

**We negate resolved: Spain should grant Catalonia its independence.**

## **Our Seoul Contention is Harming the EU Economy**

**Granting independence to Catalonia is a bad move for finance. It will create three major disturbances that could land debilitating blows to the European economy.**

**First, a succession crisis.**

**European member states are right to be concerned.**

**Catalonia secession from Spain could energize other wealthy regions to push for their own independence. Johnson at the Atlantic explains in 2017:**

**Johnson 17** Steven Johnson, 10-28-2017, "When Rich Places Want to Secede," Atlantic, <https://www.theatlantic.com/business/archive/2017/10/catalonia-secede-rich-region/544244/> //DF

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. [They include] 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.

**Catalonia's success in seceding could catalyze a chain reaction**

**Barber 17** Tony Barber, 10-6-2017, "The Catalan crisis poses a threat to the European order," Financial Times, <https://www.ft.com/content/b31c20f8-a9bb-11e7-ab55-27219df83c97> //DF

In Madrid's Prado museum hangs a painting, Goya's "Duel with Cudgels", which depicts two men battering each other with clubs. Each is knee-deep in mud or sand, and neither is certain of prevailing. It is a compelling image for the struggle between Spain's central authorities and Catalonia's separatists, a contest that erupted this week into the most serious threat to Spain's unity since a shortlived Catalan thrust for independence in 1934. Spain's European allies are filled with unease at the potential breakdown of constitutional order and civic peace in Catalonia. Since its admission into the EU in 1986, 11 years after the dictator Franco's death, Spain has been a pillar of European unity. Philippe

Lamberts, a Belgian politician who co-leads the Greens group in the European Parliament, warns that events in Catalonia “threaten the spirit of European integration, even more than Brexit” — the UK’s withdrawal from the EU. The Catalan crisis is of enormous concern to European governments on multiple levels. The Catalan secessionists’ decision to hold a referendum on independence on October 1, in direct contravention of Spain’s 1978 constitution, was, in EU eyes, an affront to the bedrock principle that Europe is a community of law-based states. Conversely, the Spanish government’s heavy-handed use of force to disrupt the vote shook the EU’s pride in itself as a family of democracies, dedicated to the protection of human and civil rights. Not to be underestimated are European fears of the geopolitical implications of the unrest in Catalonia. Spain is one of Europe’s oldest states, unified in the late 15th century, some four centuries before Germany and Italy. Despite frequent changes to Europe’s political geography, not least after the two world wars and again after the demise of communism in 1989-91, Spain has stayed intact. Esteban González Pons, who leads the European Parliament delegation of Spain’s ruling centre-right Popular party, says: “If today you let Spain break up with Catalonia, a domino effect will follow across the continent. Instead of a Europe of 27, we will have a non-Europe of mini-states.” Mr González speaks as an interested party, insofar as his government is unalterably opposed to a Catalan declaration of independence — a step that Carles Puigdemont, the region’s president, suggested on Wednesday was only days away. Yet even if Spanish conservatives exaggerate the danger that Europe’s state system will collapse, no EU government is under illusions about what may ultimately be at stake as a result of the Catalan secessionists’ assault on Spain’s territorial integrity. Just as the eurozone’s sovereign debt and bank crises came close to unravelling decades of European construction, so the Catalan nationalists’ push for independence — which is not backed by at least half the region’s population — risks opening a Pandora’s box of problems. At a minimum, other European separatist and autonomist movements may take heart from the insurrectionary mood in parts of Catalonia. They may also draw lessons about how to lure a central government into ill-advised police measures that look bad in the eyes of world public opinion. In extremis, EU governments and mainstream political parties fear that, should Catalan independence ever happen, controversies about national borders, self-determination and minority rights that were once the cause of many a European war will come to haunt the continent again. In recent years, support for outright secession has waned in Belgium’s Flanders and Spain’s Basque Country. But nationalism on the French island of Corsica has scored notable election victories since 2015. In northern Italy, ethnic German regionalist feelings run high in Alto Adige, a province which formed part of the Habsburg empire until 100 years ago and which is known to its German-speaking majority as South Tyrol.

**Perpetuated Independence movements are harmful because they cause uncertainty. For example,**

**Petroff of CNN writes this October that:** Alanna Petroff and Charles Riley, 17, 10-9-2017, Spain split? These companies are leaving Catalonia, CNNMoney, <http://money.cnn.com/2017/10/09/investing/spain-catalonia-banks-companies-independence/index.html>, 12-15-2017, (NK) Catalan President Carles Puigdemont is due to address the regional parliament later Tuesday. He’s under growing pressure to stop short of declaring a unilateral split from Spain. Some 90% of Catalans who voted in a disputed referendum on Oct.1 backed independence. But the turnout was 43%, and many other residents want the region to remain a part of Spain. Related: Spain's future on the line **Some executives aren't waiting to see what happens next, and have protectively moved their headquarters out of Catalonia.** Here's a list of some of the biggest firms on the move: 1) CaixaBank: Spain's third largest lender by market value, CaixaBank, said Friday it would move its registered office from Barcelona to Valencia. It said its priority was to protect "clients, shareholders and employees" given the current political and social situation. [...]Oryzon Genomics: The biotech firm said last week that it was moving from Barcelona to Madrid to "optimize its operational effectiveness and the relationship with its investors." Related: More companies quit Catalonia as break from Spain looms **The trickle of companies on the move could turn into a flood if uncertainty increases further.** Spain's national government made it easier for firms to relocate on Friday, passing a law that removes some of the red tape required to shift a company's legal home.

