

TRIBUNE

ALBERT PUNTÍ Member of the economy section of the Catalan National Assembly

Catalonia **outside** the European Union?

There are sectors of society and the media who say that an independent Catalonia may be left outside the European Union. This naturally raises doubts about the possibility of maintaining the euro as a currency, and about how Catalan banks would have access to liquidity from the European Central Bank (ECB).

However, being outside the EU would not imply renouncing the euro as a currency, since countries such as Andorra, Kosovo, Montenegro and Monaco all use it and yet are not members of the Union. Moreover, in the case of Monaco, a "monetary agreement", by which this country can utilise the euro and be included in the Target2 interbank payment system, was signed directly with the European Commission. Thus, if a new Catalan state wanted to keep the euro as its currency, it would be able to do so.

The fact is that banks from around the world (not necessarily those belonging to the EU or the Eurozone) having a branch in an EU country may issue through this branch bonds, liabilities, and so on. And, anyone buying such bonds can discount

them at the ECB to obtain liquidity. Morgan Stanley, Bank of Tokyo Mitsubishi, Bank of China, and so on, which are not EU banks, have branches in France or Germany that they use to issue bonds that can be used as a warranty against the European Central Bank to obtain liquidity.

And thus, in the event that an independent Catalonia was momentarily left outside the EU, Banc de Sabadell or la Caixa, which already have authorised branches in other EU countries, could issue bonds through these branches in order to obtain liquidity from the ECB.

Who's interested in leaving us outside the EU?

Those trying to spread fear ("Catalonia would be for ever left outside the EU due to Spain's permanent veto") forget that in a scenario of non-amicable divorce, both sides stand to lose.

In a situation of confrontation, the new Catalan state would not accept its "share" of the Spanish debt. Catalonia would then be left only with the Generalitat's debt, which Catalonia would easily assume and

manage without the existence of fiscal plundering by the state, while Spain would have a debt of 130% of its new GDP.

Thus, it is in Spain's own interest to ensure that Catalonia remains within the EU from the first moment, and that Catalonia have access to the ECB funding system, in order to assume a share of Spanish debt.

Another interested party would be the EU itself. It is hard to see how the same EU that has opened its doors to countries with shaky economies, such as Romania or Bulgaria, and which is currently negotiating with Serbia and Montenegro, would simply let the Catalan economy get away. The Catalan economy has been in the euro from the first day and inside the EU for 25 years, with a GDP over the EU average, as well as being a net contributor to the EU and does not need a process of adaptation.

A badly handled separation could end in a serious crisis in the Eurozone, and so the European Commission should start preparing a mechanism to introduce a "transient regime" that would allow the automatic (re)admission of Catalonia to the EU in the event of the Catalan independence.

GALLERY

TERRY PARRIS writer

Moles

Why do moles fascinate people? At this moment of writing I have hundreds of mole-hills surrounding my house, and on into the fields beyond. Hundreds of brown earth-cones erupting from the green grass. We imagine that moles prefer to live in underground burrows, digging to come up for the air, then re-using the oxygen for below ground, yet their tunnels are earth-worm 'traps' so nuts and above-ground food is not a necessity. Why the preference for anonymity?

Some people like living virtually underground also. In Australia, for example, opal miners live in modern towns below the surface of the arid Outback. In Spain, Turkey, Greece, there are innumerable cave-houses, cool in the summer, warm in winter. Is this living a throw-back to our primitive past when we lived in caves to protect ourselves from the weather and animals? Or is it a practical ploy to save money?

In England the mole was known as "one

who throws soil" or "dirt tosser". Does this relate in any way to the tourists who rent cave-homes in Europe? Do they want to close themselves off from the environment, or their world? Is their seclusion from neighbours or intrusions, a time for reflection and re-assessment of their lifestyle? So that when they re-emerge into the light and sun and crowds, do they feel cleansed, having, like the mole thrown the dirt off, or is it just for fun or novelty?

I'd like to know.

VERBA DOCENT, EXEMPLA TRAHUNT GERMÀ CAPDEVILA gcapdevila@cataloniatoday.cat



"We envy what is happening in the UK a little bit, because what we would like is an agreement with the Spanish institutions" Artur Mas, president of the Generalitat of Catalonia

It is impossible to reach an agreement with somebody who doesn't want to talk or listen.