### NC

#### Ben and I Negate.

#### Our Sole Contention is Promoting Isolation

Kester of Foreign Policy writes on October 9th that if Catalonia were to break off from Spain, it would have to gain unanimous support to re-enter multilateral organizations that Spain is a part of. Unfortunately, Jon Henly of the Guardian writes on October 9th that in order for Catalonia to join the EU, every single member state would have to agree to it.

However, an independent Catalonia would not be able to garner unanimous support to join the EU for four reasons:

**First, because of Spain.**

If Catalonia were to be given independence, Reuters reports on September 14th that Spain could easily block their membership into the EU if they desired to. There’s good reason to assume this would happen, as Henly furthers that in 2014, Spain threatened to veto a potential Scottish membership bid in order to deter Catalonia from seeking their independence.

**Second, because the EU will back Spain.**

Up until October 1st, Valero reports that the EU has referred to the Catalonia crisis as “a Spanish affair.” However, since then, US News reports on October 4th that the EU should back Spain and discourage Catalonian EU membership because it would perpetuate the harms of nationalism that have ravaged Europe for centuries. This leads Robin Emmott of Reuters to write that the official EU approach is that Spanish democracy works.

**Third, because other EU members need to deter their own border crises.**

Rebecca Pinnington writes for Express on October 11th that other member nations such as Belgium and Denmark will not allow Catalonia to join the EU because it would set a dangerous precedence for independence on their border regions as well. To deter their own situations from escalating, plenty of EU member states would be unlikely to vote in favor of Catalonian membership.

**Fourth, because Catalonia can’t meet the EU’s economic standards.**

The EU has strict financial requirements for their members, including a limit on a country’s national debt. Of these includes the soundness and stability of public finances, which prevents member nations from having a national deficit of over 3% Unfortunately, the Catalan news network El Nacional reports in September that Catalonia’s deficit is over 9.8 billion euros, totaling over 5% of the region’s GDP. What’s scarier is the fact that the 2014 deficit had only grown since 2012 and 2013. Since Catalonia would not have this debt resolved in the event of independence, they would be an economically infeasible candidate to be a member of the EU.

For all four of these reasons, Sen of the Atlantic Council writes on October 2nd that Catalonia would lose its membership in the European Union if it were to gain its independence.

Unfortunately, not gaining membership to the EU would impact Catalonia’s economy negatively in two unique ways:

**First, through cutting off trade.**

BBC News reports on October 10th that if Catalonia were to become their own independent nation, their relationship with the European union would be uncertain at best. Unfortunately, Will Martin of Business Insider writes on October 2nd that the EU has accounted for 65% of exports over the last three years. Indeed, Campos of VOX concludes that EU membership contributes an extra 16% to a member country’s Gross Domestic Products, which would be harmed in the event of secession.

**Second, through the need to develop a new currency.**

Although Catalonia could apply to use the euro in the event of independence, BBC News writes on October 10th that they probably would not be able to garner the support from member nations. As a result, they would be forced to develop their own currency, which would likely be a cryptocurrency. The reason for this is explained by Thellman who writes that a cryptocurrency would serve as a tool of freedom as its power is placed in the hands of citizens. This is already happening, as Novikova reports that the Catalonian government is preparing to implement a cryptocurrency in the status quo. This is bad, as Micheal Fox furthers on November 1st that the government would have no control of these currencies, allowing for little improvement in the economic crisis, and the Financial Times writes that due to the volatility of the currency, neighbors business cycles would be disrupted and economies would be harder to stabilize.

Thus we negate, thank you.

### Cards

#### Kester 17

[John Kester, 10-9-2017. "France Won’t Recognize an Independent Catalonia." Foreign Policy. http://foreignpolicy.com/2017/10/09/france-wont-recognize-an-independent-catalonia/] //BH

Carles Puigdemont, the president of the wealthy northeastern Spanish region, may [declare independence](http://www.cnn.com/2017/10/09/europe/catalonia-spain-independence-politics/index.html) Tuesday when the Catalan Parliament next meets. That threat comes after Spanish government forces cracked down on what they viewed as an illegal independence referendum held Oct. 1. EU officials have long hinted sotto voce that the laws of the land are those of member states — meaning Spain’s constitution would prevail in the dispute. The country’s Constitutional Court declared Catalonia’s bid unconstitutional. But **France’s vocal rejection makes clear the perilous path that any independent Catalonia would have to tread. Just one “no” vote on recognition would prevent an independent Catalan membership in the EU and NATO.** France’s reaction is easy to understand, as the splintering of centuries-old states in Europe is rekindling France’s own separatist fires. Corsican and Breton nationalists have pushed to leave the third-largest economy in the EU. French President Emmanuel Macron’s coalition handily won the June legislative elections but took [no seats](https://www.ft.com/content/c219dcbc-8e3b-11e7-9580-c651950d3672?mhq5j=e7) in Corsica. Instead, the island chose three members of parliament from a Corsican secessionist alliance.

