What do Employers Think About a Possible Catalan Independence?

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Abstract:
The debate on the Catalan independence is a very crucial issue in today’s Spanish politics. Seemingly, the share of people willing to support Catalonia becoming a new state has increased considerably in the last five years, especially after Convergència i Unió, the ruling and major party, considered it was time to start the so-called Catalan national transition towards statehood. As a result, everyone involved in Catalan politics, from political parties to associations, from individuals to the media, has reacted to such an important event. In this paper we focus on what entrepreneurs think about a possible Catalan secession. This paper presents the results of a survey of some 300 employers in Catalonia held in November 2013. We examine business opinions regarding independence, and the effects that this debate has on the Catalan businesspeople.

Keywords:
Catalonia – Independence – SMEs – Referendum – European Union

Paper presented at the 2014 ECPR General Conference held in Glasgow, Scotland.
Panel: Independence Referenda: Scotland and Catalonia in Comparative Perspective.
Section: Comparative Territorial Politics and Policy

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1. Introduction

2014 has truly become a target year for minority nationalist movements in many European countries. In Catalonia, the challenge of independence mobilises citizens, political parties, and associations. The nationalist movement has reached very high levels of popularity after a series of political and constitutional events that led to massive demonstrations in support of the independence of Catalonia, the electoral rise of independentist forces, and the government pledge to hold a referendum for independence in 9 November 2014. Relevant associations in Catalonia such as Òmnium Cultural, team up with new associations, for instance the Assemblea Nacional Catalana (ANC), to lead the independence movement by organising popular events and conferences. Media coverage of the independence movement is massive. The Catalan public media (TV3, Catalunya Ràdio) and many other private media report daily on political developments related to independence. The Catalan government is promoting the public agenda to maintain the independence debate as intense as possible. This is the result of a pact between various political parties to turn the so-called ‘right to decide’ (dret a decidir) into an actual referendum for the independence of Catalonia. At the moment, the ‘right to decide’ has become a strong political project that is supported by hundreds of associations belonging to the National Pact for the Right to Decide (Pacte Nacional pel Dret a Decidir). This movement has a new institution serving the independence project: the Advisory Council for the National Transition (Consell Assesor per a la Transició Nacional), consisting of experts and scholars, which is responsible for reporting on the feasibility of a future Catalan state.

In response to this, supporters of the status quo have mobilised themselves in Catalonia and across Spain. The Popular Party and Ciutadans are leading parties of this movement in Catalonia, and to a lesser extent the Catalan Socialist Party (PSC). There is a newly formed association under the name of Societat Civil Catalana (SCC) that tries to counteract the strength of secessionist associations. This movement has fostered a series of public demonstrations in favour of the unity of Spain, but these have not been as numerous as those organised by the independence movement. In any case, this movement receives much attention from the media in Spanish. The main Spanish newspapers have positioned themselves against the independence of Catalonia, as well as the main national political parties.

Between these two competing approaches, where do small and medium businesses stand? Do small and medium entrepreneurs show some singularity in their preferences on the independence of Catalonia? Do small and medium enterprises support the independence of Catalonia? Do they reject it? There is no doubt that employers have been a very relevant group in the development of industrial societies. They have developed well-defined logics in labour, economic and social areas. Broadly speaking, they credit open economies, liberal societies, and minimal governments. However, employers say little regarding constitutional changes. Previous research suggests that large employers oppose constitutional changes, while small and medium businesses are largely in favour of devolution (Lynch, 1998; Keating, 1998; Keating and Wilson, 2014; Medina, 2014; Medina and Molins 2014). However, independence is something different.

