Territorial mobilization and sub-state welfare governance in Italy and Spain

Comparing four regional case studies

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This paper aims to demonstrate that regionalist parties in Italy and Spain have contributed to the development of sub-state models of welfare governance, which have significantly diverged from the state-wide model. In this context, central welfare providers are partly or fully replaced by regional actors and institutions. Thus, regional social policy may be used to foster territorial solidarities and identities that in turn reinforce the centre-periphery political cleavage. So far, very few studies have focused on the relationship between the politicization of regional identities and welfare governance. This study focuses on four regionalist parties – South Tyrolean People Party, Northern League, Convergence and Union and Basque Nationalist Party -, which, despite being ideologically conservative, have placed particular emphasis on social policy. Yet they have not acted in a vacuum but have established alliances with different social and political forces and have adapted to different institutional constraints/opportunities. The welfare models of the four regions therefore show different characteristics, since they result from the interaction between territorial mobilization, region-specific political and social dynamics and the institutional context.

In mainstream welfare literature Italy and Spain have often been classified as ‘Southern European welfare models’, a sub-group of ‘conservative’ welfare regimes characterized by low generosity and coverage of benefits, high fragmentation, low development of social services and a mix of statism and familialism (Ferrera 1996; Rhodes 1997; Hemerijck, 2013). Yet, all these classifications considering Italy and Spain as unitary cases seem highly unsatisfactory, since they do not fully acknowledge the fact that in both countries social governance has become increasingly regionalized and subject to ‘multi-level’ dynamics.

Indeed, in a context of ‘territorialization’ of social policy it is difficult to provide convincing classifications of welfare models based on the nation-state as the only level of analysis. Regional governments have played an increasingly central role in developing social services that better respond to the needs of local communities (Ferrera, 2005) and scholarly interest in the territorial politics of welfare has grown only in recent years. Kazepov (2010) has argued that ‘the territorial dimension of social policies has long been a neglected perspective in comparative social analysis’. Indeed, literature on welfare systems (Esping Andersen, 1990; Hemerijck, 2013) is still heavily influenced by what has been defined as methodological nationalism (Jeffery, 2008), which assumes that the national state or national society is ‘the natural social and political form of the modern world’ (Wimmer and Glick Schiller, 2002: 302). Generally, ‘neither the comparative study of the welfare state nor the study of citizenship has been particularly friendly to territorial politics, stateless nations and federalism’ (Greer, 2009: 9). At the same time, the literature on territorial politics has paid scarce attention to the concept of ‘social citizenship’. This is despite the fact that ‘social citizenship rights are, among other things, territorial’ (Ibid: 7).
In this paper I focus on four regional cases, Bolzano-South Tyrol, Lombardy, Catalonia and Basque Country, to show that sub-state politics, and particularly the political mobilization of territorial identities, have played an important role in the construction of region-specific models of welfare governance. The models of all four regions show high levels of innovation, integration and well-functioning (if compared to the state-wide model or to welfare models in other regions). Yet they differ quite significantly in qualitative terms, particularly in the way private and public sectors interact and in terms of generosity and universalism of welfare schemes. Such differences can be explained by the role played by territorial parties in the regional social context and party system and by ‘institutional’ constraints, particularly fiscal constraints, which determine the amount of economic resources on which regions may rely to finance social services.

In the next section I provide a brief theoretical model that can be employed to assess and explain qualitative differences across region-specific welfare models. Then, I present the four case studies and I compare them in the conclusion.

**Territorial politics and regional welfare development**

The literature on multi-level party politics has paid increasing attention to the *regionalization* of party systems and to the emergence of regionalist political parties (De Winter and Türstan, 1998; Hough and Jeffery, 2006; Swenden and Maddens, 2009). Such parties often are the expression of ‘sub-state nationalism’ highlighting the ethnic or civic (but also socio-economic) diversity of a ‘peripheral’ region (Keating, 2001). This type of political mobilization is linked to the ‘centre–periphery’ cleavage, which has been defined by Lipset and Rokkan as

> local oppositions to encroachments of the aspiring or the dominant national elites and their bureaucracies: the typical reactions of peripheral regions, linguistic minorities, and culturally threatened populations to the pressures of the centralizing, standardizing, and ‘rationalizing’ machinery of the nation-state. (Lipset and Rokkan 1967: 14)

By focusing on the centre-periphery cleavage, regionalist parties are likely to challenge welfare centralism and promote a system of social protection that is more distinctive and linked to the needs of local communities. As underlined by Béland and Lecours (2008), regional social policy may be used to foster sub-national solidarities and identities that in turn reinforce the centre-periphery cleavage. This means that the political mobilization of regional identities may have a positive impact on the development of region-specific social policies in decentralized systems.

In their study of nationalism and social policy, Béland and Lecours also show that sub-state welfare building is not only supported by progressive, centre-left political parties, such as the Bloc
Québécois or the Scottish Nationalist Party, but also by centre-right territorial movements, like the Flemish nationalists. This seems to further suggest that in multi-level systems, ‘left-right’ party competition may be complemented, or even replaced, by territorial politics as a factor affecting sub-state welfare development.

Yet, so far, no sufficient attention has been paid to the way territorial movements interact with the ‘policy community’ of their regions, when they elaborate and, once in government, implement region-specific social policies. Indeed, regionalist parties do not act in a ‘vacuum’ but, as underlined by Greer (2004), they are part of a broader political and social system, which may influence their preferences and decisions in the policy making process. In order to advance their project of region-building, territorial movements need to establish alliances with other political parties, social movements and interest groups. These territorial alliances may also be called regional ‘developmental coalitions’ (Keating 1997). In this paper I therefore aim to show that different ‘constellations’ of political and social actors may explain why four regionalist parties – South Tyrolean People’s Party, Northern League, Convergence and Union and the Basque Nationalist Party –, which are all defined as ‘centre-right’ and representative of ‘bourgeois’ regions (Massetti 2011), have in fact promoted rather different social models at the sub-state level.

