# State Failure NC V3

### Contention 1: Spreading the Problem

#### Secession Spreads

Professor Garret Martin, American University, 10-19-2017, ["Why the European Union’s hands are tied over Catalonia", http://www.american.edu/sis/news/20171019-Why-the-European-Unions-hands-are-tied-over-Catalonia.cfm, 12-12-2017] JED

But ultimately, member states are worried about creating a precedent. Providing **support for the independence movement in Catalonia,** which is **in open conflict with the Spanish government, could embolden other separatist forces across the continent, such as the Flemish in Belgium, the Corsicans in France or the Lombards in Italy.**

#### If the aff is true, they link harder to this arg

Guillermo ÍñIguez, Varsity Online, 10-28-2017, ["The Catalan crisis is a European crisis", https://www.varsity.co.uk/comment/13676, 12-12-2017] JED

Yet that does not mean that the international community can perch on the fence. Voting is one of the pillars of democracy, but so is obeying the rule of law. Tolerating or even normalising **the current Catalan secessionist plan could set a** very dangerous **precedent in** a **Europe** already threatened by nationalism. **After all, if Catalonia can, what stops Bavaria, Padania, Flanders or Scotland from following them?** When, as is happening now, the rule of law is not upheld, democracy gives way to tyranny, and it is up the international community to stop it. Time has come for Catalonia, Spain and the EU to move on, de-escalate the situation and negotiate a solution to this crisis while it is still possible

#### Trade is cut by independence

Marvin Suesse of No Publication, 7-xx-2016 [, https://feb.kuleuven.be/VIVES/publicaties/briefings/briefings-2016/VIVES%20Briefing%202016.07%20-%20Suesse%20-%20%20Secessionist%20Movements.pdf, 1-13-2018]//CD

It is possible to examine the effect of a region declaring its autonomy on a key measure of economic activity: trade3. The available data suggests a stark picture: the earlier a region declared its autonomy, the more its trade volumes with other regions fell subsequently. For some of the most separatist regions, such as the Baltic states, this meant that their trade volumes were cut by a factor of 5. This effect is robust to controlling for the possibility that republics who were weakly integrated into the Union-wide trading system may have had reason to leave the system earlier. Rather, it seems to have been the case that other regions cut trade with the more separatist regions.

### Contention 2: Failed State

#### Only 41% of Catalans support Independence—recent polling data proves. DW 17:

Deutsche Welle (Www.Dw, DW, xx-xx-xxxx [Catalan independence, http://www.dw.com/en/catalan-independence-what-you-need-to-know/a-40630039, 1-3-2018]//DW

[**A poll conducted by the Catalan government**](http://ceo.gencat.cat/ceop/AppJava/pages/home/fitxaEstudi.html?colId=6288&lastTitle=Bar%F2metre+d%27Opini%F3+Pol%EDtica.+2a+onada+2017) in June **found that 41.1 percent of respondents were in favor** of independence, **while 49.4 percent were against.**

#### Pro-independence party actually lost 2 seats in recent election. Parra et al. 17:

Aritz Parra and Ciaran Giles, Time, 12-22-2017 [Pro-Independence Parties Sweep Catalan Election, http://time.com/5076878/catalonia-independence-victory-election/, 1-3-2018]//DW

Catalonia’s secessionist parties won enough votes Thursday to regain a slim majority in the regional parliament and give new momentum to their political struggle for independence from Spain. It was hardly an emphatic victory, however, as **the separatists lost support compared to the previous vote in 2015, and a pro-unity party for the first time became biggest single bloc in the Catalan parliament**. The result left more questions than answers about what’s next for Catalonia, where a long-standing push for independence escalated to a full-on clash with the Spanish government two months ago. It was also a blow to Spanish Prime Minister Mariano Rajoy, who as a result of the separatists’ defiance ousted the Catalan Cabinet and called the early election hoping to keep them out of power. Instead, the election’s outcome favored fugitive former Catalan leader Carles Puigdemont, who campaigned from Belgium where he is evading a Spanish judicial probe into the attempt to split from Spain. The investigation could lead to charges of rebellion and sedition that carry penalties of decades in prison. Puigdemont, who got the most votes of any separatist candidate, greeted the results with delight and called them a rebuke to Spain’s central government. “The Spanish state has been defeated,” Puigdemont said. “Mariano Rajoy has received a slap in the face from Catalonia.” In a televised appearance from Brussels, the 54 year-old former journalist didn’t make clear if he would try to return home, where an arrest warrant awaits him. The other main winner was Ines Arrimadas, the leading unionist candidate. Scoring 25 percent of the votes, her pro-business Ciutadans (Citizens) party won 37 seats, which will be the biggest single bloc in the 135-seat regional assembly. “The pro-secession forces can never again claim they speak for all of Catalonia,” Arrimadas said, promising her party will continue to oppose the separatists. “We are going to keep fighting for a peaceful co-existence, common sense and for a Catalonia for all Catalans.” But **pro-independence parties** — Puigdemont’s Junts per Catalunya (Together for Catalonia), left-republican ERC and the anti-capitalist CUP — **together won 70 seats, two above a majority but two less than in the previous parliament. The three groups fell short of winning a majority of votes**, though, getting 48 percent of the total.

#### Support for independence is also just short-term. Once independence happens support will die down. Hamid 17:

Nafees Hamid and Clara Pretus, Atlantic, 9-21-2017 [How Spain Misunderstood the Catalan Independence Movement, https://www.theatlantic.com/international/archive/2017/10/catalan-referendum-spain-independence/541656/, 1-3-2018]//DW

**The Spanish government would have been more likely to achieve its goals of national unity by allowing a vote in Catalonia** in which it demanded that more options appeared on the ballot. Such options would have included the choice of remaining an autonomous community but with greater sovereignty, or becoming a federal state. However, the current choice is a binary one—to either be for or against independence, with the “fors” as the loudest voices. According to Catalan government data from July, 41 percent support independence when it is presented as a binary; when presented with those other options, support for total independence drops to 35 percent. Allowing additional choices would achieve two things: it would offer diverse options that represent the spectrum of voter attitudes, and lower the support for total independence. What the Spanish government has failed to understand: **Even a no vote in the referendum will tame the independentists**. Our longitudinal surveys of independence activists before, during, and **after a symbolic vote for independence held** in November 2014, for example, showed that voting has a cathartic effect. We found that **the strength of Catalan identity expressed by independence activists decreased** after the vote. Using a psychometric tool known as identity fusion, activists can indicate on a survey how much their sense of self is defined by being Catalan. **Before the vote, 75 percent of activists felt “fused” with Catalonia; after the vote, the number dropped to almost 50 percent**. Catalans’ willingness to make sacrifices in defense of their values also decreased. These sacrifices were assessed on a series of scales ranging from “willingness to lose one’s job” to “willingness to lose one’s life.” Before the vote, activists were, on average, willing to be imprisoned to protect Catalan culture via independence; after the vote, they were barely willing to risk their jobs for the same cause. In fact, **the more engaged the activists were, the less willing they were to continue sacrificing for independence after the symbolic vote**. At the same time, the perception of the strength of Catalonia increased while Spain was seen as weaker. Taken together, though carrying no practical effect, **the vote reduced the passion of the independentists while allowing their sense of dignity to increase. Madrid’s strategy of denying a referendum will not cool the independence movement. Its obstinance will backfire, inflaming the passions of some Catalans** and further maligning the undemocratic image of the central government in the eyes of other Spaniards. Conversely, allowing a vote with multiple options could have driven down support for total independence and had a cathartic effect on the most passionate of independence activists, even if they lost. **Allowing an official referendum will work in the favor of the central government and lead to more unity,** not less. Unfortunately, Madrid has chosen the path of greatest resistance.

#### Catalonia would become a failed state. Roden 17:

Lee Roden of No Publication, 10-10-2017 [This is what could happen if Catalonia declares independence, https://www.thelocal.es/20171010/this-is-what-could-happen-if-catalonia-declares-independence, 1-12-2018]//CD

"It’s always important, but **before international recognition the most important thing is internal effectiveness**. International recognition can take a while or not, and it could be major or minor, but **the conditions for a state to be independent aren't really that it's recognised internationally, but rather that it's recognised internally by the citizens** it has to manage and impose law upon," Vintró argues. "So the issue with a unilateral declaration of independence isn't really international recognition – of course it helps – but **what's more important is that citizens of this new state recognize the new power as theirs**. Do they pay taxes, do they respect the institutions put in place, and do you have a state with all the elements of state power, capable of consolidating itself?" Professor Perea Uncenta also sees international recognition as of lesser importance: "Recognition from the international community does not create a state. It's a political act. It is the case that there are entities recognized by more than a hundred states that are not technically states, like Kosovo, because in that case the government is for the moment subject to the United Nations. Others, like Somaliland, have not been recognized but factually are already states because they have a population and territory they govern over – and do so without the interference or dominion of other states."

#### Corruption would also plague Catalonia—Spain has a massive history of corruption. Judd 14:

Judd, Ryan T. (2014) "Corruption and Catalan Independence," South Carolina Journal of International Law and Business: Vol. 10 : Iss. 2 , Article 6. Available at: http://scholarcommons.sc.edu/scjilb/vol10/iss2/6

The most infamous example of national party corruption surfaced in January 2013, when the Madrid-based newspaper, El Mundo, alleged that former Popular Party Treasurer, Luis Barcenas, had distributed thousands of euros to party officials. 172 "**Construction firms, insurance companies and anonymous donors**" allegedly **provided illicit kickbacks** and Barcenas then hid the money in Swiss bank accounts.173 At the municipal level, judgments were handed down in October 2013 **in Spain's largest-ever corruption trial, which involved "widespread real estate fraud and bribery**," and which implicated three former mayors, former government officials, business representatives, and attorneys in Marbella. **Even the Spanish royal family has been implicated** in this "culture of corruption." **Princess Cristina's husband, Iiaki Urdangarin, appeared in court in 2012 to answer allegations of embezzling public funds** paid by regional governments through a charitable organization he chaired in Mallorca from 2004 to 2006."17 In January 2014, a magistrate judge named the Princess as an official suspect based on the suspicion that she knew about her husband's alleged wrongdoing; she may have even spent some of the proceeds on personal expenses. While the realization of an independent Catalonia is far from certain in such a volatile political and socioeconomic environment, the question remains whether corruption would "undermine state capacity and legitimacy" in a newly independent Catalonia and effectively "derail" the "political and economic transition." **Although the political consequences of corruption can be "difficult to quantify," the general consensus is that "growing perceptions of corruption diminish trust in public institutions**."' In a similar vein, while uncovering corruption is essential to rooting out the problem, exposing corrupt political institutions and actors can cause further political destabilization, which is only intensified by "excessive expectations on the part of both voters and international actors."

