

Cut Card

We affirm resolved: Spain should grant Catalonia its independence.

Our sole contention is ending the cycle of conflict.

Minder 17 Raphael Minder, 2017, “The Struggle for Catalonia: Rebel Politics in Spain,” Hurst & Company
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Since 2012, the separatist drive in Catalonia has followed a tit-for-tat pattern. Separatist politicians announce a new way to move towards independence despite fierce opposition from Madrid, and the government in Madrid immediately denounces the move as illegal. However, contained within this cycle is another, more dangerous pattern. The strategies and threats employed by both sides—as well as the stakes—have been raised in each and every round.

In early 2017, for the first time Catalan politicians were sentenced for civil disobedience. The court banned them from office after putting them on trial for organizing an illegal independence vote and ignoring the decisions of Spain’s constitutional court. Similar Spanish attempts at a legal clampdown have so far failed to deflate Catalan secessionism. On the contrary: separatists have depicted such lawsuits as evidence of a politicized Spanish judiciary and have stood in the courtroom almost as martyrs of the secessionist cause.

Zachary Laub "Can Catalonia Split With Spain?." Council on Foreign Relations. n.d. Web. 24 Jan. 2018. <<https://www.cfr.org/interview/can-catalonia-split-spain>>// NS

In any polarization process, intermediate positions become hard to sustain. After initial ambivalence, the repressive reaction by the government of Madrid is pushing Ada Colau and her party closer to the Catalan government. One of the consequences [of Madrid's actions] is that there might be much stronger support for a clean break with Spain and less room for a negotiated agreement on which most parties can agree. Paradoxically, the more the Spanish government flexes its repressive muscles, those supporting the referendum and an eventual break with Spain may actually get closer to their medium-run political objectives. Does Rajoy fear that any concessions might be the start of a slippery slope? Rajoy is a diehard Spanish nationalist. Self-servingly, he interprets the process as a legal matter. His position is that all democratic parties have to be with him, almost as if Spain were again fighting [the Basque terrorist group] ETA. In my view, he and his party are confusing the nature of the challenge. This is not a disheveled mass of people trying to break protocol or procedure. This is a political community asking for a redrafting of its contract with the rest of the state, and the strategy that worked against ETA and its supporters is bound to fail in this case. It would have been far less costly, far more acceptable from a democratic standpoint, and far more effective never to have challenged the Estatut in 2006, and instead open the door to mutually agreed reform that would include a referendum with clear procedures and implications. At this point, however, this is not something Spanish conservatives (or most socialists, for that matter) are remotely willing to entertain. Both in 2006 and now, their unwillingness to negotiate is driven by ideological and, more importantly perhaps, myopic electoral considerations.

Spain and the Catalan region are stuck in a back-and-forth conflict over independence. Each time Catalonia tries to assert its autonomy, Spain cracks down. The result is that the Catalan attempts at independence the next time become more severe. There have been four flashpoints on independence, each time heightening the stakes.

First, the denial of autonomy.

Minder 17 Raphael Minder, 2017, "The Struggle for Catalonia: Rebel Politics in Spain," Hurst & Company //DF

Before secessionism got into full swing, Catalans tried to get more freedom from Madrid by adopting a new statute of autonomy in 2006. Four years later, parts of the statute were struck down by Spain's constitutional court.

The court blocked far fewer articles in the Catalan statute than those that the main conservative Popular Party judged to be unconstitutional. But the fact that they were struck down still made the blood boil in Catalonia. The court said that Catalonia could not be specified as a nation in the statute's preamble. It also vetoed some important changes forecast by the statute, such as giving Catalonia greater judicial independence or setting minimum levels of state expenditure in Catalonia. Nowadays, it is hard to meet Catalans who have actually read their disputed statute of autonomy. But it is equally impossible not to have heard about how upset Catalans got when Spain's constitutional court ruled against it. Since that 2010 ruling, Spain's constitutional court has lost any of the credibility it had earned in Catalonia in the previous three decades. Catalans were also upset because the previous ruling seemed discriminatory, since the court blocked some changes that were deemed acceptable in a similar statute in Andalusia, including the creation of a more autonomous judiciary.

In 2010, the Spanish Supreme Court struck down a bill that gave Catalonia more autonomy over its own affairs, even though both the Catalan and Spanish parliaments had already approved it. The Supreme Court decision destroyed Catalan's trust in the Spanish government, and led many to feel that the region would be better off under self-rule. Hamid writes: Since then, support for independence has grown from just 20% in 2010, to 50%, and the Catalan independence movement has been building, driven by an identification with Catalan culture and sacred values: moral values of the highest significance, that people would give their lives for.

Hamid 17 Nafees Hamid and Clara Pretus, 9-21-2017, "How Spain Misunderstood the Catalan Independence Movement," Atlantic,

<https://www.theatlantic.com/international/archive/2017/10/catalan-referendum-spain-independence/541656/> //DF

The current strain of the Catalan independence movement began under the rule of fascist dictator Francisco Franco, who took over Spain in 1939. Under Franco, the public use of the Catalan language was banned, and all specifically Catalan institutions, such as the Government of Catalonia, were abolished as part of an attempt to end regionalism in Spain. Shortly after Franco's death in 1975, the government reinstated Catalonia's status as an autonomous community within Spain. But a small minority of activists still wanted full independence. **The share of those favoring independence began to rise steeply in 2010, from 25 percent to its peak of 57 percent in 2012.** The first reason for this rise was likely the 2008 economic crisis. Using government data from 2005 to 2016, we found a very high correlation between support for independence and unemployment in Catalonia. The second reason for this rise was public outrage at the 2010 constitutional court's cutting down of reforms aimed at increasing sovereignty in Catalonia's Statute of Autonomy, its equivalent of a constitution. Both events **led many to feel that Catalonia would be better off under self rule. Since then, Madrid has been adamantly opposed to an independence referendum, arguing that it is illegal** according to the 1978 Spanish constitution (which mentions the "indissoluble unity of the Spanish Nation"). **Since then, the Catalan independence movement has been building. It is driven by strong personal identification with Catalan culture and** what social psychologists call **sacred values: moral values of the highest significance that, in some cases, people would give their lives for.** According to our research, the top two sacred values motivating the Catalan movement were the right to vote for independence and the protection of Catalan identity. In studies of conflicts around the world, our colleagues have found that threats to sacred values and identities often lead to increased activism and, sometimes, violence. The denial of a vote is a threat to these values and identity and, most likely, will only further fuel the independence movement. Until recently, many supporters of the referendum have been undecided on the question of independence. However, the denial of the vote by Madrid has outraged some, turning them into pro-independence activists.

Second, the denial of a referendum.

Last October, Catalans held a referendum on independence. Spain responded brutally, ordering police to use violent force to stop people from voting, injuring 800. After the referendum, Spain dissolved Catalonia's parliament, jailed or exiled the top politicians, and imposed indefinite direct rule on the region. To many Catalans, the tactics of repression used by the Spanish government brought back memories of the Franco dictatorship. Laub at the Council on Foreign relations writes in 2017: the consequence of the government's muscular response to Catalans' desire for self-determination is that support for a clean break with Spain will increase as a Catalans become more fed up with Spain

Zachary Laub "Can Catalonia Split With Spain?." Council on Foreign Relations. n.d. Web. 24 Jan. 2018.

