European Q 331 at 331, 333.

<sup>145</sup> Hilde, *supra* note 143 at 660-61.

<sup>146</sup> *Ibid* at 659.

<sup>147</sup> Ulc, *supra* note 171 at 346.

<sup>148</sup> Leff, *supra* note 138 at 135-136; Hilde, *supra* note 143 at 648.

<sup>149</sup> Leff, *supra* note 138 at 135-136; Hilde, *supra* note 143 at 648.

<sup>150</sup> Hilde, *supra* note 143 at 648; Leff, *supra* note 138 at 185.

<sup>151</sup> Angela Velkova, "The Decline of the Czechoslovak Marriage and the Economic Impact of the Velvet Divorce" (2013) 9 Special Edition 1 European Scientific J 26 at 27.

not as dependent on the Soviet Union for trade.<sup>152</sup> Thus the economic reform, modeled after western economic norms, would have a lesser impact on the Czech economy that was integrated with the West than the Slovak economy that was modelled during the communist era. The effects of the transition were reflected in the unemployment rate, which was kept to a minimum in the Czech Republic (3%) but increased significantly in the Slovak Republic.<sup>153</sup>

### *Appeal to Supranational Organizations*

Like many former socialist states, the Czech Republic quickly indicated its intention to join NATO and the EU to provide economic and military security.<sup>154</sup> Consequently, the Czech Republic set its sights on admission into the EU and NATO. Access to the EU market would provide greater economic benefit to the Czech Republic than remaining part of the Czechoslovak market and meet its economic security needs. Meanwhile, admission in NATO, and its combined military might, would more than offset the loss of Slovak military support.

It is evident that the presence of the EU played a role in the Czech secession.<sup>155</sup> The Czechs viewed the EU as the “rich mans’ club that everyone wanted to join.”<sup>156</sup> This was part of the reason that the Czechs favoured the rapid economic reforms that caused dissatisfaction in Slovakia.<sup>157</sup> Membership in the EU could only be obtained if Czechoslovakia conformed to western political and economic norms.<sup>158</sup> The Slovak reluctance to the reform convinced the Czechs that their integration with the EU would be delayed if it remained attached to Slovakia.<sup>159</sup>

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<sup>152</sup> *Ibid* at 27.

<sup>153</sup> Ulc, *supra* note 144 at 338; Hilde, *supra* note 143 at 656.

<sup>154</sup> Mahulena Hoskova, “Legal Aspects of the Integration of the Czech Republic and Slovakia into European Security and Economic Structures” (1994) 37 German YB of Intl L 68 at 68.

<sup>155</sup> Both the Czechs and Slovaks began negotiating admission to the EU prior to the dissolution of Czechoslovakia. The Europe Agreements of October 4, 1993 provided for the future admission of both the Czech and Slovak Republics. See Hoskova, *supra* note 154 at 80-81.

<sup>156</sup> Shepherd, *supra* note 139 at 171.

<sup>157</sup> Leff, *supra* note 138 at 137.

<sup>158</sup> *Ibid.*

<sup>159</sup> *Ibid.*

With respect to NATO, Vaclav Havel advocated for the admission of Czechoslovakia as early as March 1991.<sup>160</sup> As the first president of the Czech Republic, Havel continued to seek its admission to NATO.<sup>161</sup> However, the admission of the Czech Republic was not without its challenges. NATO faced an internal conflict as to whether it should be expanded to include Eastern and Central European states.<sup>162</sup> After the fall of the Soviet Union there was reluctance to extend membership to former communist states due to Russia's concerns regarding the admission of former Warsaw Pact members, including Czechoslovakia.<sup>163</sup> Eventually, NATO would choose to expand and officially invite the Czech Republic to begin negotiating its admission at the Madrid Summit in July of 1997.<sup>164</sup> On March 12<sup>th</sup>, 1999 the Czech Republic was formally accepted in NATO.<sup>165</sup>

Ultimately, the decision of the Czech leaders to secede was about more than just ethnic division between Czechs and Slovaks. It was about the disadvantages of remaining part of Czechoslovakia, including ongoing subsidization of the Slovak Republic, constraints on economic development, and barriers to entry into supranational organizations.

## Yugoslavia

In Yugoslavia, the factors that led the republics to seek secession from the federation are numerous and include: cultural and religious differences, structure and function of the state system, changes in world politics, and different levels of economic prosperity.<sup>166</sup> The traditional analysis, the oppression of an ethnic minority by the ethnic majority, played a significant role in the numerous secessions that occurred. At the time,

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<sup>160</sup> Vaclav Havel was the last president of Czechoslovakia. See Hoskova, *supra* note 154 at 69.

<sup>161</sup> *North Atlantic Treaty*, *supra* note 21.

<sup>162</sup> Josef Fiszler, "NATO Expansion by Poland, the Czech Republic and Hungary and Their Significance for the Trans-Atlantic Partnership" (2001) 30 *Polish Political Science YB* 71 at 73.

<sup>163</sup> Hoskova, *supra* note 154 at 71.

<sup>164</sup> Hungary and Poland were also invited to negotiate admission. See Fiszler, *supra* note 189 at 74.

<sup>165</sup> Fiszler, *supra* note 162 at 75.

<sup>166</sup> Drazen Marjanac, "Economic Aspects of Breakup of Yugoslavia" (2015) Issue 11 *Proceedings of the Faculty of Economics in East Sarajevo* 83 at 83.

Yugoslavia's population of 24 million was composed of 24 different ethnic groups spread amongst three major religions.<sup>167</sup> Serbs, at 40% of the population, represented the ethnic majority.<sup>168</sup> The seceding Croats and Slovenes, at 22% and 8% respectively, were members of the ethnic minority.<sup>169</sup> Further, the Serbs were Eastern Orthodox Christians whereas the Croats and Slovenes were Roman Catholics.<sup>170</sup> Consequently, the Croats and Slovenes harbored fears that the Serbian population would dominate the republic.<sup>171</sup>

Although cultural and ethnic factors contributed significantly to the collapse of Yugoslavia, it was the economic struggles it endured during the 1980s that proved to be the factor that exacerbated the pre-existing tensions and grudges. In the 1980s Yugoslavia faced a total economic collapse because of rising debt and difficulty repaying creditors.<sup>172</sup> As economic conditions worsened the central government assumed more debt, despite rising interest rates, which eventually resulted in debt of USD \$20 billion.<sup>173</sup> The massive national debt led to pressure from the International Monetary Fund ("IMF") to institute an austerity program involving an economic reform policy of shock therapy in hopes of reviving the economy.<sup>174</sup> The shock therapy was in essence a transition to a market economy, however, the economic reform also required the recentralization of economic policy and control.<sup>175</sup> The ongoing and deepening economic struggles of Yugoslavia fuelled pre-existing tensions between the republics, providing support and justification for the secession movements and ultimately culminating in the demise of the federation.<sup>176</sup>

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<sup>167</sup> Ben Bagwell, "Yugoslavian Constitutional Questions: Self-Determination and Secession of Member Republics" (1991) 21:3 Ga J Intl & Comp L 489 at 489.

<sup>168</sup> *Ibid* at 493.

<sup>169</sup> *Ibid*.

<sup>170</sup> *Ibid* at 493.

<sup>171</sup> *Ibid*.

<sup>172</sup> The rising debt was partially due to a radical shift in money and capital markets that resulted in rising interest rates in the 1970s. See Marjanac, *supra* note 166 at 88, 89.

<sup>173</sup> Viktor Meier, *Yugoslavia: A History of its Demise*, (New York: Routledge, 1999) at 33.

<sup>174</sup> Hudson, *supra* note 138 at 57.

<sup>175</sup> *Ibid* at 62.

<sup>176</sup> *Ibid* at 57.

After the collapse of Yugoslavia, Kosovo became an autonomous province in the Serbian Republic, with a population that was 85% ethnically Albanian.<sup>177</sup> In the 1980's, as the economic situation in Yugoslavia deteriorated, the relations between the Serbian and Albanian inhabitants of Kosovo became increasingly strained.<sup>178</sup> In September 1990 Serbia introduced a new constitution which revoked the autonomous status of Kosovo.<sup>179</sup> Tensions between Kosovo and Serbia increased through the 1990s resulting in armed conflict between the Kosovo Liberation Army and Serbian forces.<sup>180</sup> The escalation of armed conflict caused NATO to intervene.<sup>181</sup> Ultimately, NATO intervention resulted in Serbia withdrawing from Kosovo and NATO troops entering the province on June 12, 1999.<sup>182</sup> Two days prior to NATO entering Kosovo, the UN established the United Nations Interim Administration in Kosovo to take responsibility for further developments in the province.<sup>183</sup> On February 17, 2008 Kosovo officially declared its independence from Serbia.<sup>184</sup>

### *Revolt of the Rich*

By, 1990 the worsening economic conditions in Yugoslavia had resulted in industrial production and GDP falling by 10% and 7.5% respectively.<sup>185</sup> Further, unemployment rose from 16.0% in 1985 to 20.2% in 1990.<sup>186</sup> However, Slovenia and Croatia were economically superior to the other republics in the Yugoslavian federation and less affected by the deepening economic crisis. As the revolting rich both republics had grown tired of subsidizing the poorer republics and were unwilling to surrender economic control to a central authority that had mismanaged its resources – particularly as they believed their economic strength was reflective of their superior economic policies.

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<sup>177</sup> *Ibid* at 64.

<sup>178</sup> *Ibid* at 67.

<sup>179</sup> *Ibid* at 73.

<sup>180</sup> Frank Dietrich, “The Status of Kosovo- Reflections on the Legitimacy of Secession” (2010) 3:2 *Ethics & Global Politics* 123 at 125 [Dietrich, “Status of Kosovo”].

<sup>181</sup> *Ibid*.

<sup>182</sup> *Ibid*.

<sup>183</sup> *Ibid*.

<sup>184</sup> *Ibid* at 123.

<sup>185</sup> Hudson, *supra* note 138 at 57.

<sup>186</sup> Marjanac, *supra* note 166 at 88.

Slovenia and Croatia's opposition to the IMF policies imposed by the central government was an important factor in their secession from Yugoslavia.<sup>187</sup> This is because the IMF endorsed policies demanded recentralization of the government, which Slovenia and Croatia opposed.<sup>188</sup> Both republics were concerned over the loss of economic control that would arise from the recentralization of power.<sup>189</sup> Slovenia and Croatia had Gross Domestic Product Per Capita 75% and 22% higher than the national level, respectively.<sup>190</sup> Consequently, the two republics did not want to sacrifice economic control to the central government.<sup>191</sup>

As the IMF increased pressure on the Yugoslavian government to introduce economic reforms, politicians in Croatia and Slovenia called for an end to subsidization of poorer parts of Yugoslavia.<sup>192</sup> Despite being only 8.1% and 9.9% of the population, Slovenia and Croatia contributed 20% and 25% of federal revenue.<sup>193</sup> From 1982-1986 the government had a fund in place for underdeveloped regions which reallocated economic resources from Croatia, Slovenia and parts of Serbia to Bosnia-Herzegovina, Kosovo, Montenegro, and Macedonia.<sup>194</sup> The redistribution of wealth was a major issue for the two republics as they believed the economic crisis was partly the result of the misuse of funds used to subsidize poorer regions and bad investment choices by the central government.<sup>195</sup> Additionally, the two republics believed they suffered the most from the economic reform and the subsidization of the rest of the country.<sup>196</sup>

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<sup>187</sup> Hudson, *supra* 138 at 73.

