

Using liquidity to stifle the Catalans

Catalonia suffers an annual fiscal deficit (the difference between the taxes collected by the Spanish central government and the amount it finally returns in spending on in Catalan services) of 16 billion euros. The Ministerio de Hacienda (the Spanish treasury) itself acknowledges this impressive deficit though for a smaller amount of 8.4 billion euros. If we accept this figure as correct, we can affirm that during the crisis years (2007-2015), the Catalan government (Generalitat) would have been able to finance all of its public activity without even needing to go ahead with any budget cuts.

As a consequence of the terrible economic crisis, public deficits soared, the European economic authorities imposed limits on public deficits and debt to all member states, and these transferred those limits to their regional authorities. In the Spanish case, the Autonomous Regions must respect a maximum deficit figure of 0.7% of their GDP in 2015. Moreover, as a consequence of the crisis, many Spanish regions lost their ability to borrow on the financial markets and due to this fact, and also to the astronomical fiscal deficit described in the first paragraph, Catalonia fell into this category. For such cases, the Spanish government created the so-called Autonomic Liquidity Fund (FLA in the Spanish acronym) in order to lend money to those regions and help them finance their public services. But how does this FLA works and above all how is it financed?

The money the Spanish government lends to the Autonomous Regions through the FLA comes from the taxes collected, among others, from taxpayers in Catalonia and from the issuing of public debt, which will be paid in the future and in part by the Catalan citizens themselves. Therefore, the FLA transferred to Catalonia is not anything more than the Catalans's own money collected by the Spanish central government and lent to the Generalitat against the payment of interest, amounting to 1,9 billion euros since 2012. It is ob-

vious to say that by managing its own tax collection, the Generalitat would have never needed the FLA. Thus, the Spanish government has made the Generalitat dependent on the FLA, especially because of the firm control it maintains on Catalan tax revenues.

On the November 23 2015, Cristóbal Montoro, the Ministro de Hacienda (the treasury minister), announced that the FLA for December would not be paid "until [Catalonia] complies with what is required". As this presidential order ac-

knowledges, this has an eminently political content when it accompanies detailed requirements with the sentence "the application of the requirements provided in this agreement will be kept until the risk situation for the general interest in the Autonomous Region of Catalonia disappears."

The conclusion of such a situation is that the Spanish government deliberately maintains its intention of financially stifling the Generalitat and puts at risk the provision of public services in Catalonia and the chance of its economy to overcome the economic crisis. What's more, it coerces the Catalans for the sole reason of having voted in the way that they did. Furthermore, it does not defend the interests of the majority of citizens in Catalonia and Catalan companies. Finally, and as a consequence of the aforementioned, it confirms the urgent need to constitute a Catalan State that is independent of the Kingdom of Spain.



Catalan minister of economy and knowledge Andreu Mas Collell during a conference on the economic solvency of an independent Catalonia



"We're here with everyone that fought the French authorities in Corsica" Jean-Guy Talamoni, new president of the Assembly of Corsica, in his opening speech

The virus of self-determination is spreading around Europe, from Scotland to Catalonia, from the Basque Country and now to Corsica.