<<https://www.cfr.org/interview/can-catalonia-split-spain>>// NS

Catalonia is a divided society. Support for independence is between 40 and 50 percent, but support for the right to decide in a referendum agreed to by Madrid and Barcelona is well over 80 percent, as recently reported by El Pais. Support for the referendum and support for independence are not the same thing, but **because of Madrid's unwillingness to act politically** on these questions, **they are becoming entangled, feeding back into the current spiral of polarization.** Unlike Catalonia's leadership, Barcelona's mayor, Ada Colau, doesn't support independence, but seems to have been pushed to support holding a referendum. Ada Colau is a clear example of an ambivalent Catalan. A lot of her voters support independence. She supports the ability of the Catalan people to choose, but she is not supportive of the direct confrontation that the Catalan government has triggered with Madrid. In any polarization process, intermediate positions become hard to sustain. After initial ambivalence, the repressive reaction by the government of Madrid is pushing Ada Colau and her party closer to the Catalan government. **One of the consequences [of Madrid's actions] is that there might be much stronger support for a clean break with Spain and less room for a negotiated agreement on which most parties can agree.** Paradoxically, **the more the Spanish government flexes its repressive muscles, those supporting the referendum and an eventual break with Spain may actually get closer** to their medium-run **political objectives.**

Third, the denial of elections.

Catalans demonstrated their anger in December, during regional elections. Politico reports that pro-independence parties won their greatest support in history, with 113,000 more votes than in the previous parliamentary election

Puigdemont 18 Carles Puigdemont, 1-25-2018, "Catalonia won't be silenced," POLITICO,

<https://www.politico.eu/article/carles-puigdemont-catalonia-wont-be-silenced-independence-spanish-government-election/> //DF

The Spanish government's attempt to repress the voice of the Catalan people has failed. In last month's Catalanian parliamentary election, **pro-independence parties won the greatest support in their history. There were 113,000 more pro-independence votes than in the previous parliamentary election,** in 2015, and 35,000 more votes than in the October 1 referendum on independence. **It was, moreover, a record turnout for an election to the parliament of Catalonia. The final count shows support for independence at 2,079,340 votes (almost 180,000 more**

votes than those won by the constitutionalist bloc). Not only has the threshold of 2 million votes been surpassed, but independence sentiment has been consolidated and continues to grow. These figures serve as a ratification of the results of the October 1 referendum, which was held in highly adverse conditions. On that occasion, the Spanish government's propaganda disparaged the results, arguing that there had not been sufficient guarantees. Madrid claimed that the census was not official, that the electoral authority was not independent, that the parties opposed to independence refused to take part and that the count hid fraudulent practices.

Hume at VICE explains in 2018: Separatists won a majority in the regional elections, and have shown no appetite to abandon their bid to break away from Spain. They appointed a new radical, pro-independence speaker, and they are seeking Carles Puigdemont, the former President of Catalonia who was exiled last October.

Hume 18 Tim Hume, 1-22-2018, "Catalonia picks a fugitive president in new bid to break up with Spain," VICE News,

https://news.vice.com/en_us/article/mbpn5b/catalonia-picks-a-fugitive-president-in-new-bid-to-break-up-with-spain //DF

Catalonia's pro-independence parliament nominated fugitive former leader Carles Puigdemont – who faces arrest as soon as he sets foot on Spanish soil – **as its sole candidate for president** Monday, **breathing fresh life into Spain's constitutional crisis**. The announcement came as Spanish prosecutors sought to reactivate a **European arrest warrant for Puigdemont**, after the secessionist leader left the sanctuary of Belgium, where he has lived in self-imposed exile for the past three months, for the first time. But Spain's Supreme Court rejected the request. **The Catalan parliament's move is a blow to Madrid's efforts to defuse the crisis over the region's independence aspirations**. Madrid sacked the regional parliament in October after it held an illegal referendum and unilaterally declared independence, a movement that's been building for several years. But **separatists won a majority in fresh regional elections that were held last month, and have shown no appetite to abandon their bid to break away**. "I confirm that the only candidate that has been proposed is Mr. Carles Puigdemont," Roger Torrent, the Catalan parliament's recently-elected separatist speaker, said Monday. "I am conscious of the warnings that weigh upon him, but I am also conscious of his absolute legitimacy to be candidate." He called for talks with Madrid to find a solution. Puigdemont fled to Belgium in October after he was sacked by Madrid for spearheading the drive for independence. Facing charges of rebellion, sedition, and misuse of public funds, he faces immediate arrest if he returns to Spain and a potential prison sentence of up to 30 years. Puigdemont and his supporters have claimed that with modern communications technology, he could perform the role of president from outside Spain. But Spain's government has ruled this out, with Prime Minister Mariano Rajoy saying on Saturday that it would be illegal for him to do so.

Journalist Nichols writes this week: if the Rajoy government were remotely interested in relaxing tensions with Catalonia, it would have acknowledged the December 21 elections, withdrawn charges against separatists, and attempted to enter negotiations. Its behavior has been the exact opposite. The Rajoy government is determined to create the conditions for a successful siege in the future.

Nichols 18 Dick Nichols, 1-20-2018, "After Catalan independence movement wins elections, Spanish state prepares new showdown," Green Left Weekly, <https://www.greenleft.org.au/content/after-catalan-independence-movement-wins-elections-spanish-state-prepares-new-showdown>

It would also be immediately appealed to the Constitutional Court by the Rajoy government which has also said that it would also maintain its article 155 intervention in place. This would open the prospect of a Puigdemont government thus invested being found to be unconstitutional,

leading to another Catalan election. Role of Citizens If the Rajoy government were remotely interested in relaxing tensions with Catalonia, it would have formally acknowledged the December 21 election result, instructed the Spanish state prosecutor's office to shelve its cases against the Catalan political and social leaders and shown some preparedness to enter into negotiations. So far its behaviour has been the exact opposite: the December 21 siege having failed, the Rajoy government is determined to create the conditions for a successful siege in the future, based on the gains made and lessons learned from its failure this time. It also being forced to react to the pressure on its right flank from the massively boosted and financed Citizens, the clear election winner within the unionist camp. All-Spanish opinion polls now show this «Podemos of the right» closing in on both the PP and the official opposition Spanish Socialist Workers Party (PSOE). On the basis of its success on December 21 Citizens will conduct an unyieldingly aggressive operation in the Catalan parliament as a way of demonstrating that it is the most reliable opponent of "nationalism" in the Spanish state. As a foretaste, leader Inés Arrimades in her first media appearance after the January 17 election of ERC MP Roger Torrent as speaker didn't even bother with the formality of congratulations but stated that Torrent would be biased and untrustworthy. Caught in its war with the upstart Citizens, PP aggression has been intensifying on all fronts. Its economic squeeze--which saw Spanish treasurer Cristóbal Montoro take over Catalan government finances and around 3000 companies persuaded to shift headquarters out of Catalonia--has tightened further with a €728 million cut to the Catalan budget. On January 12, Montoro declared that the end of the article 155 intervention would not mean an end to the government's control over Catalan finances, which began a month before the October 27 implementation of article 155.