This paper contributes to the understanding of the formation of voting preferences of small and medium entrepreneurs when it comes to a referendum for independence in Catalonia. This paper discusses results from a survey collecting the opinions of 291 Catalan-based SMEs’ managers on various aspects of a possible Catalan independence. The paper is structured as follows. The first section discusses the evolution of the major
political events that have radicalised Catalan politics to move from a sort of culture of agreement with the state to demands for independence of Catalonia. The second section presents the research. The third section presents the results of a survey of small and medium entrepreneurs. This section is divided into four parts: first, the impact of the European Union in shaping voting preferences is examined; second, there is an analysis of voting preferences by sectors; third, the impact of a number of political variables on voting preferences are evaluated; and fourth, the impact of a series of economic variables on voting preferences are assessed. The paper ends with the discussion of two main conclusions.

2. The Long and Winding Road Towards the Referendum for Independence in Catalonia

The Spanish Constitution of 1978 (hereinafter, EC) introduced the Autonomous Communities as one of the backbones for the new democratic regime. Earlier, during the Second Republic, two regions (Catalonia and the Basque Country) enjoyed a modest degree of self-government, while other regions could neither pass their statutes (Galicia) nor their drafts failed to complete. The Franco dictatorship prevented any regionalist progress, while a conservative and religious nationalism was imposed at all political and social levels. This mismatch between territorial models is still present, obviously with many nuances. There were strong disagreements during the Transition between unionists and autonomists. The political right’s project ranged from a model based on a pure unitary state to a type of regionalism as that of Italy. The left-wing and nationalist parties were, to varying degrees, pro-autonomy. The result of these competing views, as is widely known, was the elaboration of an ambiguous and simplistic formula for political decentralisation. The EC did not put an end to the territorial debate. The Constitution provided a rigid and forceful rule in its second article, which promulgates the indissoluble unity of Spain, while introduces the confusing distinction between nationalities and regions.

This conceptual confusion is reflected in the difficulty of many authors to define the Spanish territorial model. Aja (1999) pointed out that Spain is comparable to other federal European countries. So does Sala (2014). Other authors refer to Spain as an imperfect federalism (Moreno, 1994), an incomplete federalism (Grau, 2000), a quasi-federation (Bednar, 2009), or an autonomist state with anti-federal approaches (Lluch, 2011). The difficulty to define the type of territorial model in Spain is in line with the imbalances and tensions arising from its very own development. According to Delfour (2007), the Spanish regionalism has followed a certain willingness to impose centralised solutions to the aspirations of peripheral nationalisms. Therefore, the territorial issue draws upon conceptual ambiguity, territorial disputes, and the frequent rivalry between the central government and the historic regions. This has proven to be the main trend over time.

The first stage, from 1979 to 1983, involved the creation and definition of the Autonomous Communities. The first Statutes of Autonomies were approved, and then regional administrations were established. The uncertainty generated by the failed coup d’etat in 1981 appears to be the reason leading to PSOE and UCD to agree on the Regional Agreements in July 1981. These two parties agreed on the very controversial Draft Bill on the Harmonisation of the Autonomy Process (LOAPA), declared unconstitutional by the Constitutional Court. This stage finished once all Statutes of Autonomy were passed and the first regional elections were held. By then, some features of
the territorial model were traced: the Autonomous Communities were political entities with their very own assemblies and governments, but asymmetry of powers among them was evident.

The second stage began in 1992, after the Autonomous Communities went through a series of reforms and legislation driven by the absolute majority of the PSOE and Spain’s accession to the European Communities. It was a time for the expansion of the regional administrations, while regional elections consolidated nationalist governments in Catalonia and the Basque Country, as well as enabled a certain distribution of power between the socialist party (PSOE) and the conservative Partido Popular in the other regions. This was a period of intense conflict between the regions and the central government, with the Constitutional Court challenging most of these conflicts. Some Autonomous Communities sought to clarify the limits of their autonomy while others purported a competence enlargement.

The third stage witnessed a new wave of proposals to reform various Statutes of Autonomy. The political context matters to account for this, particularly after the rise of the conservative Partido Popular to the central government. President Aznar’s first term (1996-2000) was marked by certain continuity in the territorial policy, in consideration of the parliamentary support by PNV and CiU. President Aznar’s second term (2000-2004) was productive in terms of transfers and funding, but the Partido Popular’s absolute majority led to increasing tensions with peripheral nationalisms (Guibernau, 2006), which ceased to be decisive to keep parliamentary stability. According to Aja (1999), since 1998 the nationalist parties began to criticise the ideas behind the Autonomous State, when they were still ruling Catalonia, the Basque Country and the Canary Islands, because almost all constitutional provisions were developed so far, and it was necessary to renew the strategy.