## **Aggressive independence movements in the wealthiest regions in Europe create uncertainty that harms European economies. Darsch at the INC writes in 2017:**

**Darsch 17** Dave Darsch, 10-27-2017, "4 Ways Uncertainty Impacts Business," Inc,

<https://www.inc.com/this-way-up/4-ways-uncertainty-will-impact-business-in-catalonia.html> //DF

1. Spending risks There are many variables and different forces at play to accurately predict how Catalonia will handle these large-scale changes. The human reaction to change is discomfort - and discomfort creates fear. **Uncertainty is always bad news for business spending**, at least temporarily. **In this limbo stage, with no idea what is in store, Catalan businesses may cut down on spending, begin precautionary saving and be less willing to take risks, with a negative impact on the business environment**. Polls show that 62% of Catalonia residents are worried about the future, while 32% are excited. To find a way through the discomfort of change, Catalonia will need strong leaders in companies, ready to listen, learn and negotiate clear strategies to create the "positive mood" in which business thrives.

## **Second, a Spanish debt crisis.**

## **Spain's economy is on the way up. Goodman at the New York Times writes in 2017:**

**Goodman 17** Peter S. Goodman, 7-28-2017, "Spain's Long Economic Nightmare Is Finally Over," New York Times,

<https://www.nytimes.com/2017/07/28/business/spain-europe-economy-recovery-unemployment.html> //DF

The bustling activity at the SEAT auto factory in this industrial town just west of Barcelona attests to the new reality coloring life in Spain. **The economy is growing again**, expanding at around 3 percent pace over the last year, **producing goods for export, generating jobs and restoring a sense of normalcy to a nation that has been saturated in despair**. This is good news not merely for Spain, but for Europe and the rest of the global economy. **For most of the last decade, Spain has suffered** as an extreme example of the economic carnage that has assailed the 19 nations sharing the common European currency. **Its astonishing levels of unemployment**, which peaked at 26 percent, **stood as a prominent marker of the desperation inflicted by the implosion of its real estate investment bubble, combined with the global financial crisis. Now, Spain's economy has returned to its pre-crisis size**, according to data released by the government on Friday. This seemingly puts the finish to one of the worst economic catastrophes to play out in Europe in the years since World War II. It suggests that the continent, still grappling with formidable, even existential challenges, has finally achieved recovery.

## **However, Goodman furthers:**

**Goodman 17** Peter S. Goodman, 7-28-2017, "Spain's Long Economic Nightmare Is Finally Over," New York Times,

<https://www.nytimes.com/2017/07/28/business/spain-europe-economy-recovery-unemployment.html> //DF

Then the Barcelona subway extension started back up. One of the companies building stations offered him a job at €1,500 a month. "I gave a hug to my wife," he said. A complete revival is still a ways off. **The Spanish government carries enormous debt, reaching 100 percent of the economy's annual output, the leftover cost of paying out unemployment benefits during the crisis while also bailing out crippled banks**. Government investment in infrastructure remains weak. **The spoils of even a tenuous recovery remain the subject of bitter acrimony**. The port workers recently went on strike,

seeking to secure a three-year job guarantee after absorbing a major setback in the new contract, assenting to wage cuts and allowing employers to hire outside their ranks. For those who operate existing subway lines, the strain of lower wages remains, prompting a series of labor actions that have disrupted service this summer.

## **And Catalonia is critical to Spanish debt repayment. Duarte at Bloomberg writes in 2017:**

**Duarte 17** Esteban Duarte, 10-20-2017, "Catalans Seek to Use Spain Debt as Leverage in Secession Tussle," Bloomberg,

<https://www.bloomberg.com/news/articles/2017-10-20/catalans-seek-to-use-spain-debt-as-leverage-in-secession-tussle> //DF

"We will be guarantors of social services as long as we have the ability to collect taxes," said Junqueras. He said the central government doesn't have the means to provide the services that citizens are entitled to. **Spain's biggest regional economy provides about 20 percent of the country's output, so the central government needs the Catalan contribution to service the national debt**, which roughly matches the size of its 1.1 trillion-euro economy. Under Spanish law, the central government collects most taxes and then distributes funds to regional administrations. Catalonia's prior efforts to take advantage of Spain's public debt burden haven't worked out. It's pressure campaign was undermined as the Spanish economy has been growing strongly for years and the country has been benefiting from the ultra-low interest rates created by the European Central Bank's unprecedented stimulus policies since 2012. The Catalan administration already is in charge of basic services such as health, education, police and jails. It wants Spain to surrender all tax collection in an agreement to grant it independence. In return, Catalonia would guarantee that public services would continue, Junqueras said, and would assume a share of the Spanish national debt.

## **Catalonia secession would deprive Spain of a major source of revenue needed to pay off its debts. Campanella at Foreign Affairs magazine explains in 2017:**

**Reuters 10/10/17** Reuters Editorial, 10-10-2017, "Spain's creditors size up cost of Catalan independence bid," U.S.,

<https://www.reuters.com/article/us-spain-politics-catalonia-bonds/spains-creditors-size-up-cost-of-catalan-independence-bid-idUSKBN1CF1P7> //DF

This is the scenario - considered unlikely by many analysts -- that could prove most damaging to Spain's overall financial position, its economy and government borrowing costs. Secession would be also expected to harm Catalonia's economy, while uncertainty is likely to push up bond yields in both a newly-independent state as well as for Spain. According to ABN AMRO, **Catalan independence could raise Spain's government-debt ratio to as high as 115 percent of GDP from current levels around 99 percent** - leapfrogging Cyprus and Belgium to have the fourth largest debt load in the euro area. However, Catalonia has said it would take responsibility for its share of central government debt, reducing the burden on Spain. But **the real problem would be how Spain would balance its books without Catalonia's contribution**. At roughly 4.5 percent of GDP in 2016, Spain already has the highest budget deficit in the euro zone. Fathom Consulting said **if Catalonia leaves, the economic shock could see the budget deficit run to nearly 7 percent** in a couple of years - **back to levels seen in the wake of the eurozone debt crisis**. ABN AMRO forecasts a deficit of 5.5-6 percent.