Table 1. The political and social context in which territorial movements emerge and develop

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<tr>
<td>Party system, other political actors</td>
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<td>Relationship between territorial movement and other political actors competing at the regional level; role played by territorial movement in the regional party system</td>
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<td>Social actors</td>
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<td>Relationship of territorial movement with trade unions, employers’ organizations and interest groups</td>
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Additionally, regionalist parties may exploit ‘institutional advantages’ or have to adapt to ‘institutional constraints’. In particular, in this paper I focus on regional self-rule in policy making, that is, the level of autonomy that a region has when elaborating and implementing social policies, and fiscal autonomy, that is, the extent to which a regional government can independently tax its population and rely on region-specific resources (rather than sharing them with other regions).
Italy and Spain are ‘asymmetrical’ regionalized systems in which some regions enjoy more autonomy and authority than others (Requejo and K. Nagel 2011; Hooghe et al., 2010).

Table 2. Institutional constraints and opportunities

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<td>Policy making autonomy</td>
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<td>social policies</td>
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<td>Fiscal autonomy</td>
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<td>Autonomy in tax collection and allocation of</td>
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The main hypothesis of this paper is that region-specific models of welfare governance in Spain and Italy resulted from the interaction between territorial mobilization, broader constellation of regional political and social actors and institutional opportunities/constraints. In the next sections, I show that four regionalist, centre-right parties have not shaped the process of regional welfare building in the same way and this variation is due to the different roles they have played in the party system, to different relationships with trade unions and employers’ organizations and to different levels of policy-making and fiscal autonomy of regional governments.

In assessing variation in welfare governance across the four cases, I focus on three aspects, which may have been affected by the political and institutional factors mentioned above. Firstly, I consider the level marketization of the welfare system, that is, the role that private actors play in the provision of social services (Pavolini, 2008; Ciarini 2012). Public institutions may still regulate and finance social programs but, at the same time, they may delegate policy implementation to private actors. The result is a clear division of competences between (public) ‘regulator-financier’ and (private) ‘provider’. This horizontal subsidiarity is thought to increase competitiveness among welfare providers and, consequently, boost efficiency. Secondly, I assess the level of welfare generosity, that is, the amount of public resources that the regional government invests in cash benefits to families or the poor.

Lastly, differences across welfare systems may be detected by considering what kind of socio-political equilibrium each model ultimately promotes. Early welfare literature (Esping Andersen, 1990) suggests that the welfare state is ‘an active force in the ordering of social relations’ (Ibid.: 23). Therefore it can be argued that the formation or consolidation of region-specific ‘systems of social stratification’ may in part depend on whether regional social programs suffer from some ‘social bias’ and focus on particular sectors of society. For instance, the individual citizen can be seen as a customer, who is free to choose among competing welfare providers, or as the center of a
universal and homogeneous system of social protection. Regional governments can also decide to invest resources in the development of social programs that are tailored to the needs of specific socio-economic groups and/or support the role of traditional families as the keystone of social cohesion. At the same time, some social schemes may stigmatize or even exclude ‘marginal’ social groups (i.e. immigrants).

Table 3. Aspects that may vary across regional models of welfare governance

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<tr>
<td>Integration of public-private sectors (Marketization/Horizontal subsidiarity)</td>
<td>Role of public and private actors in welfare provision</td>
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<td>Generosity</td>
<td>Amount of cash benefits</td>
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<td>System of social stratification promoted</td>
<td>The regional welfare system as an active force that orders social relations</td>
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In the next sections I present each regional case individually and I then provide a comparative conclusion summarizing the main findings of this paper.

**Territoriality and welfare building in South Tyrol**

Using a rokkanian expression, South Tyrol can be defined as an ‘inter-face’ region. Despite being part of the Italian state, the overwhelming majority of its population is linguistically and culturally closer to Austria. More generally, South Tyrol belongs to what Caramani and Mény (2004) have defined as ‘alpine’ macro-region, also including Aosta Valley, Switzerland, Austria and Bavaria. This macro-region has experienced a relatively recent and very rapid process of economic expansion and is characterized by high levels of political consensualism, moderatism (although mixed with elements of populism) and attachment to the alpine traditions.

Together with the Province of Trento, South Tyrol forms the Trentino Alto Adige region. Yet, since the beginning of the 1970s, also as a consequence of international agreements with the Austrian government, both provinces have substantially increased their powers and autonomy and the administrative role of the Trentino Alto Adige region is today negligible (Steininger, 2004: 136–144). Therefore the two Autonomous Provinces of Bolzano/South Tyrol and Trento, have enjoyed similar powers to those of other ‘special statute’ regions and can be seen as fully-fledged regions.
For this reason, in the rest of this section the terms province and region will be used interchangeably.

The Autonomous Province of South Tyrol has been for many decades dominated by the Südtiroler Volkspartei (SVP), a moderate autonomist party which very well represents the ‘alpine culture’ and the traditions of the German-speaking community. The SVP is positioned in the centre-right of the political spectrum (Massetti 2009; 2011) and defines itself as a cross-class party inspired by a Christian, ‘humanitarian’ conception of the world. It is also a mass party, having more than 50,000 members, which is around ten per cent of the South Tyrolean population (Massetti, 2009: 155). The ‘social’ orientation of the party is further strengthened by the existence of many regional associations directly or indirectly linked to the party. The SVP even encouraged the formation of an ‘ethnic’ South Tyrolean trade union, separate from the Italy-wide union confederations, called the Union of South Tyrolean Independent Trade Unions (ASGB) (Ibid.: 157).

Despite not being the only regionalist party active in South Tyrol, the SVP has been by far the largest one, controlling the absolute majority of seats and the regional government since the post-war period. Only in recent years the primacy of the SVP has been challenged by a new regionalist party, Die Freiheitlichen, which, unlike the SVP, has a more populist political platform and aims to achieve full independence (not just ‘special’ autonomy) for South Tyrol (Massetti, 2009: 168). Overall, until 2013, the SVP has been politically self-sufficient, and, although it has established alliances with centre or centre-left political parties, it has de facto monopolized the policy making process.