El País, a Spanish newspaper, writes just this week: the events that followed the Catalan regional elections leave no room for doubt: supporters of independence are pushing ahead with their road map. Their insistence on appointing Puigdemont as the next head of the Catalan government suggests a much more radical plan for Catalonia

El País, 1-23-2018, "Editorial," EL PAÍS,

https://elpais.com/elpais/2018/01/23/inenglish/1516704182_953545.html //DF

The events that followed the Catalan regional elections of December 21 leave no room for doubt: supporters of unilateral independence are intent on pushing ahead with their road map. The failure of the independence process, the loss of self-rule after Article 155 of the Constitution was enforced, and the pledges made by some jailed secessionist leaders, may have created the illusion that Catalan separatists would seek out other (legal and more moderate) channels to keep advancing toward self-government and earning the social majority that they still lack. But **their insistence on appointing Carles Puigdemont, a fugitive** from justice, **as the next head of the Catalan government suggests a much more radical plan that is also more detrimental for Catalonia.** As is clearly emerging, one of Europe's wealthiest regions has become hostage to a visionary with no political project but a great command of the workings of the media. At this juncture, it would be pointless to pick apart the ravings uttered by Puigdemont, who showed up in Denmark as the persecuted victim of a Francoist, totalitarian state and avoided all questions concerning his own disregard for the law. At this point, it is up to the secessionist bloc to ask questions about the ultimate goal of Puigdemont's juggling game and about their own project for Catalonia beyond a mere clash with the Spanish state through the defense of an impossible appointment. Not so long ago it would have been very hard to believe that the pro-European, pro-business, moderate CiU, the dominant party of Catalonia for so many years, would so quickly fall into the hands of an irreplaceable chieftain and embrace the worst kind of populism under its new brand name of Junts per Catalunya (JxC). The Catalan Republican Left (ERC) – Puigdemont's ally in the Catalan government until the latter's dissolution under Article 155 – is trying to play the ambiguity game, but its acts show that it has no agenda of its own and remains a prisoner of Puigdemont's trip to nowhere. The letter just sent by Catalan house speaker Roger Torrent to Spanish Prime Minister Mariano Rajoy is an apparent call to dialogue that nevertheless insists on violating the rules and denying the separation of powers when it asks the Spanish executive to facilitate the fugitive's appointment to the Catalan premiership because anything else "would be a violation of fundamental rights." **Everything suggests that a return to normality is no longer an option for the secessionist bloc. After radicalizing their grassroots supporters** – particularly followers of JxC – **the politics of law and reason have become useless.** Contrary to custom, speaker Torrent has not yet set a date for the investiture debate. Not even the urgency – which even ERC has underscored – of forming a new government and ending Madrid's regional takeover is making the secessionist bloc change its behavior or modify its strategy for destabilizing whom they view as their adversary. After sowing the seeds of

discord, they feel comfortable in the ensuing storm. Supreme Court Justice Pablo Llerena has refused to play Puigdemont's game, using legal arguments with political depth. The ball is back in the secessionists' court. The game is still on, but until when?

Nichols 18 Dick Nichols, 1-20-2018, "After Catalan independence movement wins elections, Spanish state prepares new showdown," Green Left Weekly,

<https://www.greenleft.org.au/content/after-catalan-independence-movement-wins-elections-spanish-state-prepares-new-showdown>

For ERC the overriding goal has been to recover Catalan self-government and end the rule of article 155. This is a precondition for «unfolding the Republic» voted for on October 1, but also for demonstrating the value of a pro-independence government to doubters while reducing social tension and narrowing support for increasingly aggressive unionism. Before its January 9 agreement with JxCat, ERC was prepared to consider other formulae for government than restoration of the deposed Puigdemont government and exiled and jailed MPs. While supporting Puigdemont as president, it was not prepared (as it was in the past) to disregard the opinion of the Catalan parliament's legal advisors as to the constitutionality of swearing-in by video-link. ERC has also been more concerned than JxCat about whether the pro-independence bloc would win another election if again forced to the polls. As for the CUP, reduced from 10 seats to four on December 21, the key issue is avoiding a return to regional government that accepts the rules of standard Spanish state administrative operations. A January 4 CUP communique said this would «mean a break with the popular will shown at the October 1 referendum and a return to a context of deprival by the Spanish state of political and social rights.» CUP lead candidate Carles Riera told Catalonia Radio: «If 155 is not lifted and dialogue with the State doesn't work, it will be necessary to disobey it.» **Given the ongoing determination of the Spanish powers-that-be to crush the movement for Catalan sovereignty, whatever arrangement is finally reached between the pro-independence parties a new wave of disobedience sooner or later seems inevitable.** Such is the message of the Catalan National Assembly's draft resolution for its January annual congress: "Organised civil society will once again be obliged to become the spearhead of the process."

The Catalan region in Spain wants out. Hamid writes in the Atlantic Magazine in 2017: many Catalans feel that they are a separate people from Spain with their own distinct language and culture that must be protected through the creation of their own nation

Hamid 17 Nafees Hamid and Clara Pretus, 9-21-2017, "How Spain Misunderstood the Catalan Independence Movement," Atlantic,

<https://www.theatlantic.com/international/archive/2017/10/catalan-referendum-spain-independence/541656/> //DF

Today, millions of citizens of the Spanish region of Catalonia hope to vote in a referendum to declare their independence. **Many Catalans feel that they are, historically, a separate people with their own distinct language and culture that must be protected through the restoration of their own nation.** But Spain's government is vehemently opposed to such a referendum even taking place. The country's constitutional court has declared the referendum illegal, and the national police have arrested 14 senior Catalan officials and confiscated millions of ballot papers. Judges have ordered the police to seize any building or materials related to the referendum to ensure that a vote does not take place. These actions have prompted mass protests, and Spain's Interior Ministry has deployed thousands of extra police to the region ahead of what it expects to turn into a violent day. As researchers at Artis International, an organization of academics and practitioners that conducts field-based research on political conflicts around the world, we sought to study the underlying psychology of the Catalan independence movement to better understand what could strengthen or weaken it. Our study consisted of 24 in-depth ethnographic interviews with leaders of the "independentist" movement, and several dozen more with supporters and non-supporters of independence. In addition, we conducted 68 longitudinal psychometric surveys with independence activists during a non-binding—and thus symbolic—referendum held in 2014 that was not recognized as legitimate by Spain.

The neverending Catalan crisis has captured the attention of the Spanish media and government. It has created a smokescreen behind which two critical issues cannot be resolved.

first, pressing economic reforms.

Galván at the University of Extremadura writes in 2017: Spain's overall recovery since the last economic recession has not been enough. They are caught in a vicious circle of low economic growth, high unemployment and elevated debt; to break the cycle, it is necessary to deepen the reforms already started.

Galván 17 Ramón Sanguino Galván [Department of Business Management and Sociology, University of Extremadura, Badajoz, Spain], 10-27-2017, "Economic Recession in Spain: Exploring the Root Causes, Consequences and Recoveries for the Sustainable Economic Growth," No Publication, <http://pubs.sciepub.com/ijefm/5/2/5/> //DF

In spite of taking several recovery measures by the Spanish govt., the overall recovery of the economic recession is not satisfactory. In this regard, we highly appreciate and recommend the Spanish govt. to take the proposed initiatives

that are discussed in the following paragraphs. **To overcome the current economic recession, it is necessary to break the vicious circle of low economic growth, high unemployment and elevated debt.** It is essential to redefine the growth model. In this sense it is necessary to adopt measures that may enhance the services sector and some tradable sectors. The two key sectors in the extent of the crisis, real estate and banking, should stabilize. The economic recovery will be faster if the process of correcting imbalances in these sectors is intensified. **For markets to regain confidence in the Spanish banking sector it is necessary to deepen the reforms already started,** to consolidate the reorganization process, to accelerate the recognition of losses and to rapidly increase equity levels. The results of the reform of the labor market were also well short of the expectations initially created 20. The changes did not lead to job creation or to the reduction of the large market segmentation. So **labor market reform should be further emphasized by the govt.** For example, steps can be taken for the internal flexibility within the firm because **it is a crucial instrument in terms of reducing unemployment and increasing productivity in the Spanish economy,** as stated in Law 35/2010 25. **Workforce training should be enhanced in Spain. The rising youth unemployment at EU level is explained in the literature as a result of a weak correlation**

between workforce training and labor market requirements. If we look at the educational situation in Spain in 2011, we notice that Spain is on first places in European rankings (Eurostat) in terms of people who drop out of school early (26.5% in Spain compared to the EU-27 average of 13.5%) and people who completed only primary education (46.2% in Spain compared to 26.6% EU-27 average). This may explain the increase in youth unemployment in Spain, because young people are not trained enough, therefore they cannot adapt to labor market requirements 18. In order to overcome these problems, John Edmunds, Professor of Business at Babson College in Wesley, Massachusetts, considers that Spain needs to improve its tax base and invest in workforce education 1. The government should ensure quality jobs for the educated persons to minimize the brain-drain in Spain. Many youths and university students decide to migrate for searching quality jobs. These students are particularly interesting, because they are part of the future intellectual elite of Spain, and their decision to migrate makes a significant contribution to the brain-drain of Spain. In a survey all students replied that the economic crisis is the main factor for their decision to leave Spain 34.