#### Henley 17

[Jon Henley, 10-9-2017. "An independent Catalonia: practicalities of leaving Spain." Guardian. https://www.theguardian.com/world/2017/oct/09/an-independent-catalonia-practicalities-of-leaving-spain] //BH

As with warnings of City firms fleeing a hard Brexit, industry is already alarmed: half a dozen Spanish companies, including major banks, are [moving their registered head offices](https://www.theguardian.com/world/2017/oct/05/catalonia-political-turmoil-prompting-firms-to-consider-relocating-banks-spain-eu-independence)to guarantee access to their domestic and wider EU markets. **Despite claims by pro-independence campaigners that the EU would not want to lose a wealthy region that would rank 15th or 16th in the bloc in terms of GDP, Brussels has made clear that the region will not automatically become a member. It would have to apply, and acceptance would require the agreement of every other EU member state – including**[**Spain**](https://www.theguardian.com/world/spain)**, which in 2014 threatened to veto an eventual Scottish accession bid precisely to discourage Catalan independence.** [Catalonia](https://www.theguardian.com/world/catalonia) has much of the paraphernalia of statehood: it has a flag, a parliament, its own police force and broadcast regulator, and it provides some of its own public services such as healthcare and education. But an independent Catalonia would need to establish its own central bank, inland revenue, air traffic control and defence force, all of which are currently run from Madrid – as are electricity and gas transportation and distribution.

#### Reuters 17

[Reuters Editorial, 9-14-2017. "Independent Catalonia would need to apply to join EU: Juncker." U.S.. https://www.reuters.com/article/us-spain-politics-eu/independent-catalonia-would-need-to-apply-to-join-eu-juncker-idUSKCN1BP210] //BH

Catalonia’s parliament has laid the ground for a referendum on independence from Madrid on Oct. 1, although Spain’s Constitutional Court has suspended the vote. Judges are now considering whether the legislation contravenes Spain’s constitution. “If there were to be a ‘yes’ vote in favor of Catalan independence, then we will respect that opinion. But Catalonia will not be able to be an EU member state on the day after such a vote,” Commission chief Jean-Claude Juncker said on YouTube and broadcast by Euronews. Echoing a stance made by his predecessor, Jose Manuel Barroso, Juncker said any newly independent state must follow the same EU membership procedures as all aspirants, citing Scotland and, in jest, his home country, Luxembourg. “If northern Luxembourg were to cede from the south, the same rules would apply,” Juncker said. **The EU’s accession negotiations are an arduous process that involve complying with all EU standards and rules and winning the consent of all EU governments. This means that Spain would be able to block Catalonia’s EU accession if it wished**. Croatia was the last country to join the EU, in 2013 after first applying for membership in 2003.

#### Pinnington 17

[Rebecca Pinnington, 10-11-2017. "Catalonia referendum SABOTAGE: Spain 'would VETO independent region joining the EU'." Express.co.uk. https://www.express.co.uk/news/world/865244/catalonia-catalan-independence-referendum-spain-veto-eu-membership] //BH

In any case, he said: “Even if Catalonia got Madrid to agree to a legal referendum on independence, voted in favour of leaving Spain and got Madrid to grant independence, it would still have to get the unanimous agreement of member-states to give it the status of a candidate for membership. “It would then have to show in negotiations with the Commission that it could meet all the requirements of an EU state, and get its membership ratified by the European Parliament and by all the other member-states – likely to be a lengthy process.” **Spain is not the only EU27 country that could veto Catalan accession to the block, either. Other member states with concerns about separatism, like Belgium, France, or Denmark, where there are independence movements in border regions, could also have an interest in making life difficult for a newly-independent state.** Mr Bond said: “I think Spain’s view would carry a lot of weight - if they had done a deal with Catalonia, others might hesitate to cause problems.” But **if Spain and Catalonia fail to come to an agreement, the newborn country will experience a lot of setbacks in its quest to be part of the EU**

