

# To reform the regional funding system

**A**fter three years of having ignored the review of the regional financing system, in breach of the law itself, the Spanish government has now put it on the table. The funding of the Catalan government interests the citizens who live in Catalonia, as revenues determine the quality of public services.

Given that, some may ask if the Catalans should be interested in the negotiation proposed by the Spanish government. However, one could first ask why they waited until now. Instead of reviewing the regional funding system earlier, the Spanish government preferred an absolute control over the finances of Catalonia through the Regional Liquidity Fund, which was presented as supporting the finances of the Generalitat. In fact, if the Catalan government controlled the taxes collected in Catalonia it would have no treasury problem.

The underfunding of the government of Catalonia has a long history. In 1985, Ramon Trias Fargas, the Catalan minister of Economy and Finance who knew the background of the regional funding system, already reported that the system was intended to suffocate the finances of Catalonia as a tool for political control.

Since then, successive reforms of the system have not improved the finances of Catalonia, as every review simply maintained the situation for communities favoured for political reasons. Among these there is especially the artificial community of the capital of the centralised state, Madrid, though they try to hide it by manipulating figures that do not take into account the effect of being the capital.

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The principle of ordinality is not respected: Catalonia, despite having a high tax collection receives fewer resources per person than the average. If we also look at the level of prices in Catalonia, significantly above the national average, it turns out that the resources the system provides at present in Catalonia stands markedly below the average in real terms.

This, after every revision, was presented

as an improvement. The truth is that despite the appearance of fiscal federalism the system is not decentralised as for revenues. With reference to the redistribution of income, the real effect has always been an arbitrary and disproportionate distribution by the state, using unjustified variables and weightings despite appearances.

To solve the problems, a better economic policy and more resources are needed. Nor is it possible within Spain because the state neither wants nor can change it. Indeed, the crisis has revealed a structural inefficiency of the political and economic system. Only with independence could the Catalan government obtain sufficient resources to solve the problems of the Catalans. Thus, the unemployment rate could drop from the current 15% to 7% with the removal of the huge fiscal deficit with Spain.

The Spanish government with its current proposal to revise the system seeks to divide the independence movement. However, the democratic mandate of the Catalan people expressed in the elections to the Parliament of Catalonia was clearly in favour of the tax office of the Catalan Republic, the only one that can help solve the problems of the citizens.

## RANDOM THOUGHTS

TERRY PARRIS Writer

# Their gentle voices calling

**I** woke in the night with the words of the Negro Spiritual ringing in my ears:  
"I'm coming, I'm coming  
Though my head is bending low  
I hear their gentle voices calling  
Poor Old Joe"

It took me a moment to realise I was in bed in the Sant Jaume hospital in Manlleu. What a relief to remember that slavery was abolished 150 years ago. I'd been in hospital for a week

and before that in the Vic Hospital General. The ulcers on my legs were infected and I had just done a week of antibiotics. Both hospitals couldn't have been more excellent and super-efficient, and in the convalescent atmosphere of the Manlleu hospital, friendly and caring.

So why the Negro Spiritual? What a wealth of sadness in the song! Then the thought came: all the "por old Joes" with their deep faith in Heaven as a wonderous goal to be

reached. Wasn't this the same deep faith of all the refugees seeing the West as their goal? They are fleeing horrendous wars or the barbarities of Islamic State or simply, like all of us, looking for an education, peace, food and a safe place to live. Heaven on earth. No wonder people risk the perilous journey. What are we doing about it? In this New Year, is their faith justified? I can't even read the words of the song without my eyes filling with tears.

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*"They send us so many people, the truth is it doesn't impress us much."* Oriol Junqueras, Catalan treasury minister

Junqueras' response to the latest warning about going ahead with a referendum from the High Court couldn't have been more appropriate. As anyone with kids knows, after the third or fourth threat, it's just water off a duck's back!