South Tyrolean political parties can be located on a two-dimensional map that considers both centre-periphery and left-right political cleavages (figure 1). As already mentioned, the SVP is the hegemonic party and occupies a centre-right political position and, of course, it has a pro-regionalist political stance. The other main regionalist parties, Die Freiheitlichen (DF) and the Northern League (LN) are more clearly on the right but the latter is less pro-regionalist, since it does not focus on South Tyrolean autonomy but on the autonomy (or even independence) of the Padania macro-region (central-northern Italy). On the centre-left we have the Democratic Party (PD), which is moderately pro-autonomy and, in recent years, has even established alliances with the SVP. The Green Party has also been rather important left-wing party and supportive of decentralization. On the centre-right the People of Freedom (PDL-FI) has been less supportive of autonomy and has actually sought to represent Italian nationalism.

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1 from the SVP official website http://www.svp.eu
As underlined by Holzer and Schwegler (1998: 164), in South Tyrol

*the regional feeling of belonging is the point of reference for social and political issues.*

The main political task of the SVP is not only to defend the political and socio-economic rights of the German community but also to strengthen *a sense of solidarity* and thereby enhance chances for survival (italics added)

This suggests that regional welfare may have been used to preserve and further strengthen the distinctiveness of the South Tyrolean ‘ethnic’ community. In the development of regional social
policies the SVP seems to have followed the idea that the social cohesion of the local community and traditional social structures should be preserved through social programmes that are much more generous than the national ones. Additionally, although social initiatives promoted by private actors are welcomed, the SVP has generally been suspicious of processes of privatization and market-based competition\(^2\). This may be seen as the defensive response of the traditionalist \textit{alpine culture} against processes of extreme liberalization that might undermine social harmony (Caramani and Mény, 2005; Pallaver, 2005). Moreover, given its hegemonic role in South Tyrolean politics, the SVP has been able to develop as a cross-class party in which the influence of pro-market constituencies was significantly diluted.

As argued by Sagner (2011), the traditional family is conceived as the centre of the South Tyrolean welfare system which mixes very generous monetary transfers with well-developed in-kind services of social assistance. According to the latest data provided by ISSIRFA\(^3\) per capita cash benefits (particularly maternity benefits) directly transferred by regional institutions to families are above 500 euros in South Tyrol, whereas the average of the 21 Italian regions is just 26 euros. It is also significant that, unlike in many other Italian regions, in South Tyrol the regional ‘ministry’ of social assistance is explicitly called department of ‘family and social policies’. This strong support for the family should not be confused with ‘familialism’ that can be generally found in southern European welfare systems and in the Italy-wide welfare system in particular. Indeed, whereas the ‘family-oriented’ welfare system of South Tyrol actively supports the family through extensive public policies, generous money transfers and efficient services, the ‘familialistic’ welfare system does not provide such active and extensive support but, due to its inertia, \textit{burdens} families with additional responsibilities in the provision of social care. As pointed out by Flaquer (2000), ‘in Southern Europe it is taken for granted that it is up to households to provide for the welfare of their members and therefore no emphasis is placed on \textit{family policy}’ (italics added).

Of course, higher pro-family spending may be also due to the greater fiscal autonomy that South Tyrol enjoys in comparison with other ‘ordinary status’ regions. At the same time, it should be noted that the spending gap between South Tyrol and other Italian regions has remained rather stable in more recent years, even though constitutional reforms have significantly reduced institutional asymmetries, also in term of fiscal autonomy, between ‘special’ and ‘ordinary’ regions

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\(^2\) In 2009 the healthcare minister of the province of Bolzano, Richard Theiner, stated that ‘a privatization of the healthcare system, which implies increasing competition between private and public sectors, is not a sensitive measure’. http://www.provinz.bz.it/sanita/attualita/news.asp?&aktuelles_action=4&aktuelles_article_id=314380 (date of access 3/03/2013).

\(^3\) ISSIRFA is the Institute for the Study of Regionalism, Federalism and Self-Government, which provides data on spending based on regional budgets http://www.issirfa.cnr.it/1219,1018.html
by granting increasing powers to the latter (Amoretti, 2011). Moreover, even compared to the ‘sister’ autonomous province of Trento, enjoying the same degree of fiscal autonomy but less ‘territorially mobilized’, South Tyrol has been much more generous in cash benefits. Therefore, political and institutional factors seem to have had a ‘combined effect’ on South Tyroleans social policies.

Another interesting aspect is that, although the Italian central government still fully controls the administration of pension schemes and social insurance, South Tyrol has also developed a system of complementary pension schemes between the early 1990s and early 2000s (Sagner, 2011: 174; Ferrera, 2005: 201). At the same time, a rather advanced and extended system of income support for vulnerable social groups has been established. In particular, South Tyrol is one of the few Italian regions that have introduced a ‘basic guaranteed income’ and a ‘housing benefit’ mainly targeted at unemployed but also at students, pensioners and other economically vulnerable groups (even immigrants). In 2010 the two programmes benefited between 2.1 and 2.8 per cent of the population (Sagner, 2011: 160), a rather high figure in a region where unemployment is below 3 per cent (ISTAT). Again, the financial generosity of the South Tyrolean welfare system is also explained by the fiscal autonomy enjoyed by this region, which has been fully exploited by the SVP.

In sum, the SVP played a dominant role in the party system, developed as a cross-class party and fully exploited institutional advantages, particularly fiscal autonomy. This favoured the emergence of a well defined social model in South Tyrol. Such model is in many respects different from the Italian model, defined as ‘southern European’ by welfare literature focusing on ‘nation-states’. Indeed, whereas the former is characterized by integrated and public-based social governance, high spending generosity, pro-family policies, complementary pension schemes and extensive support for the poor, the latter has often been described as a highly fragmented, residual, familistic and ‘exclusive’ system of social protection.

**Territoriality and welfare building in Lombardy**

Until the early 1990s Lombardy was the basis of electoral support for the Christian Democratic Party (DC), the dominant party in central government, and the Socialist Party (PSI), its junior coalition partner. This perhaps explains the scarce attention that pre-1990 regional governments paid to the development of region-specific social policies (Ciarini 2012). However, in the early 1990s Lombardy became the centre of an electoral earthquake that would completely change the Italian party system and make the centre-periphery cleavage very salient in the political debate (Fargion 2005). Indeed the *Lombard League*, a regionalist party which then merged with other regionalist parties and
became the Northern League (LN), mobilized a very large share of the Lombard electorate on the basis of a platform that called for increasing regional autonomy and fiscal federalism. In 1994, in a context of deep crisis of state-wide political parties, a member of the Northern League, Paolo Arrigoni, even managed to become President of the Region⁴ (although his presidency lasted just one year).