In this context, some regional parliaments discussed the possibility of renewing the Statutes of Autonomy as a means to prevent recentralisation, and to strengthen regional identities. The Basque Nationalist Party (PNV) was the most ambitious party in this regard. Under the leadership of President Ibarretxe, the PNV offered a proposal based on the creation of a ‘free associated Basque state’, which entailed a confederation with Spain. The Spanish Parliament widely rejected such a proposal with a majority of members from the Socialist Party. This happened in 2005. Rejecting the so-called Plan Ibarretxe did not block a new wave of reforms, however. Between 2006 and 2007 there were reforms for Andalucia, Aragon, Balearic Islands, Castilla-Leon, Catalonia, and Valencia. Extremadura did so in 2011. New competences were given to the regions in, for instance, justice, foreign relations, local governments, and identity.

The reform of the Catalan statute became a cornerstone throughout the entire process. President Zapatero, the new socialist president after the 2004 elections, had to forge his leadership on various political commitments with regional socialist leaders. One of these commitments was to support the reform of the Statute of Autonomy of Catalonia. Nevertheless, this commitment could not be fully satisfied. Some relevant socialist leaders did not support a series of national claims and institutional reforms included in the new Statute of Autonomy (Martinez-Herrera and Jeffrey Miley, 2010). As Colino (2009) points out, the new Catalan Statute involved a bottom-up constitutional reform. For this reason, President Rodríguez Zapatero and his government faced strong opposition from the Partido Popular, the right-wing media, and many leftist sectors. The Partido Popular rose sound criticism on the new Catalan Statute of Autonomy with the slogan ‘Spain is breaking up’. The Partido Popular itself led the effort to annul the statute, and other state institutions (Ombudsman) and autonomous regions joined the campaign. New unionist parties (UPyD,
Ciutadans) were created in those noisy years, while the electoral and media support to nationalist and secessionist parties, especially in Catalonia and the Basque Country, increased (Liñeira, 2011). Most of the Catalan people did not understand such fierce critiques towards the new Catalan Statute of Autonomy as some regions adopted new statutes very similar to that of Catalonia (Keating and Wilson, 2009). The illusions of those who sought a far-reaching reform of the Spanish regions soon faded away. Requejo (2010) argued reforms fell short in the improving national pluralism and regional funding.

Crameri (2011) outlined a number of key elements that may have caused the current secessionist enthusiasm in Catalonia. First, the end of a model of regional expansion based on trying to achieve concessions, which means specific investments and higher transfers of powers, from the central government. This is a reaction to, second, a sort of collective frustration about the new Catalan Statute of Autonomy. This frustration skyrocketed when the Constitutional Court totally or partially cancelled fourteen articles of the new Statute and considered some twenty of them were subject to interpretation. Many parties and citizens in Catalonia interpreted this as an imposition of the state they sought to reform. The truth is that the Constitutional Court’s sentence came after a long negotiation between the Spanish and Catalan parliament, and the approval of the new Statute by the citizenry through a referendum. And, third, the idea that Catalonia is underfunded, which has become one of the main Catalan secessionists’ mottos (Déficit Fiscal, Fiscal Deficit), as well as the idea that there is some favouritism benefiting Madrid over Barcelona when it comes to invest on infrastructures.