<sup>188</sup> *Ibid.*

<sup>189</sup> *Ibid* at 62.

<sup>190</sup> Jörg Roesler, "Nationalism and Economic Disparities Lessons from the Dissolution of Yugoslavia and Czechoslovakia and the Secession of the Baltic States" (2010) 18:3 J of Contemporary Central & Eastern Europe 341 at 334.

<sup>191</sup> Hudson, *supra* note 138 at 63.

<sup>192</sup> *Ibid* at 57.

<sup>193</sup> Roesler, *supra* note 190 at 344.

<sup>194</sup> Marjanac, *supra* note 166 at 89.

<sup>195</sup> Hudson, *supra* note 138 at 63.

<sup>196</sup> *Ibid.*

### *Appeal to Supranational Organizations*

The presence of supranational organizations played an important role in the breakup of Yugoslavia. Slovenia and Croatia, unlike the rest of Yugoslavia, were already integrated with Western economies. Consequently, they were leading candidates to be admitted into the EU.<sup>197</sup> However, the Slovenes and Croats believed that membership in the EU was unattainable while attached to Yugoslavia.<sup>198</sup> Therefore, their secession from Yugoslavia increased their chances of being admitted into the EU, which Slovenia ultimately did on May 1, 2004 with Croatia following nine years later on July 1, 2013.<sup>199</sup> Croatia's admission to the EU was delayed due to violations of territorial integrity and human rights in its war with Yugoslavia.<sup>200</sup> Although secession would reduce access to the Yugoslavian market, Slovenia and Croatia's wealth meant there was greater benefit to be obtained through integration with western markets, particularly since their economies already favoured trade with the West.

With respect to NATO, Slovenia has not been content to rely on the UN and Organization for Security and Cooperation in Europe to meet its military security needs.<sup>201</sup> Slovenia has the weakest military in the region and would have trouble defending its territorial integrity against aggressor states.<sup>202</sup> Further, the "National Strategy Integration of the Republic of Slovenia into NATO", adopted by Slovenia in 1998, sees NATO as the "only efficient organization for the collective security in the existing European

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<sup>197</sup> Ian Jeffries, *The Former Yugoslavia at the Turn of the Twenty-first Century: A guide to the economies in transition* (London: Routledge, 2002) at 64.

<sup>198</sup> Ana S Trbovich, *A Legal Geography of Yugoslavia's Disintegration* (Oxford: Oxford University Press, 2008) at 185.

<sup>199</sup> European Union, *EU member countries in brief* (March 13, 2018), online: <[https://europa.eu/european-union/about-eu/countries/member-countries\\_en](https://europa.eu/european-union/about-eu/countries/member-countries_en)>.

<sup>200</sup> See Davor Pauković, "The Discourse on Europe: From the Return to Europe and the Escape from the Balkans to the European Union as a solution of All National Problems" in Pero Maldini & Davor Pauković, ed, *Croatia and the European Union: Changes and Development* (Surrey: Ashgate Publishing Limited, 2015) 53 at 57; Pero Maldini, "Croatian Accession to the European Union: EU Democratization Potential and Issues of Democratic Consolidation" in Pero Maldini & Davor Pauković, eds, *Croatia and the European Union: Changes and Development* (Surrey: Ashgate Publishing Limited, 2015) 11 at 16.

<sup>201</sup> Anton Bebler, "Slovenia and NATO Enlargement" (2000) 55:1 *Intl J* 125 at 126.

<sup>202</sup> Zoltan D. Barany, *The Future of NATO Expansion: Four Case Studies* (Cambridge: Cambridge University Press, 2003) at 102.

security architecture.”<sup>203</sup> As a result, membership in NATO was a major international policy objective for Slovenia since its independence.<sup>204</sup> However, Slovenia was not included in NATO’s first round of expansion, despite its membership being favoured by the US, because of its reluctance to become involved in the war in Bosnia.<sup>205</sup> Eventually, Slovenia was formally extended an invitation to join NATO in November of 2002 at the Prague Summit.<sup>206</sup> Slovenia officially became a member on March 29, 2004.<sup>207</sup>

Unlike Slovenia, Croatia did not officially join NATO until its third round of enlargement in April 2009.<sup>208</sup> Membership in NATO was a significant foreign policy goal for Croatia.<sup>209</sup> Like Slovenia, Croatia is one of the smaller states in the region. Consequently, Croatia believed that NATO membership was necessary to meet its national security interests given the turbulent global environment.<sup>210</sup>

## Kosovo

In contrast, Kosovo’s secession is not better understood through the lens of the revolt of the rich. In fact, Kosovo was very underdeveloped economically, with an unemployment rate three times the federal average.<sup>211</sup> Further, the ratio of GDP per capita between Slovenia and Kosovo, the wealthiest and poorest parts of the former Yugoslavia respectively, was 8:1 in the late 1980s.<sup>212</sup> Consequently, it cannot be said that Kosovo sought

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<sup>203</sup> *Ibid* at 103.

<sup>204</sup> *Ibid* at 128.

<sup>205</sup> *Ibid* at 104.

<sup>206</sup> Ryan C. Hendrickson & Michael Rudy, “Transforming Slovenia’s Military: Moving toward NATO membership” (2003) 16:4 *J Slavic Military Studies* 46 at 46.

<sup>207</sup> NATO, “Nato Update: Seven new members join NATO” (29 March 2004), NATO online: <<https://www.nato.int/docu/update/2004/03-march/e0329a.htm>>.

<sup>208</sup> Pjer Simunovic, “Making of an Ally: NATO membership conditionality implemented on Croatia” (2015) 13:2 *J of Transatlantic Studies* 175 at 175.

<sup>209</sup> Ivo Sanander, “Croatia in the New Millennium: Toward EU and NATO membership” (2005) 16:1 *Mediterranean Q* 4 at 4.

<sup>210</sup> *Ibid* at 8.

<sup>211</sup> Hudson, *supra* note 138 at 66.

<sup>212</sup> Andrés Roríguez-Pose & Marko Stermsek, “The Economics of Secession- Analysing the economic impact of the collapse of the former Yugoslavia” (2014) CEPR Discussion Papers at 82.



secession from Serbia because it wished to retain access to or control over economic resources. Therefore, revolt of the rich does not provide explanatory value to the secession movement in Kosovo.

However, supranational organizations have played an important role in the secession of Kosovo. Their presence has primarily had the effect of providing military security and ensuring territorial integrity. NATO's Kosovo Force remains present in the region and is committed to contributing towards "maintaining a safe and secure environment in Kosovo."<sup>213</sup> As of April 2020, NATO still has close to 3,500 (including five Canadian) soldiers stationed in Kosovo, under the command of Major General Michele Risi of Italy.<sup>214</sup> The military security provided by NATO protects the territorial integrity of Kosovo, allowing it to secede from Serbia without fear of repercussion or military action.<sup>215</sup> The secession and autonomy of Kosovo is also widely supported in Europe, with most members of the EU immediately recognizing the sovereignty of Kosovo in 2008.<sup>216</sup> However, Spain and Cyprus, dealing with their own secessionist movements, were reluctant to recognize Kosovo as a sovereign state.<sup>217</sup> The presence of EU and NATO has allowed Kosovo to obtain military and economic security, two of the chief roles that supranational organizations play in secessionist movements.

## B. Central Europe as a case study

Central European secession movements have largely resulted from the oppression of an ethnic minority by the ethnic majority. This oppression has culminated in armed conflict in the secessions of

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<sup>213</sup> North Atlantic Treaty Organization, NATO's role in Kosovo (March 9, 2018), online: <[https://www.nato.int/cps/en/natolive/topics\\_48818.htm](https://www.nato.int/cps/en/natolive/topics_48818.htm)>.

<sup>214</sup> NATO "Kosovo Force (KFOR): Key Facts and Figures," (April 2020) online (pdf): <[https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/2020/4/pdf/2020-04-KFOR-Placemat.pdf](https://www.nato.int/nato_static_fl2014/assets/pdf/2020/4/pdf/2020-04-KFOR-Placemat.pdf)>.

<sup>215</sup> Controversially, NATO's use of force in Kosovo violated Article 2(4) of the UN Charter stating that members shall not use or threaten to use force against the territorial integrity and independence of any sovereign state or in a manner inconsistent with the purposes of the UN. See Valerie Epps, "Self-Determination after Kosovo and East Timor" (2000) 6:2 ILSA J Intl & Comparative L 445 at 451.

<sup>216</sup> Dietrich, "Status of Kosovo", *supra* note 180 at 123.

<sup>217</sup> *Ibid.*

Slovenia, Croatia, and Kosovo. Even in the peaceful secession of Czechoslovakia we saw the division of the republic along ethnic lines. However, the region's desire to retain control of its wealth and economic development is equally if not more important in many cases. This was evident in the secessions of the Czech Republic, Slovenia, and Croatia. These seceding states had grown tired of subsidizing their poorer neighbours and were reluctant to relinquish control over economic development to a central government presiding over a stagnant or receding economy. Thus, control over wealth and economic development provided further incentive for these states to seek secession, with Kosovo being the exception to the trend.

Further, appeals to supranational organizations have been influential in the success of secessions in Central Europe. As mentioned previously, NATO and the EU provide the necessary military and economic security for small states such as Croatia, Kosovo, Slovenia, and the Czech Republic to survive. In addition, membership in the EU provides the benefit of access to a large European market for goods and services. In Central Europe, neither Yugoslavia nor Czechoslovakia were members of the EU and NATO. Consequently, the seceding states sought, to obtain the benefits that their central governments could not. Further, their paths to admission were wide open because their admissions could not be vetoed by their former central governments.

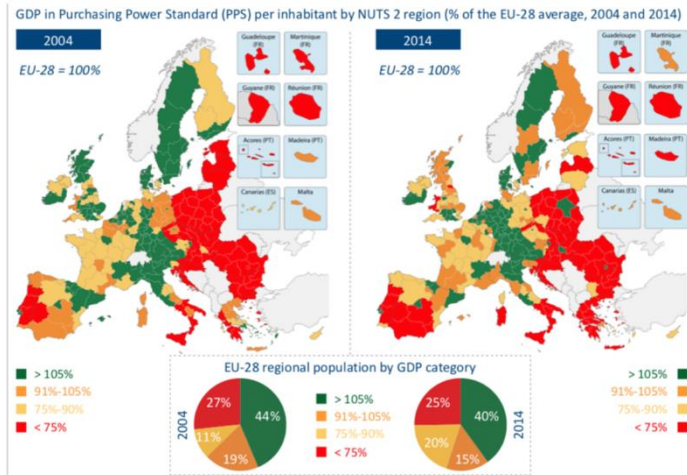
The effect of the revolt of the rich and in particular the appeal to supranational organizations has resulted in Central European secession movements seeing greater success than their Western European counterparts. By and large the states of Central Europe have failed to prevent secession movements from obtaining autonomy.