The LN soon established an alliance with the centre-right party created by Silvio Berlusconi in the mid-1990s. This contributed to the formation of a new dominant coalition that has been very active in the promotion of a Lombard model of welfare. Unlike the SVP, the Northern League has not monopolized the process of welfare building since it acted as a junior, although very influential, coalition partner of a state-wide political party. Moreover, the Lombard healthcare reform was approved at the end of the 1990s, before the formal involvement of the League in the centre-right regional government. As underlined by Maino (2001) and Gori (2005), the Lombard branch of Berlusconi’s party – Forza Italia (FI), later called Popolo della Libertà (People of Freedom, PDL) – and its leaders (especially the regional president, Roberto Formigoni) played a very important role in the transformation of the Lombard welfare system with the support of important interest and business groups, the most important one being the catholic organization Comunione e Liberazione (CL).

However, even if indirectly, regionalist mobilization set the conditions favouring the process of sub-national welfare building. First of all, it put an end to the supremacy of political forces such as the Christian Democrats and its allies that considered Lombardy as an electoral fiefdom on which they could rely to consolidate their control on the central government. With the rise of the Northern League, Lombardy ceased to be a safe power basis on which central elites could rely and in fact became a challenger of the national government. Moreover, the Northern League strengthened and stabilized the front of supporters of a market-based model of welfare (Alfieri, 2008), which, if efficiently implemented, would become an additional element of distinctiveness of the region.

Secondly, the increasing saliency of the centre-periphery cleavage in Lombard politics could not be ignored by the local leaders of the new state-wide party founded by Berlusconi, which saw the League as an important ally but also as a competitor on the centre-right. As highlighted by Cento Bull and Gilbert (2001: 103), the Northern League’s project of promoting Lombard autonomy could be perpetrated and expanded ‘thanks to the renewed alliance between this party and Berlusconi’s Forza Italia, which was subject to the latter accepting the need to promote regional autonomy’.

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⁴ The other case of regional presidency obtained by the Northern League in the early 1990s was in the Friuli Venetia Giulia region (1993-1994 and 1994-1995).
It should also be added that, as pointed out by Hopkin (2009: 98), within the internal organization of Forza Italia the Lombard branch led by Roberto Formigoni de facto acted as an autonomous territorial party, following an independent political line and forming social and political alliances with a broad range of regional interest groups. This suggests that territorial mobilization and region-specific issues may become important also within state-wide political parties that are characterized by a ‘stratarchical’ political organization (Carty, 2004; Katz and Mair, 2009).

Additionally, it is important to note that, once the Northern League became a stable coalition partner in the centre-right Lombard government, it almost constantly controlled the regional health department\(^5\). Therefore the LN has gradually strengthened its role in the governance of Lombard welfare and has also become increasingly closer to key interest groups, like the already mentioned Comunione e Liberazione (Pinotti, 2010), with which initially it had had a difficult relationship.

Thus, in the two-dimensional map of party competition (figure 2) the LN is located on the right of the political spectrum and on the pro-regionalist side. Unlike the SVP, however, it has been a junior partner of a larger state-wide, centre-right force (PDL-FI), which, however, has also been moderately supportive of decentralization. On the left, we find the centre left coalition, dominated by the Democratic Party, PD, which has played an opposition role in regional politics over the last twenty years.

\(^5\) Two Northern League members, Alessandro Cè and Luciano Bresciani, have been healthcare ‘ministers’ in Lombardy between 2005 and 2012.
Today the Lombard welfare system is one of the most efficient in Italy and provides an extensive set of services to Lombard citizens. However, the provision of such services is not fully controlled by the public sector. As underlined by Gori (2005), the long-term plan of the Lombard regional government is to privatize the provision of social services, while assigning the role of financier and regulator to the public sector. This can also be defined as a ‘competition system under fixed prices’ with the assumption that the only way public and private providers can compete, given that the prices paid by patients are fixed (at zero), is via their quality and that they meet the demand generated by their choice of quality (Benassi and Mussoni, 2013: 171–172). Competition among private service
providers is thought to make the allocation of public funds more efficient. In the healthcare sector, the main principle that has driven healthcare reforms in Lombardy is that ‘money follows the patients’ and this should reward those providers that are able to attract a larger number of ‘citizens-costumers’ (Neri, 2008: 107). Table 4 shows that the percentage of in-patients treated in private hospitals has increased considerably in Lombardy from 1995 to 2010 whereas it has remained stable, at relatively low levels, in Tuscany and South Tyrol.


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<th>1995</th>
<th>2010</th>
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<tr>
<td>Lombardy</td>
<td>11%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Tuscany</td>
<td>5.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>South Tyrol</td>
<td>8.5%</td>
<td>5.1%</td>
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Another aspect that characterizes the new Lombard welfare is the marked discrepancy between formal political statements that are highly supportive of the role of the family (Marotta, 2011; Gori, 2011a) and actual policies. For instance, the social plans of 2005-2009 and 2010-2014 clearly state that the aim of the region is to build a system that has ‘the individual and the family at its centre’ (Piano Socio-Sanitario, 2007-2009: 34; Piano Socio-Sanitario, 2010-2014: 38). However, as underlined by Gori (2005, 2011b), the actual support for the family – in terms of monetary transfers and in-kind services – seems rather limited. This is not so surprising since the pro-market idea of social assistance supported by the Lombard ruling coalition seems to put more emphasis on the role of the individual-costumer, who is given full freedom of choice in a competing system of service providers (Pavolini, 2004: 192). Also in the sector of social assistance, Lombardy has established a system of ‘vouchers’ that can be freely spent by beneficiaries (Gori, 2005; Giunco, 2011; Pesenti, 2005).