#### Independence forces Catalonia to leave the EU—locks them out of markets. Erickson 17:

Amanda Erickson, Washington Post, 11-30-2017 [Since Catalonia’s independence vote, 2,700 businesses have moved their headquarters, https://www.washingtonpost.com/news/worldviews/wp/2017/11/30/since-catalonias-independence-vote-2700-businesses-have-moved-their-headquarters/?utm\_term=.17474b1e8fe9, 1-3-2018]//DW

**If Catalonia's bid for independence goes through, it'll change everything** about how companies there do business. **Catalonia won't be a member of the European Union. It might not even be in the euro zone. The region would need a currency, rules on immigration and newly negotiated trade deals**. And those arrangements won't be easy to come by. **Spain has already made it clear that it won't negotiate with Catalonia. The European Union has been leery to suggest a relationship as well**. In theory, independence was supposed to make the region more prosperous. But the October referendum — and Spain's subsequent takeover — has left businesses nervous. Since the vote, **more than 2,700 firms have moved their headquarters from the region**, according to Spain's commercial registrar's office, the Agence France-Presse reported. That list includes major banks like Caixabank and Sabadell, along with small and medium firms. Many of these shifts are administrative. But they may be the first step to relocating staff and production. As [AFP explains](https://www.thelocal.es/20171129/more-than-2700-firms-have-moved-their-hq-outside-of-catalonia-since-indy-ref): “While tensions have eased somewhat since Spain's central government last month took direct control of the Northeast region and has scheduled regional elections in December, many businesses in Catalonia still feel the need to guard against uncertainty.” One businessman, who owns a small wine and spirits shop, explained that his **sales have plunged 30 percent since Catalonia's referendum**. In response, he's set up a duplicate distribution firm in Madrid. His products will still be produced in Catalonia, but they will have a Madrid address. “We won't sell anymore if we don't do this,” he said. “This is a decision you take when you have no other choice.” He, like other business executives, requested anonymity in the AFP report because of the sensitivity of the subject. Another drug distribution company is moving from Barcelona to Seville. “Patients say 'give me a product that is not Catalan.' This has never happened before,” the company's director told AFP. That shift is also designed to ensure the company remains within the European Union's legal framework. “We would go bankrupt because the medicines we import would be subject to customs duties,” he said.

#### Spain says no—EU is a lifeline for Catalonia. Bosch 17:

Sofia Bosch, CNBC, 9-20-2017 [Spain's economy losing Catalonia would be like the US losing California and Florida combined, https://www.cnbc.com/2017/09/21/heres-how-bad-economically-a-spain-catalonia-split-could-really-be.html, 1-3-2018]//DW

At the same time, **Catalonia could take a potential hit,** [**as 35.5 percent of Catalan exports are to the Spanish market**](https://drive.google.com/file/d/0B8-uo-o8-Ny_amg5WUl6ZkMtcTA/view)**.** Catalonia would also have pay to create new state structures (embassies, central banks, etc.) which carry a large price tag. Earlier this month, Spanish Economy Minister Luis de Guindos claimed that **Catalonia could see its economy shrink by 25 to 30 percent and its unemployment double** if it splits to form a separate state. Regardless, the fate of both nations would ultimately come down to the decisions made in post-separation negotiations on debt and the European Union. Spain's national public debt in 2016 was priced at roughly $1.18 trillion, according to [central bank statistics](https://www.efe.com/efe/english/business/spain-s-public-debt-in-2016-stood-at-1-18-trillion-98-percent-of-gdp/50000265-3182407). Meanwhile, Catalonia has amassed one of the largest public debts of Spain's regions, at roughly [72.2 billion euros ($86.9 billion) in 2016](http://economia.gencat.cat/en/actualitat/04/public_debt/). Around 6 billion euros of this is for long-term securities that have been issued and the rest being various loans from different institutions. Therefore, Catalonia accounts for 16.34 percent of Spain's debt, which is not a small price tag. This aspect, combined with the loss of Catalonia's tax revenues, would be a hit to the Spanish economy. While many believe that the public debt of the new nation "would inevitably be assumed by the Kingdom of Spain," Cuenca explains that the direct separation impact to the debt is impossible to predict. "The problem, again, is transition: For how many years would financial trouble last? How many jobs, how many investments, how many commercial operations would be lost during transition? No one knows precisely," Cuenca said. The success of Catalonia is determined heavily on whether or not they would assume a percentage of the Spanish debt and if they would be required to pay off their own debt. Either situation could prove to be detrimental to a new Catalan nation and would damage the potential for economic expansion. "In terms of trade, if Catalonia were to remain as part of the EU, nothing would change," Albert Banal-Estañol, an economics professor at Universitat Pompeu Fabra, said. This is because Catalonia would retain its current trading partners and continue to use the euro. **Catalonia, however, does not have an automatic right to membership in the European Union**. This issue echoes problems that arose during Scotland's own independence referendum in 2014. **In order to become a part of the union it must receive a unanimous "yes" from EU members and that includes Spain and its allies, which are unlikely to vote for Catalonia's addition to the union**. If the new nation were to be denied entrance or have difficulty joining the union, the Catalan economy would face large transition costs, as **the** [**EU accounts for roughly 65.8 percent of Catalan exports**](http://www.catalonia.com/en/catalonia-barcelona/diverse-open-dynamic/international-trade.jsp)**. Furthermore, Catalonia may also face a trade boycott from the rest of Spain.**

#### Other countries would still say no—want to deter border groups from seeking independence. Valero 17:

Alfonso Valero, Conversation, 10-4-2017 [Why the EU is right to back Spain against Catalan separatism, https://theconversation.com/why-the-eu-is-right-to-back-spain-against-catalan-separatism-85041, 1-5-2018]//DW

The [position](http://www.huffingtonpost.co.uk/johnny-luk/second-referendum_b_11031018.html) of the EU and the European leaders on Catalonian independence has been one of self-preservation. **Separatism exists in France, Italy, Germany, Belgium and the UK – none of which want to encourage divisions at home by supporting the Catalonian separatist cause.** According to this hypothesis, **if the EU encouraged Catalonia to separate from Spain, whether because it was guaranteed EU membership or because the EU leaders intervened in favour of the separatist goals,**[**Spain could reciprocate**](https://www.theguardian.com/politics/2017/apr/02/spain-drops-plan-to-impose-veto-if-scotland-tries-to-join-eu)**if separatism flared up elsewhere** in the EU.

#### Business also leave the region—so many warrants. DW 17:

As the world waits to see whether Spain's autonomous Catalonia region will declare its independence from Madrid early next week, **German business leaders warned on Friday that the decision could leave their investments in a legal and economic limbo**. Catalonia's [leaders have vowed to defy a ruling of the Spanish Constitutional Court](http://www.dw.com/en/spains-constitutional-court-suspends-catalan-independence-parliament-session/a-40820216), prohibiting the planned meeting of the regional parliament on Monday. The assembly plans to debate the results of last weekend's referendum result, where Catalans overwhelmingly voted to secede from Spanish sovereignty. A formal announcement declaring self-rule could even come on the same day. "**The situation in Spain leaves German companies nervous**," the new president of the German Federation of Wholesale, Foreign Trade and Services (BGA), Holger Bingmann, told the Reuters news agency. A similar warning was made by Volker Treier, the foreign trade chief of the German Chambers of Industry and Commerce (DIHK). "**Political instability is a direct threat to economic development**," Treier said. "Doubts as to whether Catalonia will continue to belong to Spain, and therefore to the European Union, is unsettling for German companies." He warned that **any move towards independence would leave sizeable legal uncertainties for businesses operating in the region**. Catalonia is one of Spain's most prosperous regions and plays a major role in Spain's cross-border trade due to its location on the Mediterranean Sea and its proximity to the French border. **Any declaration of independence could see it lose access to the European Union's internal market**, at least temporarily, until it becomes a full EU member in its own right. "**Many companies could leave this region**," Spiegel Online cited Eckart Woertz, research coordinator for the think-tank Barcelona Center for International Affairs as saying, "especially if companies are concerned they are permanently exposed to an opaque legal situation." "Things could unfold quickly," warned Albrecht Peters, the president of the Barcelona-based circle of German-speaking executives. He said Catalonia's economy had already suffered in the lead-up to last Sunday's referendum and that "we are now moving into unknown terrain." **A spokesman for Siemens said a possible independence move was "even more of a shock than Brexit” for his company "and even there we don't know what's happening**.”

#### Catalonia is also locked out of financial markets and can’t take loans—it survives on Spain right now. AJ 17:

No Author, No Publication, 9-30-2017 [Can Spain's economy survive a Catalan secession?, http://www.aljazeera.com/news/2017/09/spain-economy-survive-catalan-secession-170930163702214.html, 1-3-2018]//DW

**Catalonia's debt represents 35.4 percent of its GDP**, which made it the third-most indebted region in Spain in the first quarter of 2017, after Valencia and Castilla La Mancha. At the end of June, **its debt stood at 76.7 billion euros. Ratings agencies have given it a low, speculative grade, which means Catalonia is not able to borrow directly on financial markets**. So **it depends on loans emitted by the Spanish state.**

#### An Independent Catalonia Would Collapse

Ferran Brunet of No Publication, 9-29-2017 [Independent Catalonia: Success or Failure?, https://sputniknews.com/europe/201709291057822867-independent-catalonia-success-or-failure/, 1-13-2018]//DRPH

The expert is confident that the secession "won't happen on October 1, nor two days later, nor afterwards" as it would lead to a drastic economic collapse. According to Brunet, the struggle for independence itself and the mobilization of citizens have already brought economic losses to Catalonia. In particular, he refers to the PDeCat party (Catalan European Democratic Party), whose main goal "was to turn thousands of Catalans into fighters for independence" and squeeze Catalonia's residents for whatever money they have left. However, economists advocating for independence adhere to a different point of view. For instance, economic expert Dr. Modest Guinjoan believes that the current economic deficit in Catalonia arose from the difference between what the region gives to the state and what it receives in return. According to the analyst, this difference amounts to about 16 billion euros since 2001. His point of view is being supported by a number of other leading economic experts whose opinions are available in the book "Economics of Catalonia" (Economia de Catalunya). Guinjoan argued that independence will create up to 71,000 new jobs to meet the needs of new government structures and their administration. However, Brunet, on the contrary, believes that "people will be much poorer" and "16 percent of Catalans will lose their jobs." The current deficit in Catalonia's social sphere will increase by 2.8 million euros, and the pension coefficient will decrease from 1.7 to 1.5, Brunet stated. At the same time, all experts are united in their opinion that an independent Catalonian currency would be economically unviable and indicate that the European integration is essential of its survival. Many analysts believe that Europe will be interested in Catalonia and its companies being competitive. However, Brunet's calculations are far from this idealistic vision. According to the expert, in case of secession bilateral trade between an independent Catalonia and Spain would reduce by 20-60 percent. The region's GDP would fall by 14.2 percent. "Independent Catalonia will be located outside of Spain, outside the European Union and outside the eurozone. It won't be able to cover the deficit that will arise as a consequence of independence and will be forced to issue its own currency," Brunet said, warning that this new currency is likely to be 50 percent cheaper than the euro. In any case, everything indicates that the economy of [independent Catalonia](http://sputniknews.com/europe/20170924/1057642910.html) will depend not only on its fiscal policy, but also on the decisions of external players such as the European Union and Spain.