AFP 17 Afp, 12-6-2017, "How the Catalonia crisis has paralyzed Spanish politics," No Publication,
<https://www.thelocal.es/20171206/how-the-catalonia-crisis-has-paralyzed-spanish> //DF

Formed after close to a year of political blockage after two inconclusive elections, Rajoy's PP only has 137 lawmakers out of 350, far from the absolute majority he enjoyed from 2011 to 2015. The arrival of two relatively new parties on the scene -- far-left Podemos and Ciudadanos -- has further divided a political scene once dominated by the PP and Socialists. And that's hurting the work of the parliament as parties disagree on various proposals. Amplify divisions. **The Catalan crisis has only amplified these divisions, with weekly plenary sessions becoming a ping pong match of accusations.** "What Spain needs right now is more social and territorial cohesions," said Socialist lawmaker Meritxell Batet in parliament last week. "Spain needs a project for the future, and you're not providing it," she told finance minister Cristobal Montoro and Ciudadanos chief Albert Rivera. Rajoy's personality also explains the legislative paralysis, said Antonio Torres del Moral, a constitutional law professor at Spain's UNED University. "He is one of those politicians who thinks that time fixes many things, so he prefers not to take risks by launching legislative initiatives," he said.

While Madrid was intent on making these changes, the interminable Catalan crisis has forced Spain to shift their focus. Macbeth at the Local, a Spanish newspaper, explains in 2017: the question of Catalonia has served to see pressing issues such as unemployment that dominated the political agenda a few years ago have disappeared from the headlines of the press and the daily political agenda.

Macbeth, Alex "Analysis: Does Spain need to reform its constitution?." Thelocal.es. 13 Dec. 2017. Web. 20 Jan. 2018.

<https://www.thelocal.es/20171213/analysis-does-spain-need-to-reform-its-constitution>> // NS

The electoral polls published so far show both blocs neck-and-neck and also reveal an important rise in support for Junts per Catalunya, the party led by Carles Puigdemont, whose strategy and tactics from Brussels seems to be reporting electoral benefits. In any case, I stress that the evolution of the independence movement will depend on the result that comes out of the polls on December 21st. To what extent does Rajoy's Popular Party use the Catalan crisis to divert attention from other national issues, such as corruption and constitutional reform? In dealing with the Catalan issue the Popular Party government has at times been gripped by paralysis and at others acted simultaneously with conflicting and polarized positions. **The question of Catalonia has not only served to see issues such as corruption and constitutional reform swept aside, but more pressing issues such as unemployment and other social issues that dominated the political agenda a few years ago have disappeared from the headlines of the press and the daily political agenda.** It seems clear that the Popular Party is more comfortable when the political discussion and frame of reference focuses on Catalonia and the territorial issue, rather than on social issues that favour the left. In the future, what do you see as the great challenges for Spain and Catalonia, especially in the economic sphere? The territorial crisis gripping Spain is one of the main challenges facing the Spanish State after the Catalan independence process.

Spain needs to pass new economic reforms to keep recovering. According to the University of Navarra: a new reform push is needed to raise productivity, put the pension system on a stable path, reducing inequalities and poverty. But to do this, political stability will be key to any serious push for reforms and to the overall health of the Spanish economy.

University of Navarra "Spain's Economy Recovering But Major Reforms Pending." *iese.edu*. 12-12-2017. Web. 20 Jan. 2018.

<https://www.iese.edu/en/about-iese/news-media/news/2017/december/spains-economy-recovering-but-major-reforms-pending>> // NS

The Spanish economy is recovering solidly, but there is a growing need to step up the pace of reforms in crucial areas such as pensions and financing of the country's autonomous regions. Those are some of the main conclusions of the Spanish Reform Monitor, a publication released this week by IESE's Public-Private Sector Research Center (PPSRC) and private think tank Funcas as part of the SpanishReforms project. SpanishReforms is an academic, non-governmental project that monitors the performance of the Spanish economy, examines policy initiatives,

and evaluates real progress toward implementing policy reforms. **"A new reform push is needed to raise productivity, put the pension system on a sustainable path, and attack polarization of the labor market, reducing inequalities and poverty.** The reforms must include the public administration as well financing of autonomous regions," said Prof. Xavier Vives, academic director of the PPSRC, at the Madrid event to release the report. Of those reforms, the two most pressing in the coming months are the pension system and the debt of autonomous regions. The pension system supporting Spain's aging population is financed by an ever-shrinking public fund, and the debt of autonomous regions has expanded to 25% of Spanish gross domestic product for the first time. **Political stability will be key to any serious push for reforms and to the overall health of the Spanish economy going forward**, experts noted. Economists and academics from around Spain contribute to the SpanishReforms project, and Prof. Ramon Xifré, of the Universitat Pompeu Fabra, coordinates the initiative.

Evans Pritchard writes in the Telegraph in 2017: The escalating Catalan constitutional crisis in Spain poses a direct threat to the country's fragile economic recovery, stoking worries that Madrid may ultimately need a fresh financial rescue from the EU bail-out fund. Madrid seems to be stumbling into a minefield.

Evans-Pritchard 17 Ambrose Evans-Pritchard, 10-23-2017, "Investors brace for years of crisis in Spain as Catalan drama escalates," The Telegraph, <http://www.telegraph.co.uk/business/2017/10/23/investors-brace-years-crisis-spain-catalan-drama-escalates/> //DF

The escalating constitutional crisis in Spain poses a direct threat to the country's fragile economic recovery, stoking worries that Madrid may ultimately need a fresh financial rescue from the EU bail-out fund. From Catalan nationalists and menacing noises from the Basque Country are the latest danger signs in a high stakes drama where **Madrid seems to be stumbling into a minefield.** "This has the potential to turn into a full-blown political crisis for the whole country. We think the current minority government may be heading towards disintegration," said Raj Badiani, a veteran Spain strategist at IHS Markit. "I am surprised that 10-year Spanish bond yield have not yet spiked. **In a worst case scenario, where Spain faces a deep recession and can't roll over its debt at an affordable rate, it may need to apply for an EU bail-out**," he said. Mr Badiani warned of a slow deterioration, coming to a head over the next five years. Foreign investors remain insouciant so far even though premier Mariano Rajoy said the crisis is having "an extremely grave impact" on both the Catalan and Spanish economies. Risk spreads on Spanish bonds have barely moved. Spain's fiscal authority (AIReF) has slashed its economic forecast, warning that growth may be halved to 1.5pc in 2018 with a mounting risk of recession in Catalonia.