## VI. EASTERN EUROPE

Since the fall of the USSR Eastern Europe has failed to develop supranational organizations of the same scale as the western based NATO and the EU. Many of the new countries formed in Eastern Europe in the last 40 years have sought membership in these western organizations. These countries are formed of ethnic minorities within the former Soviet Union. The three wealthy ethnic minorities of the Eastern Baltic coast – Estonians, Latvians, and Lithuanians – were successful in gaining their independence from the disintegrating Soviet Union and rapidly obtaining membership in both the EU and NATO in the 1990s and 2000s.

## A. Baltic States

The Baltic states are notable as the successful example, which other former members of the USSR are attempting to imitate or have already imitated in part. The reason for these imitations is in part the incredible economic flourishing that two of these three states, Estonia and Lithuania, have had



since joining NATO and the EU. These allowed both countries to give their citizens average purchasing power that is far above those of their Eastern European neighbours and more similar to areas the West (See map).<sup>218</sup>

On May 1, 2004 all three nations joined the European Union.<sup>219</sup> In the following decade the two Baltic States, Estonia and Lithuania saw economic gains, which outstripped those of their neighbours.

This story of success has now become the model that other secession movements seek to imitate. All three Baltic States achieved independence in 1992, only to immediately apply for membership in NATO and the EU.

Estonia, Latvia, and Lithuania were all significantly wealthier parts of the Soviet Union for much of the era in which they were within it. The brief independence of all three states in the interwar period between the Russian Revolution and Second World War was a time of rapid development and wealth for all three, but particularly for Estonia and Latvia. This collective memory of lost wealth would form a hopeful undercurrent of the “singing revolution” in 1990.

<sup>218</sup> European Union, European Parliament Think Tank, Snapshot of the EU regions with a view to selected Europe 2020 targets, (Briefing), Statistical Spotlight, (July 2016) at 1, 7.

<sup>219</sup> European Union, *Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia*, [2003], OJ, L 236/23.9 at 17.

## The Revolt of the Rich

### *Estonia*

Estonia is a small country on the Baltic Sea that was one of the first countries to declare itself independent from the Soviet Union in 1991. Prior to that, it had only known independence for 20 years between the Russian revolution and Second World War<sup>220</sup> During this brief two decades of independence, Estonians had achieved a far greater degree of prosperity than their Soviet neighbours had. The Republican Estonian government redistributed Germanic and Russian Aristocratic estates among the local population. This formed the backbone of the fledgling Estonian Republic in 1918 because this statutory land reform was in place before the formal constitution.<sup>221</sup> The goal was the formation of small family farms, and to achieve this a compromise for compensation with the previous Russo-Germanic aristocratic owners was reached. The small farmers formed the basis of the consumer society that developed in the Estonian republic, while compensation later assuaged international creditors that the Estonian republic would not nationalise its way out of previous obligations.<sup>222</sup> Access to international credit and a growing consumer base allowed the Estonian economy to develop in a way that was simply unattainable to their Soviet neighbours. Even the Estonian “Era of Silence” from 1934-1940 in which an authoritarian government took over is notable for its centrist economic policies.<sup>223</sup>

The progress gained through this farmer-led land reform was largely undone by the Great Depression and the WWII fallout that followed, as well as Soviet policies of forcible collectivization after the war. However, even the destruction and half a century of Soviet policies could not totally erase the economic gains that were made.<sup>224</sup> What is more important for the purposes

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<sup>220</sup> Mart Laar, “The Estonian Economic Miracle” *The Backgrounder* No. 2060 (The Heritage Foundation 2007) at 1.

<sup>221</sup> Mark B Lapping “The land reform in independent Estonia: Memory as precedent – Toward the reconstruction of agriculture in Eastern Europe” (1993) 10:1 *Agriculture and Human Values* 52 at 54.

<sup>222</sup> *Ibid* at 55-56.

<sup>223</sup> See Toomas Varrak, “Estonia: Crisis and ‘Pre-Emptive Authoritarianism’” in Dirk Berg-Schlosser & Jeremy Mitchell, eds, *Conditions of democracy in Europe, 1919-39: Systematic Case-Studies* (New York: Macmillan, 2000) at 109-128.

<sup>224</sup> *Ibid* at 58.

of this paper, however, is the collective memory of that wealth. A nostalgia for this two-decade period when they were, briefly, much wealthier than the Russians dominated Estonian nationalism as they strove for independence. The influx of employment-seeking Russian speakers into this newly formed “rich” Soviet Republic after the war only hardened this view among ethnic Estonians.<sup>225</sup> The Russian-bias of the Soviet Bureaucracy (discussed in detail below) enabled the Estonians to form an ethnic narrative around them being both richer than, and impoverished by, Russians. They viewed themselves as far more closely aligned with the Finns who were far richer in the mid-20<sup>th</sup> century than their Soviet neighbours.<sup>226</sup> This attachment to Finland’s cultural exports would form the basis around which Estonian nationalists would propose independence to the Estonian people in 1991.<sup>227</sup> Framing themselves as being just like the Finns they made an argument for ‘getting away’ from Russia and taking their place among wealthier Scandinavian states.

Upon successfully gaining their independence in 1991, Estonia enacted an amended version of the Republic’s 1938 statute regulating citizenship, which had the effect of disenfranchising all ethnic Russians who arrived in the country after 1940.<sup>228</sup> This marginalized the Russian minority within Estonia’s borders who did not linguistically assimilate in order to acquire citizenship. Lack of language skills and citizenship locked ethnic Russians out of upward mobility in the new state.<sup>229</sup> Thus, serving *post hoc* to reinforce the argument for secession that Russians were impoverished and holding ethnic Estonians back from their wealth.

### *Latvia*

Latvia’s nationalism bears a great deal of similarities with Estonia’s. In much the same way, they first secured independence in the interwar period – declaring independence at the same time in 1918 and achieving

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<sup>225</sup> Kerstin Saarkoppel, “Estonian identity, Estonian Nationalism: impact of European Union accession” 2002 (Master’s Thesis) *UBC Open Collections* at 12.

<sup>226</sup> *Ibid* at 20.

<sup>227</sup> *Ibid*.

<sup>228</sup> Rett R Ludwikowski, *Constitution-making in the Region of Former Soviet Dominance* (Durham: Duke University Press, 1997) at 87.

<sup>229</sup> Isabelle de Pommereau, “Estonia reaches out to its very own Russians at long last” (February 24, 2018) online: *Deutsche Welle* <<https://www.dw.com/en/estonia-reaches-out-to-its-very-own-russians-at-long-last/a-42680725>>.

peace with the Soviets through a similar treaty in 1920. From 1920 onwards, they pursued a similar program of land reform. Through this Latvia “became a typical small-farmer country” exploding in productivity as the newly established Latvian farmer-owners rapidly made improvements to agricultural productivity.<sup>230</sup> The agricultural trade surplus fueled international credit, which in turn allowed Latvia to develop hydro-electrical power production, mining, and forestry industries.<sup>231</sup> This foreign trade and investment boom dried up alongside the arrival of the Great Depression. Once the Latvian Republic started to recover in 1934 it too had a *coup d'état* which brought to power a populist authoritarian state which both signed several tariff reduction agreements with France and the United Kingdom and used the Central Bank to reorganize the Latvian economy around state-corporations to maintain growth in the wake of lost international investors.<sup>232</sup> By 1938 the Latvian economy had recovered from the Great Depression and was growing again. In the years immediately before the Second World War, foreign trade developed rapidly in Latvia and foreign investment began to return.<sup>233</sup> Similar to Estonia the war devastated much of these gains in Latvia as well as costing the country its independence.

The post-war Latvian Soviet Republic saw throngs of refugees from elsewhere in the USSR due to its still considerably higher standard of living; these were largely Russian speakers.<sup>234</sup> Much of the agricultural gains were lost to collectivization and Latvia’s industry became Moscow facing. The legal argument for secession made by Latvian nationalists was identical to the Estonian one of the illegality of the Soviet annexation of 1940.<sup>235</sup> They achieved independence one day before Estonia in 1991 as part of the same “Singing Revolution,” during which Latvian politicians, emphasized nostalgia for those days when Latvia was much wealthier than the rest of the Soviet Union. Russians in Latvia make up one

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<sup>230</sup> Viesturs Pauls Karnups, “Economic and Financial Developments in Latvia 1920-1940” (Latvia: *The Bank of Latvia* XC) at 27-28.

<sup>231</sup> *Ibid* at 30.

<sup>232</sup> *Ibid* at 40.

<sup>233</sup> *Ibid* at 41.

<sup>234</sup> Gatis Krūmis, “Economic and Financial Developments in Latvia during World War II” in *The Bank of Latvia* XC (Latvia: Latvian Central Bank) at 117.

<sup>235</sup> Photini Pazartzis, “Secession and International Law: The European Dimension” in Marcelo G. Kohen, ed, *Secession: International Law Perspectives* (Cambridge: Cambridge University Press, 20016) 355 at 363.

quarter of the population and were not granted citizenship if they had arrived after 1940 under the 1991 Latvian constitution. This created hundreds of thousands of similarly “stateless” Russian Latvians who were only eligible for Russian citizenship, not Latvian. This similarly resulted in marginalization and impoverishment despite Latvia’s post-soviet economic boom.<sup>236</sup> In turn, it similarly made a hindsight case for the argument for secession that Russians were impoverished and holding ethnic Latvians back from their wealth. The ability to make such a *cum hoc ergo propter hoc* argument has allowed Latvians to frame their entire national identity since 1991 as one of being a wealthy ethnicity weighed down by their Russian neighbours.

### *Lithuania*

Unlike their Estonian or Latvian neighbours, Lithuania did not enjoy as peaceful or as prosperous interwar period. Caught between competing Polish and Soviet states they did not secure peace or independence until 1923. The tensions between conservatives and socialists resulted in an unproductive 3 years followed by a military coup in 1926. The conservative authoritarian state was subsequently not as successful at growing the economy in the wake of the Great Depression as its more centrist neighbours. A key source of dysfunction coming from the lack of development of any civil service, relying instead on an old Tsarist administrative framework.<sup>237</sup> The political unrest and repression of this era in Lithuania stifled its economic growth. Instead Lithuania caught up to its Baltic neighbours industrially during the Soviet occupation under the brutal but nationalistic industrialization policies of Antanas Sniečkus, who ran the Lithuanian SSR for 34 years.

As they were not as wealthy immediately after the war, and due to the efforts of Antanas Sniečkus, far fewer ethnic Russians relocated to Lithuania during the Soviet era. Today, only 5.8% of Lithuania is ethnically Russian compared to nearly a quarter in the other Baltic states.<sup>238</sup> This

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<sup>236</sup> “Why Russian Latvians vote for their own” (October 11, 2018), online: *The Economist* <<https://www.economist.com/europe/2018/10/11/why-russian-latvians-vote-for-their-own>>.

<sup>237</sup> See Loreta Paukštyte, “Definition and model of civil service of the Republic of Lithuania in 1918-1940” (2008) 1 *Jurisprudencija* at 64-71.

<sup>238</sup> The Government of the United States of America, “The World Factbook: Lithuania” online: *The Central Intelligence Agency* <<https://www.cia.gov/library/publications/the->

alleviated the need for draconian laws regarding citizenship in Lithuania, and it also allowed for smoother withdrawal of Russian troops from the country.