#### Border Effect plagues nations

Mu Yi of Princeton University, 1-xx-2003 [, https://www.princeton.edu/~erossi/courses\_files/border1103.pdf, 1-13-2018]//CD

In this paper, I have proposed a resolution to the border effect problem. The problem arises because, from the perspective of standard trade models, there is “too much” trade between regions within countries, and not enough trade between countries. The existing data can only be rationalized by appealing to counterfactually high elasticities of substitution, or to very high unobserved border barriers between countries. My solution involves vertical specialization, which occurs when regions specialize in particular stages of a good’s production sequence, rather than in the entire good. It serves as a propagation mechanism magnifying the effects of border barriers into large increases in within country trade. In a simple, Ricardian model with two stages of production, two countries, and two regions per country, loosely calibrated to U.S.-Canada trade, I show that the border barrier needed to generate the observed Canadian border effect is only half of what it would be in the absence of vertical specialization. This result probably understates the impact of vertical specialization, because there is evidence suggesting that many goods, particularly electronics and motor vehicles, are produced in more than two sequential stages. I also use the model to generate implications for different types of vertical specialization for the state of Washington; for reasonable trade barriers the implications are broadly consistent with the relative importance of each type of vertical specialization. The model is counterfactual is counterfactual on one key dimension; in the U.S.-Canada exercise, its implications for current levels of vertical specialization are too low by more than an order of magnitude. However, adding heterogeneity in border barriers, as well as heterogeneity across countries in average productivity in stage one production and stage two production, can help reconcile the vertical specialization implications with the data. It would be useful to combine the Washington exercise with the U.S.-Canada exercise. In addition, recently, input-output tables for Canadian provinces have become available. These tables provide more data against which the implications of the vertical specialization model can be assessed. Lastly, it would be useful to empirically estimate and test for the importance of vertical specialization in explaining the border effect.

#### Border Effect deals significant blows to Catalonia’s GDP. Steffan, No Date

https://economics.nd.edu/assets/215428/julia\_steffen\_final\_paper\_1\_.docx

Secession, while eliminating the negative fiscal flows problem and granting full fiscal and political autonomy, has the consequences of a potential decline of sales to the Spanish market, allocation of a share of Spanish debt, and a potential exit from the EU and/or Eurozone (Castells 2014). The Spanish market is the main customer for Catalan exports, and the border effect resulting from independence can significantly dampen trade. However, Ghemawat, Llana, and Requena (2010) found that while Catalonia trades much more with the rest of Spain than the rest of the world, there also has been a slow but steady increase in its openness ratio to foreign markets. The comparative importance of international trade has increased since the mid-1990s, and that of interregional trade has lessened. Catalonia exports much more to the rest of Spain than it imports: it is the international import hub for the rest of Spain. Relative to other Spanish regions, Catalonia leads in both international and interregional trade volumes. The border effect caused by seceding is suggested to be a substantial 9% in Catalan GDP (Bell 2014), but, relative to the rest of Spain, Catalonia is in a much better position to transition into an independent nation based on trade flows. On the other hand, EU and EZ membership is a deciding factor for secession; costs of abandoning the Euro and exiting the simplified trade flows within the EU would be astronomical and, probably, conclusive in deciding the vote. It is evident that some kind of change is anticipated in Spain, though the exact course of that change is uncertain. Currently, no form of dialogue exists between the central government and Catalonia and the matter at stake is a referendum about independence and not seceding itself. The central government is overruling any calls for compromise operating under the false belief that it can stamp out divergent thinking through sheer obstinacy. Without willing synergy from either side, Spain faces a compromising stalemate in which the needs of people on either side of the debate cannot and will not be satisfied in an agreeable manner.

#### Corruption Slows Economic rebound

Miguel ÁNgel GarcíA Vega of EL PAÍS, 8-14-2013 [Damage from Spain’s crooked dark side, https://elpais.com/elpais/2013/08/14/inenglish/1376481311\_929795.html, 1-13-2018]//CD

C orruption is a journey into the night of the dark side of human nature, the place where, for F. Scott Fitzgerald, it is always three o'clock in the morning. It is a journey with moral and ethical tolls, but also an economic cost. And although there are no specific figures, experts' estimates suggest that the numbers are high, and the damage considerable. Friedrich Schneider, a lecturer in Economics at the Johannes Kepler University in Linz, Austria, a specialist in the economic impact of corruption, has made some calculations for Spain: "Around one percent of GDP," he says. In other words, the cost to the Spanish economy of corruption is some 10.5 billion euros a year. Schneider's estimate is not the only one of its kind. The World Bank says that the cost of corruption is between 0.5 percent and two percent of the wealth of OECD member states, such as Spain. Italian former Prime Minister Mario Monti, eager to get an idea of the cost of graft, discovered that 3.8 percent (60 billion euros) of the goods and services his country produced was washed down the sewers of corruption. That said, these calculations could well be just the tip of the iceberg for the simple reason that the victims of corruption are afraid to report it. Accurate or not, trying to put a figure on corruption at least helps us to understand that the practice has a direct impact on the economy and everybody's lives. "It isn't some kind of strange world that is removed from the realities of our life [...]. The money that the corrupt take is money that doesn't go into education and health. What's more, it is putting limits on our growth and the future of our children," says Enrique Alcat, who teaches at the IE Business School. "Corruption is slowing down Spain's recovery from the crisis. It generates political instability; damages the country's image abroad; damages investor confidence; and increases financial uncertainty," says José María Mella, the chair of the Economics department at Madrid's Autónoma University. "It is a predatory mechanism that devours society's resources," he sums up. How? Because it channels money away from the majority toward a minority that controls wealth and that tends to be well connected to decision-making elites. At the same time, it increases poverty, because it reduces public spending and weakens the welfare state, he argues. The World Bank puts the cost at between 0.5 and two percent of wealth Last month, corruption watchdog Transparency International organized a conference in Lisbon that brought together 150 activists from around the world to assess the global impact of corruption. Its calculations for the European Union were shocking. Between 10 and 20 percent of public contracts are lost through corruption, and five percent of Europe's annual spending is not accounted for. A European Commission draft document produced this month provides a more detailed picture. Brussels calculates that corruption costs the EU 120 billion euros a year, 1.1 percent of GDP across the 28-member bloc. Corruption is a dark, sticky stain: there are some 20 million cases of small-scale corruption in the public sector each year. According to Europol, there are some 3,600 criminal organizations operating within the EU. Corruption is far more pervasive, and far more tolerated, than we would like to think, and Spain has a big problem, say the experts. "Corruption in Spain has always been tolerated," says Jesús Lizcano, the head of the Spanish division of Transparency International. "Let me give you a figure," he continues: "Around 70 percent of the politicians who have been arraigned for corruption were subsequently re-elected in the most recent local elections." But despite the gloomy picture, there is some hope. The government-run Center for Sociological Investigations (CIS) last month noted that corruption is now Spaniards' second-biggest concern, after unemployment. This is good news, because the more that we are aware of the problem, and are concerned about tackling it, the more likely we are, as a society, to support measures to stop it and to fight our own demons. It channels money from the majority toward the minority that controls wealth "In Spain, historically we have always lived with the idea that everybody is trying to get away with it, by not paying their taxes, or whatever," says Carlos Cruzado, the head of the tax collectors' association, Gestha. The big corporations and the individuals with huge net wealth are the main culprits in not paying their share: estimates put their non-payment of tax revenue at 42.7 billion euros a year. The SME sector's shortfall is around 10.5 billion, and the self-employed around 5.1 billion. Estimates suggest that some 20 percent of Spanish economic activity takes place in the shadows. There is no doubt that corruption impacts negatively on state revenue; and not just as a result of unpaid taxes, but also because of the increase in unproductive public spending: the cost of uncompetitive contracts. At the same time, corruption reduces the state's ability to invest, and reduces the quality of public services. It also hits the private sector hard by eliminating competition, as well as making regulation ineffective. 70 percent of the politicians arraigned for corruption were then re-elected" But this journey into the dark side goes further. "Corruption means that the economy is not working efficiently. It distorts the market and prevents certain activities being carried out by the companies best suited to do so," says Beñat Bilbao-Osorio, an associate director and economist at the World Economic Forum's Center for Global Competition and Performance. It also takes us to places we don't want to be in. "Scandals put us in the same league as Greece, Italy and Cyprus, which is not where we want to be. One thing is having a deficit, high unemployment and lack of competitiveness, but we don't want to be a player in the corruption stakes," says economist José Carlos Díez. Every country has developed its own form of corruption, with its own DNA and characteristics. In Spain, corruption is particularly associated with property development. In his novel Crematoria , writer Rafael Chirbes paints a detailed and vivid picture of this underworld where corruption, local politics and bricks and mortar come together. He describes the spread of corruption in Spain during the boom years of the first decade of the century as "a fire that burned too quickly." Too quickly and too easily, says José María Mella of the Autónoma: "It is easy in those sectors to steal the money generated by concessions by establishing privileged relationships with government at the local and regional levels." But construction is not the only sector that encourages and facilitates corruption. Many experts say that the way the country's political parties are financed is a huge problem. These scandals put us in the same league as Greece, Italy and Cyprus" "The number of property development scandals has diminished, because the bubble burst, but the question of how the political parties finance themselves remains. This is a subject that has to be brought out into the open," argues Manuel Escudero, the director general of the Deusto Business School. The solution, he says, is to impose shorter contracts for public posts, bar anybody convicted of corruption from holding public office, remove politicians' privileges, and beef up the powers of the Audit Office. At the same time, as Segismundo Álvarez Royo-Villanova wrote recently in EL PAÍS: "do away with the outrageous practice of providing a retirement home for senior politicians on the boards of the country's semi-public companies" - otherwise known as the revolving door syndrome. Noted jurist Antonio Garrigues Walker says that despite the general mood of despondency about corruption, he is optimistic about the future. "A large number of the scandals are related to the boom years. That doesn't reduce their importance, but what is now clear is that eventually the truth will out, and that we are learning a hard lesson, but a positive one, in how to eradicate corruption at all levels of society. We are moving toward better times, and the government's new legislation on transparency [which would allow for some scrutiny of the Royal Household's accounts, for example] will help considerably," he says. But it doesn't affect Spain's public debt: investment is not endangered" But is Garrigues' optimism well founded? Is Spain getting better? According to international corruption rankings, such as that published by Transparency International, Spain is the 30th least corrupt country out of 176: between Botswana and Estonia; and far from Italy, which is 72nd, a country with a major problem, but equally distant from Denmark, supposedly the world's least corrupt country. There have been some 800 cases of criminal corruption over the last decade in Spain, resulting in the arrest of about 2,000 people, say the police. But the impact on the money markets is less than we might like to think. It seems that capitalism keeps moving along, according to its own rules. "The recent spate of corruption cases have had little impact on the bond markets," says Emilio Ontiveros, head of financial analyst firm AFI. "In other words, it doesn't affect Spain's public debt: investment is not endangered." Federico Steinberg, head of research at the Elcano Institute think-tank, concurs: "Except in the case of a major political crisis, investors pretty much focus on what interests them and ignore everything else." This is what prompts young people to seek a new life abroad" Cristina Manzano, the editor of online political analysis magazine Esglobal, cites a recent Elcano Institute study that illustrates investors' lack of interest in corruption. "The information provided by ratings agencies have an impact on Spain's markets, as do reports by Brussels. But pretty much everything else any other organization has to say has no impact on our capital markets." Daniel Pingarrón, an analyst at IG Markets, agrees: "Data about unemployment in the United States has a bigger impact on the Spanish bourse than Spain's own employment figures. That is the nature of globalization." Keith Salmon, an expert in Spanish politics at the Oxford Analytica think-tank, says that Spain's corruption problem is seen in Britain as "a serious matter, one that has similarities not just to what is going on in the south of Europe, but in some countries in Latin America." He also warns of a bigger danger: "the loss of faith and trust on the part of a whole generation of Spaniards in their governments, in the democratic system itself, and in the economy overall. This is part of what prompts many young people to seek a new life abroad, and so Spain loses the talent it needs to make a new tomorrow. This is a high price to pay, and will affect the country for many years.