**Campanella 16** Edoardo Campanella, 12-14-2016, "Europe, Fracturing From Within," Foreign Affairs, <https://www.foreignaffairs.com/articles/europe/2017-01-17/europe-fracturing-within> //DF

Similar dynamics are at play in Belgium, too. The more a region benefits from being part of a large open economy, the more it supports it, and vice versa. Last October, for example, the poorer Belgian region of Wallonia [9] blackmailed Brussels by voting against the free trade agreement with Canada and by temporarily blocking its ratification. Although the economic rationale for secession looks strong, **the political consequences could be devastating for Europe. The breakup of a [Catalonia] nation would imply endless**

**negotiations to split** assets and liabilities (such as **the public debt**), **the emergence of tensions between the central government and other regions, and the loss of global influence**, which is a function, at least to some extent, of the size of an economy. At the same time, although small jurisdictions tend to be more supportive of continental-wide policies than large nations, the proliferation of sovereign entities would create enormous coordination costs for the European Union. And **financial investors, no matter how well the process is managed, would panic and fly away**. That is why **Europe should avoid creating dangerous precedents**—but it should do so in an enlightened way. It might seem, then, that the best deterrent for irredentism would be threatening to deprive a secessionist region of its membership to the European bloc. That is probably why Spanish Prime Minister Mariano Rajoy continues to warn Catalonia that its access to the single market as an independent entity would not be guaranteed. The same goes for Scotland. And no European leaders want to open the Pandora's box and trigger an avalanche of secessionist movements in a continent containing 250 regions [10] with clear cultural, ethnic, or historical identities. But should Scotland or Catalonia successfully gain independence, Brussels would hardly be able to ignore their requests for membership, as doing so would isolate millions of people from the rest of the continent. Not surprisingly, Jean-Claude Juncker [11], president of the European Commission, imprudently stated that Scotland deserves a "hearing" in the aftermath of the Brexit vote.

## **Jeopardizing Spain's ability to pay off its debts would send major shockwaves through the European economy. Arends at Market Watch explains in 2017:**

**Arends 17** Brett Arends, 10-25-2017, "Why Spain's crisis in Catalonia threatens your European investments," MarketWatch,

<https://www.marketwatch.com/story/why-spains-crisis-in-catalonia-threatens-your-european-investments-2017-10-25> //DF

The results are what you'd expect. I've spent the last few days in Barcelona, talking to people of all ages and backgrounds and opinions. Most are still moderates. But they are being squeezed — and hard. Not long ago, only a small minority of Catalans, perhaps 20%, supported outright independence, according to many locals. Nowadays it could be more than half. Indeed, on October 1, 43% of registered Catalan voters braved riot police to vote on independence from Spain in the unofficial referendum; 90% said Catalonia should become an autonomous republic. As one middle-aged professional woman put it, "I'm running out of arguments for why I oppose independence." This crisis matters in more ways than just the obvious. **Spain's national net debt is** more than one trillion euros (about \$1.2 trillion), according to the International Monetary Fund. That's **three times the amount owed by Greece when it went into meltdown. Anything threatening the stability of this country — the fourth-biggest inside the eurozone — would surely rock international markets. Catalonia is a key component of the Spanish economy.** It's among the richest and most productive regions, accounts for about a fifth of Spain's gross domestic product, and is a major net contributor to the Spanish budget. There will be no big winners and plenty of losers if this crisis escalates. So it is astonishing to watch Spanish Prime Minister Mariano Rajoy mishandle it.

## **Third, a Catalanian currency crisis.**

### **Disputes over currency use could slow growth and cause recession in the whole of Europe. Moses of the Illinois Journal of International Security explains that**

**Moses 16** Patrick Moses, 4-14-2016, "Regional Secession to Euro Breakup: How an Independence Movement Can Threaten European Union Integrity," Illinois Journal of International Security,

<https://publish.illinois.edu/illinijournalofinternationalsecurity/blog/blog-spring-2016/regional-secession-to-euro-breakup-how-an-independence-movement-can-threaten-european-union-integrity/> //DF

Any independence movement would pledge to improve the regional economy. **For a region that presently utilizes the Euro, questions about if they would be allowed to continue to use the common currency would lead to volatility in the Eurozone markets.** The Maastricht Treaty requires a country to meet five criteria relating to its inflation and

exchange rate of its currency, debt and deficit of the government, and the interest rate at which they borrow. These criteria must be met for at least 12 months prior to joining the Eurozone currency union[2]. A central issue would be if the seceding region would be allowed to continue to use the Euro. If they need to apply as a new member country, would the new country have to create a new currency in order to meet the full Maastricht Criteria? Or, would the ECB and the Eurogroup allow the new country to meet only some of the criteria while they continued to use the Euro currency? **These questions alone would stress Eurozone markets if a region had commenced a secession process. Any monetary agreement short of full, continued use of the Euro would add significant uncertainty to the European economy. Member countries that already have slow growth could see their economies go into recession, and those already there would only see it worsen.**

Government deficits would grow with lower tax revenue and higher expenditures on social safety net programs. However, the ECB could be discouraged from grandfathering in the new country because of the uncertainty of trusting the new government to maintain its deficit and debt-to-GDP ratio within the bounds of the treaty. It's also worth mentioning the unlikelihood of a new country meeting the long term borrowing interest rate requirement with the uncertainty in its market. Therefore, the EU would likely not allow any new country to continue to use the Euro. Should they allow some form of this, it could create a precedent, encouraging other regions to pursue independence further threatening economic stability in the Eurozone. The second problem with a region seceding is the question of the how to divide the sovereign debt. A region like **Catalonia seceding for mainly economic reasons may have a large number of disputes with Spain concerning debt that remain unresolved for a significant amount of time.**[3] **These disputes will affect the parent countries debt** in context of the Maastricht Treaty **and discourage investment in both regions.** **The parent country will find its economy and government budget negatively affected.** A similar situation played out when South Sudan seceded from Sudan[4], but in that instance, it was without the strong regional economic ties that EU members have with each other. For these two reasons, the ECB and the Eurogroup would strongly discourage secessionist movements. Should independence appear imminent, the other members of the EU may decide to suspend the country's membership or even expel it. However, the European Union and the Eurozone models rely on cooperation and eliminating trade barriers. Forcing out member states increases barriers and restrictions, hurting growth in remaining member countries. The EU is already stressed by Greek debt crisis, slow growth in the Mediterranean region, and the Syrian refugee crisis. A region wide recession, whether created from regional secessions or member state expulsion, could contribute to member countries voluntarily leaving the European Union. This could escalate into a wider Eurozone breakup.