Already, The Banker, an economic forecasting agency, found last December: as a result of the Catalan crisis: In the next year, economic growth could be cut by 60%

Lindhart 17 Stefanie Linhardt, 12-1-2017, "Will Catalonia independence movement dent Spain's economic recovery?," The Banker [Global Economic Forecasting], <http://ec2-54-72-50-240.eu-west-1.compute.amazonaws.com/World/Western-Europe/Spain/Will-Catalonia-independence-movement-dent-Spain-s-economic-recovery?ct=true> //DF

So contagion in Europe does not seem to be a risk. Still, the Spanish economy could be hit. Catalonia contributes the largest share of any region to Spain's GDP, between 16% and 25% depending on the data source. Catalonia also welcomes the second largest number of tourists of any region in Spain, according to Eurostat, and as its capital Barcelona is an especially popular attraction, there is a risk that some city travellers might instead opt for a city destination outside of Spain. Rating agency Moody's warned at the beginning of November that **political tensions over Catalonia and continuing uncertainty "are likely to damage economic sentiment and consumer spending**, both in the region and **for the Spanish economy as a whole**". Moody's now forecasts GDP growth of 2.9% for Spain in 2017 and 2.3% in 2018, a drop of 0.1 percentage points and 0.2 percentage points, respectively. "At least for now, **the**

escalating tensions negate the beneficial impact of a range of more positive recent developments in Spain's financial sector and the economy," says Moody's. Many economists are so far holding fire before significantly changing their growth forecast for Spain. Among them is Mr Talavera, who has only slightly lowered his estimates by 0.1 percentage point to 2.6% for 2018. While the latest available economic indicators cover September, as well as the third quarter of 2017, some initial attention can be drawn to economic survey data. "The first number that made me think that the fourth quarter might be weaker was the services Purchasing Managers Index [PMI] for Spain in October," says Mr Talavera, who adds that a slower fourth quarter could also lead Spain's economy to slow in 2018. The PMI of service companies published on November 6 showed an expansion in business activity, albeit the slowest in Spain since January, movement that diverged meaningfully from the rest of Europe. Survey data from the IHS Markit Spain Business Outlook illustrated a drop in business sentiment in October to the lowest level since mid-2016. Although at 42%, the net balance of companies predicting a rise in activity over the coming year still signals solid confidence among firms, while Spain's manufacturing PMI underlined further growth momentum in October. Worst-case scenario The latest official economic forecast by Spain's central bank, Bank of Spain, published in September predicts 2017 GDP increase of 3.1%, followed by 2.5% in 2018 and 2.2% in 2019. Its next update is scheduled for December 15, six days ahead of Catalonia's regional elections, but the central bank has also released simulations of hypothetical economic scenarios for Spain in its November Financial Stability Report. **The worst-case scenario**, according to the calculations, **amounts to a reduction of Bank of Spain's base case GDP growth figure by more than 2.5 percentage points between the end of 2017 and year-end 2019**. This would mean Bank of Spain's base-case **economic growth estimates would be cut by almost 60%, more than \$27bn**. In a less severe scenario with a temporary increase in uncertainty, Spain's economic growth in the same period would be reduced by a cumulative 0.3 percentage points. These scenarios are "illustrative and provisional", the central bank cautions, but highlight "the significant economic risks and costs of the situation caused by the independence initiatives in Catalonia", adding that "a prompt return to normal" could mitigate these risks.

AFP 17 AFP, 12-29-2017, "Migrant and refugee arrivals by sea to Spain triple in 2017," Migrant and refugee arrivals by sea to Spain triple in 2017, TRT World

<https://www.trtworld.com/europe/migrant-and-refugee-arrivals-by-sea-to-spain-triple-in-2017-13729>

//DF

Migrant and refugee arrivals by sea to Spain tripled in 2017 on the previous year, fuelled by a surge in the numbers of Algerians and Moroccans, while over 200 died trying to make the crossing. "At the end of the year, the tally is devastating," the Spanish Commission for Refugees (CEAR), which defends the right to asylum, said in a statement. Almost 21,500 people arrived by sea on Spain's southern shores – popular with northern European tourists – between January 1 and December 20, up from 6,046 during the same period last year, according to the International Organization for Migration (IOM). The number of deaths is also up. **So far this year 223 people have died or disappeared while trying to reach Spain by boat, 95 more than in 2016**. Most sea arrivals are reported along the Strait of Gibraltar which is the narrowest passage of the Mediterranean Sea separating Spain from Morocco. Smugglers transport migrants to Spain on rickety wooden boats, inflatable dinghies, and even jet skis, charging hundreds of euros for the trip. In August, footage of sub-Saharan African migrants arriving by dinghy on a packed beach in Cadiz in the southern region of Andalusia in August during the peak summer holiday season went viral on social media, drawing attention to the rise in migrant numbers. "We are suffering migratory pressure in the entire Mediterranean area," Interior Minister Juan Ignacio Zoido said Thursday in a radio interview.

The only way out is for Spain to grant Catalonia its independence. In a post-independence world, the primary objective of Catalonia and Spain would no longer be to secure or prevent secession. Instead, The first goal of both countries would be to ensure that the transition to a new Catalan state goes as smoothly as possible. Galí at the Barcelona Graduate School of Economics writes in 2014: an uncompromising and uncooperative attitude by the Spanish government after Catalonia's declaration of independence is unlikely because they would not gain anything from being hostile. They would instead suffer important economic costs, like not being able to share their debt burden with Catalonia.

Galí 14 Jordi Galí [Doctor of Economics, Director of CREA (International Economy Research Centre) at the University Pompeu Fabra and of the Barcelona Graduate School of Economics], 10-29-2014, "In or Out of the Euro," Comissió d'Economia Catalana,

<http://www.coleconomistes.cat/pdf/the.economy.of.catalonia.pdf> //DF

Finally, I would like to reflect more generally and go beyond the monetary matters on which this article focuses. In a cooperative setting, in which neither party aims to deliberately harm the other, any initial cost arising from the integration of a hypothetical Catalan State to Europe and the world would be negligible and, in any event, transient. We can say that it could almost be ignored when weighing the costs and benefits of independence. Discarding an armed conflict, the communications and transport infrastructure could continue to operate unchanged. Moreover, with the cooperation of all parties involved and a reasonable time scale for preparation, nothing need prevent the full continuity, at least de facto, of the current framework of economic and financial relations, and the rights and duties associated with it. This is the main argument of the article «Europe, Oh Europe» in relation to the three above-mentioned freedoms, and it also extends to monetary matters. In terms of the scenarios described above and in the face of a «fait accompli» - the establishment of Catalonia as an independent State with a clear desire to be part of the EU and the Eurozone - it seems clear that the first scenario would be in everyone's interest. Given that there is no reason to think that, for example, the third scenario would be better than the second one, for one or more of the parties involved (Catalonia, Spain or the EU), why choose the third scenario when the first two are feasible (provided the political will is there)? And since it seems clear that the first scenario would be preferable to the second one for all parties involved, why not choose it from the outset? **An**

uncompromising and uncooperative attitude on the part of Spain after Catalonia's declaration of independence seems difficult to imagine, as it would have important political and economic costs, and no advantage other than the (possible) satisfaction of punishing Catalonia and its citizens for having chosen freedom. Among other things, it should be clear that **a hostile attitude would close the door to any negotiations in good faith on the distribution of the debt built up by the «Kingdom of Spain».** If this is indeed the case, why not make it clear then from the very start that the roadmap to be followed, if the Catalan people end up deciding that Catalonia is to become a new State, should be the one least damaging for all stakeholders?