#### **Negative Growth is a massive burden**

Investopedia Staff of Investopedia, 4-11-2014 [Negative Growth, https://www.investopedia.com/terms/n/negative-growth.asp, 1-13-2018]//CD

Recurring periods of negative growth are one of the most commonly used measures to determine whether an economy is experiencing a recession or depression. The Recession of 2008, or the Great Recession, is an example of a period of economic growth measured as more than two months of negative growth. The Great Recession began in 2008 and continued into 2010. Although the announcement of negative growth strikes fear into investors and consumers, it's just one of many factors that actually contribute to a recession or depression. Negative growth rates and economic contraction are also marked by a decrease in real income, higher unemployment, lower levels of industrial production and a decline in wholesale or retail sales. In situations where negative growth is taking place, but the real value of wages is increasing, consumers may still feel as if the economy is staying the same or getting better. In a similar fashion, when an economy experiences both positive GDP growth and high rates of inflation, people may feel that times are tough.

### Contention 3: An Olive Branch

#### Unilateral Secession isn’t inevitable

Ciaran Giles and Aritz Parra of the Associated Press, 1-11-2018 [Jailed Catalan separatists pledge to eschew unilateral moves, http://www.mcclatchydc.com/news/politics-government/national-politics/article194105569.html, 1-13-2018]//CD

Three backers of Catalonia's independence sought Thursday to get released from jail for their role in the region's push to break from Spain, which triggered the country's worst political crisis in decades. Former Catalan interior minister, Joaquim Forn, Jordi Sanchez, a member of pro-independence civic group National Catalan Assembly, and Catalan activist Jordi Cuixart made their cases to a Spain Supreme Court judge. A ruling from Judge Pablo LLarena is not expected Thursday. Forn was one of several regional ministers jailed on provisional charges of rebellion after the regional parliament unilaterally — and unsuccessfully — declared Catalonia an independent republic Oct. 27. The action prompted the Spanish government in Madrid to remove the region's government from office, dissolve the parliament and call a fresh election that was held last month. Sanchez and Forn were elected on separatist party tickets, but the Spanish government still is running Catalonia. Sanchez and Cuixart had been jailed earlier on provisional sedition charges related to preparations for an Oct. 1 independence referendum, which Spain's Constitutional Court had suspended. All three supporters of Catalan independence told the judge they would oppose further unilateral moves to secede and act in accordance with Spanish law, according to lawyers familiar with the proceedings. The lawyers requested anonymity because they weren't authorized to discuss what was said during the closed-door hearings. The lawyers said Sanchez acknowledged that the Oct. 1 referendum was not legally valid. Forn, who as interior minister oversaw Catalonia's security and its regional police, said he would not accept the post again, if he were asked to. Developments surrounding Catalonia have gripped Spain for months, and the tumult is showing no sign of letting up before the new parliament's first session on Wednesday. A major question mark hangs over whether former regional President Carles Puigdemont, who fled to Belgium to avoid arrest for his part in the secession bid, will return to Barcelona to resume office. Puigdemont, who was ousted as part of the Spanish government's takeover of Catalonia, risks being detained if he comes back, as do four other ex-ministers who fled with him. Meanwhile, Carme Forcadell, another prominent pro-independence lawmaker re-elected last month, said Thursday she will not seek re-election as the regional parliament's speaker when the chamber sits next week. Forcadell, also is under investigation for rebellion for her involvement in the push for independence. She said it was time for someone else to occupy the post of parliament speaker. The role is important because the speaker can decide what is debated and voted on.

#### Rajoy recently made a proposal for greater financial autonomy

Meg Bernhard of latimes, 12-22-2017 [Spain's prime minister will work with a new Catalonia government, as long as it operates within the law, http://www.latimes.com/world/europe/la-fg-spain-catalonia-election-20171222-story.html, 1-13-2018]//CD

Spanish Prime Minister Mariano Rajoy on Friday rejected an invitation to meet with Catalonia’s pro-independence former president, saying he would instead welcome dialogue with a new regional government in light of Thursday’s snap election results. Rajoy, who in October called for the election in hopes of quelling a secession drive, saw voters give three pro-independence parties a 70-seat majority in the 135-member regional parliament. The anti-independence party Ciudadanos, or Citizens, gained the most seats of any individual party with 37, but fell far short of the 68 needed for a majority. Rajoy, while declining to meet with former Catalonia leader Carles Puigdemont, said he should meet with Ciudadanos party leader Ines Arrimadas, a sign of the ongoing rancor between the unity and independence sides. “The person I need to sit down with is the person who won the election, and that’s Arrimadas,” he said during a news conference in Madrid. Rajoy congratulated Ciudadanos on gaining the plurality of seats in parliament. “The negative thing about these results, from my point of view, is that those of us who wanted change haven’t won enough seats to achieve that,” Rajoy said. “It is evident that the rupture the radicalization has generated in Catalan society is very big.” He said he was willing to hold dialogue with the government that forms in the region as long as it acted “within the law.” Spain's constitution does not allow unilateral secession of the country's 17 regions. Rajoy’s Partido Popular, or People’s Party, was dealt a significant blow in the Catalonia election. The party lost eight seats in the regional parliament and is represented in only three out of four provinces, making the governing party of Spain a negligible force in Catalonia and undermining Rajoy’s credibility in negotiating with the region’s leaders. The election gave separatist parties the most votes overall with Together for Catalonia gaining 34 seats, Republican Left, 32, and Popular Unity Candidacy, four, for a total of 70. Whether the parties can form a coalition to govern remains unclear. Catalonia, which has a population of about 7.5 million, like other regions has local powers to set policy for education, healthcare and some other services, but relies on the central government for tax collection. Though independentistas saw success in Thursday’s vote, many questions remain, including: Who will lead the next Catalan government and how will the government pursue independence? The two main candidates for Catalonia’s presidency are currently unable to accept their parliament seats, as one is imprisoned and the other faces possible arrest. Oriol Junqueras, leader of separatist group Esquerra Republicana, or Republican Left, is in jail outside Madrid while being investigated for rebellion, sedition and misuse of public funds. Puigdemont, whose party Junts Per Catalunya, or Together for Catalonia, won the majority of separatist seats, has been in self-imposed exile in Brussels since October. He faces possible detention if he were to return to Spain. “What is going to happen?” said Barcelona politics professor Marina Diaz-Cristobal. “Frankly, I don't think anyone knows at this point.” Catalonia’s independence movement has triggered Spain’s most serious political crisis since its return to democracy after the death of dictator Gen. Francisco Franco in 1975. Catalonia has its own language and culture, which were repressed under Franco. It has become Spain's most prosperous region, accounting for about 20% of the country's economy and more than a quarter of Spanish exports. Barcelona, the region’s capital, is one of Europe's biggest tourist hubs. Many Catalans have said they resent having their taxes subsidize poorer parts of Spain, especially considering the country has recently emerged from an economic crisis. An October referendum on independence, deemed illegal by the central government in Madrid, swung in favor of secession but saw a turnout of less than half of eligible voters. Rajoy responded to the regional government’s unilateral declaration of independence later that month by removing all members of the Catalan parliament and calling regional elections, hoping to quell separatism. His gamble was dealt a significant blow Thursday. While separatists celebrated the victory as an affirmation of their independence project, the election results confirmed the deep divisions among the region’s citizens over secession or unity with the central government. Jose Fernandez-Albertos, a political scientist at the Consejo Superior de Investigaciones Científica in Madrid, said the stand-off between pro- and anti-independence factions has made compromise nearly impossible. “The distance between the two blocs is huge and that has made some extreme candidates from both sides viable,” he said. “Everyone perceived as being compromising with the other group is electorally unpopular.” To form a government, separatists need to combine their seats and select a president. Leaders from the smallest and most extreme of the three groups, Candidatura d’Unitat Popular, or Popular Unity Candidacy, said they will only join a coalition if it promises to build a Catalonian republic Rajoy could dissolve parliament again if Catalonia’s government pursued another unilateral independence declaration, and the central government in Madrid has opposed authorizing a referendum on independence. Jaume Pi, politics editor of the Barcelona newspaper La Vanguardia, said it would be unwise for the Catalonia parliament to hold another unauthorized referendum. The October referendum came at a “strong emotional cost” to the Catalonian public, he said. “There has been an emotional change” in the electorate, Pi said. “It was a longer and harder autumn than we can remember in years, since before the transition to democracy.”

#### Public support for alternative

**Reuters** Editorial of U.S., 11-27-**2017** [Barely a quarter of Catalans want to pursue split from Spain: poll, https://www.reuters.com/article/us-spain-politics-catalonia/barely-a-quarter-of-catalans-want-to-pursue-split-from-spain-poll-idUSKBN1DR0XI, 1-12-2018]//CD

MADRID (Reuters) - Barely a quarter of Catalans want to continue with a plan to claim independence from Spain in the wake of Dec. 21 regional elections, according to a poll published in El Pais newspaper on Monday. FILE PHOTO: Protesters hold the lights of their mobile phones as they wave Estelada flags during a demonstration called by pro-independence associations asking for the release of jailed Catalan activists and leaders, in Barcelona, Spain, November 11, 2017. REUTERS/Albert Gea/File Photo SPONSORED An illegal Catalan independence referendum on Oct. 1 plunged Spain into its worst political crisis in decades. It eased after the sacking of the secessionist Catalan authorities by the Madrid government elicited little resistance. But uncertainty could return if the pro-independence camp wins in the Dec. 21 vote. Just 24 percent of those polled by Metroscopia said they would like to continue with the independence process after the elections, whereas 71 percent said they would prefer politicians to find an agreement based on Catalonia staying part of Spain. Pro-independence parties may fail to retain an absolute majority of seats in the Catalan parliament in next month’s election, the first part of the poll published on Sunday showed. However, the survey’s margin of error at 2.4 percent and the fact support was evenly split between the two sides makes reading conclusions from polls difficult. The telephone poll surveyed 1,800 Catalans between Nov. 20 and Nov. 22. Failure to capture a majority in the regional parliament would be a heavy blow for Catalan separatists who have billed the election as a plebiscite on Madrid’s decision to impose direct rule on the region last month. The Oct. referendum produced a large majority in favor of independence, but turnout was only 43 percent because many who opposed the breakaway did not vote. Catalan separatist parties are forecast to win 46 percent of the vote, down slightly from 47.7 percent in a previous election in 2015. Unionist parties combined would account for another 46 percent of votes, up from less than 40 percent last time, according to the Metroscopia poll. Turnout for the election, which former Catalan leader Carles Puigdemont said on Saturday would be the most important in the region’s history, is predicted to reach a record 80 percent.