#### Valero 17

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

**Until the events on October 1,** in which images of [police violently preventing](https://theconversation.com/spanish-government-crushes-catalan-independence-dreams-at-a-high-price-85014) people from voting in Catalonia’s referendum on independence were beamed around the world, **the European Union kept a very uniform position: this is a**[**Spanish affair**](https://euobserver.com/beyond-brussels/139021)**. After the confrontation of the Spanish police with demonstrators and voters, the European Commission**[**called**](http://europa.eu/rapid/press-release_STATEMENT-17-3626_en.htm)**for dialogue, while maintaining support for the Spanish government.** Some European leaders, such as [the Belgian prime minister](https://www.theguardian.com/world/2017/oct/01/catalan-referendum-eu-leaders-remain-muted-over-police-crackdown), went as far as outright condemnation of the violence. The European Union has heard its share of lobbying on behalf of Catalan separatists. Not only does the regional government have a [permanent office](http://exteriors.gencat.cat/ca/ambits-dactuacio/afers_exteriors/delegacions_govern/ue/) in Brussels, but Catalan nationalists have had representation at the European Parliament since 1989. Both in the build up to the first illegal referendum on Catalan independence in 2014 and the most recent one on October 1, the regional government [sought](http://www.politico.eu/article/catalans-independence-make-their-case-in-washington-spain-secession-raul-romeva-barcelona/) to internationalise the events.

#### US News 17

[US News &; World Report, 10-4-2017. "Why the EU Should Back Spain Against Catalonia." No Pub. https://www.usnews.com/news/best-countries/articles/2017-10-04/why-the-eu-should-back-spain-against-catalonia-independence] //BH

The law of the referendum foresaw that in the event of a majority in favor of independence, the Catalan government would unilaterally declare independence as the Republic of Catalonia. Following the referendum, the president of the Catalan government [concluded](https://www.bloomberg.com/news/articles/2017-10-01/rajoy-says-catalan-ballot-is-void-defending-police-crackdown) that there had been enough support for independence and therefore he would soon make that unilateral declaration. In the event of that declaration, the EU can only emphasize, again, that should Catalonia become a separate state, it would need to apply for EU membership. This is the same posture the EU adopted with regards to Scotland's independence referendum and it's logical since integration of a new member requires unanimity of the existing members. Spain, of course, could block it and it is to be expected that other EU countries would do too. **The EU should back Spain against separatists for two main reasons. First, because democracy means guaranteeing the rights of the citizens and enforcing the law. And second, because allowing disintegration of a country would only increase**[**nationalism**](https://www.usnews.com/news/best-countries/articles/2017-03-15/a-look-at-global-neo-nationalism-after-brexit-and-donald-trumps-election) **elsewhere, forgetting that Europe has historically been ravaged by nationalism.**

#### Emmott 17

[Alastair Macdonald and Robin Emmott, 9-21-2017. "Spooked by Catalonia, EU rallies behind Madrid, but warily." U.S.. https://www.reuters.com/article/us-spain-politics-catalonia-eu/spooked-by-catalonia-eu-rallies-behind-madrid-but-warily-idUSKCN1BW1OC] //BH

Few foreign leaders will speak out on a domestic dispute in which government and courts in Madrid say the Catalan regional authorities in Barcelona are defying a constitutional ban on secession by preparing an independence referendum for Oct. 1. **The official European Union line is that Spanish democracy works and Spaniards should settle their affairs according to national laws.** But the worsening standoff, with police arresting elected Catalan officials this week, is troubling officials and politicians abroad, who fear it may hurt Europe in various ways. German Chancellor Angela Merkel, through a spokesman, echoed that line when asked by Reuters if she had had recent contact on the matter with Rajoy, a fellow conservative. While stressing it was an “internal Spanish matter”, the spokesman also recalled that Merkel had in previous years told Rajoy that Berlin had “great interest in the maintenance of stability in Spain”.