Catalonia and Spain share a mutual interest in reaching an amicable outcome over independence, by doing things such as sharing assets and debts. Castells at Johns Hopkins University explains in 2014 that because both nations are so interdependent, such a deal is nothing less than a matter of survival for both economies.

Castells 14 Antoni Castells [visiting professor at the Johns Hopkins University], 10-29-2014, "Six comments on the economic viability of independence and two preliminary remarks," Comissió d'Economia Catalana, <http://www.coleconomistes.cat/pdf/the.economy.of.catalonia.pdf> //DF

Neither in Quebec or Scotland, of course, has the referendum process been short or easy or stress-free, but even so these two cases are poles apart from the current situation in Catalonia. And the difference between them has a marked impact, in economic and financial terms, on all the fields we have examined. To start with it has an obvious effect on trade between Catalonia and the rest of Spain. Even if we acknowledge

that a border effect may arise, it would never cause such a sharp fall in trade as hostility and boycotts, which have a feedback effect that is harmful to everyone. Secondly, reaching an amicable outcome (including agreement over the distribution of assets and debts) is crucial to the reaction of financial markets, as regards both the public and the private sectors. For the Catalan economy this is nothing less than a matter of survival. But it is also decisive for the Spanish economy, because Catalonia is the country's main economic region, and in the event of an acrimonious secession, it is not far-fetched to think that serious doubts could arise about Spain's solvency and financial viability. Finally, a friendly agreement is critical to the issue of the EU and the Eurozone. For, however the treaties are interpreted, a negotiated agreement would have to include a clear recommendation for Catalonia to remain in the EU and the Eurozone and this would make it easier for member States to reach a decision. A scenario marked by open conflict and pitched battles, on the other hand, would make it much more difficult for this point, which is vital to Catalonia's interests, to be successfully resolved. In short, economic decisions are always largely determined by expectations about social and political stability, confidence in the institutional framework and the rule of law, and the extent to which creditors can feel sure that debts will be paid and contracts fulfilled. And in a scenario of independence, the way that independence is achieved is of vital relevance to all these factors.

Settlement negotiations after independence have been shown to improve economic outcomes. Rodríguez-Pose at the London School of Economics examined the break-up of Yugoslavia, looking at countries that seceded peacefully and violently. He concludes that: better economic trajectories are not linked to the mere fact of seceding but by how the process of secession took place. In terms of economic impact, secession is not an event but a process. How the process takes place – and largely whether there is agreement between the host and the seceding country – determines the subsequent economic performance for both.

Rodríguez-Pose 14 Adrés Rodríguez-Pose [Professor of Economic Geography, London School of Economics; Research Fellow, CEPR], 11-21-2014, "The economics of secession," Centre for Economic Policy Research, <http://voxeu.org/article/economics-secession> //DF

The emergence of small countries out of a bigger unit in the case of Yugoslavia did not lead to any sort of economic dividend for the emerging countries. All of the former Yugoslav republics suffered a significant loss of wealth at the moment of independence. The severity of this loss and the speed of the subsequent recovery have, however, predominantly been determined by the process, more than by the mere fact, of independence. War and the intensity of war represented a major blow to the economies of Bosnia-Herzegovina and Kosovo. Sanctions and years of diplomatic conflict have further limited the economic prospects of Serbia, while strong disruption to trade following independence has been a serious barrier for economic growth everywhere in the former Yugoslavia. The relatively smooth transitions to independence in Slovenia, Montenegro, and Macedonia have contributed to their having the best post-independence performance, despite their very different starting points.

Hence, although "a small state should not be confused with a weak state" (Gligorov et al. 1999, p. 2), our analysis shows limited evidence of a direct independence dividend to breakaway republics of the former Yugoslavia. Indeed, secession does not seem to have any bearing on their subsequent economic performance. According to our analysis, Slovenia did not perform better than, say,

Bosnia-Herzegovina or Kosovo because it separated from Yugoslavia earlier, but rather because it had the luck of fighting a ten-day war which left 62 dead and caused little material destruction. Bosnia endured a three-year long war which caused, depending on sources, between 25,000 and 329,000 fatalities and massive material destruction, while the war on Kosovo lasted officially almost one year and a half and left around 14,000 dead. Slovenia also performed better than Serbia, not because it achieved independence earlier, but because it fought in fewer wars and did not experience economic sanctions. Slovenia has finally performed better than most other former Yugoslav republics because it has consistently been the most open country to trade and conflict did not suddenly alter its trade patterns with the rest of the world, as was the case for Bosnia-Herzegovina, Serbia, and Croatia. Concluding remarks Our research

highlights that better economic trajectories are not linked to the mere fact of seceding but by how the process of secession took place. In cases where secession happened without real conflict and without significant alteration of previous socioeconomic links to the rest of the world, secession has not had any noticeable impact on the resulting economic performance. When secession is achieved by conflict, destruction and disruption of pre-existing trade patterns, all those involved in the process suffer. This underlines that, at least **in terms of economic impact, secession is not an event but a process. How the process takes place – and largely whether there is agreement between the host and the seceding country – determines the subsequent economic performance for both**. It also emphasises that the politics involved in any process of secession will almost certainly determine ensuing economic trajectories. Hence, in the current atmosphere of secessionist movements in different parts of the world, **more attention needs to be paid to how any potential divorce between countries can be achieved, rather than to the simple act of independence as such**. Based on the case of former Yugoslavia, an amicable divorce will deliver no independence dividend but likewise not significantly damage the future development prospects of all parties involved. A bitter divorce, by contrast, is likely to have long-lasting, negative economic consequences. Unfortunately, so far the focus has been mainly on the implications of secession, rather than on how any secessionist process is managed.

In the long-run, Catalonia and Spain would benefit from a mutually agreed secession. A paper published by Ayadi in the Barcelona Center for International Affairs in 2015 projects: in a mutually agreed secession scenario, Catalonia would see a GDP gain of \$110 billion dollars, and a 3.1% decrease in unemployment

Ayadi 15 Rym Ayadi [Prof. Rym Ayadi is the research director of the project, Professor at HEC Montreal; Director of the International Research Institute on Cooperatives and of the International Research Centre on Cooperative Finance], 2015, “Scenarios of Macro-economic Development for Catalonia on Horizon 2030,” CIDOB, Barcelona Centre for International Affairs //DF

The scenarios have been quantified with the use of an applied Computable General Equilibrium model, further developed and calibrated so as to include Catalonia as a separate region. The model is recursive dynamic with projections up to 2030. Modeling work in the context of this study has focused on the reproduction of key elements of macroeconomic interdependence between Catalonia and the rest of Spain. The model computes endogenously the transactions of Catalonia with its trading partners. The results indicate that the Catalan economy benefits from secession, in both scenarios examined. The improvement can be mainly attributed to two factors: first to the correction of fiscal imbalances with the Spanish administration and second due to the productivity effects induced from investment in infrastructure. **The benefit is stronger if secession is the product of mutual agreement with Spain. In this scenario, the lower uncertainty associated with Catalonia’s future economic prospects boosts economic growth**, despite the higher debt burden that Catalonia is committed to service. In the secession scenario under unilateral action, Catalonia grows at a pace which is slower than the mutual agreement scenario, but still above the reference scenario. Higher uncertainty surrounding the macro-economic environment, and currency arrangements, weak market confidence and by implication the longer transition period that characterizes the unilateral scenario slow down activity particularly in the short term. **In the long term uncertainty lowers and developments in Catalonia resemble those recorded in the mutual agreement secession scenario**. Relative to the reference, **in the mutual agreement scenario, Catalonia sees its GDP increase by €110 billion over the 2015-2030 period**, whereas in the unilateral secession scenario its economy adds €67 billion over the same period. In 2030, **unemployment is lower than reference by 3.1 percentage points in the mutual agreement scenario**, and by 3.2 per cent in the unilateral action scenario. Finally, part 1 provides useful insights on the optimal use of the additional revenue that remains with the Catalan government, once secession takes place and its fiscal deficit vis-a-vis the Spanish administration is corrected. The three scenarios are premised upon the assumption that the Catalan government would have a balanced budget and would use the additional funds so as to increase public consumption and to reduce labour costs (the split of the budget between the two options has been assumed to be equal). Three alternative uses of such funds have been examined with the aim to identify the allocation that would be more efficient in stimulating economic activity: i)

reduction of indirect taxes ii) reduction of employer's social security contributions and iii) increase in public expenditure. Among the three options considered, the reduction of indirect taxes is found to be most beneficial in terms of GDP, employment and competitiveness.