#### Leaders are set to reach a solution through dialogue

Keith Howell of Independent, 12-24-2017 [Politicians in Catalonia and Spain can reach compromise for the people through dialogue, http://www.independent.co.uk/voices/letters/catalonia-spain-scotland-independence-blue-passport-rape-a8127251.html, 1-13-2018]//CD

The outcome of the latest vote in Catalonia seems set to resolve little, with all sides trying to claim victory, and equally determined to portray their opponents as having failed. Something we have arguably experienced here in Scotland. Once the initial sparring over the spoils of this result are over, politicians will need to put the interests of the people before pure party political advantage. Spain and Catalonia need leaders that can find compromise through dialogue, encouraging people from the constitutional extremities to move back into the broad middle ground in which the majority generally want to live. Calm and confidence in the future can only be found through working together across the fault lines of constitutional division. Let us hope they can find enough true leaders willing to act in everyone’s interests and not just their own. There are of course many differences between the situation in Catalonia and here in Scotland. But the arithmetic of the popular vote seems to show similar levels of division. Also, curiously, both have independence movements that place a heavy emphasis on future membership of the EU, despite every sign that the EU could simply not afford to set the precedent of accepting either one of them.

#### Recovery time of secession could take generations

Steven **Johnson** of Atlantic, 10-28-**2017** [When Rich Places Want to Secede, https://www.theatlantic.com/business/archive/2017/10/catalonia-secede-rich-region/544244/, 1-12-2018]//CD

The crisis kicked off by Catalonia’s contested October 1 secession vote has come to a head. Following police violence, imprisonments, and mass protests, Spanish Prime Minister Mariano Rajoy announced last weekend that he would pursue Article 155 of the Spanish Constitution to replace Catalonia’s leaders and impose direct rule over what is the country’s most productive region. On Friday, the Spanish parliament approved the measure, just after its Catalan counterpart formally declared independence. A major reason cited for the crisis? As Catalan protesters cried, “Madrid nos roba”—“Madrid is robbing us”—by which they mean the federal government is taking more than it gives in transfer payments. Catalonia, the northeastern region that includes Barcelona and holds 16 percent of the Spanish population, accounts for about a fifth of Spain’s $1.2 trillion economy and about a quarter of all Spanish exports and industry. Most crucially, it pays Madrid $12 billion more in taxes per year than it gets back. RELATED STORY Why Greece's Fate Helps Make Sense of Catalonia's Gamble As a relatively rich region with its own independence movement, Catalonia's not alone: A small set of secession movements in historically productive areas, most visibly in Europe, say they’d be better off on their own, and more are pointing to Catalonia's example to regain momentum. Belgium’s Flanders region, one of the birthplaces of modern commerce and the host to a separatist party that made gains after the global financial crisis, boasts a GDP per capita 120 percent higher than the EU average. If the German state of Bavaria were its own country, as the Bavarian Party wishes, its economic output would crack the top 10 of EU member states, according to its government. And last weekend, two deep-pocketed northern Italian regions that are home to each Milan and Venice, passed nonbinding referenda for greater autonomy. In Europe, resentments of paying to cover less productive countrymen are longstanding, but recently they seem to have intensified as a swirl of nationalist sentiments has swept the continent. The common wisdom used to be that separatist movements mostly came from weak minorities that rallied around racial or ethnic injustices. “With globalization, that changed significantly,” said Andrés Rodríguez-Pose, a professor of economic geography at the London School of Economics (LSE). “Virtually everywhere in the world,” movements have swapped out the “identity card” for the “economic card.” Erin Jenne, a professor of international relations at Central European University, agrees. Economic inequality is one of a few factors that can keep independence movements simmering, but they won’t boil over without a catalyst—usually some external circumstance like a major political crisis, or an offer from another country to provide military support to a region with separatist aspirations, she said. After all, inequality between regions is baked into the entire concept of modern nationhood—if subsidizing poorer parts of a country were motivation enough to split off, every region would have done it by now. Last weekend’s referenda in Italy’s regions of Lombardy and Veneto show how these economic tensions seldom come free of matters of ethnic identity. The initiatives, which more seek financial autonomy than outright secession, are sponsored by the Northern League, a populist anti-immigrant party. Paolo Grimoldi, a League official, said the regions were tired of “giving 80 billion euros [each year] to the state coffers.” Politico has argued that the votes were a symbolic tribute to a northern Italian dream of the ‘90s: a fully seceded, Celtic-inflected ethno-state called Padania that would cut the dead weight of “Roma ladrona”—“Thieving Rome.” But movements to secede can be a gamble. Independence talk in places like Quebec and Catalonia has historically made businesses and consumers feel queasy—after pro-secession parties took action, the regions have seen relocations of corporate headquarters, and even drops in home prices in Quebec and bank deposits in Catalonia. Plus, there are economic perks to staying together: Trade is easier across internal borders, and diversified regions diffuse risk. Catalonia, for example, has built up some of its own institutions, but it has a long way to go before it has all the systems of a national government, and the limited evidence that exists suggests secession doesn’t necessarily fling open the gates of economic growth. A huge portion of Catalonia’s trade is either domestic or with the European Union, says Rodríguez-Pose, of LSE. If the region were to break off, not only would Spain lose 20 percent of its GDP overnight—Catalonia could see, Rodríguez-Pose says, “rapid impoverishment” depending on the scale of conflict. Jenne, of Central European University, has published research indicating that economic issues are often not as strong of motivators as other factors, such as how densely a group is concentrated in its territory, or whether a region eager to split off is offered military support by another nation. But that doesn’t stop groups all over the world from using regional inequality as a negotiating tool. The U.S. has seen it, too: In February, California argued that its role as a “donor state”—that it sends more money to the federal government than it receives—gave it leverage over the Trump administration’s threats to withdraw federal funding following its actions to declare itself a “sanctuary state” for immigrants. California is indeed a “donor,” but not by much: The state gets 99 cents back in federal spending for every dollar it contributes through taxes, below the nationwide average of $1.22. There’s an initiative in the state to put secession on the ballot in 2018, and Silicon Valley floats talk of breaking off to form an independent nation (sometimes literally floating). Similarly, after Brexit, the Texan Nationalist Party pushed to mimic the U.K. Independence Party’s tactics, billing Texas’s $1.6 trillion economy as the “World’s 10th Largest.” Texan lawmakers, though demurring on secession, started to adopt the economic language of the fringe group. Of course, there have been hundreds of these movements in American history, and few expect these recent ones to amount to much. Calls for secession happen for all sorts of reasons, and rarely gain majority support—although Catalonia’s vote overwhelmingly passed, it drew just 43 percent of eligible voters, with many opponents staying home. Still, “you never really know what you’re going to get when you enter into these negotiating processes,” said Jenne. She pointed to the relatively peaceful “Velvet Divorce” between the Czech Republic and Slovakia in 1993. Slovakia, the weaker region, was “absolutely shocked” when the Czechs bought into their calls for secession, she said. After the decade or so it took the weaker Slovakia to recover, “it has done relatively well,” said Rodríguez-Pose. “So it can happen.” But that’s about as good as can be hoped, he said: “If secession takes place with conflict, then recovery times are much, much worse—and it can take a generation, if not longer.” Crackdowns like Spain’s can risk inflaming that sort of conflict, and Catalonia’s push for independence likewise threatens its economic well-being. Movements around the world are watching Spain in the coming days to see just how just how the crisis unfolds—and whether their turn could be next.

## Paraphrased Version

### Case

#### We negate Resolved: Spain should grant Catalonia its independence.

#### Contention 1: Spreading the Problem

[**Garret Martin** of American University in 2017 explains that](http://www.american.edu/sis/news/20171019-Why-the-European-Unions-hands-are-tied-over-Catalonia.cfm) Providing support for Catalonia could embolden other secessionist movements as we would view their own success as more likely. [**Guillermo Iniguez** of Varsity News finds in 2017 that](https://www.varsity.co.uk/comment/13676)if Catalonia is successful in their secession, it would set a precedent across Europe that separatist movements have a right to secede.

This is problematic as Susse finds in 2016 that strong separatist regions have had their trade cut by 5 times.

#### Contention 2: An Olive Branch

The last chance to alleviate tension is through compromise, and rejecting secession is the only way to do this. As of December 22nd, [**Bernhard of the LA Times**](http://www.latimes.com/world/europe/la-fg-spain-catalonia-election-20171222-story.html) writes that, as the independence movement slows, Prime Minister Rajoy opened an invitation to negotiations with the ruling independence parties in Catalonia.

Critically, recognize that [support](http://www.independent.co.uk/voices/letters/catalonia-spain-scotland-independence-blue-passport-rape-a8127251.html) for independence is further declining as AP reports as of 2 weeks ago, [**Catalan separatist leaders**](http://www.mcclatchydc.com/news/politics-government/national-politics/article194105569.html) announced that they would stop pursuing a unilateral secession approach to better align themselves with Spain. [**Reuters in 2017**](https://www.reuters.com/article/us-spain-politics-catalonia/barely-a-quarter-of-catalans-want-to-pursue-split-from-spain-poll-idUSKBN1DR0XI) reports that when Catalans are given a third option besides staying or leaving Spain, 71% strongly prefer staying with Spain through a compromise deal.

Overall, we prevent long-term conflict. The [**Central European University**](https://www.theatlantic.com/business/archive/2017/10/catalonia-secede-rich-region/544244/) writes in 2017 that if secession takes place then the recovery time would be much worse and could take over a generation or even longer than that along with combined harms above.

#### Contention 3: A Failed State

**Independence worsens the economy in 3 ways**

**First is that Catalonia would have to leave the European Union.**

[**Amanda Erickson**](https://www.washingtonpost.com/news/worldviews/wp/2017/11/30/since-catalonias-independence-vote-2700-businesses-have-moved-their-headquarters/?utm_term=.17474b1e8fe9) of the Washington Post writes in 2017 that if Catalonia leaves, they would have to leave the EU and negotiate their own trade deals. This is [**problematic**](https://www.cnbc.com/2017/09/21/heres-how-bad-economically-a-spain-catalonia-split-could-really-be.html) because Catalonia needs every single EU country to approve before joining which includes Spain which will say no.

However, [**Sofia Bosch**](https://www.cnbc.com/2017/09/21/heres-how-bad-economically-a-spain-catalonia-split-could-really-be.html) of NBC writes in 2017 that the EU accounts for 65% of Catalonia’s trade and they would lose access to those markets. In addition, they would also face a boycott from Spain.

