

Going Ahead With Catalonia

What is the issue?

\n\n

\n

- The Spain government has temporarily put down the Catalan crisis by sacking Catalonia's government.

\n

- But the demand for independence is indicative of a larger concern and needs a well thought out response.

\n

\n\n

What is the recent move?

\n\n

\n

- Spain's Prime Minister Mariano Rajoy has struck down the recent referendum on independence for Catalonia.

\n

- He has sacked Catalonia's President and dismissed its parliament, after the Catalan Parliament declared itself an independent nation.

\n

- The government has also imposed a direct rule on the region.

\n

- It has also rescheduled the elections and has called for a snap election in the region.

\n

\n\n

Why is Catalonia significant for Spain?

\n\n

\n

- **Economy** - Catalonia accounts for a quarter of Spanish exports.

\n

- It has been the second-largest recipient of foreign direct investment in the recent years.

\n

- It accounts for almost a fifth of Spain's GDP, the fourth-highest among the country's 17 regions.
- The region also attracts more tourists than any other region in Spain (Between Barcelona and the famous Costa Del Sol).
- If Catalonia breaks away, the Spanish GDP may possibly fall by a quarter.
- **Employment** - Though debt-driven austerity in Spain has had its impact on Catalonia, its unemployment rate is still below the national average.
- If Catalonia departs, Spain's unemployment could even double.
- Besides, Catalonia is one of Spain's more prosperous and culturally vibrant regions offering lot many opportunities.

\n

\n\n

What lies ahead?

\n\n

\n

- The government may have curbed the secessionist impulses of Catalonia, but only temporarily.
- The crisis has now reached a dangerous level as independence supporters have called for a campaign of disobedience.
- Independence supporters claim that breaking away will be financially more secure as it will not have to pay taxes to Madrid.
- The concerns in Catalonia are indicative of the **demand for greater self-determination** for regions worldwide.
- Given this, heavy-handed approach to defuse tensions will only complicate the peace process.
- E.g. Disallowing Carles Puigdemont, the Catalan President and his pro-independence colleagues from contesting the elections will only exacerbate the tensions.
- All of this suggest the need for more **constructive redistributive policies and sensible negotiations**.

\n

\n

\n\n

\n\n

Source: Business Standard

\n