In summation, regionalist mobilization has created the conditions for the construction of a peculiar model of welfare that tries to promote Lombard citizens’ well being by fostering private participation in social assistance. At the same time, it should be underlined that the benefits provided by the vouchers are less generous than in South Tyrol and this is also due to the institutional constraints imposed to the Lombard government, that, unlike the South Tyrolean one, does not enjoy high levels of fiscal autonomy.
Despite the generally positive picture presented in this section, in more recent years the Lombard system has undergone a period of crisis due to some corruption scandals that have unveiled the collusion between the regional political elite and the private associations, particularly CL, that have promoted the marketization of the Lombard welfare system. Yet these scandals have not resulted in a change of orientation of the regional government and have actually increased the strength of the Northern League in the regional government. Indeed, Roberto Formigoni, president of the regions since 1995 and member of Berlusconi’s political movement, has been replaced by Roberto Maroni, temporary leader of the Northern League, who won the regional election in 2013 with the support of a ‘renewed’ centre-right coalition. Thus, despite its decline in the state-wide political arena, today the Northern League has become the leading party of the Lombard government. So far, this ‘change of the guard’ within the dominant centre-right coalition has not produced any substantial change in the type of welfare model promoted in Lombardy and this confirms the fact that the League has also been an important promoter of the ‘market-based’ model of welfare established in Lombardy. In his election programme, Maroni underlines the importance of further developing the ‘open’ healthcare system of the region based on the ‘freedom of choice between public and private sectors’. The same programme also underlines the fundamental role of the 1997 reform of the healthcare system that started the process of ‘new’ welfare building in Lombardy (Northern League-Maroni, Election Programme ‘La Nostra Lombardia’, 2013: 18).

Territoriality and welfare building in Catalonia

As suggested by Marcet and Argelaguet (1998: 70), although the majority of Catalan political parties have their roots in the past, the period of political transition of 1976-7 has to be considered as the origin of the preset party system. Such party system has been characterized by the competition between the regionalist party, CiU and the Socialist Party of Catalonia (PSC), whose organization is federated with the PSOE. Although the PSC has traditionally obtained more electoral support in Spanish General elections, the CiU has been the strongest party in the regional parliament since the early 1980s and has ruled the Autonomous Community from 1980 to 2003 and from 2010 until today. Such political dominance is mainly due to the charismatic leadership of Jordi Pujol who was president of Catalonia for 23 years and was the main actor in the re-construction of Catalan autonomy in the post-Franco period. Since the beginning, while freely referring to Catalonia as a country and a nation Pujol and the CiU strongly supported continued membership in Spain. Pujol said: ‘We are a nation without state. We belong to the Spanish state but have no secessionist ambitions’ (As quoted in Caterina Garcia I Segura [1995]).
CiU is a confederation of two regionalist parties (Marcet and Casals 2011), Convergència Democràtica de Catalunya (CDC) and Unió Democràtica de Catalunya (UDC). Both parties are located on the centre-right of the political spectrum. CDC is the largest party of the confederation (it was founded by Pujol in 1974) and it is a liberal-democratic party which aims to represent the Catalan petite bourgeoisie (Marcet and Argelaguet, 1998: 73). Although CDC initially adopted a socially progressive political programme, it soon shifted towards the conservative side of the political spectrum. As highlighted by McRoberts (2001), the social democratic ideas that were evident in the CDC’s program in its early years have effectively disappeared. Thus, the 1982 CDC program flatly declared ‘with the exception of some very concrete cases, public enterprise is not justified because it is less efficient than private enterprise’ (quoted in McRoberts, 2001: 68). Today the main constituency of CDC revolves around the social sectors composed of managers, businessmen, executive, traders, self employed and liberal professionals (Marcet and Argelaguet, 1998: 77).

If we consider both the centre-periphery and left-right dimensions in Catalan politics, it is possible to provide a map of the main parties competing with CiU. As mentioned earlier, the PSC has been the main party of the Left and, although enjoying substantial autonomy from the PSOE, it has been strongly influenced by the Spanish leadership in its political strategies and, therefore, it has been defined by Marcet and Casals (2011) as an ‘integrated party’. The role played by the other two parties of the left, Esquerra Republicana de Catalunya (ERC) and Iniciativa per Catalunya Verds (ICV), has been quite marginal, although ERC has increased its political influence in recent years. Lastly, on the right, there is the Catalan branch of the People’s Party (PP). This party is organizationally quite centralized and has generally been against Catalan autonomy. Yet due to the hegemony of CiU in the centre-right political area, the PP, which is the main competitor of the PSOE in Spanish politics, has never managed to play an important role in the Catalan party system. Overall, it can be seen that CiU clearly dominates both territorial mobilization and the centre-right of the political spectrum (Figure 3).
As already mentioned, CiU has been a governmental force in Catalonia for most of the time since the transition to democracy. Between 1984 and 1995 the autonomist coalition managed to control the absolute majority of the seats in the Catalan party and this allowed Pujol and his allies to play a truly dominant role in regional policy making. In the 1995-2003 period CiU lost its majority but remained in power in a minority government. After the relatively short parenthesis of opposition during the centre-left government led by the PSC-PSOE (2003-2010), CiU returned to power, leading a new minority government. Particularly in the period between 1984 and 1995, CiU had enough political strength and autonomy to forge a distinctive model of welfare governance that still characterizes Catalonia.

In the 1980s, CiU adopted a moderate strategy in the bargaining process with Madrid. This allowed the Catalan government to assume full control over important policy making areas, such as
healthcare and social assistance, well before most of the other Spanish regions (Gallego et al., 2003b: 76). Yet, unlike the Basque Country, Catalonia was not granted special fiscal autonomy (Garcia-Milà and McGuire, 2007). In sum, the Generalitat of Catalonia has been able to assume primary responsibility for the support and provision of health and social services, but generally within frameworks established by the central government, upon which it is highly dependent for funding (McRoberts, 2001: 128). Nevertheless, high political distinctiveness and strong decision making autonomy favoured a process of welfare building that has further increased the differences between Catalonia and the rest of Spain.