Furthermore, [**Alfonso Valero**](https://theconversation.com/why-the-eu-is-right-to-back-spain-against-catalan-separatism-85041) of the Conversation finds in 2017 that other countries such as Belgium, the UK, Germany, France, and Italy would all reject Catalonia’s admission into the EU. This means that they must prove that all of these countries would accept Spain to beat-back the EU arg.

Even if my opponents prove that countries would accept Catalonia, Catalonia still doesn’t meet the requirements which is a prerequisite to joining.

Valero continues that before joining the EU a country must be a stable democracy; however, Valero writes that the majority of people don’t even support secession with the actual number around 35%.

**Second is that businesses leave.**

[**DW New**](http://www.dw.com/en/german-firms-uneasy-over-catalonias-future/a-40844046)**s** reports in 2017 that many firms are worried and that if Catalonia does leave Spain, investments and businesses would as well. This is because uncertainty would occur and because “[**money and fear don’t go well together**](https://www.marketwatch.com/story/on-catalan-bankers-minds-2017-10-06)”

**Third is that Catalonia is locked out of financial markets.**

[**Al-Jazeera**](http://www.aljazeera.com/news/2017/09/spain-economy-survive-catalan-secession-170930163702214.html) writes in 2017 that since Catalonia’s credit rating is so low, they are unable to borrow from other countries and instead rely on Spain for loans. Furthermore, [**The Local**](https://www.thelocal.es/20171010/research-exports-and-tourism-power-the-catalan-economy) continues that because of their terrible credit rating, Catalonia is dependent on these loans to survive.

**For all the reasons above, Catalonia’s economy would collapse**

[**Brunet of the University of Barcelona writes in 2017**](https://sputniknews.com/europe/201709291057822867-independent-catalonia-success-or-failure/), Secession would lead to drastic economic collapse. 16% of Catalan people would lose their jobs. The Region’s GDP would fall by 14.2%. Catalonia’s new currency will be half as valuable as the Euro.

This is devastating as[**David Roelfs**](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3070776/) of the National Institute of Health finds in 2011 that unemployment increases the chances of mortality by 63%, meaning that this impact affects hundreds of thousands of Catalans.

Furthermore, Grunewald finds in 2006 that a 1% increase in unemployment increases poverty by 0.7%.

Furthermore, Bosch continues that Spain’s economy would be hit with a sustained decline of 2% annually.

**Third is preventing the Border Effect.**

[**Yi**](https://www.princeton.edu/~erossi/courses_files/border1103.pdf) of Princeton University explains that there exists a border effect where countries trade more within their borders than they do across borders to other countries. This is because businesses and consumers prefer buying and making goods within their own country. As a result, [**Steffen of Notre Dame**](https://economics.nd.edu/assets/215428/julia_steffen_final_paper_1_.docx) explains in 2016 that because Catalonia would leave Spain, the border effect would cause a 9% decrease in Catalan GDP. This is independent of joining the EU because a border effect still exists between countries in strong alliances.

Thus, we negate.

## Frontlines

### AT: Peaceful Secession

#### Even if secession is peaceful, the debt will skyrocket and the recession will spread

Lawrence Grief of COLUMBIA POLITICAL REVIEW, 1-19-2018 [Crisis in Catalonia Threatens Eurozone Stability, http://www.cpreview.org/blog/2018/1/crisis-in-catalonia-threatens-eurozone-stability, 1-22-2018]//CD

The conflict between Catalonia and the Spanish central government has developed into a crisis, and observers have begun to ask what political turmoil in Spain could mean for the wider European Union (EU). Some have suggested that the EU’s reputation as a source of stability within the region will inevitably be damaged if it proves incapable of preventing a division of sovereignty within one of its member states. The situation could worsen if Catalan’s success serves as inspiration to other European separatist movements, calling into question the stabilizing effects of Europe’s integration efforts. While these political ramifications are serious, they are not the only cause for concern. It is not only the political stability of the European Union that is threatened by an aggressive showdown over Catalan independence but also the economic stability of the Eurozone. The Spanish economy has recovered remarkably from the economic crisis it faced in the early 2010s. Indeed, most of the European community seems to have recovered from the Eurozone crisis, in which huge levels of sovereign debt eroded confidence in major European financial institutions and economies and at one point appeared to signal the demise of the European experiment itself. However, the recovered economies of some member states remain fragile, and it is unclear whether a nation like Spain would be seriously harmed by a battle to retain sovereignty over one of its most productive regions. The negative effects of a faltering Spanish economy would reverberate throughout Europe, and a potential rise in the number of crises demanding the attention of Europe’s infrastructure of political and economic integration could further escalate the calamity. The current political moment in Catalonia reached a critical point during the region’s independence referendum on October 1, 2017, undertaken against the wishes of the staunchly unionist Spanish state. While only 43 percent of Catalonia’s population voted, 90 percent of those voters favored independence. The tremendous rate of approval, combined with the low turnout, can be attributed to the decision made by many of those opposed to Catalan independence to avoid the referendum entirely in protest, as well as to the strong efforts of the Spanish state to obstruct voting. The Catalan government reported that Spanish police were responsible for at least 337 injuries on the day of the referendum and used rubber bullets to subdue voters and activists. Catalan President Carlos Puigdemont stated that “the unjustified, disproportionate, and irresponsible violence of the Spanish state…helped to clarify all the doubts” that had remained among those championing independence. No true popular mandate for Catalan independence has surfaced so far, but it is clear that the pro-independence faction remains large and determined. Invoking Article 155 of its constitution allowed Spain to assert authority over Catalonia and calm markets, which had reacted strongly to Catalonia’s declaration of independence – Spain’s benchmark index, Ibex 35, had dipped 1.5 percent following the declaration. However, the Spanish state’s forceful actions are likely to provide another rallying point for the independence movement, as Catalonia prepares for the December elections scheduled to fill the positions left open by jailed separatist officials. Public sentiment has already shifted. A recent poll shows that 48.7 percent of Catalans favor independence, a much higher proportion than the 41.1 percent who favored independence in June and the greatest support observed since December 2014. As long as the push for Catalan independence remains alive, it has the potential to stir panic within Spanish markets. Though Catalonia has a particularly strong regional identity and a sense of relative autonomy within Spain, the push for independence has been largely influenced by economic factors. The region is one of Spain’s most productive, and, according to government statistics, it accounts for about twenty percent of the country’s economic output while holding only sixteen percent of the total population. Catalonia’s GDP per capita is greater than that of Spain in general, closer to the rest of the Eurozone’s GDP per capita than anywhere else in the country. The region also contributes more in taxes to the central Spanish government than it receives back in public spending, a fact that weighs heavily on the minds of separatists. While residents of Catalonia contribute 20 percent of Spain’s tax revenue, only 14 percent of Spain’s spending is directed back towards the region. Pro-independence Catalans believe that their economy would flourish if it did not need to help buoy the rest of the Spanish economy. This belief is partially a result of the disproportionately large role Catalonia played in pushing Spain out of its debt crisis. Under the austerity measures adopted to rein in public debt, Catalonia suffered higher budget cuts than any other Spanish region. However, there are reasons to be less optimistic about the economic outlook for an independent Catalonia – CaixaBank and Sabadell, Spain’s largest banks, along with more than 2,000 other companies, have already left the region in order to avoid political uncertainty and retain the advantages of a location within the Eurozone. Spain’s Ministry of Employment and Social Security reported that Catalonia lost almost 15,000 jobs in October. Nevertheless, as [an] uncertain as Catalonia’s economic future is, it may still be better than the economic situation Spain would face after losing sovereignty over such a productive region. The Spanish economy is one of the great success stories of the Eurozone crisis. After suffering from a private sector economic shock in 2008, the Spanish government had no option but to accept a massive bailout of $125 billion from European finance ministers, which Prime Minister Rajoy called “a loan to recapitalize Spain’s weakest banks.” Five years later, official calculations showed that the country’s economic output has returned to pre-crisis levels. While this growth is promising, it is clear to some that this recovery is not yet complete, as evidenced by an unemployment rate that remains at 18.6 percent, significantly higher than pre-crisis levels and about double the average Eurozone rate. Unemployment, which peaked during the crisis at 26 percent, is even greater among young workers, for whom it is around 39 percent. Another result of the crisis and the need to accept foreign funds to bailout Spanish banks was a rise in government debt, which was 40 percent of GDP before the crisis but which now stands as high as 100 percent of GDP. While Spain’s economy has rebounded strongly from its crisis, there have been lasting effects that continue to malign Spain and leave it vulnerable to future shocks. If Catalonia achieves independence, Spain’s potential losses could be devastating. Though the country’s debt level is already quite high, an economist at the Centre for Economics and Business Research has calculated that, in the event of a relatively peaceful Catalan exit, the debt would surge to 116.4 percent of GDP and Spain’s annual deficit would jump from 4.5 percent to 7.8 percent of GDP. Forecasters predict that, if independence is achieved, demand for Catalan and Spanish debt could collapse, seriously increasing the cost of government financing and potentially causing a Spanish recession that could spread throughout Europe. The most pessimistic forecasts thus fear a resurgent Eurozone crisis. It is important to note that Spain’s recovery has occurred in conjunction with an aggressive bond-buying program from the European Central Bank (ECB), which is beginning to signal a change in its policies. The ECB will be likely to gradually phase out the practices it adopted in response to the Eurozone crisis, meaning there will be less bond purchases and higher interest rates. It is unclear how the Spanish economy will react to such measures, but this shift becomes even more concerning when one considers the potential loss of Catalonia, whose productivity has played a significant role in driving Spain’s growth**. If the Spanish economy does falter** as a result of the crisis in Catalonia, **this will likely discourage the ECB from halting its bond-buying program, preventing measures aimed at further stabilizing the Eurozone**. A successful Catalan independence movement could be destabilizing in another way: by causing a domino effect throughout Europe. One region managing to break away from the sovereignty of a European Union member state could encourage other regions across Europe to seek independence from their sovereigns. President of the European Commission Jean-Claude Junker has stated that, “if Catalonia is to become independent, other people will do the same,” and expressed dismay at the prospect of “a euro in 15 years that will be 100 different states.” Aside from the obvious threat to the political stability of the European Union, this sort of fragmentation would likely cause economic trouble within the Eurozone. In Italy, for example, two wealthy Northern regions, Veneto and Lombardy, have recently conducted referenda seeking greater autonomy from the central government. It is not difficult to imagine these regions ramping up their independence efforts should Catalonia secure a successful departure from Spain. The same can be said of separatist movements in South Tyrol and Sicily. It should be noted that Italy continues to hold large public debt and has not recovered from the Eurozone crisis nearly as well as Spain has. The International Monetary Fund (IMF) forecasted earlier this year that another decade will pass before Italy’s economic growth returns to pre-crisis levels. If pessimistic observers suggest that Catalan independence could potentially push the Eurozone back into crisis, what might be the results of Italy’s larger economy, which has recovered at a much slower rate, attempting to withstand several separatist movements simultaneously? Italy is also seen as at risk, as it the most vulnerable of the Eurozone states after Spain, and there is no reason that think that Corsican or Flemish separatists will be any less emboldened by Catalan independence. There would certainly be immediate economic consequences of a Catalan separation from Spain that would likely trouble the Eurozone, but the potential for wider political fragmentation in Europe poses an even greater threat, one which the countries of the Eurozone are more prepared to handle now than they were in 2010 but a threat nonetheless. President Puigdemont is currently in Belgium facing an international arrest warrant, charged by the Spanish government with rebellion, sedition, misuse of public funds, and breach of trust. He will remain in Belgium through the December 21st elections, wherein he will appear on the ballot along with several members of his party currently detained in Spain. In the wake of Catalonia’s political turmoil, Spain has adjusted its 2018 growth forecast from 2.6 percent to 2.3 percent. Prime Minister Rajoy has said that, if pro-union officials are elected, GDP could grow between 2.8 and 3.0 percent and be accompanied by the creation of 500,000 jobs. As of now, separatist and unionist support remain at very close levels, but those favoring independence retain a slight edge. Eurozone leaders will be following the election closely and with an eye towards their own economic futures.