Lithuania did however make the same fundamental legal arguments for their secession from the USSR as well as were part of the same “Singing Revolution.”<sup>239</sup> None of the three invoked self-determination as their legal reason for seeking secession; instead all three cited the 1940 annexation by the USSR as an illegal act not condoned in international law and based on an invalid pact with Hitler.<sup>240</sup> This argument called for the return of the three republics. Baltic nationalists needed to overcome decades of Soviet propaganda in order to convince the people to support this move in a public referendum. It was the referendum, not the legal argument, which convinced other countries to recognize their sovereignty.<sup>241</sup>

### Subsequent Appeal to Supranational Organizations

Upon gaining independence in 1991 the Baltic States began a diplomatic push to join the European Union and North Atlantic Treaty Organization.

#### *European Union*

In May of 1992 all three newly formed Baltic Nations signed Trade and Commercial Economic Co-operation Agreements with the European Economic Community (EEC).<sup>242</sup> The three states as a diplomatic bloc, achieved an Association Agreement with the EU in June 1995.<sup>243</sup> The

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world-factbook/geos/lh.html>.

<sup>239</sup> Pazartzis, *supra* note 235 at 363.

<sup>240</sup> Sterio, *supra* note 15 at 37.

<sup>241</sup> *Ibid* at 39.

<sup>242</sup> *Agreement between the European Economic Community and the Republic of Estonia on Trade and Commercial and Economic Cooperation*, 21 December 1992, OJ L 403/2.; and *Agreement Between the European Economic Community and the Republic of Latvia on Trade and Commercial and Economic Cooperation*, 21 December 1992, OJ L 403/11.; *Agreement between the European Economic Community and the European Atomic Energy Community on the One Part and the Republic of Lithuania on the Other Part, on trade and Commercial and Economic Cooperation*, 21 December 1992, OJ L 402/20.

<sup>243</sup> Anu Avi, Kaupo Hell, & Heiki Pisuke, *Estonia's Way to Independence: A Short Overview of the Legal Developments in Estonian State Status from November 1988 to January 1991* (Tartu, Estonia: University of Tartu, 1991).



countries then established Offices of European Integration beginning the necessary reforms to harmonize their laws with those of the European Union. This process was required for achieving the requirements necessary for membership.<sup>244</sup> Lithuania went so far as to amend their constitution in June 2002 in preparation for a public referendum on entrance to the EU.<sup>245</sup> The three nations ascended to membership in the EU in 2004.<sup>246</sup> This completed their decade-and-half long journey from part of the Soviet Union to part of the European Union. The *cum hoc ergo propter hoc* arguments that Russia had been holding the three Baltic States back only intensified in the years after their ascendancy to the EU. Immediately after this, European investment flooded into the three countries. As the Latvian Central Bank noted: “It seemed that the long-awaited developmental leap had finally begun and would allow the country to catch up with the Western welfare states in a few years.”<sup>247</sup> All three nations were emphatic in their desire to join the Euro-zone currency within 4 years of EU membership.<sup>248</sup> The devastation caused by the 2008 financial crisis delayed this entry in all three countries. Estonia, which had been the most economically successful of the three prior to the crash, recovered the fastest – meeting the requirements necessary to join the Euro currency in August 2010.<sup>249</sup> The other two Baltic States lagged behind in their recovery, and even fell behind Russians in their relative wealth, for a time.<sup>250</sup> They eventually recovered and entered the Eurozone 4 years after Estonia in 2014. The floundering Russian economy since 2013 and rapid recovery of Estonian, Lithuanian, and Latvian economies in the

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<sup>244</sup> See above for conditions of obtaining EU membership.

<sup>245</sup> Geoffrey Pridham, “Referendum Brieding No 10: Latvia’s EU Accession Rederndum, 20 September 2003” online (PDF): *European Parties Election and Referendums Network* <<https://web.archive.org/web/20080910201040/http://www.sussex.ac.uk/sei/documents/latviaepnrefbriefing.pdf>>.

<sup>246</sup> European Union, Institute of Security Studies, Krestutis Paulauskas, “The Baltics: from nation States to member states” 2006 Occasional Paper no. 62 at 5.

<sup>247</sup> Pauls Raudseps, “Yearning for Stability” in *The Bank of Latvia XC* (Latvia: Latvian Central Bank, 2013) at 20.

<sup>248</sup> *Ibid* at 21.

<sup>249</sup> European Central Bank Economic and Monetary Developments, Monthly Bulletin. “The Introduction of the Euro in Estonia on 1 January 2011”(August 2010) <[https://www.ecb.europa.eu/pub/pdf/other/mb201008\\_focus08.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/mb201008_focus08.en.pdf)>.

<sup>250</sup> “GDP per Capita (Current US dollars) – Russian Federation, Estonia, Latvia, Lithuania” Online: *The World Bank* <<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=RU-EE-LV-LT>>.

same period have proved to Baltic Nationalists that they are the wealthier peoples.

### *NATO*

The same year that the Baltic States entered into the European Union, 2004, they gained to membership in NATO. This was also due to a three-country joint diplomatic effort that dated back to the moment Russian troops left their borders in 1993. Since their ascension to the organization, NATO has invested a great deal of resources towards securing its Baltic borders with Russia,<sup>251</sup> their largest concern being that the Russian Federation might use Estonians and Latvians of Russian ethnicity as justification for annexation of these territories.<sup>252</sup>

What is fascinating about this is that the sizable Russian minorities in these two countries have not rebelled in the manner that the Ukrainian, Moldovan, or Georgian ethnic Russian minorities (see below) have. This is despite their being oppressed, stateless, and largely left out of the benefits of European Union membership.<sup>253</sup> It seems that when confronted with a majoritarian rule that is as wealthy as or wealthier than Russia itself ethnic Russian minorities are far less rebellious.

## **B. Russian Periphery**

### **“Potemkin-Republics” as a substitute for Supranational Organizations**

As explored above the successful secession and attachment to European supranational organisations has not led to wealthy Russian minorities in former Soviet states to rebel. However, this is not the case in other former Soviet states. This is the phenomenon of "Potemkin-Republics." These Potemkin-Republics are defined as secession movements claiming to seek self-determination through independence from their

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<sup>251</sup> Eoin Micheál McNamara “Securing the Nordic-Baltic region” (17 March 2016) online: *NATO Review* <<https://www.nato.int/docu/review/articles/2016/03/17/securing-the-nordic-baltic-region/index.html>>.

<sup>252</sup> Josh Rubin, “The Narva Scenario” (January 24, 2019) online: *The Atlantic* <<https://www.theatlantic.com/international/archive/2019/01/narva-scenario-nato-conflict-russia-estonia/581089/>>.

current sovereign and which, once successful, cede all (or functionally all) administrative, military, diplomatic, legislative and other governance responsibilities owed their citizens to a third sovereign state. Following this, the movement continues to insist upon their objective as being self-interested despite their total submission to the foreign sovereign's interests.

In turn, the Russian Potemkin-Republics are secession movements that ostensibly claim to be seeking self-determination, though are reliant on the Russian Federation for all the trappings of governance. Making them seem, in function, quite like a republic, oblast or krai within the Russian Federation despite insisting that they seek self-determination.

The citizenship rights of Russian Potemkin-Republics bear great similarity to those of European Citizenship as defined in the Maastricht Treaty.<sup>254</sup> This has been described as “passportization,”<sup>255</sup> whereby, the citizens have been granted passports that are equivalent to Russian passports; they have the right to free movement, settlement, and employment within Russia or within other Potemkin-Republics. Unlike their European neighbours, what makes the Potemkin-Republics unique is that these are not passports or rights held through right of citizenship of the Republic but through Russian citizenship.

In recent years, the Russian government has sought to establish regional organizations to rival the EU and NATO to safeguard Russia's strategic, economic and security interests. More specifically, Russia has created organizations like the Commonwealth of Independent States (CIS), The Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU). The Eastern European region provides Russia a buffer zone with the West, control over a strategic access corridor from the Caspian to the Black Sea and the ability to influence energy policies in the region. These organizations, however, have little of the institutional strength of the aforementioned Western European equivalents, as they lack the more broad-based opportunities that EU membership would provide. The policy of passportization has been used to make up for this shortcoming.<sup>256</sup> The political cover provided by the supranational organizations, despite their lack of formal benefits, has allowed the informal benefits to continue. Ethnic

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<sup>254</sup> *Treaty on European Union*, Council of the European Communities, 7 February 1992 (Entered into force from 1 November 1993).

<sup>255</sup> Vincent M. Artman “Documenting Territory: Passportisation, Territory, and Exception in Abkhazia and South Ossetia” (2013) 18:3 *Geopolitics* 682.

<sup>256</sup> *Ibid.*

Russian regions, and their oligarchs, have been able to cement their economic dealings within Russian institutions, while remaining ostensibly outside of the Russian Federation.

A result of Potemkin-Republics has been to deny their former sovereign's membership in western supranational organizations. Potemkin-Republics create and maintain 'frozen conflict', where armed conflict has been ended but no official end to the conflict has occurred through any formalized treaty. This involves a Russian intervention on behalf of the pro-Russian secessionist movement, militarily securing the area and subsequently using it as a bargaining chip to pursue Russian interests and the interests of Russia-facing oligarchs. The EU has strict requirements for admission which include achieving stability of institutions to provide democracy, human rights and respect for the rule of law.<sup>257</sup> The main problem for would-be members is that during this transition, the countries are not protected against Russian aggression.<sup>258</sup> Moreover, since the EU/NATO will not extend membership to countries engaged in armed conflict, it provides Russia with "an indirect veto right on the EU's and NATO's expansion policy in its near abroad."<sup>259</sup> In a somewhat paradoxical result, Russia makes inroads in provinces or regions that seek Russian patronage as well as creating a country with a more homogenous population that possesses anti-Russian sentiments. These regions seeking Russian patronage tend to be regions that were politically and economically successful under the rule of the USSR but lost this influence with its collapse and emergence of the new independent state.

### **Revoluting Oligarchs as a Revolt of the Rich**

In the case of former Soviet States, the revolt of the rich is a revolt of the rich within the Potemkin-Republics, rather than the population of the Potemkin-Republics being rich as a whole. This is due to the extreme income inequality that exists in these regions.

The revolt is justified to the larger populace within the region by appealing to the loss of privilege that Russian speakers have faced with the

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<sup>257</sup> Andre De Munter, "The Enlargement of the Union" (December 2019) online: European Parliament <[http://www.europarl.europa.eu/enlargement/ec/pdf/cop\\_en.pdf](http://www.europarl.europa.eu/enlargement/ec/pdf/cop_en.pdf)>

<sup>258</sup> David Matsaberizde "Russia vs EU/US Through Georgia and Ukraine" (2014) 14:2 The Quarterly Journal 77 at 86.

<sup>259</sup> *Ibid.*

collapse of the USSR. While the USSR was officially a multilingual state, the *de facto* language was that of Russia, which was used in all central administration correspondence and communications. In much the same fashion, the *de jure* authority within the USSR was incredibly decentralized from the Union to its constituent Republics to the regional oblasts all the way down to the local Soviets (“Councils”) which were supposedly the proprietors of supreme power. This principle of extreme regional devolution, however, was never practised within the Soviet Union. Powerful chairmen of central committees in Moscow controlled the entirety of the state apparatuses.