#### EU 16

[Need to Save this as a PDF] [No Author, 10-10-2016. "Convergence criteria for joining." European Commission - European Commission. https://ec.europa.eu/info/business-economy-euro/euro-area/enlargement-euro-area/convergence-criteria-joining\_en] //BH

Agreed in Maastricht by the EU Member States in 1991 as part of the preparations for introduction of the euro, the convergence criteria are formally defined as a set of macroeconomic indicators which measure: Price stability, to show inflation is controlled; **Soundness and sustainability of public finances, through limits on government borrowing and national debt to avoid excessive deficit**; Exchange-rate stability, through participation in the Exchange Rate Mechanism (ERM II) for at least two years without strong deviations from the ERM II central rate; Long-term interest rates, to assess the durability of the convergence achieved by fulfilling the other criteria. The exchange-rate stability criterion is chosen to demonstrate that a Member State can manage its economy without recourse to excessive currency fluctuations, which mimics the conditions when the Member State joins the euro area and its control of monetary policy passes to the European Central Bank (ECB). It also provides an indication of the appropriate conversion rate that should be applied when the Member State qualifies and its currency is irrevocably fixed.

#### El Nacional 17

[No Author, 9-7-2017. "Spain admits fiscal deficit with Catalonia is 9.9 billion euros." El Nacional. http://www.elnacional.cat/en/news/fiscal-deficit-catalonia-2014\_189402\_102.html] //BH

**Spain's treasury has** today **published that Catalonia's fiscal deficit**, that is, the difference between the money it sends to Madrid and the money it receives back, **reached 9.892 billion euros in 2014. According to the calculations of the System of Territorialised Public Accounts, that 2014 total equals 5.02% of the gross domestic product (GDP)**, the amount of 2014 amounts to 5.02% of the gross domestic product (PIB). In other words, each Catalan gives 1,317 euros for nothing in return. Also net contributors to the statewide balance are the citizens of the autonomous communities of Madrid (per capita deficit of 2,979 euros), Valencia (374 euros) and the Balearic Islands (1.373 euros). The Treasury last year published the balances for 2013, which calculated Catalonia's fiscal deficit with the State at 8.8 billion euros, equivalent to 4.53% of GDP. As for 2012, the Treasury calculated the deficit as 7.666 billion euros, 3.87% of GDP. These figures show a large growth in the negative balance between the Catalan economy and Spain over the last two years.

#### Sen 17

[Ashish Kumar Sen, 10-2-2017. "EU Membership on the Line: Independence Would Prove Costly for Catalonia." Atlantic Council. http://www.atlanticcouncil.org/blogs/new-atlanticist/eu-membership-on-the-line-independence-would-prove-costly-for-catalonia] //BH

**Catalonia would lose membership of the European Union (EU) if it were to declare independence from Spain—a development that would have serious economic consequences for this affluent region, according to the Atlantic Council’s Fran Burwell.** “That means barriers will go up immediately; no free movement for people who have Catalan passports; no free movement of goods of services to and from Catalonia; their relationship with the euro will be suspect, like Kosovo which uses the euro with no legal power to do so; there would be no common agricultural policy money for Catalonia,” said Burwell, painting a dire scenario that, she believes, has not been given adequate consideration in the Catalan people’s headlong rush toward independence. Noting that she has never seen a poll that shows Catalans want to leave the EU, Burwell, a distinguished fellow at the Atlantic Council, added: “The fact that we did not have a debate about what this actually means is, I think, a bad thing. It’s just this dream of independence that’s out there without actually thinking what it would entail.”

#### BBC News 17

[BBC News, 10-10-2017. "Reality Check: Would Catalonia be a viable country?." BBC News. http://www.bbc.com/news/world-europe-41474674] //BH

The economic uncertainty created by the prospect of independence has already led to two banks deciding to move their head offices out of the region. At least part of that uncertainty is over Catalonia's relationship with Europe. **Two-thirds of Catalonia's foreign exports go to the EU.** It would need to reapply to become a member if it seceded from Spain - it wouldn't get in automatically or immediately. And it would require all EU members to agree - including Spain. Some in the pro-independence camp feel that Catalonia could settle for single-market membership without joining the EU. Catalans may well be happy to pay for access, and continue to accept free movement of EU citizens across the region's borders. But **if Spain chose to, it could make life difficult for an independent Catalonia.** There is also the question of currency. In 2015, the governor of the Bank of Spain warned Catalans independence would cause the region to drop out of the euro automatically, losing access to the European Central Bank. Normally, new EU member states must apply to join the euro. They have to meet [certain criteria](http://www.consilium.europa.eu/en/policies/joining-euro-area/convergence-criteria/), such as their debt not being too large a percentage of their gross domestic product (GDP).Even if they meet those criteria, a qualified majority of eurozone countries has to approve their entry. In theory, that means even if Catalonia became a new EU member state, it may well take time to rejoin the eurozone - and Spain and its allies could block that. In practice, we just don't know what would happen. **Nobody has ever declared independence from a member of the eurozone then asked to rejoin as a new country.** Could Catalonia use the euro without joining the eurozone? It does happen. Some countries such as San Marino and Vatican City do so with the eurozone's blessing, since they're too small to ever become EU member states. Others, such as Kosovo and Montenegro, use the euro without the EU's blessing, and so don't have access to the European Central Bank. **Again, whether either solution would be practical in Catalonia remains to be seen.**