### AT: Polls Prove Majority Want Out

#### Separatists control media and silence dissenters. Ames 13:

Paul Ames, Public Radio International, 1-30-2014 [Even some of the proudest Catalans worry that splitting from Spain is a bad idea, https://www.pri.org/stories/2014-01-30/even-some-proudest-catalans-worry-splitting-spain-bad-idea, 1-3-2018]//DW

Nevertheless, the Franco era’s legacy runs deep. **Many Catalans fear being associated with those years of oppression if they seek to swim against the separatist tide. "If you say something** in a newspaper or whatever media **against the nationalist thesis, you will start being attacked** and insulted in a matter of hours,” says political consultant Xavier Roig. “**They'll call you Fascist**, espanolista [lover of Spain], all sorts of insults.” Roig is a veteran of the opposition Socialists' Party of Catalonia, whose official line opposes independence. He contends that **the main separatist parties discourage dissent by keeping a firm grip on much of the region's media** and civil society. "**There is a terrible pressure exerted on public opinion on the part of the Catalan government**," he said in an interview. In the current mood, Roig says, speaking out against secession can jeopardize Catalans' job security and business opportunities. "**There is a spiral of silence,” he says. “If you don't agree with these official policies, you tend to avoid talking about them**. If you’re against the official thesis, it can be more difficult for you to get a contract... there could be reprisals." For some Catalans, however, the dangers of independence outweigh any fear of speaking up. "Independence would be a disaster for Catalonia," insists Francesc de Carreras, professor of constitutional law at the Autonomous University of Barcelona and one of the founders of the Citizens party. A onetime resistance activist against the Franco regime, De Carreras says secession would oblige Catalonia to leave the European Union, which would lead to diplomatic and economic isolation as the new country is cut off from its export markets in Spain and the rest of the EU. Scanning the Barcelona skyline from his apartment, De Carreras also cites "sentimental" reasons for opposing breaking with Spain, saying a split would ignore generations of historical ties, two-way migration, intermarriage and friendship between Catalans and other Spaniards. "The Catalan nationalists have this idea that we're different, that we come from the north, from the Empire of Charlemagne, not from Spain,” he says. “That ignores everything that's happened over the past 1,200 years, it's absurd.”

#### Polls are Binary—adding another option for compromise lowers the actual number. Reuters 17:

#### Most anger is just short-term—past elections/referendums prove this. Hamid 17:

Nafees Hamid and Clara Pretus, Atlantic, 9-21-2017 [How Spain Misunderstood the Catalan Independence Movement, https://www.theatlantic.com/international/archive/2017/10/catalan-referendum-spain-independence/541656/, 1-3-2018]//DW

**The Spanish government would have been more likely to achieve its goals of national unity by allowing a vote in Catalonia** in which it demanded that more options appeared on the ballot. Such options would have included the choice of remaining an autonomous community but with greater sovereignty, or becoming a federal state. However, the current choice is a binary one—to either be for or against independence, with the “fors” as the loudest voices. According to Catalan government data from July, 41 percent support independence when it is presented as a binary; when presented with those other options, support for total independence drops to 35 percent. Allowing additional choices would achieve two things: it would offer diverse options that represent the spectrum of voter attitudes, and lower the support for total independence. What the Spanish government has failed to understand: **Even a no vote in the referendum will tame the independentists**. Our longitudinal surveys of independence activists before, during, and **after a symbolic vote for independence held** in November 2014, for example, showed that voting has a cathartic effect. We found that **the strength of Catalan identity expressed by independence activists decreased** after the vote. Using a psychometric tool known as identity fusion, activists can indicate on a survey how much their sense of self is defined by being Catalan. **Before the vote, 75 percent of activists felt “fused” with Catalonia; after the vote, the number dropped to almost 50 percent**. Catalans’ willingness to make sacrifices in defense of their values also decreased. These sacrifices were assessed on a series of scales ranging from “willingness to lose one’s job” to “willingness to lose one’s life.” Before the vote, activists were, on average, willing to be imprisoned to protect Catalan culture via independence; after the vote, they were barely willing to risk their jobs for the same cause. In fact, **the more engaged the activists were, the less willing they were to continue sacrificing for independence after the symbolic vote**. At the same time, the perception of the strength of Catalonia increased while Spain was seen as weaker. Taken together, though carrying no practical effect, **the vote reduced the passion of the independentists while allowing their sense of dignity to increase. Madrid’s strategy of denying a referendum will not cool the independence movement. Its obstinance will backfire, inflaming the passions of some Catalans** and further maligning the undemocratic image of the central government in the eyes of other Spaniards. Conversely, allowing a vote with multiple options could have driven down support for total independence and had a cathartic effect on the most passionate of independence activists, even if they lost. **Allowing an official referendum will work in the favor of the central government and lead to more unity,** not less. Unfortunately, Madrid has chosen the path of greatest resistance.

### AT: Referendum Shows Secession

#### Number is definitely lower—pro-unity supports didn’t turnout because referendum was illegal. DW News 17:

Deutsche Welle (Www.Dw, DW, xx-xx-xxxx ['Silent majority' Catalans hold anti-secession rallies in Barcelona, http://www.dw.com/en/silent-majority-catalans-hold-anti-secession-rallies-in-barcelona/a-40864273, 1-3-2018]//DW

**Catalans calling themselves a "silent majority" opposed to their** [**region's independence from Spain**](http://www.dw.com/en/an-unknown-disaster-looms-in-catalonias-independence-crisis/a-40866027)took to the streets in Barcelona on Sunday. **Police estimated 350,000 people took part** while organizers put the number of participants at nearly one million. Thousands of people gathered on the city's Urquinaona square, waving Spanish, Catalan and EU flags while singing "Viva Espana." The "Enough! Let's go back to reason" event was organized by the Catalan Civil Society (SCC), which called on Catalans to make "our voices heard" as the "silenced majority." Nobel literature laureate Mario Vargas Llosa and former European Parliament President Josep Borell — a well-known Catalan socialist — addressed the protesters at the end of the rally. "Besides Catalans, there are thousands of men and women from all corners of Spain who have come to tell her Catalan companions that they are not alone," said Llosa, a native Peruvian who received Spanish citizenship in 1993. Borrell added that "Catalonia is not a state like Kosovo, where rights were systematically violated." Spain has been plunged into political crisis since Catalan leaders went forward with an independence referendum on October 1, despite the country's constitutional court outlawing the vote. **The Catalan government on Friday said approximately 90 percent of those who voted opted for independence, although turnout was only 43 percent**. Local media reported that **many of those against independence boycotted the vote**. However, Sunday's demonstrations marked a departure from earlier rallies for independence. "We've stayed silent too long," Aleix, an anti-secession protester, told DW. Some protesters even demanded that Catalonia's separatist leader Carles Puigdemont be imprisoned for holding the October 1 independence vote in defiance of Madrid.

### AT: Uncertainty Now—No Economic Damages

#### Investment high now because independence has no credibility. Robinson 17:

Belinda Robinson, Express.co.uk, xx-xx-xxxx [Catalonia independence referendum 'will cause economic COLLAPSE', https://www.express.co.uk/news/world/853887/Spain-Catalonia-independence-Josep-Bou-the-president-of-Entrepreneurs-of-Catalonia, 1-3-2018]//DW

Josep Bou, the president of ‘Entrepreneurs of Catalonia’ warns that the secessionist process has meant that Catalan companies have stopped earning 1 billion euros. He warns that **if Catalonia achieves independence** the region would undergo an exodus of business personnel. And **GDP would fall between 16 and 20 percent** while unemployment would soar to 42 percent.Mr Bou said: “We know perfectly well that this would become an exodus, Catalonia would go into an economic collapse.” He added that **foreign investment "is working well" because the independence process has "no credibility"** abroad. However, he pointed out that **foreign investment is half in Catalonia compared to the investment in Madrid**. Authorities in Catalonia pledge that they will hold a binding referendum on October 1 on whether the powerful region in Spain's northeast should break away from the rest of the country.

#### Even if the economy is on a decline now, that just pushes us closer to the brink; however, when Catalonia leaves it will leave the EU and be denied any foreign market access due to having such a low-grade rating which causes collapse.

### AT: Businesses Leave Non-unique

#### You misunderstand the thesis of the negative case. Sure, some businesses may have left already; however, many more firms are uncertain right now but have stated if Catalonia does declare independence or leave they would leave.

### AT: Catalonia Join EU

#### EU membership requires all countries in the EU to approve; however, Spain would disapprove.

#### EU President, himself, has said that they will only do business with Spain. Kostaki 17:

New Europe Online, New Europe, 10-27-2017 [Tusk on Catalan independence: ‘For EU nothing changes. Spain remains our only interlocutor’, https://www.neweurope.eu/article/tusk-catalan-independence-eu-nothing-changes-spain-remains-interlocutor/, 1-5-2018]//DW

Brussels react after the Catalan parliament’s declaration of independence, with the European Council president Donald Tusk suggesting that nothing has changed for the EU. **The EU will only deal with the central government in Madrid, the president of the European Council Donald Tusk said** on Friday, almost immediately after the Catalan parliament declared independence from Spain in defiance of the Madrid government. “**For EU nothing changes. Spain remains our only interlocutor**,” president Tusk tweeted, urging the Spanish central government to favor “force of argument, not argument of force.” Spanish prime minister Mariano Rajoy’s government was at the same time preparing to impose direct rule over the region. With thousands of pro-independence activists gathered outside, the regional parliament in Barcelona passed a resolution to “declare Catalonia an independent state in the form of a republic”.