In the Soviet system, resources being the property of the state meant that exercising control over resources was based largely in bureaucratic and political power. Such struggles of the early 1990s cannot be disconnected from their place in regional politics today because “the multilayered competition for resources...created an array of conglomerates that went well beyond a handful of “oligarchs” and fundamentally shaped regional politics, as the line between government and business in many places was not merely blurred but was erased.”<sup>260</sup> The now infamous eastern Oligarchs were born navigating the ‘byzantine nature’ of the crumbling Soviet Union and early post-soviet states.<sup>261</sup> Those who profited the most in this system were those with large Soviet-Union-wide networks but whom also become significant players regionally as “when a policy directly challenged the interests of a significant player, it stood little chance of coming to fruition.”<sup>262</sup> Such men were able to transfer their influence within the Soviet system to capitalize on their personal networks within the political and bureaucratic system and take advantage of obtuse pricing and askew methods of privatization. Thus it was their connections, rather than entrepreneurial initiative, that made these men wealthy; they used their wealth to buy influence in the media and the government. Wealth beget wealth and influence spawned influence.<sup>263</sup>

In the privatization schemes that came with the breakup of the Soviet Union:

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<sup>260</sup> Andrew Barnes *Owning Russia: The Struggle over Factories, Farms and Power* (Ithaca: Cornell University Press 2006) at 1.

<sup>261</sup> Jeffery Taylor “Russia is finished” (May 2001) online: The Atlantic <<https://www.theatlantic.com/magazine/archive/2001/05/russia-is-finished/302220/>>.

<sup>262</sup> Barnes, *supra* note 260 at 14.

<sup>263</sup> Jeffery Taylor, *supra* note 261.

...it was a bare-knuckled struggle for property, in which a wide range of actors fought to wrest control over resources from the state and from the state and from one another in their attempts to build new political and economic empires.<sup>264</sup>

A Soviet-era 'Russification' of key positions meant Russian speakers were the primary builders of such "empires." Influence was distributed unequally and primarily held by the 145 million Russian native speakers within the Soviet Union's 285 million inhabitants at the time.<sup>265</sup> By the 1960's there had been "the large-scale direction of workers from" Russian speaking areas to the other nations,<sup>266</sup> even public media communications were primarily in Russian,<sup>267</sup> and the administration across the union was increasingly one of Russian management supervising other nationalities in those Republics.<sup>268</sup> This led to the Russian speaking minority communities having relative "wealth" of far stronger career prospects than the non-Russian speakers in the Soviet-era republics.<sup>269</sup> Amongst monolingual minority language speakers there were "great numbers of semi-unemployed who struggle along on casual earnings or are forced to abandon their ancestral homelands" due to their unsuitability for certain work environments and inability to pursue Soviet Union level bureaucratic posts.<sup>270</sup> The population of Russians in Ukraine increased rapidly after the 1960's reaching 22.1% by the end of the Cold War in 1989 while the number of ethnic Ukrainians who were bilingual or monolingual Russian speaking went from 45% to 71.8% in the same timeframe.<sup>271</sup>

With the break-up of the Soviet Union came great opportunity but also great risk for the members of Russian speaking ethnic minorities in the former Soviet Republics. These new oligarchs' wealth came from their ability to be Russian speaking middlemen. Native Russian language skills allowed them to build on connections within the Russian speaking husk of the

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<sup>264</sup> Barnes, *supra* note 260.

<sup>265</sup> *Ibid.* See also "All-Soviet Census 1989. Population by ethnic group and language". *Demoscope Weekly* online: <[demoscope.ru/weekly/ssp/sng\\_nac\\_lan\\_89\\_1\\_1.php](http://demoscope.ru/weekly/ssp/sng_nac_lan_89_1_1.php)>.

<sup>266</sup> Robert Conquest *Soviet Nationalities Policy in Practice* (New York: Praeger 1967) at 131.

<sup>267</sup> *Ibid* at 135.

<sup>268</sup> *Ibid* at 132-133.

<sup>269</sup> *Ibid* at 140.

<sup>270</sup> Ivan Dzyuba *Internationalism or Russification* (London: Camelot Press, 1968) at 108.

<sup>271</sup> Bohdan Krawchenko ed Ian Bremmer and Ray Taras at 85.

former Soviet Union. As the “bare-knuckled struggle for property” started to produce winners and losers, colossal oligarchs began to emerge across the former Soviet Union.<sup>272</sup> When such oligarchy emerges, “how they protect their fortunes is crucial for the fate of young democracies in the post-communist world.”<sup>273</sup> The mechanisms and trade flows that had enabled the amassing of wealth in Eastern Europe and Eurasia came under threat from former Soviet nations who cracked down on oligarchical systems of management or made it more difficult to work with Moscow.

## Ukraine

### *Potemkin-Republics: Donetsk People’s Republic and Lubansk People’s Republic*

In May 2014 President Putin publicly mentioned the concept of ‘*Novorossiia*’, which was a large territory conquered by Imperial Russia in the 18<sup>th</sup> century.<sup>274</sup> Today, that territory would, “in addition to Crimea, include: Donetsk, Luhansk, Kharkiv, Dnepropetrovsk, Zaporizhia, Kherson, Mikolaiv and Odessa.”<sup>275</sup> These are currently areas embroiled in a civil war between the Ukrainian government and a series of Potemkin-Republics, that collectively encompass most of Eastern Ukraine. While a more geopolitical narrative of great powers dominates the literature on this conflict this only effectively explains the Russian government’s interests in pursuing Potemkin-Republic politics. The Oligarchic leadership of these Potemkin-Republics are better characterized as rich revolting against the Kiev government. While both the Donetsk and Lubansk People’s Republics insist on their independence, all significant government services are delivered through Russian government convoys.<sup>276</sup>

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<sup>272</sup> Barnes, *supra* note 260.

<sup>273</sup> Stanislav Markus and Volha Charnysh, “The Flexible Few: Oligarchs and Wealth Defense in Developing Democracies” (2017) 50:12 *Comparative Political Studies* 1632, at 1634.

<sup>274</sup> Adrian A Basora & Aleksandr Fisher “Putin’s “Greater Novorossiia” - The Dismemberment of Ukraine” (2 May 2014) online (blog): *Foreign Policy Research Institute* <<https://www.fpri.org/article/2014/05/putins-greater-novorossiia-the-dismemberment-ofukraine/>>.

<sup>275</sup> *Ibid.*

<sup>276</sup> “Spot Report by the OSCE Observer Mission The eighty-second Russian Convoy of 22 Vehicles Crossed into Ukraine and Returned through the Donetsk Border Crossing Point” 20 December 2018) online: OSCE <<https://www.osce.org/observer-mission-at-russian-checkpoints-gukovo-and-donetsk/407522>>.

Both the Moscow-facing Oligarch elite and the Russia-speaking population in the region feel that they were placed on the wrong side of the border that hadn't effectively existed in the Soviet Era. In Ukraine, these initial Russian speaking oligarchs were known as "the red directors" who flourished in such a system of shifting sands and who would become the former Soviet Union's first billionaires.<sup>277</sup> These "red directors" (who would form the backbone of Eastern Ukraine's oligarchy) were formerly the middle management of the Soviet Union, overwhelmingly from the regions of Russian speaking minorities within Ukraine. They had greater economic ties with "financial-industrial groups" in the oblast across the border than with Kiev's financial industry.<sup>278</sup>

Potemkin-Republic politics in Ukraine began on April 26, 2001 with the ouster of Ukraine's then Prime Minister when the "oligarch parties" turned on this former central banker despite his pro-business politics.<sup>279</sup> His removal was due largely to his anticorruption policies and his push to inject competition into sectors where oligarchs held monopolies.<sup>280</sup> It appears that "Yushchenko was removed precisely because he was the most professional, most successful, most credible, and most popular."<sup>281</sup> These eastern oligarchs found Yushchenko's replacement in the Prime Minister's office, former Governor of Donetsk Viktor Yanukovich – himself a former "red director." Yanukovich's autonomist "Party of Regions" received the support of the Russian speaking oligarchs including the "red directors" and billionaires in the Donbass region.<sup>282</sup> Billionaires are widely believed to have financed both the "Party of Regions" and having bankrolled Yanukovich's presidential bid in 2004. The 2004 Orange Revolution in Ukraine was a Western-leaning revolution that worked against the business model of Eastern Ukraine's industrialized heartland in the Donbass which was entirely

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<sup>277</sup> Anders Aslund, "Why Has Russia's Economic Transformation Been So Arduous?" (April 28, 1999) online: *Carnegie Endowment for International Peace* <<https://carnegieendowment.org/1999/04/28/why-has-russia-s-economic-transformation-been-so-arduous-pub-201>>.

<sup>278</sup> Barnes, *supra* note 260 at 126.

<sup>279</sup> Robert Kravchuk, *Ukrainian Political Economy: The First Ten Years* (New York: Palgrave MacMillan, 2002) at 89.

<sup>280</sup> *Ibid* at 53.

<sup>281</sup> *Ibid*.

<sup>282</sup> Andrew Wilson, *Ukraine's Orange Revolution* (New Haven: Yale University Press, 2005) at 10.



Moscow facing. After the Revolution in 2004, pro-Russian Yanukovych's win was annulled due to allegations of corruption.<sup>283</sup> After a second round of voting, a Western-leaning government led by Yushchenko was voted in.<sup>284</sup> The new government pursued closer relations with the EU, especially in the areas of free trade.<sup>285</sup> This marked a particularly precarious time period for the oligarchs and their regional support bases in the Eastern Russian speaking industrial regions of Eastern Ukraine. This precariousness led them to distance themselves from national level politics and instead focus on the local politics of Eastern Ukraine. Russian-facing oligarchs in the years between 2006-2012 achieved 138% returns, compared to the 13% returns of Western-facing rivals of similar wealth.<sup>286</sup> By avoiding open partisanship and instead merely financing pro-Russian separatist parties and purchasing local media, the oligarchs tried to consolidate their power that was lost in exile. The pro-Russian Potemkin-Republic separatist groups themselves claimed that they were being entirely financed by a particular local oligarch.<sup>287</sup>

In 2010 Viktor Yanukovych won the presidency outright, and the Party of Regions proposed closer ties with Moscow as a priority. This electoral victory temporarily alleviated separatist tensions. Closer ties with Kiev was also a priority of Russia, as "the Kremlin sought to stem the increasing possibility of integration with the EU through the introduction of an embargo on goods from Ukraine, putting Kiev in a very difficult economic situation."<sup>288</sup> After Vladimir Putin was elected for his third term as president in 2012, Russia sought to create Russian-led regional organization that could rival the EU and NATO.<sup>289</sup> Consequently, the Ukrainian president passed

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<sup>283</sup> "Ukraine Profile - Timeline" (5 March 2020) online: *BBC News* <<http://www.bbc.com/news/world-europe-18010123>>.

<sup>284</sup> *Ibid.*

<sup>285</sup> Carl Bildt "Russia, The European Union and the Eastern Partnership" online (blog): ECFR Rige Seriesat 4 <[http://www.ecfr.eu/page/-/Riga\\_papers\\_Carl\\_Bildt.pdf](http://www.ecfr.eu/page/-/Riga_papers_Carl_Bildt.pdf)>.

