

# Independence and globalisation

In an era of globalisation and integration of markets we could ask ourselves whether it makes any sense to raise the creation of a new state from an economic point of view. It may seem paradoxical, but there is no doubt that it makes sense, at least in the case of Catalonia.

In the 21st century, in another wave of globalisation, we find that the domestic market loses importance, since it becomes easier, and even more efficient, to buy and sell products and services anywhere in the world. This facilitates the development of small countries, which often have an economy open to foreign trade. Thus, the two EU member states with the highest per capita income countries are small (less than 10 million inhabitants): Luxembourg (0.6 million) and Denmark (5.7 million). Well, Catalonia has 7.5 million inhabitants.

Obviously, there are other factors that contribute to a high per capita income. But in any case, the size of the country is not a major obstacle. The key variable is economic competitiveness, which in turn depends on many factors. In this sense the small countries have some advantages because they are more flexible and can adapt more quickly to changes in markets. Moreover, they can be managed better, with greater proximity to their citizens and less bureaucracy.

A key factor of competitiveness is the institutions. Obviously, the Catalan economy develops within the framework of the single European market regulated by European institutions. However, the role of state institutions still has its importance. For example, investment in infrastructure is very important for the growth potential in the medium and long term, and the



A view of the Barcelona skyline with the port in the background./ ALBERT SALAMÉ

model of radial transport infrastructure with the centre in Madrid of the centralised Spanish state clearly harms the development of the Catalan economy. Similarly, the energy policies adopted by the Spanish government entail costs that considerably diminish the competitiveness of Catalan companies.

Spanish economic policy generally does not favour Catalan companies, rather it creates difficulties. This has been true since the Industrial Revolution began in Catalonia in the first half of the 19th century. This is the main reason in explaining why Catalonia currently has almost no large companies. Although the size of the companies is of importance in the global market because of potential economies of scale, Catalan companies are smart enough to export much of their production. It is clear that increasing the size of Catalan companies will facilitate their develop-

ment. But this will be much easier with a Catalan state working in their favour and not against them. The Catalan Republic will put in place an economic policy suited to the structure of the Catalan economy that could greatly facilitate the promotion of its own economy. At the same time, the new Catalan state will also boost exports of multinational companies established in Catalonia with the completion of necessary infrastructure, such as the pending Mediterranean rail corridor.

At the present time, there is a distortion between the global economy and political institutions in Spain regarding the Catalan economy. The independence of Catalonia represents a reorganisation of political institutions to develop the potential of the Catalan economy. Thus, it will not only improve the Catalan economy, but also the neighbouring regions and the whole European economy.



*"In the end, the Mobile World Congress has been a great success, despite the metro strike in Barcelona"*

Ada Colau, Mayor of Barcelona

Some attendees might beg to differ, not to mention the thousands of inconvenienced passengers. While the council cannot be expected to solve every problem, failing to provide alternatives and passing on the buck to the Generalitat sounds like ducking responsibility