**Overall, a Catalanian exit will send economic shockwaves throughout Europe, causing massive disruptions and recessions. Mcrae at the Independent concludes in 2017:**

**Mcrae 17** Hamish Mcrae, 9-30-2017, "The Catalan independence referendum is a much bigger issue for the EU than Brexit," Independent,

<http://www.independent.co.uk/voices/catalonia-catalan-referendum-spain-eu-economic-powerhouse-brexit-european-union-a7975766.html> //DF

Legally, Spain would be able to push an independent Catalonia out, but in the real world of European politics it would be hard for the rest of Europe to exclude a country that wanted to remain a member – or to be technically more correct, to rejoin. In economic terms Catalonia will be fully viable and there is no practical reason why it should not continue to use the euro, even if technically it were for a time outside the EU. The obvious big question really is not so much the outcome of the referendum but whether Spain and Catalonia can rebuild their relationship. **If they cannot do so, then Catalonia becomes a threat not just to Spain but to the EU as a whole**, in some ways **a greater threat than the departure of the UK**. One of the lessons of the past couple of years is not just that politics have become unpredictable; it is also the economic consequences of a political event are unpredictable too. By rights the decision or non-decision of 7.5 million people ought not to unsettle Europe. But a week from now it may look very different.

**Thus, we negate.**

# Secession Warrant

## Secession movements learn from each other

**Griffiths 17** Ryan Griffiths, 9-23-2017, "Kurdistan and Catalonia are voting on independence. Welcome to the age of secession," Washington Post,

<https://www.washingtonpost.com/news/monkey-cage/wp/2017/09/23/kurdistan-and-catalonia-are-voting-on-independence-heres-what-we-know-about-secessionist-groups/> //DF

The second approach is essentially an end-run. Here, the movement goes around the central government to bring the international community into the game. As in South Sudan, the international community can either pressure the central government to permit the independence or, as in Kosovo, it can bypass the central government entirely to recognize the secessionist region. Most secessionist movements use both approaches. How secessionist groups learn and weigh risky behavior Secessionist movements are surprisingly aware of the strategic playing field. In interviews with more than a dozen secessionist movements, I have found that they are well networked and learn from one another. The Catalans sent observers to Scotland in 2014 to learn how to run a referendum campaign. The High Representative of the Kurdish Regional Government (KRG) to the United Kingdom used to meet regularly with their counterpart in the Catalan and Flemish movements to discuss best practices. However, this does not guarantee secessionists will always prevail or even make the right tactical choices. Sovereign states are generally — though not always — opposed to secession because of its disruptive potential. Forcing them to negotiate requires confrontational and risky behavior that can alienate supporters or result in violence.

## Overall, Mount in Fortune Magazine explains that:

Ian Mount (Fortune Magazine). "In Spain, the fight for Catalan independence comes down to cash money." 1/30/15.  
<http://fortune.com/2015/01/30/spain-catalonia-independence-taxes-economy/>

Not everyone is convinced. Anti-independence groups claim that businesses would flee Catalonia if it seceded without first reaching an amicable divorce with Spain, which seems unlikely. One group, the Societat Civil Catalana, argues that **secession would lead to the destruction of up to 447,000 jobs, 34.4% unemployment, and a loss of €20 billion in foreign direct investment**. For people like López, the right solution is less dramatic than secession: a fiscal pact between the central government and the regions that demands that tax money be used for essential services and to modernize regional economies—not to offer toll-free highways and hire public bureaucrats, a common Catalan complaint about poorer regions—and that the redistribution of tax funds compress the wealth gap but not reorder the regions in terms of resources per capita.

## R2R

**We negate resolved: Spain should grant Catalonia its independence.**

**Our Seoul Contention is Harming the EU Economy**

**Granting independence to Catalonia is a bad move for finance. It will create three major disturbances that could land debilitating blows to the European economy.**

**First, a secession crisis.**

**European member states are deeply concerned.**

**A Catalan secession from Spain would energize other wealthy regions to push for their own independence. Johnson at the Atlantic explains in 2017:**

A small set of secession movements in historically productive areas in Europe, say they'd be better off on their own, and more are pointing to Catalonia's example to regain momentum. They include Belgium's Flanders region, the German state of Bavaria, and deep-pocketed northern Italian regions. Economic inequality is one of a few factors that can keep independence movements simmering, but they won't boil over without a catalyst

**Catalonia's success in seceding could catalyze a chain reaction of secessionists in Europe's wealthiest regions. Even worse, Barber at the Financial Times explains in 2017:**

These movements may also draw lessons about how to lure a central government into ill-advised police measures that look bad in the eyes of world public opinion.

**Aggressive independence movements in the wealthiest regions in Europe create uncertainty over the status of those nations that harms European economies. Darsch at the INC writes in 2017:**

Uncertainty is always bad news for business spending. In this limbo stage, with no idea what is in store, businesses may cut down on spending, begin precautionary saving and be less willing to take risks, with a negative impact on the business environment

**Second, a Spanish debt crisis.**

**Spain's economy is on the way up. Goodman at the New York Times writes in 2017:**

The economy is growing again. Spain has suffered its astonishing levels of unemployment because of the global financial crisis. Now, Spain's economy has returned to its pre-crisis size

**However, Goodman furthers:**

The Spanish government carries enormous debt, the leftover cost of paying out unemployment benefits during the crisis while also bailing out crippled banks. The spoils of even a tenuous recovery remain the subject of bitter acrimony.