#### Martin 17

[Will Martin, 10-2-2017. "A Catalan split from Spain could be even worse than Brexit." Business Insider. http://www.businessinsider.com/catalonia-split-spain-economic-impact-ing-2017-9] //BH

Declaring independence from Spain would automatically mean that Catalonia would have to leave the European Union, which would inevitably cause issues around its membership of the EU's single market. "Most foreign companies, as well as Catalan ones, fear falling out of the European single market," Minne wrote. "A consequence would be that investment could be delayed or redirected outside the region." **"Probably the most impacted companies are those exporting to the EU. The EU accounted for 65% of exports and 70% of foreign investment in Catalonia over the last three years,"** Minne continued, citing the chart below: Minne argued in conclusion that **"the economic cost for Catalonia could proportionally exceed that of Brexit for the UK**." "All in all, building up the Catalan Republic turns out to be an expensive project and the bulk of the costs that could be cut depend on the goodwill of European governments (the Spanish one included). "It remains difficult to evaluate the consequences of such an unprecedented event, but in the long run we can imagine that the economic cost for Catalonia could proportionally exceed that of Brexit for the UK."

#### Campos 14

[Nauro Campos, 4-1-2014. "How poorer nations benefit from EU membership." No Publication. http://voxeu.org/article/how-poorer-nations-benefit-eu-membership] //BH

This column presents new estimates of the economic (monetary) benefits from EU membership. **The main finding is that of substantial and positive pay-offs, with approximately 12% gain in per capita GDP. Despite substantial differences across countries, there are clear indications that the benefits of EU membership have significantly outweighed the costs** (except for Greece). An important question is to identify factors that allow countries to better exploit EU entry. Campos *et al.*(2014) began investigating this issue and their preliminary findings highlight the role of financial development (i.e., more financially developed countries growing significantly faster after EU membership) and, somewhat less surprisingly, trade openness.

#### BBC News 17 (2)

[BBC News, 10-10-2017. "Reality Check: Would Catalonia be a viable country?." . http://www.bbc.com/news/world-europe-41474674] //BH

Some in the pro-independence camp feel that Catalonia could settle for single-market membership without joining the EU. Catalans may well be happy to pay for access, and continue to accept free movement of EU citizens across the region's borders. But if Spain chose to, it could make life difficult for an independent Catalonia. There is also the question of currency. **In 2015, the governor of the Bank of Spain warned Catalans independence would cause the region to drop out of the euro automatically, losing access to the European Central Bank. Normally, new EU member states must apply to join the euro. They have to meet**[**certain criteria**](http://www.consilium.europa.eu/en/policies/joining-euro-area/convergence-criteria/)**, such as their debt not being too large a percentage of their gross domestic product (GDP). Even if they meet those criteria, a qualified majority of eurozone countries has to approve their entry.** In theory, that means even if Catalonia became a new EU member state, it may well take time to rejoin the eurozone - and Spain and its allies could block that. In practice, we just don't know what would happen. Nobody has ever declared independence from a member of the eurozone then asked to rejoin as a new country. Could Catalonia use the euro without joining the eurozone? It does happen. Some countries such as San Marino and Vatican City do so with the eurozone's blessing, since they're too small to ever become EU member states. Others, such as Kosovo and Montenegro, use the euro without the EU's blessing, and so don't have access to the European Central Bank.

