

Key economic factors in a key year

At this stage of the process, with the Catalan government pushing for a binding independence referendum this year and Madrid without any intention of letting it happen, it could be worth elaborating on some economic factors that may play a role in the conundrum.

In terms of a new fiscal agreement—one of the three big issues by which the independence agenda has gathered a majority of Catalan citizens (the other two being the distribution of powers between both parties and the recognition of Catalonia as a nation)—Madrid (i.e. The Spanish government) has closed the door to any such compromise. In fact, the 07/08 financial crisis, with the bursting of the Spanish housing bubble, uncovered the weak economic foundations of modern Spain, particularly its territorial configuration, as well as the huge negative gap between public expenses and revenues. Since then, Spain's budget surplus of the boom years sharply shifted to negative numbers from 2008 (then at 4.4%) onwards. Thus, the total public debt has dramatically risen 2.5 times since the crisis started, today at the edge of 100% of GDP, the highest ever by far. A new fiscal arrangement for Catalonia would imply a package of reforms, which

seem unfeasible given the current Spanish political and/or societal mindset.

A change in the status-quo?

In part because of this, Madrid's recent outstretched hand towards Catalonia has been shown to be a marketing ploy, without addressing Catalonia's demands: either in terms of readiness to negotiate, or in its real capacity to upgrade Catalonia's outdated infrastructures. Therefore, unless the status-quo changes, Catalonia, its citizens and firms, will continue to suffer the current contingency scenario. That means tightening public finances (given the Catalan government collects less than 5% of all tax generated in the region, not counting municipal taxes), stretching key public services. Currently, the gap between the Catalan government's expenses and the taxes collected is met by transfers from Madrid (in turn generated by the Catalan economy), which come with conditions and interest (much higher than that Madrid is charged from Frankfurt). Nevertheless, even if Madrid has an extreme approach towards Catalonia's independence agenda, drying out Catalonia from what is transferred is not a solution for them; not yet, at least in the pre-independence scenario.

On other matters, news on the supposed phenomenon of firms fleeing Catalonia in favour of Madrid due to the local political turmoil here and better tax conditions in Madrid, will abound in the coming months in the pro-unionist media; a turn of the screw in their campaign started five years ago, when independence became central to Catalonia's political agenda. Nevertheless, not a single case of productive disinvestment due to the political context has been singled out in this time. A couple of years ago, this author tried, unsuccessfully, to track down a report, mentioned by an online economic newspaper, which dealt with that same topic. The logical conclusion was that the document was either non-existent or too biased to show up to unfriendly scrutiny. Furthermore, recent economic data paint a positive picture of the Catalan economy: record exports, a consolidated capacity to attract foreign investment—Catalonia, with Barcelona as a world magnet for talent and capital, was named Southern Europe's top destination for business for consecutive years— and a strong milieu of innovation; all in all, among the best indicators in terms of economic growth, industrial production and job creation.

RANDOM THOUGHTS

TERRY PARRIS Writer

A mind for words

I love quotations. You have only to say the word 'March' to me, and I hear this from my childhood: 'March brings breezes loud and shrill, / Stirs the dancing daffodil.'

Well, I shall discount the breezes to feel the joy of the words 'stirs the dancing daffodil'. Who wouldn't feel the joy in Shakespeare's, 'in the spring-time, the only pretty ringtime'? Another quotation I wholeheartedly agree with is Patmore's, 'Life is not

life at all without delight.'

So where does our delight come from in these Trump-ridden days? Do we go along with the doom-laden prophecies in 'Julius Caesar' ('Beware the Ides of March'), or is there a way we can sustain that 'delight'? Dear Reader, I'll tell you my way. It is 'mindfulness', keeping one's mind as much as we can on what we are doing as we are doing it—washing-up, posting a letter, noticing the

flowers in bloom... When I see people walking and not looking at the trees or sky, or passers-by staring at their mobiles, I think about what they are missing! The ancient Buddhists called it 'Mindfulness', but religious or not, I find that it works. This practice is immensely calming in an apparently chaotic world. Here is my last quotation, from Emile Zola: 'Truth is on the March and nothing can stop it'. But then I always was an optimist!

VERBA DOCENT, EXEMPLA TRAHUNT NEIL STOKES nstokes@cataloniatoday.cat



"The talks exist and we are working to find a way out, which is not the referendum" Enric Milla, Spanish government delegate to Catalonia

Milla was slammed for claiming the existence of secret talks between the Spanish and Catalan governments after they were roundly denied. Days later it was revealed that the talks did in fact take place. Any wonder people don't trust politicians?