**And Catalonia is critical to Spanish debt repayment. Duarte at Bloomberg writes in 2017:**

**Spain's biggest regional economy provides about 20 percent of the country's output, so the central government needs the Catalan contribution to service the national debt.**

**Catalonia secession would deprive Spain of a major source of revenue needed to pay off its debts. Campanella at Foreign Affairs magazine explains in 2017:**

**Catalan independence could raise Spain's government-debt ratio to as high as 115 percent of GDP from current levels around 99 percent. If Catalonia leaves, the economic shock could endanger Spain's ability to pay their off their massive debts.**

**Jeopardizing Spain's ability to pay off its debts would send major shockwaves through the European economy. Arends at Market Watch explains in 2017:**

**Spain's national net debt is three times the amount owed by Greece when it went into meltdown. Anything threatening the stability of this country — the fourth-biggest inside the eurozone — would surely rock international markets.**

**Third, a Catalonian currency crisis.**

**When Catalonia leaving Spain, they will likely leave the European Union. This will throw the question of Catalan currency up in the air, since they would no longer have use of the Euro. Moses of the Illinois Journal of International Security explains:**

**For a region that presently utilizes the Euro, questions about if they would be allowed to continue to use the common currency would lead to volatility in the Eurozone markets. These questions alone would stress Eurozone markets if Catalonia had commenced a secession process, and would add significant uncertainty to the European economy. European countries could see their economies go into recession, and those already there would only see it worsen.**

**Overall, a Catalonian exit will ruin the European economy, causing massive disruptions and recessions. Mcrae at the Independent concludes in 2017:**

**Catalonian independence is a greater threat to the EU than Brexit itself.**

**Thus, we negate.**

## Contention Two: Basque Separatism

**Ellyatt at CNBC in 2017 explains:**

**Ellyatt 17** Holly Ellyatt, 10-6-2017, "If Catalonia goes independent, these places could be next," CNBC, <https://www.cnbc.com/2017/10/06/if-catalonia-goes-independent-these-places-could-be-next.html> //DF

**One region of Spain that is certainly watching events in Catalonia with interest is the Basque Country**, an "autonomous community" situated on the north coast of Spain. **Like Catalonia, the Basque Country has its own language and distinct culture. Unlike Catalonia, it also has a history of some violent separatism with various terrorist attacks carried out** by the nationalist and separatist group Eta. The armed movement for independence called a ceasefire in 2010 which was made permanent in 2011, however. **Separatist movements remain a force to be reckoned with in the region**, with a spokesman for the region's largest separatist party - the Basque Nationalist Party – saying recently that he hopes the region could have its own vote on independence just like Catalonia.

**The independence movement has largely died down in the Basque region. Weichert at Oxford University in writes in 2017:**

**Weichert 17** Brandon J. Weichert [Former Congressional Staffer, Associate Member of New College at Oxford University], 10-1-2017, "First Catalonia, Next Basque Country, Then Spain, and Soon All of Europe...", WEICHERT REPORT, <https://theweichertreport.com/2017/10/01/first-catalonia-next-basque-country-then-spain-and-soon-all-of-europe/> //DF

It's interesting to note that even eight years prior to the turbulent period that Spain (and much of Europe) is experiencing separatism was a non-starter. In that year, Juan Jose Ibarretxe of the center-right Basque Nationalist Party (PNV) tried to push through an independence referendum from the Basque region of Spain and was struck down by the Madrid courts. It seems shocking at first glance that the Basques would not be the leading force behind the push for independence from Spain (seeing as that Basque separatists waged a 40-year insurgency against Spain). **Over the years, the once-independence-minded [Basque Nationalist Party] PNV has abandoned any real pretensions for independence, especially in light of Madrid giving the Basque region increasing levels of independence** (quite similar to how the Canadian government in Ottawa treats Quebec). Indeed, in 2008, calls for separatism in the Basque region did not rise above 16.9%. And they generally do not rise above 30%. **Despite the fact that not even the [nationalist party] PNV has real plans for independence**—and that Madrid has allowed the Basque Country to develop a form of semi-autonomy—**many people in the region still believe independence is necessary, they're just looking for the right time** (and leader). In fact, I believe **with the rise of the Catalan independence movement** reaching a crescendo—and Spain's horrific response to the movement—**calls for independence will be high**. This is especially true, in light of the fact that historically calls for Basque independence tend to significantly increase if there appears to be another separatist cause on the rise elsewhere in Spain. And, **if the Catalans get what they want, then the calls for Basque independence will be deafening** (and the response from Madrid would be swift).

**There are two impacts to a renewed attempt at Basque independence.**

**First, a return to past bloodshed.**

For four decades, **the armed organisation Eta has waged a bloody campaign for independence for the** seven regions in northern Spain and south-west France that **Basque separatists** claim as their own. In April 2017 the militant group revealed the locations of its weapons caches, and said it had completely disarmed. But the Spanish government said the group would "get nothing" in exchange. It demanded that Eta "disarm and dissolve itself". Its announcement followed a decision on 5 September 2010 not to carry out further attacks. In January 2011, it declared a permanent and "internationally verifiable" ceasefire but refused to disarm. The group - which killed more than 800 people and wounded thousands in more than 40 years of violence - aimed at Basque independence. It had declared at least two ceasefires before, but abandoned them both. Euskadi Ta Azkatasuna, Eta, whose name stands for Basque Homeland and Freedom, first emerged in the 1960s as a student resistance movement bitterly opposed to General Franco's repressive military dictatorship. Under Franco the Basque language was banned, their distinctive culture suppressed, and intellectuals imprisoned and tortured for their political and cultural beliefs. The Basque country saw some of the fiercest resistance to Franco. His death in 1975 changed all that, and the transition to democracy brought the region of two million people home rule. But **despite the fact that Spain's Basque country today enjoys more autonomy than any other** - it has its own parliament, police force, controls education and collects its own taxes - **Eta and its hardline supporters have remained determined to push for full independence. Its violent campaign has led to more than 820 deaths** over the last 40 years, many of them members of the Guardia Civil, Spain's national police force, and both local and national politicians who are opposed to Eta's separatist demands. However, in recent years the group has been under pressure. Although it has mounted occasional attacks, experts believe that concerted political and police action has squeezed its capabilities.