#### Thellman 17

Pascal Thellman, 9/17/17, “How Bitcoin Could Free Catalonia From Spain’s Dictate”, Coin Telegraph, <https://cointelegraph.com/news/how-bitcoin-could-free-catalonia-from-spains-dictate> //BB

Satoshi Nakamoto created Bitcoin right after central banks tanked the world economy and induced a year-long economic depression. The purpose of cryptocurrency is to serve as a tool for freedom, which is exactly what Catalonia is looking for right now. In a decentralized financial system where every State/Autonomous community has full control over its finances through the use of cryptography and Blockchain, the central government wouldn’t be able to seize any funds. Catalonia‘s current situation is an interesting case study for how countries could adopt decentralized cryptocurrencies on a large scale. Countries like Venezuela have proven, on a smaller scale, that Bitcoin is a viable solution for politically unstable regions. Although the situation in Catalonia is of a slightly different nature, some similarities can definitely be found.

#### Novikova 17

[Olga Novikova, 12-11-2017. "Catalonia creates a national crypto currency." Freedman Club Crypto News. https://freedman.club/en/catalonia-creates-a-national-cryptocurrency/] //BH

**The authorities of Catalonia are planning to create a "cloud" economy. Despite the fact that the country has a complete crisis of all state institutions associated with attempts to secede from Spain, the Catalan government plans to start producing its own crypto currency.** An example for the "new" economy was the Estonian legal program for small and medium-sized enterprises. In the media, they say that Catalonia experts want to use the services of the creator Ethereum Vitalik Buterina. Buterin proposed to hold an ICO for the virtual resident platform. The authorities of Catalonia suggest that the emergence of a new virtual currency in the country will lead to the emergence of an absolutely independent community that will not be regulated by central banks. In the summer of this year, the heads of the programs of the Estonian online residence put forward a proposal to hold an ICO for the entire state. This would help owners of online resident status "make investments in the country." In response, the authorities of Estonia promise to give investors a new currency Estcoin, which will be free and transparent to pay for various services in Estonia.

#### Fox 17

[Michael Fox, 11-1-2017. "Will Catalonia Try to Create Its Own Currency?." Vladimir Ribakov. https://vladimirribakov.com/will-catalonia-try-create-currency/] //BH

People who want to see Catalonia stay Spain argue that the exit from the country would result in significant economic worries. This is from not only Catalonia being out of the Eurozone but also from the euro potentially losing its value. In addition, it might be difficult for Catalonia to stay operational as it would immediately lose access to the euro and other euro-related functions in the event of any serious problems. **There are also worries that the development of a new cryptocurrency might be an act of economic self-harm if it were to come about. Although many other digital currencies could be incorporated, all of these options have their own standards for operation. In addition, these are not currencies that the Catalonia government would have control over.** This might make it harder for any economic situation to improve in Catalonia. This development makes for a significant point to look into as Catalonia tries to get out of Spain. The potential for a new cryptocurrency to come out of this could be intriguing to investors. People looking into the situation are anticipating significant changes with the euro in the event that Catalonia does actually become an independent nation.

#### Financial Times 17

Financial times, 6/7/17, “The consequences of allowing a cryptocurrency takeover, or trying to head one off”, <https://ftalphaville.ft.com/2017/06/07/2189849/guest-post-the-consequences-of-allowing-a-cryptocurrency-takeover-or-trying-to-head-one-off/> //BB

Cryptocurrencies are borderless. That is, their usefulness derives from a set of agreements struck by participants who aren’t confined to any one state. This might be good insofar as it could facilitate greater trade and capital flows, but from a monetary policy perspective, the Bitcoin ‘area’ is not likely to be an ‘optimal’ currency area. Without a state directing fiscal transfers to make up for the inability to adjust exchange rates within the area, the result is going to be a monetary policy consistently too tight and too loose for different groups at different times, as the euro area has spent the last 16 years figuring out. Further, a partial adjustment by one set of users in the world will have spillovers to everyone else. The more amplified boom and bust that a gold-standard like cryptomonetary policy would imply for its users would disturb the business cycles of its neighbours. Central banks and fiscal authorities controlling the non-Bitcoin areas would have to work their levers harder to stabilize their economies. In principle, you could imagine Bitcoin or other currencies changing the protocols so that monetary policy improved, but it seems vanishingly unlikely. You’d need an agreement somehow that the verification rewards for miners depended on the state of the economy in the same way that central bank interest rates are flexible according to conditions. And this could not be hard-coded, any more than central banks could hard-code interest rate policy.