<sup>286</sup> *Ibid* at 1654.

<sup>287</sup> Isaac Webb, "Billionaire Akhmetov Denies claims that he Finances Separatism (UPDATE)" (12 May 2014) online: *Kyiv Post* <<https://www.kyivpost.com/article/content/war-against-ukraine/donetsk-peoples-governor-claims-akhmetov-is-financing-separatism-347469.html>>.

<sup>288</sup> Zofia Studzińska "How Russia, Step by Step, Wants to Regain an Imperial Role in the Global and European Security System" (2015) 14:4 *Quarterly J* 21 at 30.

<sup>289</sup> *Ibid.*

a bill of non-participation in military alliances such as NATO.<sup>290</sup> Ukraine also refrained from signing the Association Agreement with the EU, explaining that this move was for security reasons and the need to develop better relations with Russia.<sup>291</sup>

Yanukovich's about-face on integrating with the EU led to civil unrest in Ukraine and Russian intervention. First, sustained mass protests broke out in the country, collectively referred to as "the Euromaidan", forcing Yanukovich to flee the country.<sup>292</sup> The prospect of losing influence over Ukraine prompted Russian intervention. Russia annexed the Crimean Peninsula, justifying the military intervention as a method to protect the lives of Russian citizens who lived in the area.<sup>293</sup> Then, on March 16<sup>th</sup>, 2014 a controversial referendum was held in which 95.5% of the population in Crimea supported separating from Ukraine and becoming a part of the Russian Federation.<sup>294</sup> A week later, Putin signed a law formalizing Russia's takeover of Crimea, which effectively changed the balance of power in the Black Sea region.<sup>295</sup> In Kiev the government agreed to hold early elections, which were won by the opposition led by Petro Poroshenko in May 2014.<sup>296</sup> The Russians did not recognize the new government, which they referred to as a fascist regime.<sup>297</sup> Instead, they began the same policy of "Passportisation" they had already practiced elsewhere.<sup>298</sup>

In April 2014, pro-Russian armed groups seized parts of Eastern Donetsk and Luhansk.<sup>299</sup> Russia provided military support for separatists in the Eastern regions of Donetsk and Luhansk as a method to maintain influence over Kiev and prevent Ukraine from joining Western organizations. Initially, Russia supported these movements by providing them with weapons, propaganda and special forces while maintaining that it

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<sup>290</sup> *Ibid.*

<sup>291</sup> *Ibid.*

<sup>292</sup> *Ibid.*

<sup>293</sup> *Ibid* at 31.

<sup>294</sup> "Crimea Referendum: Voters 'Back Russia Union' (16 March 2014) online: *BBC News* <<https://www.bbc.com/news/world-europe-26606097>>.

<sup>295</sup> Studzińska, *supra* note 288 at 31.

<sup>296</sup> *Ibid* at 30.

<sup>297</sup> *Ibid.*

<sup>298</sup> Artman, *supra* note 255.

<sup>299</sup> "Crimea Referendum" *supra* note 294.

was not actively involved in the conflict.<sup>300</sup> However, as the separatist effort appeared to be in the brink of collapse, Russia allegedly sent a number of battalions of the Russian army to aid the separatists in battle.<sup>301</sup> After receiving Russian military support, the separatist regions held referendums that were won overwhelmingly by the separatists.<sup>302</sup> Since then, multiple peace efforts including Minsk I and Minsk II have been unsuccessful, which means “the basic Russian objectives of destabilizing Ukraine and preventing its Western orientation remain unchanged, and military, diplomatic, and information warfare means are being deployed to achieve these ends.”<sup>303</sup>

## Georgia

### *Potemkin-Republics: South Ossetia and Abkhazia*

The Potemkin-Republics of South Ossetia and Abkhazia have existed in “frozen conflict” with Georgia for most of Georgia’s independent existence. In the late 1980’s when the Republic of Georgia was empowered to govern its own postsecondary affairs, it removed Russian language proficiency and replaced it with Georgian language proficiency for admissions purposes.<sup>304</sup> This thrust out the Russian minority that had previously been disproportionately represented in Georgian universities.<sup>305</sup> The Russian speaking minority would become more closely networked within the Central administration in the early 1990’s, as they relied more heavily on Russian Republic cities for postsecondary education and became more dominant in central Soviet Union-level administrative careers rather than ones under the Georgian Republic. This would solidify already deep cross border ties between Georgia’s Russian speaking minorities and Russia. More importantly it networked the elites amongst these minorities with those in power in Moscow.

After the Soviet Union dissolved, Georgia’s national liberation movement was confronted with two Potemkin-Republics that border the

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<sup>300</sup> Bildt, *supra* note 285 at 8-9.

<sup>301</sup> *Ibid.*

<sup>302</sup> “Eastern Ukraine Insurgents Declare Referendum Victory, Seeks Russia Annexation” (12 May 2014) online: CBS News < <https://www.cbsnews.com/news/russia-walks-cautious-line-eastern-ukraine-referendums-donetsk-luhansk/>>.

<sup>303</sup> Bildt, *supra* note 285 at 9.

<sup>304</sup> Bohdan Krawchenko ed Ian Bremmer and Ray Taras at 294.

<sup>305</sup> *Ibid.*

Russia Federation – South Ossetia and Abkhazia. South Ossetia is located in the central northern part of the country, while Abkhazia is in its northwest. There were historic ethnic tensions in these regions and once the Soviet Union fell, these regions developed secession movements that sought independence or accession into the Russia Federation.<sup>306</sup>

In the early 1990's, Georgia was focused on consolidating the integrity of the country and preventing it from being dominated by Russia. The Potemkin-Republic of South Ossetia posed a significant threat to its national interests. Not only did ethnic Ossetians want independence, but they also had brethren in the North Ossetian region located within the Russia Federation, which creates an additional point of tensions between the countries.<sup>307</sup> In 1991, violent conflict broke out between the Georgian government and South Ossetia.<sup>308</sup> The conflict ended in 1992 with a ceasefire signed by the Russian and Georgian governments.<sup>309</sup> As a result, a Joint Peacekeeping Force was dispatched, which was made up of Georgians, Russians and Ossetians.<sup>310</sup>

Similarly, conflict in Abkhazia threatened Georgia's sovereignty. After the fall of the Soviet Union, Abkhazia wanted independence from Georgia. Tensions between Georgia and Abkhazia culminated in the 1992-1993 War in Abkhazia, which resulted in a Georgian loss.<sup>311</sup> After the war ended, the central government in Tbilisi feared that Russia would recognize the Potemkin-Republics and therefore agreed to join the Commonwealth of Independent States in exchange for stabilizing the country and freezing conflict.<sup>312</sup> In the aftermath of the War in Abkhazia, Russia also dispatched peacekeepers to the region, which it allegedly used to securitize the region and maintain the frozen conflict.<sup>313</sup>

In the aftermath of the conflicts, both regions' local elite were able to exercise control of their own parliaments, presidents and militaries and

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<sup>306</sup> Matsaberizde, *supra* note 258 at 78.

<sup>307</sup> Greg Jentsch, "What Are the Main Causes of Conflict in South Ossetia and How Can They Best be Addressed to Promote Lasting Peace" (2009) 6 BSIS J International Studies 1 at 11.

<sup>308</sup> *Ibid* at 3.

<sup>309</sup> *Ibid.*

<sup>310</sup> *Ibid.*

<sup>311</sup> Jentsch, *supra* note 307 at 78.

<sup>312</sup> *Ibid.*

<sup>313</sup> Studzińska, *supra* note 288 at 23.

administered their own affairs with significant Russian support, making them effectually independent.<sup>314</sup> Russia granted citizenship and passports to people living in these regions and made the Russian ruble the official currency. Russia tried to assimilate Ossetia and Abkhazia back into the Russian sphere of influence by filling important positions in various bodies with Russian officials, fostering gradual reliance on Russia's economy, implementation of a system of educational exchange, empowering cultural and linguistic domination in the regions, and control of the energy supply. The also tried to weaken the influence of Georgia by unilaterally introducing a visa regime for Georgia and economic sanctions on Georgian products.<sup>315</sup> Consequently, after the end of hostilities Russia had a significant presence in both regions both politically and militarily, which it used to pressure Georgia into joining the CIS.<sup>316</sup>

The 2003 Rose Revolution in Georgia was a Western-leaning revolution, which saw the Georgian elites re-envision the future of the country in the EU and NATO. Georgia was accused by Russia of progressively receiving American military aid and being promised eventual membership into NATO, which it perceived as "an encroachment on Russia's sphere of influence."<sup>317</sup> In 2004, armed conflict broke out in South Ossetia largely due to a Georgian anti-smuggling campaign in and around South Ossetia, which saw an increase in Georgian troops in the region and negatively affected the South Ossetian economy.<sup>318</sup> Georgia also accused Russia of supplying South Ossetia with weapons, which proved to be, at least in part, correct.<sup>319</sup> By 2008, hostilities in South Ossetia transitioned from armed conflict to war between Russia and Georgia.<sup>320</sup>

The context of the war will demonstrate the role that regional organizations had on the development of these secessionist movements. First, in February of 2008, much of the West unilaterally recognized Kosovo,

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<sup>314</sup> Alexandros Petersen, "The 1992-1993 Georgia-Abkhazia War: A Forgotten Conflict" (2008) 2:4 *Caucasian Rev International Affairs* 187 at 189.

<sup>315</sup> Studzińska, *supra* note 288 at 25.

<sup>316</sup> Matsaberizde, *supra* note 258 at 78.

<sup>317</sup> Jentsch, *supra* note 307 at 6.

<sup>318</sup> *Ibid* at 4.

<sup>319</sup> *Ibid*.

<sup>320</sup> *Ibid* at 5.

which Russia strongly opposed.<sup>321</sup> Further, at a NATO summit in April 2008 in Bucharest, part of the agenda included a plan to provide membership for Georgia.<sup>322</sup> Russia perceived NATO's Eastern enlargement as a threat to its geopolitical axis and it would not risk having a neighbouring country become a member of the EU and/or NATO. By the end of the War, Russian troops had occupied both the Potemkin-Republics and large portions of Georgia proper.<sup>323</sup>

Russia's armed intervention was a manifestation of its foreign policy, which was to maintain its hegemony over its sphere of influence and prevent EU and NATO from making inroads in the region. Because of the intervention, Russia "sent a clear message that [it] was prepared to use military force to promote policy objectives."<sup>324</sup> After the War, as a direct response to the West's unilateral recognition of Kosovo, Russia recognized South Ossetia and Abkhazia as independent sovereign states.<sup>325</sup> Georgia, for its part, severed its diplomatic ties with the Russian government, including a prompt exit from the Commonwealth of Independent States in 2009.<sup>326</sup> Georgia also agreed to take initial steps to join the European Union by signing an Association Agreement and an agreement creating a Deep and Comprehensive Free Trade Area.<sup>327</sup> It has also sought closer relations with NATO.<sup>328</sup> Meanwhile, although armed conflict came to an end in South Ossetia and Abkhazia, Russia maintains troops stationed in both regions. Certainly, if the status-quo remains, it is likely that Georgia will face Russian destabilization tactics if it continues pivoting westward.