**The militants have disarmed and are largely dormant. However, Catalan independence could wake the sleeping beast. Tisdall at the Guardian writes in 2017:**

**Tisdall 17** Simon Tisdall, 10-2-2017, "Ripples from Catalan referendum could extend beyond Spain," Guardian,

<https://www.theguardian.com/world/2017/oct/02/ripples-from-catalan-referendum-could-extend-beyond-spain> //DF

Surely no one believes the cause of Catalan independence will fade away after Sunday's bloody confrontations that left hundreds injured. Rajoy's actions may have ensured, on the contrary, that the campaign enters a new, more radical phase, potentially giving rise to ongoing clashes, reciprocal violence, and copycat protests elsewhere, for example among the left-behind population of economically deprived Galicia. In Spain's Basque country, where Eta separatists waged a decades-long terror campaign that killed more than 800 people and injured thousands, the dream of independence is on ice – but not forgotten. **The danger is that a new generation of younger Basques who feel ignored by Madrid** and repelled by what happened in Barcelona, **may be tempted to revisit Eta's unilateral 2010 ceasefire and its subsequent disarmament.** The ripple effect of the Catalan crackdown could potentially extend beyond Spain. There were covert links at one time between Eta and the IRA during Northern Ireland's Troubles, with the two groups comparing notes and sharing expertise. Belfast, like Bilbao, is another place where a dissident minority remains unimpressed by placatory measures such as devolution, limited autonomy and power-sharing. Fringe outfits such as the New IRA, responsible for several attacks since 2012, find self-justification in the violence of the state.

**Second, an economic catastrophe.**

**Konrad at the American Thinker Magazine explains in 2015**

**Konrad 15** Mike Konrad, 12-4-2015, "Articles: Spain Breaking Up Again?," No Publication,

[http://www.americanthinker.com/articles/2015/12/spain\\_breaking\\_up\\_again.html](http://www.americanthinker.com/articles/2015/12/spain_breaking_up_again.html) //DF

This defiance cuts across the political spectrum. The Basque have both left wing (Batasuna) and right wing (PNV - Partido Nacionalista Vasco) separatist parties. Completely different ideologies, they unite in their hatred of Madrid. Should Catalanian independence gain ground, the Basque will not be far behind; and unlike Catalonia, the Basque may not be so gentlemanly. If truth be known, the Catalans are taking advantage of this. No one dares state it, but everyone knows it. Let Catalonia go peaceably, or Spain will be fighting the Basque ... again! Behind every eloquent Catalan spokesman is the specter of a well-armed Basque. Both peoples are mutually supportive of each other's separatism, and often fly both flags in tandem. The terrifying truth is: Remove Catalonia and the Basque country from Spain, and the rest of Spain becomes Greece. Also remove prosperous Navarre, which was historically Basque, and Spain may become third world. The Basque Autonomous Zone, the Navarre Autonomous Zone (which is part Basque), and Catalonia are the 1st, 3rd, and 4th richest provinces per capita in Spain. In terms of raw total product, Catalonia is number 1 due to its larger population. One has to ask how much of Madrid's wealth stems solely from its favored position as the center of government, and the picture becomes clearer. Could Washington D.C., apart from the Federal Government, be able to even compete with Baltimore? It is this centralization that infuriates the more productive Catalans and Basque. The Madrid Province is in 2nd place per capita (by euro), but its wealth may be artificially subsidized by taxation. Catalan and Basque wealth is quite real. Imagine if Texas, California's Silicon Valley, Washington State with Microsoft, and Western Fracking Oil States, decided to secede, leaving the USA with Washington D.C., Newark, Detroit, and the Rust Belt. Now, you know what Spain is facing.

## **Spain granting Catalonia its independence would wake the dormant secessionist voices of Basques who want their own independence. Warnrooji at Medium explains in 2017:**

**Warnrooji 17** Bram Wanrooij, 10-4-2017, "Catalonia vs Spain & the EU – Nine by Five Media – Medium," Medium, <https://medium.com/nine-by-five-media/catalonia-vs-spain-the-eu-83e198d8af63> //DF

The stakes are high and Spain braces itself for Tuesday. A breakaway Catalonia, which by itself accounts for nearly 20% of the Spanish economy, will almost certainly propel the Basque separatist movement into action, further opening up the spectre of disintegration. Economically, Catalonia would probably be able to stand on its own feet quite easily; with its GDP at £195bn, it would be the 34th largest economy in the world. That would make it bigger than Portugal or Hong Kong. And Catalonia's contribution to the Spanish economy is twice that of Scotland's to the UK.