As already mentioned, the Catalan party system has been characterized by the existence of two competing blocs of parties, one on the centre-left and the other on the centre-right. The latter bloc has been dominated by CiU, which has almost uninterruptedly controlled the government of Catalonia. On the other hand, the Catalan Socialist Party, federated with the PSOE, has been the largest party of the opposition for most of the time since the establishment of the Autonomous Community. In such context of polarization, CiU has promoted a welfare model, the distinctiveness of which derives from the centrality of private institutions in the provision of social services (McRoberts, 2001: 127). In his analysis of the party platforms, Sariego Mac-Ginty (2000: 86–87) defines the model supported by CiU as *gestión empresarial* which favours horizontal subsidiarity between public and private sectors and a system of healthcare based on mixed organisation (*sistema mixto de organización*). CiU also tried to interpret the historical tradition of Catalan welfare that since the XIX century was based on the existence of an extensive network of private and religious organizations.

Data provided by Gallego (2003: 113) show that in 1995 Catalonia was the Autonomous Community in which the number of private hospital places was by far the highest. Indeed on a total of 4.8 hospital beds for 1000 inhabitants, 3.1 were private and only 1.7 public. The Spanish average was very different with 2.6 public and 1.3 private hospital beds per 1000 inhabitants. Overall, in figure 4, it is possible to see that through its promotion of private participation in welfare provision, Catalonia has been able to build a healthcare system that is much more extensive than that of most of the other Autonomous Communities, characterized by a lower total number of hospital beds per 1,000 inhabitants. It can also be noted a significant difference with the Basque Country, whose healthcare system is almost as extensive as the Catalan one but is much more based on the public provision of services.
Figure 4. Number of private and public hospital beds per 1,000 inhabitants in 1995. Comparing Catalonia with other Autonomous Communities and the Spanish average.

Source: Gallego (2003: 113)

Gallego (2003) underlines that Catalonia has been a notable exception in the Spanish healthcare system and has been subject to a constant reform process. Analyzing the developments in the Catalan healthcare system, Rico (1996) shows that in 1990 the Catalan parliament, in which CiU controlled the absolute majority of the seats, passed the Catalan Law of Health Care Reform (Ley de Ordenación Sanitaria de Catalunya) in May 1990, only a month after a similar reform, the quasi market reforms, began to be applied in the British NHS. Therefore, Catalonia was one of the first European healthcare systems introducing ‘a division of financing and purchasing functions from the provision of services, shared by private (mostly non-profit-making) hospitals contracted out of the public system and by public hospitals and primary health care centres’ (Rico, 1996: 124).

Already during the 1980s the Catalan parliament approved a series of laws aimed at reordering the system of social services on the basis of a dominant political vision that was inspired by pro-market principles (comercialismo) and regional centralism (antiprovincialismo) (Vilà, 2000: 371). The latter point underlines the fact that CiU was against transferring too many competences to local and provincial authorities, which often were under the control of opposition parties (for instance, Barcelona was a stronghold of the Socialist Party). At the same time, as highlighted by Vilà (2000: 401), the private sector has controlled the provision of the majority of services for children, families, handicapped, elderly and unemployed. For instance, evidence provided by Adelantado and
Jiménez (2003: 170) shows that in Catalonia 84 per cent of residential care places are located in private institutions, whereas in Spain the average is 73.7 per cent.

The Law on Social Services states that ‘in the past the absence of social protection was mitigated by the initiative of charities and voluntary organizations, which are part of the Catalan tradition’⁶. The laws approved by the Catalan parliament recognized and promoted ‘social initiative’ and were therefore aimed at supporting and consolidating a model of social assistance that makes Catalonia a rather distinctive case among Spanish regions. Despite its emphasis on private initiative, Catalan social legislation is considered as one of the best developed and most extensive in Spain. As highlighted by García et al (2013: 97), the Catalan Law on Social Services can be considered as very close to the ‘excellence’ since it recognizes an extensive set of subjective social rights and is very advanced in strategic social planning.

Overall, using McRoberts’s words, today Catalonia is ‘a welfare state regime similar to the more advanced southern European regions’ (McRoberts, 2001: 128). For instance, it is possible to find many similarities between Catalan and Lombard welfare models, since they are both based on the principle of ‘freedom of choice’ and on forms of horizontal subsidiarity between public and private sectors.

**Territoriality and Welfare Building in the Basque Country**

Like Catalonia, the Basque Country has been almost uninterruptedly governed by a territorial movement, the Basque Nationalist Party (PNV). This party is ‘the first and most enduring organisational form of nationalism in the Basque County’ (Ugarte and Pérez-Nievas, 1998: 87). Although it was founded in the 19th century, the PNV became the most influent party of the region only in the late 1970s, during the transition to democracy and the establishment of Autonomous Communities. In that period, the PNV supported a political arrangement that recognized the special status of the Basque Country while maintaining some federal connections with Spain (Irvin, 1999: 123).

Despite its electoral strength, the PNV has never managed to control the absolute majority of the seats in the parliament and has had to form minority or coalition governments. Yet even in this context the PNV could still play a dominant role in Basque Politics. Indeed, Ştefuriuc (2009: 197)

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⁶ As quoted in Vilà (2000: 400): ‘Las ausencias del pasado “has sido paliadas por la iniciativa de las fundaciones benéficas asistenciales de gran tradición en Cataluña, por las asociaciones de afectados, por las entidades voluntarias...”’.

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underlines that, ‘the Basque statute of autonomy grants substantially more powers to the Basque government than that of any other autonomous community’.

At the same time, it should be noted that, unlike Catalonia, the Basque Country has not developed as a party system based on two competing blocks of parties but, rather, as a system in which a party, the PNV, can be defined as the ‘authentic center’ (Llera Ramo, 1994: 65) – ideologically, in vote transfer, and also in its ability to balance and coordinate other political actors (Vazquez, 2010: 182). By building coalitions and establishing alliances with other political parties, the Basque Nationalists have managed to control the regional government for most of the time since 1979 (with a short opposition parenthesis between 2009 and 2012) and can therefore be considered as the ‘dominant’ political force of the region (Vazquez, 2010: 182).