Amat 14 Oriol Amat, 10-29-2014, "Conclusions: economic certainties and political question marks," Comissió d'Economia Catalana, <http://www.coleconomistes.cat/pdf/the.economy.of.catalonia.pdf> //DF
What would the impact be on the number of multinational and other companies? Francesc Raventós argues that in view of the high diversity of sectors, an international image featuring many different brands and a declining proportion of sales to the Spanish market, the negative consequences of independence would not be particularly serious or long-lasting. Regarding the survey of the Association of Economists, the majority feel that investments by companies from the rest of Spain would fall. On the other hand, investments by Catalan companies and foreign multinationals would either remain steady or actually increase. Final conclusion. Taken together, the different contributions express a certainty that an independent Catalonia would be economically viable. There is also a broad consensus that becoming an independent State would bring advantages and greater welfare for Catalonia. Nevertheless, there are also question marks. The consequences of independence for both Catalonia and Spain, especially in the short term, would depend heavily on how several essential issues are resolved. These include the referendum or consultation, the relationship with the European Union, the currency and the sharing out of assets and debt. To minimise the possible adverse consequences both for Catalonia and for Spain, it is of key importance that the process takes place in a peaceful, democratic, negotiated way and with the aim of staying in the EU. The period of uncertainty must be kept short, settling the matter of consulting the citizens of Catalonia the sooner the better. Constructive dialogue, negotiation and agreement, even to achieve independence, are essential to protect fully the interests of all sides.

Gasol 14 Anton Gasol, 10-29-2014, "The financial system of an independent Catalonia," Comissió d'Economia Catalana, <http://www.coleconomistes.cat/pdf/the.economy.of.catalonia.pdf> //DF
Thus the contents of the memorandum about the procedure and conditions for Scotland remaining in the European Union, which Graham Avery, a distinguished academic and leading expert on Community themes, drew up at the request of the British parliament 18, would be equally relevant to Catalonia. The memorandum, in a nutshell, stated in very objective terms that arrangements for Scotland's EU membership should be in place simultaneously with its declaration of independence. Negotiations on the terms of membership would take place in the period between the referendum and the planned date of independence. The EU would adopt a simplified procedure for the negotiations, not the traditional procedure followed for the accession of non-member countries. One of the arguments is that Scotland – like Catalonia – has been a member of the EU for decades and its citizens have acquired rights as European citizens.¹⁹ For practical and political reasons, moreover, it would not be logical for them to be expelled and then apply straight away for re-admission. Another condition, besides remaining in the EU, seems vital to assuring the feasibility of the financial system of an independent Catalonia, and that is

continued membership of the European Monetary Union. This means that not only must the euro be the currency of the new Catalan State but Catalonia must stay in the Eurozone.

Long-term solvency

Carlo Sessa (Barcelona Center for International Affairs). “Scenarios of Macro-economic Development for Catalonia on Horizon 2030.” <https://www.vilaweb.cat/media/continguts/000/104/312/312.pdf>

The simulation results show that under secession Catalonia derives a net benefit. The scenario results for GDP for Catalonia are presented in

Table 25. **The effects on the macroeconomic aggregates for Catalonia are negative in the first years following secession but they bounce back gradually and return to positive later on in the period of study.** This bouncing back takes a longer time to materialize under unilateral secession (scenario S02). The scenario results on the main

macroeconomic aggregates for both scenarios are reported in Table 27 and Table 28. The results indicate that Catalonia benefits in terms of

GDP from secession, compared to reference. **The benefit is stronger if secession is the product of mutual**

agreement with Spain. In this scenario, the lower uncertainty associated with Catalonia’s future economic prospects and its balanced public budget boost economic growth, despite the higher debt burden that Catalonia is committed to service. In secession under unilateral action, Catalonia grows at a pace which is slower

than the mutual agreement scenario, but above the reference scenario. Higher uncertainty surrounding the macroeconomic environment, currency arrangements and financial market response, and by implication the longer transition period that characterizes the unilateral scenario negatively affect activity and the short term economic prospects of Catalonia. Despite the elevated market and interest rate volatility during the transition period, the beneficial in terms of gross debt initial conditions for the new state in the unilateral secession scenario mitigate the risk of a deficit-debt spiral materializing. In the longer term, the favourable debt and investment profile, coupled with the resolution of outstanding issues, notably currency issues, restore confidence in the economy, which translates to growth outperformance relative to both the reference and the mutual agreement scenarios in the outer years of the projection horizon (2020-

R2R

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

Our Sole Contention is Ending the Crisis.

In his 2017 book, “The Struggle for Catalonia,” Minder writes: in the last decade, the separatist drive in Catalonia has followed a tit-for-tat pattern. Separatist politicians announce a new way to move towards independence despite fierce opposition from Madrid, who immediately denounces the move as illegal. However, with every round of confrontation, the two sides have become more divided, and the stakes have become ever higher.

The Spanish government has denied the Catalan people three key demands that have raised the stakes, and created a crisis in Catalonia.

First, Spain’s denial of autonomy.

Minder writes: Before secessionism got into full swing, Catalans tried to get more freedom from Madrid by adopting a new statute of autonomy in 2006. Four years later, the statute was struck down by the Spanish Supreme Court.

For Catalans, the decision destroyed the legitimacy of the Spanish government and convinced many that Spain could not be trusted.

Hamid at the Atlantic Magazine explains in 2017: since the decision, the Catalan independence movement has been building. It is driven by strong personal identification with Catalan culture and values of the highest significance that they would give their lives for.

Second, Spain’s denial of the referendum.

Last October, Spain cracked down on Catalonia after the region voted for independence in a referendum, beating voters in the streets, imprisoning Catalan politicians, and imposing direct rule over the region.

Laub at the Council on Foreign relations writes in 2017:

the consequence of the government's muscular response to Catalans' desire for self-determination is much stronger support for a clean break with Spain and less support for negotiations.

Third, Spain's denial of elections.

Catalans demonstrated their anger in December, during regional parliamentary elections.

Politico reports that **pro-independence parties won a majority with their greatest level of support in history.**

Spain has predictably continued to crack down. Journalist Richard Nichols writes this week: **Given the ongoing determination of the Spanish powers to crush the movement for Catalan sovereignty, a new wave of disobedience by Catalonia seems inevitable.**

Catalonia's interminable feud with Spain has morphed into a full-blown crisis, one that not only suppresses Catalans, but also that distracts Spain from pressing issues.

The impact is failure to pass economic reforms.