---

## **Erlanger at the New York Times writes in 2017:**

**Erlanger 17** Steven Erlanger, 10-2-2017, "For E.U., Catalonia Pits Democratic Rights Against Sovereignty," New York Times, [https://www.nytimes.com/2017/10/02/world/europe/catalonia-independence-referendum-eu.html?\\_r=0](https://www.nytimes.com/2017/10/02/world/europe/catalonia-independence-referendum-eu.html?_r=0) //DF

That is not entirely likely. For Brussels, Catalonia is a matter for Spain, not for the European Union or its uncomfortable members. The reason is simple. The Catalan vote was declared unconstitutional by Spain's own courts, and in a time of rising nationalism and populism, the last

**thing that the European Union wants to do is to encourage regional separatism.** As with the 2014 referendum in Scotland, which unlike Catalonia's vote was held with the blessing of the central government and where independence was rejected for now, member countries fear encouraging separatists at home: the Flemish in Belgium, the Lombards in Italy, the Corsicans in France, the Transylvanians in Romania. **With Britain lurching out of the European Union, there is little desire to sow even more economic uncertainty, legal disruption and moral confusion.** The president of the European Council of member states, Donald Tusk, said on Monday that he had called Spain's prime minister, Mariano Rajoy, with support for his legal position, but urging him "to avoid further escalation and use of force." The president of France, Emmanuel Macron, also spoke to Mr. Rajoy and supported Spain's "constitutional unity," according to a statement from the Élysée Palace. **As a measure of the sensitivity toward regional separatism, even today, five of the 28 member states of the European Union — including Spain — do not recognize the independence of Kosovo, although NATO itself fought the Serbian effort to retain the territory. Nor does the European Union support independence for the Kurds or the Crimeans.** So the European Commission's official position on Monday and reactions from European political leaders to the events in Catalonia were largely uniform and hardly surprising — Spain is sovereign, the referendum was illegal, but the violence was terrible and the parties should talk. The violence — the brutality by the police and the use of rubber bullets against peaceful civilians trying to exercise their franchise — was no small matter. Even if what happened in Catalonia on Sunday hardly compares to the bloodletting in Bosnia, Kosovo or the Arab Spring, it still happened in a member state of the European Union. "This is a P.R. disaster for Rajoy," Steven Blockmans, an expert on European Union law and institutions at the Center for European Policy Studies in Brussels.

## **International Independence Movement**

### **A2: non-unique, already building**

#### **Need to prove that Catalonia is the tipping point – brink responses**

A2: no momentum

Sets the precedent for peacetime secession, unlike violent secession

- EU membership
  - Losing EU benefits (trade)
- Uncertainty
  - How the new government would function
  - How the new government would repay its debt to the Spanish government
- Hurts Spain
- Debt crisis

# Contention One: A Disaster Economy

**Uniqueness: Catalonia is and will do ok if they're not given independence.**

**Catalonia's independence from Spain would be devastating economically in three ways**

## First, by Harming Spain's economy

**Tornielli at the Yale Economic Review writes in 2014:**

**Tornielli 14** Santiago Botto-Tornielli, 11-16-2014, "Economic Impacts of Catalonia's Bid for Independence," Yale Economic Review, <http://www.yaleeconomicreview.org/archives/2223> //DF **An independent Catalan state would have massive consequences for Spain** and Europe, and potentially destabilize the fragile global economy. In the **first** place, **the loss of around 20% of its GDP would leave the Spanish economy immensely weaker**. Scotland, for the sake of comparison, only makes up 9.5% of the GDP of the U.K. **The central government would lose much of its ability to finance spending and to support other regions of the country that have fallen deeply in debt. Secondly, Catalonia** is a major center for transportation, handling **[handles] 70% of exports from the rest of Spain. If the region becomes a separate country, the cost of moving those products would increase and further weaken the Spanish economy. Finally,** as reported by The Washington Post, GDP per capita in Catalonia is "one-fifth higher than the rest of Spain." Catalonia also produces 45% of Spain's high tech exports, such as automobiles and electronic products. **The region is the most productive in Spain, and its loss would lead to a sharp decrease in confidence that the Spanish economy can recover from the crisis.** The massive loss of confidence in the Spanish economy would in turn call into question the stability of other, interconnected European markets.

## Subpoint B: Shutting Catalonia out of the EU.

**Currently, Catalonia is part of the European Union through Spain.**

**This is advantageous since it gives the region access to a lucrative single-market.**

**Cadman at the Financial Times explains in 2017:**

The status quo: rights and regulations Access to the single market requires acceptance of all four EU freedoms — of movement of goods, capital, services, and people. The single market is predicated on the belief that these four freedoms drive prosperity. **The EU is a customs union. Its members impose common tariffs on imports from non-EU countries and can trade freely with each other. Members** automatically benefit from trade deals that the EU strikes with other countries but **cannot set their own tariffs.** To create a fair internal market, the EU is committed to a common regulatory framework to prevent one company — or country — from gaining competitive advantage by getting rid of regulations. Countries must promise to implement common rules and to recognise each other's standards. This means that **companies everywhere in the bloc can then sell their products and services throughout the EU. These policies are designed to both reduce trade costs and open up markets.** Quantifying the impact of the single market A Treasury paper found that **trade** in goods **was 73 per cent higher**

**between EU member states than would have been the case in a free trade area** (where no tariffs but other barriers remain), while trade in services was 16 per cent higher. An analysis by the OECD of membership of the European Economic Area, found trade in goods was 60 per cent higher than if trading partners simply relied on World Trade Organisation rules.

**However, Catalanian secession will force it to break from the EU.**

**The Economist in 2017 explains that it is because of**

Print Edition, 17, 10,14,2017, The EU will not help the Catalan secessionists' cause, Economist, <https://www.economist.com/news/europe/21730163-embracing-catalonia-holds-no-appeal-europes-leaders-eu-will-not-help-catalan>, 12-10-2017, (NK)

European leaders, especially those with separatist stirrings inside their own borders, have each other's back. "No one would risk the EU's cohesion by questioning Spain's right to handle this situation," says one foreign minister. Catalan officials fear that Madrid will understand the EU's approach as an endorsement of its hard line. They are right to. A still bigger headache for the Catalans is the "**Prodi doctrine**", named after a former commission president, **which states that any region that breaks away from an EU member will automatically leave the club and have to reapply under the usual rules, a lengthy process that leaders will have no incentive to abbreviate. Even if it were to secede with Spain's consent, an independent Catalonia would be cut off from the rest of Europe.** possibly facing barriers to the movement of people and goods, perhaps even ejected from the eurozone. This is a far cry from the romantic vision Mr Puigdemont has offered his supporters. If at first you don't secede The EU is tricky for both sides in the Catalan debate. The independence movement is a coalition that includes radicals who think the EU is a neoliberal plot from which they seek liberation. The Spanish government is reluctant to debate an independence proposition it considers illegitimate to start with.

