

The Brexit seen from a Catalan point of view

Oriol Martínez Alòs-Moner. Economist, member of the Economy Section of the Catalan National Assembly (ANC) and member of Our future in Catalonia.

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The Brexit result has shocked the markets, the political institutions and the wider European societies. This withstanding, what lessons can be learnt from the perspective of Catalonia? For instance, Brexit has laid bare that events can take a different path to that traced by Brussels and the European establishment. Doubtless, the turmoil has been fueled by the neglect (call it hubris) from the European institutions to consider such a scenario. This also goes for the quasi-religious prophecies from Brussels on the trouble for Catalonia to remain anchored in the EU institutions in the event of independence.

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Thus, the massively pro-European vote of Scotland (up to 62% voted Remain) can be explained by the positive effect in its economy of the EU, which serves to counterbalance the dominion that England has traditionally exerted upon its economy. It is therefore ironical that, two years ago, most Scots may had voted against independence under the (false) threat that leaving the UK would automatically mean leaving the EU, considering that there is not an equivalent Article 50 of the Treaty focusing on an internal secession of an EU member.

To build upon this line, it is worth mentioning Alesina and Spolaore's classic, *The Size of Nations*, in the line that large countries (compared to smaller ones) achieve a significant scale -mostly to finance an army through a wider tax base-, but at the expense of producing policies that create discontent among some of its regions. As seen with the Brexit results, the differences within Scotland have been much lower than within the whole UK. The authors suggest that sub-state ad-hoc agreements might be a solution to such a conundrum. However, this shows as unfeasible, given the rigidity with which states function, or, for the matter, multilateral institutions -as proved these days by Brussels' rejection of any specific agreement for the Scots. It is also because of such structural problems within large countries and multilateral institutions that nations like Scotland or Catalonia are pursuing a process of political independence, as difficult as it may appear.

Under this rationale, Catalonia may benefit from independence by escaping from majority decisions that do not favor its goals, and by pursuing its own international agenda, decoupling with Spain's. An example of the first case would be Spain's concentric (to Madrid) rail passenger and cargo networks, in terms of both design and investment, against any criteria of cost benefit analysis. On the second case, a pertinent case is that of the European Unitary patent, firmly opposed by Spain, almost in isolation, thus undermining the economic prospects of the Catalan innovation milieu.

The last lesson we suggest from the Brexit crisis is that, beyond its xenophobic overtones (e.g. the refugee crisis), it has been a monumental spank to the establishment and to the cosmopolitan urbanites by the lower income groups of the countryside and deindustrialized regions. Thus, it epitomizes the extent of social divides within Western societies that jeopardize

the idea for common state-building. To an extent, this can apply to Catalonia, too, one of the few cases of industrial revolution in Europe's south. Recalling The Economist magazine's fair and surprising mea culpa as of recent (July 2), for globalization to be accepted by society as a whole, we need "a relentless focus on dismantling privilege by battling special interests, exposing incumbent companies to competition and breaking down restrictive practices".

Barcelona, July 2016