Using a scheme similar to the one presented in the other cases, which combines centre-periphery and left-right political cleavages, it is possible to provide a map of the Basque party (figure 5). The PNV dominates the party system and also is the most important territorial party. It is a moderate party that can be located on the centre-right of the left-right continuum. On its left we find the state-wide Socialist Party (PSOE-PSE) and other smaller regionalist or ‘sub-state nationalist’ parties (HB, EE and EA). On the right, the main competitor has been the state-wide People’s Party (PP), which in the 1990s and 2000s managed to obtain more than 20 per cent of the vote (whereas in Catalonia it always remained a rather marginal political actor).
Generally, the PNV has preferred to establish alliances with centre-left or left-wing parties such as the Basque Socialist Party (the PSE, federated with the PSOE) in the 1990s and United Left (IU-EB) and Basque Solidarity (Eusko Alkartasuna, EA) in more recent years (Ștefuriuc, 2009: 196). Additionally, as underlined by Clark (1984: 250), while the Basque Nationalists remained committed to the free market system as the basis for the economic organization of Euskadi, they also realized that this system must be brought into accord with the needs of the community as a whole. This attention to the workers’ rights was also stimulated by the need to compete with smaller left-wing nationalist movements such as Basque Solidarity (EA) and Herri Batasuna (HB).
Keating (2004: 235) has also underlined that Catalan and Basque nationalisms are both ‘conservative’ but whereas the first one has sought to keep the ‘working class in their place’, Basque Nationalism, despite being initially ‘reactionary’, had tried ‘to co-opt the working class in a programme of nation-building’. Thus, unlike CiU, the PNV actively promoted the formation of a Basque trade union, the Basque Workers’ Solidarity (in Basque: Eusko Langileen Alkartasuna, ELA). Since the beginning, the ELA was ardently pro-Catholic and, most importantly, it maintained very close links with the bourgeois Basque Nationalist Party, thus distancing itself from other unions that were close to left-wing parties. As pointed out by Clark (1984: 250), ELA and PNV formed an alliance of the Basque centre. The ELA-PNV collaboration brought together skilled workers, small farmers, peasants, artisans and small businessmen and middle and upper-class professionals. Therefore, by focusing on the common identity of the Basque community, the ELA, which is today the largest Basque trade union, has tried to reduce class conflicts and, as a consequence, downplay the importance of the left-right cleavage. This makes the Basque case similar to the South Tyrolean one, where the South Tyrolean People’s party also supported the emergence of a moderate trade union promoting interclass cooperation. On the other hand, McRoberts (2001: 107) has highlighted the absence of strong nationalist trade unions in Catalonia, where Convergence and Union has had little affinity with unionism and its working class members are mainly in small and medium-sized entreprises.

Like Catalonia, also the Basque Country actively participated in the construction of the *Estado de las Autonomías*. In the devolution process, the PNV did not fight for the full separation of the Basque Country from the rest of Spain but bargained the transfer of a wide range of powers with Madrid. A bilateral negotiation process between Madrid and the Basque government took place and the result was a statute that would grant the Basques significant freedom in both economic and cultural matters. In the 1980s the Basque Country was granted significant powers in the fields of healthcare and social assistance (Gallego et al, 2003: 76; Rico, 1996: 123–124). Yet the Basque Country managed to achieve much more significant levels of fiscal autonomy than other historical communities such as Catalonia and Galicia. Indeed, the PNV and the Basque nationalist movements campaigned for the recognition of fiscal autonomy as one of the historic rights of the Basque provinces (*foralismo*). As underlined by Nordberg (2007), the PNV declared the *fueros* – the fiscal prerogatives granted to the Basque provinces – ‘a symbol of the previous, imaginary independence of the region’ (97). On the other hand, the Catalan and Galician movements were initially weaker or more fragmented and could not appeal to a historical tradition of fiscal autonomy. Thus, for instance, Catalonia was immediately included in a ‘common’ fiscal regime (*Régimen Común*)
promoting coordination and cooperation across most of the Autonomous Communities (Ruiz Almendral, 2002).

Fiscal autonomy combined with strong decision-making autonomy in welfare issues allowed the establishment of a highly distinctive system of social protection in the Basque Country. Such system has been characterized by high levels of generosity. Indeed, the Basque Country is the Autonomous Community with the highest per capita spending in healthcare and social assistance. More generally, the Basque Country has ‘the most balanced provision offerings: extensive social services, highly developed economic benefits and a significant presence of non-professional, caregivers employed’ (Martínez-Buján, 2014: 113).

As underlined above, the PNV has established alliances with progressive political forces and this seems to have influenced the type of social policies promoted by the Basque government. For instance, more emphasis has been placed on the importance of the public sector as the main provider of healthcare and social assistance. In his analysis of party programmes, Sariego Mac-Ginty (2000: 87) shows that the PNV has underlined the redistributive nature of healthcare policies, which are based on four main principles: ‘universality, solidarity, equality and quality’ (universalidad, solidaridad, equidad, calidad). The aim of regional welfare is to strengthen ‘cohesion and social peace’ (cohesión, paz social).

Therefore, the Basque welfare system has evolved in a direction that is very different from the Catalan one. Gallego et al. (2003c) have underlined that both Autonomous Communities have built highly distinctive models of welfare (modelo diferencial), which are also very complex and ‘dense’ (modelo complejo comunitario), since their governance is based on the participation of a plurality of regional actors (Galego et al., 2003c: 215 and 221). However, whereas Catalonia has opted for a model that is clearly market-oriented and supportive of private initiative (modelo mercantil), the Basque government has sought to strengthen the role of public actors in the network of social government, which, of course, also involves private actors but in a more subordinate position (modelo público). In sum, the Catalanian system has been defined as a modelo diferencial mercantil-comunitario, while the Basque Model can be considered as a modelo diferencial público-comunitario. Figure 6 shows the results of the study conducted by Gallego et al. (2003c: 228), comparing the Basque and Catalanian models to those of other Autonomous Communities, which, despite enjoying some autonomy in welfare governance, have been characterised by lower levels of territorial mobilisation. The horizontal dimension refers to whether welfare governance has been based on the participation of different actors in highly developed social networks (redes sociales) or, in line with the Southern European model, has been characterised by high levels of familialism. On the other hand, the vertical axis considers the dominance of public or private sectors. Thus, for
instance, Andalusia is characterised by a *statist-familialistic* model, whereas the Valencian Community can be defined as a *privatized-familialistic* model. In Catalonia and the Basque Country, on the other hand, welfare models are more complex, extensive and distinctive because public or market forces may rely on communities in the provision of extensive social assistance and do not just play a residual role outside the family. This ‘communitarianism’ has been fostered by the existence of strong territorial identities.