**Once Catalonia is out of the EU, it will be nearly impossible for them to re-join. This is for two reasons.**

**First, because of resistance from Spain.**

**According to an article by the Journal Nature published in 2017:**

**Nature 17** Editorial, 9-27-2017, "Scientists see opportunity and risks in Catalan independence," Journal Nature

<http://www.nature.com/news/scientists-see-opportunity-and-risks-in-catalan-independence-1.22663>

//DF

Catalonia has upped its scientific game since the economic boom of the late 1990s. It created a handful of high-level research centres and an agency that recruits and pays the salaries of top scientists, who can choose their host Catalan institute or university. These moves, among others, have allowed Catalonia to overtake the rest of Spain in some measures of scientific achievement. In the most recent round of European Research Council (ERC) starting grants, for example, 10 of the 22 awarded to researchers in Spain went to the region, which is home to just 15% of the Spanish population. Of those ten, most of the recipients were foreigners, testimony to the region's international attractiveness. Many scientists believe that an independent Catalonia could change the scientific landscape even more fundamentally, not least by releasing universities from old-fashioned and inflexible national laws. Yet **in the event of independence, Catalonia would automatically leave the European Union, and Spain would make sure it never got back in.** That would weaken the region's research. For one thing, it would no longer be allowed to host those plentiful ERC grants. Still, many Catalan researchers say they will vote 'yes'. Their emotions have only been fanned by Madrid's move in mid-September to block the budgets of public bodies, including research institutes and universities, in an attempt to stop financing of the referendum.

**Second, because of resistance from scared EU members.**

**The EU fears that permitting Catalonia to re-enter after secession will encourage other independence movements to follow suit. The BBC explains in 2017:**

**BBC 10/27/2017** 10-27-2017, "'Cracks' danger for EU amid Catalan crisis," BBC News  
<http://www.bbc.com/news/world-europe-41783957> //DF

**The EU faces the danger of "more cracks" appearing in the bloc following Catalonia's declaration of independence from Spain**, a top EU official has said. "I wouldn't want the EU to consist of 95 states," European Commission President Jean-Claude Juncker said. Meanwhile, European Council President Donald Tusk said Spain "remains our only interlocutor" in the crisis. Spain's parliament earlier responded to Catalonia's move by approving direct rule over the autonomous region. On Friday evening, Mr Juncker warned that the 28-member EU did not need "any more cracks, more splits". "We shouldn't insert ourselves into what is an internal debate for Spain," he added. Separately, Mr Tusk expressed hopes that "the Spanish government favours force of argument, not argument of force". The British and French governments as well as the French president all voiced support for the central Spanish government in Madrid. However, a statement by a minister in Scotland's devolved government said: "We understand and respect the position of the Catalan government. "While Spain has the right to oppose independence, the people of Catalonia must have the ability to determine their own future."

**The EU sees itself as a stabilising and unifying force in Europe, and there is no sign that its instinctive aversion to separatism and secession will waver as the crisis intensifies**, the BBC's Kevin Connolly in Brussels says.

**If Catalonia is barred from the EU, it will also be barred from the single-market. As a result, its economy will suffer, severely. Minne at ING in 2017 explains:**

**Martin 17** Will Martin, 10-2-2017, "A Catalan split from Spain could be even worse than Brexit," Business Insider, <span><http://www.businessinsider.com/catalonia-split-spain-economic-impact-ing-2017-9></span> //DF

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**."

## **Contention One**



Edoardo Campanella [Edoardo Campanella, Fulbright Scholar, Harvard Kennedy School], 8-1-2014, "Why secessionism is on the rise in Europe," World Economic Forum, <https://www.weforum.org/agenda/2014/08/secession-scotland-catalonia-referendum-europe/> //DF

Regions that today might look stable and calm could suddenly turn into contested territories. For instance, last March, Northeastern Italians unexpectedly voted in an unofficial – and quite fictitious – referendum on Venice’s independence. Even the Crimean referendum, which was not the virtuous outcome of a democratic process, has given hope to the European secessionists. Representatives from both the Flemish and Catalan movements were sent to Crimea to observe the vote. **Irredentist groups** – whether ripe or not – **are** latent, **potentially devastating forces**, whose destructive power increases over time through deeper economic integration both at the continental and global level. For this reason, national governments should monitor the structural dynamics that are taking place in the old continent, assess their own vulnerabilities and rebalance the often-conflicting interests of the nation state and local communities through new administrative arrangements. In countries where secessionists are dormant, national governments have many weapons in their arsenal to preserve the status quo. In the least frightening situations, central governments can appease local communities through financial transfers, generous tax arrangements, or power devolution. Many potentially irredentist regions in Italy are kept under control through a variety of administrative devices. When new concessions are no longer possible, governments can deter subnational groups through political threats. The Spanish government has banned the Catalan referendum and would veto Catalonia’s accession to the EU, whereas the UK government has declared its opposition to sharing sterling with an independent Scotland. Yet, stubbornly suffocating ripe secessionist groups is unwise. Sooner or later, the irredentist ambitions will abruptly resurface and the political disintegration of the country will be a matter of time. Renegotiating the terms of the relationship is more beneficial than resorting to political threats or, in the most extreme cases, the use of force. A gradual transition is necessary to minimize the economic, political, and administrative costs accruing from the breakup.

## Framework

**A2: no actual secession movements. This is perceptual, a threat of secession, even if there are no actual precedents.**

**A2: Catalonia fills the whole. They lose a lot more because the EU is just bigger**

**Think about how the Euro is affected**