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<sup>321</sup> Studzińska, *supra* note 288 at 26.

<sup>322</sup> *Ibid.*

<sup>323</sup> Jentsch, *supra* note 307 at 5.

<sup>324</sup> Matsaberizde, *supra* note 258 at 81.

<sup>325</sup> *Ibid.*

<sup>326</sup> Matt Robinson & Oleg Shchedrov "Georgia Quits Ex-Soviet Group As Moscow Allies Rebel" (18 August 2009) online: Reuters < <https://www.reuters.com/article/us-georgia-cis/georgia-quits-ex-soviet-group-as-moscow-allies-rebel-idUSTRE57H34T20090818> >

<sup>327</sup> Studzińska, *supra* note 288 at 29.

<sup>328</sup> Jentsch, *supra* note 307 at 10.

## Moldova

### *Potemkin-Republic: Transnistria*

The Potemkin-republic of Transnistria actually pre-dates the foundation of Moldova by several days and has existed in frozen conflict with the latter for the entirety of their existence. In Moldova, the late 1980's saw the creation of even greater bonds with the central administration by the ethnic Russians, as Moldovan language activists lobbied for its use on all official communications and replacing all Cyrillic script with Latin script. As nationalist pressure mounted on the Moldovan communist leadership, in December 1988 President Grossu was forced to accept Moldovan as the official language and replace the Russian Cyrillic alphabet with the Latin one.<sup>329</sup> This was a symbolic triumph for the nationalists, who carried the momentum of the nationalist movement into the following summer when 50,000 people carrying Romanian flags protested the Soviet annexation of Bessarabia and the decline of Moldovan culture over the last five decades.<sup>330</sup> This resulted in mass strikes and repudiations amongst the Republic's Russian elite.<sup>331</sup> The Russian minority lobbied directly to Moscow: "playing the dual role of disaffected minority and representatives of Moscow's power, the republic's Russian population was galvanized in the wake of Moldova's language law."<sup>332</sup> While the galvanization would prove important in inspiring revolts, just as important would be the connections within the centralized economy as they determined wealth distribution in the post-soviet era. The base of support for such efforts was the heavily industrialized Transnistria region located in Eastern Moldova and bordering Western Ukraine. Moldova's Russian speaking minority felt "the proposed language laws were clear evidence not only of the anti-Soviet and anti-Party views of the Moldovan 'informals', but also of the shifting balance of power towards the Moldovan majority and away from those groups that had traditionally exercised authority."<sup>333</sup>

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<sup>329</sup> Andrei Panici, "Romanian Nationalism in the Republic of Moldova" (2003) 2:2 Global Rev Ethnopolitics 37 at 38.

<sup>330</sup> *Ibid* at 39.

<sup>331</sup> Bohdan Krawchenko ed Ian Bremmer and Ray Taras

<sup>332</sup> *Ibid* at 138.

<sup>333</sup> *Ibid* at 46.

In Transnistria, Russians and Ukrainians made up 53.8% of the population due to high immigration during the Soviet era whereas ethnic Moldovans made up 39%.<sup>334</sup> The ethnic Slavs in this region opposed Moldovan nationalism and the prospect of reunification with Romania. The continued discord led the Russian population in Transnistria to declare independence in September 1990.<sup>335</sup> However, the central authorities in Moldova promptly annulled the declaration.<sup>336</sup>

An outbreak of violence in the region led the Russian Federation to intervene. On August 27, 1991, the Moldovan parliament declared the full independence of the Republic of Moldova and joined the Commonwealth of Independent States.<sup>337</sup> Prior to its declaration of independence, fighting broke out among the Russian-backed Transnistrian forces and the Moldovan police and military in November 1990.<sup>338</sup> The fighting intensified in March 1992 and lasted until a ceasefire was reached in July.<sup>339</sup> Since then, Russian troops have been stationed in Transnistria.<sup>340</sup> Once again, by securitizing the area Russia has been able to freeze the conflict and use its military as leverage to influence Moldova's domestic affairs.

During the 2000's, the West made significant strides in reorienting Moldova allegiance towards Europe. In 2005, Moldova joined the EU system of autonomous trade preference, thereby diminishing its trade dependence with the CIS markets.<sup>341</sup> After the trade agreement, from 2004-2016 Moldova's trade with the EU grew from \$400 million to \$1.3 billion.<sup>342</sup> In 2010, the Moldovan government also became dependent on Western financial assistance, which was channeled through EU programs, other

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<sup>334</sup> Vladlena Lisenco "International Peacebuilding Organizations" (2014) 33:2 *Moldavian J International L & International Relations* 9 at 13.

<sup>335</sup> *Ibid* at 47.

<sup>336</sup> "Moldova Timeline: A Chronology of Key Events" (26 February 2019) online: *BBC News* <[http://news.bbc.co.uk/2/hi/europe/country\\_profiles/1113586.stm](http://news.bbc.co.uk/2/hi/europe/country_profiles/1113586.stm)>.

<sup>337</sup> *Ibid*.

<sup>338</sup> Panici, *supra* note 329 at 47.

<sup>339</sup> "Moldova Timeline" *supra* note 336.

<sup>340</sup> Andrey Devyatkov "Dynamics of Russian Power in Moldova" (22 March 2017) online (blog): *Foreign Policy Research Institute* <<https://www.fpri.org/article/2017/03/dynamics-russian-power-moldova/>>.

<sup>341</sup> *Ibid*.

<sup>342</sup> *Ibid*.



financial institutions and through bilateral deals with Western countries.<sup>343</sup> These assistance packages total approximately 300-400 million euros per year, which stabilizes the budget and the currency while funding development projects.<sup>344</sup> Lastly, the EU is developing a gas interconnector from Iasi, Romania to Chisinau, which would enable Moldova to cover its gas needs and to stop importing from either Russia or Romania, reducing Russia's political clout over the country.<sup>345</sup>

Russia has applied political pressure to ensure Moldova does not drift away from its sphere of influence. In 2012, Russia threatened to stop supplying subsidized gas unless Moldova agreed to cease further cooperation with the EU in developing further relations regarding its energy resources.<sup>346</sup> Under Russian pressure, Moldova ceased cooperation.<sup>347</sup> In 2012-2013, Russia also imposed a ban on trade in wine, fruits, meat and other food products.<sup>348</sup> The results of the ban was a decrease in Moldovan-Russia trade that amounted to a decrease of \$655 million in 2012 to \$230 million in 2016.<sup>349</sup> Legalization of Moldovan migrants is also an important consideration in Moldova as 300,000 Moldovan live illegally in Russia or have been prohibited from returning.<sup>350</sup>

Russia has also used its military power to maintain its influence over Moldova. Russia maintains peacekeeping troops and troops guarding the remnants of the 14<sup>th</sup> army.<sup>351</sup> However, after a pro-European government was elected in 2009, Russia has been less effective in influencing Chisinau's foreign policy. The government has decided to neglect the Transnistria conflict and focus on European integration.<sup>352</sup> Nevertheless, with Russia's continued military presence in Moldova, it can deter NATO's presence in Moldova and Southeast Europe and serve as a strategic tool in the Ukrainian conflict.

Moldova has been progressively shifting to the West, but it is unlikely that it will be able to do so effectively without Russian interference.

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<sup>343</sup> *Ibid.*

<sup>344</sup> *Ibid.*

<sup>345</sup> *Ibid.*

<sup>346</sup> *Ibid.*

<sup>347</sup> *Ibid.*

<sup>348</sup> *Ibid.*

<sup>349</sup> *Ibid.*

<sup>350</sup> *Ibid.*

<sup>351</sup> *Ibid.*

<sup>352</sup> *Ibid.*

After the Eastern Partnership summit in Vilnius in 2013, Moldova signed the EU Association Agreement in 2013.<sup>353</sup> This granted Moldovans visa-free travel right to the Schengen countries, which its citizens have benefited from.<sup>354</sup> Additionally, a friendly pro-European Romanian government has also increased Moldova's predisposition to joining Europe.<sup>355</sup> However, political instability, corruption and the lack of effective government institutions have limited Moldova's ability to make necessary reforms to keep up support for its Western-leaning policies.<sup>356</sup> Moreover, Russia's continued presence in Transnistria and Putin's rhetoric regarding the creation of "Novorossyia" has served to keep Moldova susceptible to Russian influence. This way, Russia can "undermine its ability to attain EU membership...[and] continue to transport energy in Europe using the vital lines that cross Moldovan territory."<sup>357</sup>

### C. Eastern Europe as a case study<sup>358</sup>

Eastern Europe offers a slightly different view of the revolt of the rich and supranational organisations than the rest of Europe. With the collapse of the Soviet Union in 1991, many states in Eastern Europe gained or regained their independence. Some of these states have started to look Westward towards integration with the EU and NATO, while other states continue to look East to reintegration and even annexation by Russia.

The Baltic States were among the earliest and most successful in Western integration. All three states used the illegality of Russian annexation as the basis for their independence in 1991. This, along with referendums led to international recognition of their independence. The Baltic states entered both NATO and the EU in 2004 after a number of steps leading up to this including free trade agreements with each other and the EU. The

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<sup>353</sup> Maia Otarashvili "Georgia and Moldova Remain Fragile as Russian Aggression Continues" (30 January 2015) online (blog): *Foreign Policy Research Institute* <<https://www.fpri.org/2015/01/georgia-and-moldova-remain-fragile-as-russian-aggression-continues/>>.

<sup>354</sup> *Ibid.*

<sup>355</sup> *Ibid.*

<sup>356</sup> *Ibid.*

<sup>357</sup> *Ibid.*

<sup>358</sup> On the distinctive situation of the internationally unrecognised republic Nagorno-Karabakh (also known as Artsakh) in Azerbaijan see Heiko Kruger, *The Nagorno-Karabakh Conflict: A Legal Analysis* (Berlin: Springer, 2010).

revolt of the rich narrative is clear in these states as their arguments and desire for independence were based on the ideas of wealth and Russian interference holding them back. The integration with supranational organisations has removed them from the Russian sphere of influence and has allowed them to flourish economically.

While the Baltics had success in their Western Integration both Georgia and Ukraine have had their progress stalled by Russian interference in their countries. While the former Soviet states look towards the West as a way to economic prosperity Russia seeks to prevent having the EU and NATO as their neighbours. Using the guise of self-determination, the Russian minorities in these countries turn to Russia for protection, even annexation, and Russia is more than happy to help. By creating “frozen conflicts” Russia is effectively able to veto the expansion of the EU and NATO into its sphere of influence.

Russia has sought to create its own organisations to rival the EU. Though these have not been as effective as the EU's, their policies of passportisation make up for these shortcomings. This shows the role of supranational organisations in secession movements. The revolt of the rich can be seen on both sides of these conflicts: the oligarchs and Russian minorities who gained wealth under the USSR and seek to maintain this, and the native populations of the states who see the Russians as repressing their true economic potential.

## VII. SUMMARY OF THE MARCH ACROSS EUROPE

As our march across Europe comes to an end, we can reflect on the two pillars that formed the base of our thesis on secession movements. Our analysis has identified the importance of the elements of the revolt of the rich and supranational organizations in obtaining a better understanding of secession movements. Both pillars deepen our comprehension of secession movements beyond the traditional analysis involving ethnic conflict, disadvantage and oppression.