#### Other countries would still say no—want to deter border groups from seeking independence. Valero 17:

Alfonso Valero, Conversation, 10-4-2017 [Why the EU is right to back Spain against Catalan separatism, https://theconversation.com/why-the-eu-is-right-to-back-spain-against-catalan-separatism-85041, 1-5-2018]//DW

The [position](http://www.huffingtonpost.co.uk/johnny-luk/second-referendum_b_11031018.html) of the EU and the European leaders on Catalonian independence has been one of self-preservation. **Separatism exists in France, Italy, Germany, Belgium and the UK – none of which want to encourage divisions at home by supporting the Catalonian separatist cause.** According to this hypothesis, **if the EU encouraged Catalonia to separate from Spain, whether because it was guaranteed EU membership or because the EU leaders intervened in favour of the separatist goals,**[**Spain could reciprocate**](https://www.theguardian.com/politics/2017/apr/02/spain-drops-plan-to-impose-veto-if-scotland-tries-to-join-eu)**if separatism flared up elsewhere** in the EU.

### AT: Split Amicable

#### Split may be amicable, but businesses still leave due to uncertainty of the region. Whenever there’s uncertainty, foreign investment declines and businesses will move out. This is also compounded by the fact that there will be an interim period between Catalonia leaving and rejoining the EU in which businesses are locked out of the market which gives them a greater incentive to leave Catalonia.

#### This doesn’t respond to the border effect argument. The thesis of our argument is that countries prefer trading and buying goods domestically which still triggers a 9% loss in GDP.

#### The EU argument still applies because it requires unanimous approval from all countries to join. The Valero evidence indicates that at least 4 countries will say no.

### AT: Switzerland Example

#### Switzerland signed individual agreements with all countries—Catalonia will be hated so they still lose access to major markets. Partal 14:

Partal, Maresma I Associats, VilaWeb.cat, xx-xx-xxxx [Is EFTA an alternative for Catalonia?, https://www.vilaweb.cat/noticia/4173956/20140218/is-efta-an-alternative-for-catalonia.html, 1-11-2018]//DW

**Three of the four countries that make up EFTA are part of the** European Economic Area (**EEA**) and therefore form part of the internal or common market, just like any other member state of the Union. **The fourth, Switzerland**, preferred not to be a part of the EEA and instead to **sign individual agreements with the EU** as necessary.

### AT: EU said they would accept Catalonia

#### A] this is just the EU’s lame attempt at “having a stake in the conflict”

#### B] one man doesn’t speak on behalf of all 28 member states in the EU

### AT: I-Law mandates that Catalonia is in the EU

#### A] Nobody even listens to I-Law – almost every country has broken it and there are no repercussions – countries break it to serve their best interests so if we prove that it’s in any country’s interest to keep Catalonia out of the EU, we win this argument.

### AT: EFTA

#### **Catalonia needs to join the EEA to trade with the rest of the EU without signing new agreements**

Partal, Maresma I Associats of VilaWeb.cat, 2-18-2014 [Is EFTA an alternative for Catalonia?, https://www.vilaweb.cat/noticia/4173956/20140218/is-efta-an-alternative-for-catalonia.html, 1-11-2018]//CD

Three of the four countries that make up EFTA are part of the European Economic Area (EEA) and therefore form part of the internal or common market, just like any other member state of the Union. The fourth, Switzerland, preferred not to be a part of the EEA and instead to sign individual agreements with the EU as necessary.

#### **No Funding – Catalonia won’t get what they need**

Partal, Maresma I Associats of VilaWeb.cat, 2-18-2014 [Is EFTA an alternative for Catalonia?, https://www.vilaweb.cat/noticia/4173956/20140218/is-efta-an-alternative-for-catalonia.html, 1-11-2018]//CD

The EFTA countries benefit from the four freedoms of the European Union as if they were full members: the liberties of free movement of persons, goods, services, and capital. Therefore, these countries function as if they were part of the EU because they benefit from all its advantages. On the other hand, they have to adopt most of the EU's laws, although there is a small percentage that they don't have to adopt. From the point of view of the EU budget, the EFTA countries do not receive EU funds, but they also don't have to contribute like EU countries do. EFTA, as such, does contribute to financing the common market.

#### EFTA is worse than the European Union.

Economist, 04-12-2017, ["The EFTA countries show how hard Brexit will be for Britain", https://www.economist.com/news/finance-and-economics/21720626-striking-trade-deals-quickly-bonus-what-really-matters-quality, 1-8-2018] JED

Similarly, once outside the EU customs union, Britain may be able to reach faster deals. Donald Trump says he wants a trade agreement with Britain “very quickly”. However, EFTA’s experience offers cautionary lessons. Striking a trade deal quickly is a bonus; but what really matters is how good a deal it is. The parliament paper also notes that **EFTA’s agreements have been “shallow” compared with the EU’s**. Analysis of the Design of Trade Agreements Database, a project led by the World Trade Institute in Bern, backs up this claim. EFTA is not a big market: its partners are happy to make deals, but they are loth to spend too much time on the finer details. Nor will they make large concessions. The relatively low quality of the deals helps explain why **EFTA’s free-trade agreements still account for only about a tenth of its members’ trade**. Britain is a much bigger market than EFTA. But it will still be in a far weaker negotiating position outside the EU than as part of the single market. Moreover, EFTA also shows that, besides offering uncertain benefits, an independent trade policy brings large costs. Being outside the EU customs union is an irritant for many firms. **Goods moving from EFTA to an EU member undergo “rules of origin” checks, to ensure that the exporter is not avoiding EU tariffs.** Karen Helene Ulltveit-Moe of Oslo University says that to avoid cumbersome checks many Norwegian firms simply relocate to Sweden. The idea of going it alone in international trade negotiations may be more appealing than the reality.

#### Joining EFTA doesn’t guarantee access to internal access—as long as one member vetoes it’s over. Maqueda 17:

Antonio Maqueda, Luis Doncel, EL PAÍS, 10-24-2017, ["Errors, falsehoods and half-truths about the economy of an independent Catalonia", https://elpais.com/elpais/2017/10/24/inenglish/1508829623\_178407.html, 1-8-2018] JED \*Brackets in original text\*

The EFTA is a free trade association that includes Iceland, Liechtenstein, Norway and Switzerland, and through which the first three are part of the EEA. But **the EFTA spokesman has noted that in order to join the [internal market]** EEA, **it is necessary to have a unanimous vote by all 28 EU members. So Spain or any other EU member could veto Catalan membership**, as per Article 128 of the agreement. An independent Catalonia could join EFTA if its members agreed, but could only trade freely with Iceland, Liechtenstein, Norway and Switzerland.

**This means that Catalonia still loses 65% of its trade ties since they lose access to the entirety of the EU minus a few small countries.**

### AT: Catalonia can just borrow money from the EU

#### A] Our ev clearly states that their credit rating is way too low to borrow any money from international bodies which is why right now, to get these loans, they are using Spain as a middle man but if they secede they will lose this inflow of money.

### AT: EU=No Border Effect

#### Canada proves your argument false—we have NAFTA between the US and NAFTA but they still trade much more internally. Anderson 03:

One of the most celebrated inferences from the gravity literature is John McCallum’s (1995) finding that **the U.S.–Canadian border led to 1988 trade between Canadian provinces that is a factor 22** (2,200 percent) **times trade between U.S. states and Canadian province**s. Maurice Obstfeld and Kenneth Rogoff (2001) pose it as one of their six puzzles of open economy macroeconomics. John F. Helliwell and McCallum (1995) document its violation of economists’ prior beliefs. Gene Grossman (1998) says it is an unexpected result, even more surprising than Daniel Trefler’s (1995) “mystery of the missing trade.” A rapidly growing literature is aimed at measuring and understanding trade border effects.3 So far none of the subsequent research has explained McCallum’s finding. We solve the border puzzle in this paper by applying the theory of the gravity equation seriously both to estimation and to the general-equilibrium comparative statics of borders.

#### Even with free-trade agreements, countries still prefer buying goods within their own country as compared to outsourcing.

### AT: Kosovo Example

#### A] Kosovo is on the brink of being a failed state. Hehir 16

Aidan Hehir of National Interest, 8-31-2016 [How the West Built a Failed State in Kosovo, http://nationalinterest.org/feature/how-the-west-built-failed-state-kosovo-17539?page=show, 1-14-2018]//CD

Between October 2014 and March 2015, up to seventy thousand Kosovars—including the prime minister’s own brother—applied for asylum in the EU. The vast majority of cases were rejected, as the cause of the exodus was a desire to escape rampant unemployment rather than persecution. Unemployment amongst fifteen-to-twenty-four-year-olds in Kosovo is a staggering 60.2 percent, a global low according to the World Bank. Average unemployment in the EU is 10.1 percent, yet in Kosovo overall unemployment stands at 35.1 percent, worse than in Yemen and Palestine. Prospects of economic growth are not helped by the fact that foreign direct investment in Kosovo is declining; without the €600 million annually sent back to Kosovo by its overseas diaspora—a figure that represents half of the country's gross domestic product—the situation would be considerably worse. On top of its economic woes, over the past two years a succession of controversies has contrived to plunge Kosovo into crisis. Following the 2014 general election, the two largest parties formed a grand coalition; while one might expect this to have provided a degree of stability, the opposite has occurred. The government has used its large majority in the parliament to push through a series of deeply unpopular measures, such as the agreement with Serbia on an association of Serbian Municipalities in Kosovo and a new border demarcation agreement with Montenegro. Powerless to effect change through parliamentary means, the opposition has taken to routinely letting off tear gas in the chamber. Street protests have regularly descended into riots. Unsurprisingly, the public mood in Kosovo has suffered. The latest UNDP-Kosovo survey noted that only 7 percent of Kosovars were “satisfied” or “very satisfied” with Kosovo’s current political direction, while 70 percent were “dissatisfied.” Public satisfaction with each of Kosovo’s key executive, legislative and judicial institutions is today lower than before independence was declared in 2008.

#### B] Kosovo didn’t rely on the EU for 60% of its trade before it seceded like Catalonia does – the two aren’t comparable

### AT: Compromise will rollback

#### A] given the overwhelming support for the new compromise deal, it probably won’t be rolled back

#### B] The Spanish government doesn’t want to deal with another secession movement like this in the future so they won’t roll back autonomy.

### AT: People Don’t Want Compromise

#### Polls prove your argument false—the referendum/most polls were binary. Guntermann 17:

Eric Guntermann, Washington Post, xx-xx-2017 [Analysis, https://www.washingtonpost.com/news/monkey-cage/wp/2017/10/11/the-myth-of-massive-support-for-independence-in-catalonia/?utm\_term=.42d124264073, 12-7-2017]//RS

Before 2010, it was rare for more than 20 percent of Catalans to support independence. After 2010, support increased for two reasons. First, the Great Recession struck, leading to widespread unemployment. Second, the Constitutional Court struck down an overhaul of Catalonia’s statute of autonomy — the equivalent of its constitution — at the request of Spain’s conservative People’s Party. In 2013, support for independence peaked at 49 percent. But since then, support for independence has declined, falling below 40 percent last fall. In fact, **in the most recent survey, 76 percent of Catalans actually identified with Spain**. In [another survey](http://www.cis.es/cis/export/sites/default/-Archivos/Marginales/3180_3199/3183/es3183mar.pdf), **56 percent of Catalans stated that they would never vote for the Catalan president’s party.** Support for Catalan secession is, thus, far from overwhelming.