Maqueda at *El País*, a Spanish newspaper, reports in 2017: **while the Spanish economy is on the mend, gains in employment have not been evenly distributed among different population groups.**

In fact, the University of Navarre finds in 2017: **There are 2 million people who lost their jobs during the recession who have been unable to find work; a long-term unemployment issue.**

The OECD explains in 2017: **In order to resolve this issue, Spain needs to deepen labor reforms that it has already started. For example, by improving job training and vocational education programs, and by increasing business investment.**

The Catalan crisis has reduced Spain's ability to pass labor reforms for two reasons. **First**, policy paralysis.

The Local writes in 2017: **The Catalan crisis has divided Spain's parliament between lawmakers who are for and against independence, where weekly sessions have become a ping-pong match of accusations.**

Rabobank economic research explains in 2017:

the Catalan crisis fills the entire government's agenda. As such, necessary policy measures and reforms are delayed. For example, the minority government has not yet been able to get parliamentary approval for the 2018 budget. The government needs the support from the Basque party, which has said it will not lend its support before the Catalan crisis is over

Second, media coverage.

The Catalan crisis has diverted attention away from the labor gap. Macbeth at the Local, a Spanish newspaper, writes in 2017:

The question of Catalonia has served to see pressing unemployment issues that dominated the political agenda a few years ago disappear from the headlines of the press and the daily political agenda.

The shift in media attention forces politicians to pay more attention to the Catalan issue, to the exclusion of the jobs issue.

Only by affirming and granting Catalonia its independence can Spain re-shift focus on these issues.

Thus, we affirm.

Extras

Crisis Continues

Tremlett at the Guardian writes after the December elections that this bruising political conflict is set to run for years, decades, or generations

Tremlett 17 Giles Tremlett, 12-20-2017, "Catalonia's regional election unlikely to heal bitter divisions," Guardian,

<https://www.theguardian.com/world/2017/dec/20/catalonias-regional-election-unlikely-to-heal-bitter-divisions> //DF

On Thursday night it will be established whether this social group, whose families mostly migrated to wealthy Catalonia from poorer parts of Spain, really exists – or at least whether its members have shaken off their apathy and voted, as the Spanish prime minister, Mariano Rajoy, will be praying. Only if they turn out in force and help to overturn the parliamentary majority enjoyed by the separatists at elections in 2015 will the government in Madrid be able to breathe a sigh of relief. Even then, **it will only be a relative letup in a bruising political conflict that is set to run for years, decades, or generations**. Any other result – **another separatist victory**, or a messy split that fails to provide a working majority – **will keep the crisis bubbling**. It may also mean Rajoy maintaining direct rule. It would be wrong to see this vote, though, as Catalonia against Spain. Instead, it pits Catalans against Catalans, making the election both starker and more representative than the chaotic and illegal independence vote organised by the separatist government on 1 October – which produced dramatic and disturbing images of police beating their way into voting stations to snatch away ballot boxes. These are extraordinary circumstances, with Catalonia split into two increasingly angry halves and polls showing that those who preach moderation or compromise are the least likely to succeed. A bitter campaign in which the Catalan electorate is being told to punish one side or the other for their behaviour over the past months has done nothing to heal wounds.

Uncertainty Impacts

First, investor confidence.

Catalonia is one of the wealthiest regions in Spain. Barcelona especially is a hub of commerce and investment. The political crisis, however, has scared investors off. Lister at CNN reports late last December: the turmoil has had a chilling effect on Catalonia's economy. Foreign investment fell by 75%, and 3,000 companies have moved out of the region.

Lister 17 Tim Lister, Cnn, 12-22-2017, "Catalan crisis: No mood for compromise after close vote," CNN, <http://edition.cnn.com/2017/12/21/europe/catalonia-election-lister-analysis-intl/index.html> //DF

In effect, Rajoy's attempt to resolve the crisis through new elections has only cemented the status quo. But the pro-independence parties will probably think twice before trying an encore in declaring Catalonia's separation from Spain, given the sequence of events that was triggered in October. Additionally, the most radical of the pro-independence parties, the Popular Unity Candidacy (CUP), did very poorly and in winning less than half the popular vote they lack a mandate to declare independence. The upheaval -- the worst constitutional crisis in Spain's four decades as a democracy -- began with the Catalan government holding a referendum on the region's future on October 1, despite it being declared illegal by Spain's Constitutional Court. The vote was marred by violence, with the Civil Guard sent in by Madrid to try to prevent voting. Despite a boycott by most pro-union voters, the separatist parties used the result to push the declaration of independence through Parliament. That led

Madrid to dissolve the Catalan government, arrest leading pro-independence politicians and call fresh elections. **The turmoil has had a chilling effect on Catalonia's economy. Foreign investment fell by 75% in the third quarter of this year compared to a year ago. Two of Spain's largest banks -- Caixa and Sabadell -- decided to move their headquarters out of Catalonia -- as did some 3,000 other companies.** The latest result, and the uncertainty that lies ahead, won't have them hurrying back to Catalonia.

Reform Impacts

According to Rabobank, an economic research agency, in 2017: dealing with Catalonia also fills the entire Spanish government's agenda, delaying other necessary policy measures and reforms to improve Spain's economy.

Wijffelaars 17 Maartje Wijffelaars, 10-20-2017, "Catalan crisis escalates, economic costs become visible," RaboResearch Global Economics & Markets,

<https://economics.rabobank.com/publications/2017/october/catalan-crisis-escalates/> //DF

As an aside, Spain's government has recently also revised its economic growth outlook for 2018, from 2.6 percent to 2.3 percent. Reasons behind the downward revision were increased Catalan related uncertainty, moderation of the business cycle and the absence of a budget for 2018. Possible longer-term impact The current institutional crisis has several longer-term implications. For one, **the institutional crisis fills the entire government's agenda. As such, necessary policy measures and reforms to improve Spain's growth potential are delayed,** possibly **restraining future economic growth.** Furthermore, **the minority government has not yet been able to get parliamentary approval for the 2018 budget. The government needs the support from the Basque party (PNV), which has said it will not lend its support before the Catalan crisis is over.** In the short term, this means that the government will continue on a no policy change basis. This can be beneficial to growth next year as no additional austerity measures will be taken. That said, with debt just below 100 percent of GDP and a structural deficit of about 3.5 percent of GDP, structural austerity measures are necessary to put public debt on a firm lasting downward path. This is necessary to have scope to accommodate the economy when a next crisis hits and to guarantee debt sustainability in case of adverse interest rate or growth shocks. Since the referendum, more than 800 companies have moved their headquarters out of Catalonia to somewhere else in Spain. Among them are six of the seven Catalan firms in the IBEX35. The first step is to move the head office on paper. This lowers the tax base in Catalonia, but does not yet necessarily cause employment. But, generally, within one year the board and other infrastructure have to follow.

AFP News "How the Catalonia crisis has paralyzed Spanish politics." *TheLocal.es*. 6 Dec. 2017. Web. 20 Jan. 2018.

<https://www.thelocal.es/20171206/how-the-catalonia-crisis-has-paralyzed-spanish>> // NS

The arrival of two relatively new parties on the scene -- far-left Podemos and Ciudadanos -- has further divided a political scene once dominated by the PP and Socialists. And that's hurting the work of the parliament as parties disagree on various proposals. **The Catalan crisis has only amplified these divisions,** with weekly plenary sessions becoming a ping pong match of accusations. "What Spain needs right now is more social and territorial cohesions," said Socialist lawmaker Meritxell Batet in parliament last week. "Spain needs a project for the future, and you're not providing it," she told finance minister Cristobal Montoro and Ciudadanos chief Albert Rivera.