Across Europe, secession movements have been fuelled by a rich or wealthy region of a nation attempting to separate from the poorer regions in order to retain control of its wealth. Often the rich region grows tired of subsidizing poorer regions of the nation and ceases to believe that the benefits of remaining in the nation outweigh the costs of subsidisation. Consequently, secession becomes a means of retaining control over wealth.

However, wealth is a matter of perspective. In some regions it is measured in GDP and easily quantifiable, such as in Western Europe, while in others it is measured in influence and power, such as in Eastern Europe. The revolt of the rich can be applied to secessions outside of Europe when we consider varying perspectives of wealth, since ultimately the revolt of the rich is about control over economic resources.

In addition to the revolt of the rich, the presence of a supranational organization in a region can undoubtedly have an impact on a secession movement. The presence of these organizations can help small sovereign states meet their economic and security needs, making secession in small regions more attainable. These supranational organizations can meet security needs of member nations through joint defense forces and agreements to protect the territorial integrity of its members. Economic needs are met through the provision of a single robust market that guarantees the free movement of goods, capital, services and people. However, despite the benefits of supranational organizations to their members, whether the organization encourages or discourages secession depends on the nature of the organization and its objectives.

In Europe, the potential economic and security benefits of membership in the EU can encourage secessionist movements. Catalonia, Basque, Scotland and Flanders rely on admission into the EU to sustain them economically and militarily, as small sovereign states. As well, in Central Europe, the Czech Republic, Slovenia, and Croatia all sought to secede in part because they believed their goal of being admitted to the EU was more easily attainable without ties to their former nations. Secessions in Eastern Europe have been influenced by Russia's failure to establish supranational organizations capable of countering the EU and NATO. However, membership in the EU or NATO does not always encourage secessions. In the case of Italy, the secessionist movement actually sought to revoke its membership in both the EU and NATO because it believed the costs outweighed the benefits. With respect to supranational organizations in Europe, their presence has largely encouraged secession by providing the necessary economic and military security.

Conversely, in the former Soviet satellite states Russia has used secessionist movements as a means of denying nations entry to the EU and NATO and instead encouraging their admission into Russian-backed supranational organizations, such as CIS and the Eurasian Economic Union. Russia has used the organizations to rival the EU and NATO, specifically in

the “Near Abroad,” and maintain its zone of control. By freezing secessionist conflicts in the Ukraine, South Ossetia, Abkhazia, and Nagorno-Karabakh Russia has essentially vetoed the admission of the host nation into West-leaning regional organizations that require economic, political, and military stability as a prerequisite for admission. Consequently, the host nation is pressured to join CIS or the EEU in order to obtain the benefits supranational organizations provide. Essentially, the presence of these rival supranational organizations allows secession movements in the “Near Abroad” to achieve a level of autonomy, short of outright independence, by relying on Russia’s desire to protect Russians abroad and promote its supranational organizations in its zone of control.

It has been the purpose of these study to show, in the context of Europe, two often underestimated factors – the revolt of the rich and the prospect of joining an organization at a higher level in the spectrum from local to global – can help explain the origin, persistence and ultimate success or failure of secessionist movements. We would propose that this approach can be tested in the context of successionist movements in the rest of the world. These two factors can also potentially be applied to the analysis of successionist movements at other levels of sovereignty or self-government – such as a rich suburb attempting to separate from a disadvantaged inner city while remaining within the same state and federal system,<sup>359</sup> or a wealthy part of a state like California seeking to establish its own statehood within the United States,<sup>360</sup> or city wishing to secede from a state and gain its own statehood.<sup>361</sup>

## VIII. WIDER IMPLICATIONS AND APPLICATION OF THIS ANALYSIS

We believe that the two factors we have identified are crucial in understanding how and why secession movements foster momentum.

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<sup>359</sup> On the secession of Staten Island from New York City see: Jeffrey Underwieser, “The Legality of Staten Island’s Attempt to Secede from New York City,” (1991) 19:1 *Fordham Urb LJ* 147. See also Raphael J. Sonenshein and Tom Hogen-Esch “Bringing the State (Government) Back in: Home Rule and the Politics of Secession in Los Angeles and New York City” (2006) 41:4 *Urban Affairs Review* 467.

<sup>360</sup> California, Initiative Report: Six Californias (January 31, 2014) online: *Legislative Analyst’s Office* <<https://lao.ca.gov/ballot/2013/130771.aspx>>.

<sup>361</sup> See for example the attempted secession of Toronto.

With respect to the revolt of the rich, we suggest that the design of institutions at all levels requires checks and balances. National unity and a sense of shared citizenship can benefit from efforts to redistribute wealth within a larger unit. Part of a country might be wealthier due to natural resources; the benefits of this good fortune, however, have to be redistributed in a way that is regarded as fair to all concerned, including the part of the country favored by nature. At the same time, regional wealth can be largely due good luck such as possessing valuable natural resources. It can also reflect ingenuity and hard work in the private sector, and government policy that permits and encourages activity to be freely carried out and fairly rewarded. Less prosperous regions should be encouraged to emulate the best governmental and private practices in thriving parts of the country, rather than only benefitting from its redistribution.

States can be constituted in ways that balance the interests of different regions. The United States, for example, has one chamber of its federal government to which populous states and less populated ones, those that are relatively rich and those that are poorer, all elect two senators. A constitution may also put limiting principles on redistribution; e.g., limiting in some ways the spending power of its central government, or establishing a broadly equitable principle to guide redistributive efforts. If such measures are not put in place, the concerns of more prosperous regions may manifest in outright succession movements. Sound internal checks and balances can limit the extent to which part of a country is embittered to the point of considering outright exit as its only practical alternative.

Albert O. Hirschman's "Exit, Voice and Loyalty" is suggestive of how the different forms of checks and balances can play out and can be addressed through institutional design.<sup>362</sup> The "voice" option can be seen in this context as partly consisting of the ability to freely express concerns. It can be viewed more largely as the practical ability to not only speak but also influence policy through decision making processes. If a region does not have an effective voice, it may see "exit" in the form of secession, as the only way forward rather than the "loyalty" of suffering the status quo.

The other dimension of secession movement emphasized in this study is that the sovereign state is just one level in orders of government that range from the local to the global. Those developing organizations that aim to unite entities into larger governing units should be aware of the potential

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<sup>362</sup> Hirschman, Albert O, *Exit, Voice and Loyalty*, (Cambridge, MA: Harvard University Press, 1970).

that this creates to stimulate secession movement. Full membership in a larger political or security organization may be an attractive alternative to being one part of an existing unit. Those drafting the rules for entering and leaving regional and global organizations should be attentive to the ways in which this potential should be managed. Should every existing member of an organization have a veto on new entrants, including those emerging from the break-up of an existing member?

The study of how political units can and do operate cannot see them as closed systems with permanent boundaries and affiliations. Units are generally composed of subunits at various levels – most sovereign states are divided into various subunits, and subunits with those subunits. Sovereign states also generally belong to a variety of regional and global organization. The last century has witnessed dynamism – at times, massive and violent disruption – with respect to the emergence of new states, new state organizations, and less visibly, reorganizations within states. There has been tremendous upheaval in Europe, from the break-up of the system during and in the aftermath of the First World War; a massive further organization after the Second World War; the dissolution of European colonialism and the step-by-step emergence of the European Union; the break-up of the Soviet Union, of Yugoslavia and of the Czech Republic, and the emergence and sometimes violent conflict involving former members of the Soviet Union as well as the dissenting parts that wished to rejoin it. We have attempted to show that the revolt of the rich and the emergence of strong regional organizations explains much of what has happened in the last few decades.

The analysis done here focused on Europe but can be extended to other parts of the world. To what extent will the emergence of African free trade organizations stir secession movements within them? Will there be “revolts of the rich” within African states who might seek to become untethered from existing unit, which they may see as politically repressive, oppressively redistributive or overregulating as well as ethnically different? How will the map of the Middle East eventually be redrawn? Will the revolt of the rich, including areas that have oil wealth, have an impact alongside ethnically based grievances and rivalries? Is there any possibility for some kind of strong security or economic unions to emerge in the Middle East that might lessen intra-state tensions or have the unintended consequence of spurring them into full-blown succession movements?

The entire analysis here has focused largely on how political units join together and split up. The ultimate indivisible political unit is the

individual human being. They sometimes can and often do move. If one part of a political unit feels it being treated unfairly, its citizens collectively might seek some form of reorganization of their system. Some individuals, however, might simply relocate to an environment they might consider safe or more welcoming for their endeavours. Even without physically moving, citizens can in many cases relocate their investment capital, their business activities or nowadays, their education in training, to other polities.

Political secession is one form of exit. States that do not address the aspirations of an area may find that it remains in place politically, but that it has been significantly hollowed out. In looking at how and why individuals “secede” in various ways, analysts and policymakers should consider ways in which to give voice and secure the loyalty of their populations, including those who are relatively thriving. A comprehensive analysis must also take into account how the existence of higher and lower-level political organizations influence the willingness and ability of individuals to leave their existing community and to join another.



## IX. APPENDIX A: SUMMARY OF FINDINGS

COUNTRY	REVOLT OF THE RICH	APPEAL TO SUPRANATIONAL ORGANISATIONS
<b>Western Europe</b>		
<b>Spain</b>		
Catalonia	Yes	In order to be viable, they would need to be part of the EU; however, Spain can veto this making it an impediment to secession
Basque Country	Yes	In order to be viable, they would need to be part of the EU; however, Spain can veto this making it an impediment to secession
<b>Italy</b>		
Lega Nord	Yes	No – does not agree with EU policies, is one reason they want secession
<b>Belgium</b>		
Flanders	Yes	In order to be viable they would need to be part of the EU; however, Belgium can veto this making it an impediment to secession

<b>United Kingdom</b>		
<i>Scotland</i>	Yes	Yes - Brexit has reinvigorated calls for an Independent Scotland
<b>Central Europe</b>		
<b>The Breakdown of Balkan States</b>		
Czechoslovakia	Yes - The Czech Republic was tired of subsidising the Slovak Republic	Yes - both NATO and the EU
<i>Yugoslavia</i>		
Croatia	Yes - Austerity measures in the 1980s exacerbated existing ethnic tensions	Yes - NATO and the EU
Kosovo	No - Kosovo was the least prosperous of the Yugoslavian States	Yes
<b>Eastern Europe</b>		
<b>The Baltics</b>		
Estonia	Yes	Yes
Latvia	Yes	Yes
Lithuania	Yes	Yes

<b>Russian Periphery &amp; Potemkin Republics</b>		In general, these conflicts are characterised by the larger country wanting to join Western supranational organisations, while the Potemkin-Republics within those states desire closer relationships with Russia
Ukraine	Yes	Yes - Ukraine wanted to join NATO
Georgia	Yes	Yes - wanted to join the EU and NATO
South Ossetia		Yes - Potemkin-Republic
Abkhazia		Yes - Potemkin-Republic
Moldova		Yes - wanted to join the EU and NATO
Transnistria		Yes - Potemkin-Republic