Figure 6. Welfare regimes in the Autonomous Communities

Gallego (2003) has also underlined the fact that the Basque Country has built a healthcare system that is peculiar in the context of the National Healthcare System of Spain because it has invested a lot in the construction and planning of a universal system of social care based on the needs of individual citizens. Moreover, in a context in which the public sector is central in welfare provision (see figure 3 in the previous section), the Basque trade union (the ELA), thanks to its close
relationship with the PNV, has been actively involved in healthcare governance (Gallego 2003: 114). As mentioned in the previous section, this has not happened in Catalonia where a strong territorial trade union has failed to emerge.

The universalistic aspirations of the Basque system can also be found in the level of extensiveness and generosity of the guaranteed minimum income (*renta mínima de inserción*) established by the regional administration. Aguilar et al. define the *renta mínima de inserción* as a social programme that, on the basis of some eligibility criteria, provides assistance to unemployed citizens through economic support and actions that facilitate their (re)integration in society and in the job market. On the basis of this definition, the authors show that in 1995 the Basque Country was the only Autonomous Community with a fully developed programme of minimum income. Also Catalonia introduced a *renta mínima*, although this social programme was less generous and inclusive than the Basque one (this is confirmed by Noguera and Ubasart [2003: 198]). All the other Autonomous Communities (with the exception of Madrid) developed forms of protection that were less extensive and not as innovative as the *renta mínima*.

In recent years, some forms of income support have been introduced by all Autonomous Communities. Yet the Basque Country remains the region with the highest coverage of *renta mínima*, which has even increased during the current economic crisis. Indeed, between 2010 and 2011 the percentage of Basque citizens that have benefited from the *renta* has increased from 2.4 to 7.4 per cent (García Herrero G. A. and J. M. R. Navarro, 2012: 140–141; García et al., 2013: 183), by far the highest percentage among Spanish regions. This is even more striking if we consider the fact that the Basque Country has the lowest level of unemployment and therefore the share of population needing income support is well below the Spanish average. At the same time, regions with high levels of poverty and unemployment such as Andalusia, Canary Islands and Murcia are very far from the Basque figures. It should also be noted that in 2010 Catalonia was the region with the highest coverage after the Basque Country and Navarre but its position in the ranking worsened in 2011 (coverage declined from 1.03 to 0.82 per cent). This is probably due to the fact that, being part of the ‘common’ fiscal regime, Catalonia has been fully involved in the financial crisis affecting Spain in recent years, whereas the two *foral* regions have used their special fiscal autonomy to protect and further expand their systems of social protection.

Overall, the Basque Country has established a strong and distinctive welfare model, which substantially diverges from the residual and familialistic one that characterises most of Spanish regions. This section has also demonstrated that the Basque model is qualitatively different from another strong model like the Catalan one. Whereas the former is mainly based on the direct action of the public sector, the latter is more ‘market-oriented’ and based on private initiative. At
the same time, it should be highlighted that the Basque model has also benefited from an ‘institutional’ advantage – its *foral status* and fiscal autonomy – which, particularly in an era of austerity, has resulted in a more generous and resilient welfare system than the Catalan one.

**Conclusion**

Table 5 summarizes the main findings of this paper and shows the different effects of territorial mobilization on welfare development in four regions. Variation in welfare outcomes seems to depend on the different ways territorial movements have related to other parties and social actors and on different institutional constraints or opportunities to which they have had to adapt.

All four welfare systems diverge substantially from the state-wide Southern European or *statist-familialistic* model, in which the public sector plays the role of ‘residual’ welfare provider outside the family. However, whereas in Catalonia and Lombardy private actors have been integrated in the network of social protection, in South Tyrol and Basque Country the public sector remains in a clearly dominant position. South Tyrol and the Basque Country have also exploited their institutional advantages (i.e. fiscal autonomy) to improve generosity of social benefits. However, the South Tyrolean government has supported a social model, which has the family at its centre, thus building an ‘integrated/family-oriented’ rather than ‘residual/familialistic’ social model. At the same time, such system aims to support specific professional categories and the poor with targeted social schemes (e.g. complementary pension schemes and basic guaranteed income). The Basque Country has instead tended to promote a more universalistic and homogeneous model of welfare, less based on the family and on the professional status of the beneficiaries. On the other hand, both Lombardy and Catalonia have provided less generous benefits and have built a welfare system based on figure of the ‘citizen-customer’, who can freely choose among different welfare services and providers.
Table 5. Summary of case studies

<table>
<thead>
<tr>
<th>Party</th>
<th>Ideology</th>
<th>Political/institutional context</th>
<th>Type of welfare governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>South Tyrolean People’s Party (SVP)</strong></td>
<td>Christian Democrat, Centre-right</td>
<td>Dominant party (majority since 1949). Contributed to foundation of South Tyrolean trade union.</td>
<td>Fiscal and policy-making autonomy (special status region)</td>
</tr>
<tr>
<td><strong>Northern League</strong></td>
<td>Centre-right</td>
<td>Allied with mainstream state-wide party (centre-right). Junior ruling partner status (main ruling party since 2013), weak ties to trade unions, strong to employers’ organizations.</td>
<td>Ordinary status region</td>
</tr>
<tr>
<td><strong>Convergence and Union</strong></td>
<td>Centre-right, Christian Democratic</td>
<td>Dominant party but faced opposition of centre-left bloc of parties. Absolute majority of seats in 1980–1995. Weak ties to trade unions, closer relationship with entrepreneurs and professionals.</td>
<td>Status of ‘historical region’ with greater policy making autonomy than other Autonomous Communities</td>
</tr>
<tr>
<td><strong>Basque Nationalist Party</strong></td>
<td>Centre-right, Christian Democratic</td>
<td>Dominant party. Never obtained absolute majority of seats. Minority governments or coalitions with centre-left parties. Founded trade union: inter-class party.</td>
<td>Status of ‘historical region’ with greater policy making and fiscal autonomy a</td>
</tr>
</tbody>
</table>
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