This all led to an increase in supporters of the independence movement in Catalonia, which recruited a large number of citizens without a strong nationalist sentiment, as well as nationalists convinced that the autonomist path had come to an end (Serrano, 2013; Guinjoan and Rodon, 2014). These and other elements paved the way the reconfiguration of the Catalan party system allowing more power to independent parties (Martí, 2013), as well as the Catalan government’s promise to call for a referendum for independence on 9 November 2014. Notwithstanding this, it is important to note that, apart from the reform of the Statute of Autonomy, during this stage of socialist government there were a number of initiatives aimed at normalising the regional governments’ engagement in the governance of the state. The central government launched the Autonomous Presidents Conference, the prime minister decided to regularly attend meetings at the Senate, the autonomous communities began to participate in the Spanish delegation before the European Union, and so on.

3. Data & Methods

This paper carries out a descriptive quantitative analysis –mostly bivariate frequencies crosstabs/bar charts- of a survey to 291 small and medium entrepreneurs on a possible independence of Catalonia. Data was collected during November 21-29, 2013. This implies that data must be contextualised in a very specific stage of the independence debate. At that time the Catalan government had already announced its willingness to organise a referendum on independence. The public did not have many details about it yet, but there was a formal agreement between several Catalan parties to rally support for a referendum. For this reason, employers already knew the political agenda, and it is likely that most of them already had a clear stance on the independence of Catalonia. Since the referendum was a possibility, not a reality, data runs the risk of having a varying percentage of undecided respondents, which is something frequent in all elections and referendums.
To obtain as accurate and sector-sensitive opinions as possible, respondents were randomly chosen from four different sectors (industry -32.65 per cent; construction -10.65 per cent; commerce -16.84 per cent; services -39.86 per cent). To accommodate other business and individual features of the respondents, data reflects differences on the grounds of age (18/34 years -11.68 per cent; 35/54 years -63.92 per cent; >55 years -24.40 per cent), gender (men -65.64 per cent; women -34.36 per cent), headquarters location (Catalonia -98.28 per cent; Madrid -1.03 per cent; Basque Country -0.34 per cent; Valencian Community -0.34 per cent), corporate capital structure (native capital -90.72 per cent; foreign capital -9.28 per cent), and export capacity of the company (exporting company -35.74 per cent; non-exporting company -64.26 per cent).

The dependent variable is the voting preference in a referendum on the independence of Catalonia. This variable is examined in relation to the following four levels/topics:

- How the assumption of leaving the European Union affects the formation of voting preferences.
- How voting preferences vary across sectors.
- How voting preferences relate to a number of political variables.
- How voting preferences relate to a number of economic variables.

4. Results

4.1. Voting Preference in two scenarios

The following two figures show employers’ voting preference in a possible referendum for independence in Catalonia. These two figures analyse in a comparative manner a very controversial issue in current independence debates. Arguably, the risk of expulsion from the European Union is a central topic of political discussion in Catalan politics and certainly in the business realm. Figure 1 presents responses in which employers express their true claims in a referendum; so to speak no conditions are imposed. Figure 2 again asks the same question but now questioning the permanence of Catalonia in the European Union. For both figures, the survey allows employers to choose from six different options: Vote yes (Yes); Likely vote yes (Prob Yes); Likely vote no (Prob No); Vote no (No); No vote (NoVote); No opinion (DN/NO). According to the responses in both figures, such issue has an outstanding relevance when it comes to defining the voting preferences of small and medium entrepreneurs.

Figure 1 clearly shows that under the influence of no structural condition as is the possible exist of Catalonia from the European Union, small and medium entrepreneurs show strong support for independence. The ‘Yes’ reaches 28.2% of the overall sample and the probability of voting ‘Yes’ represents up to 17.2%. The sum of these two options is notably superior to options supporting the status quo. The ‘No’ option reaches 18.6% of the responses, which is roughly 10% less than the ‘Yes’ preference. Entrepreneurs likely to vote ‘No’ account for 13% of the sample, which means 5% less than those who might vote Yes. This means that pro-Catalan independence options reach 45.4% of overall responses, while the options that reject independence represent 31.6%. Support for independence among small and medium enterprises is almost 15% higher than the supporters who prefer to remain part of Spain. Furthermore, it is interesting that the debate on independence leads to a huge business mobilisation. Only 2.4% of respondents are entrepreneurs who refuse to participate in the referendum (“No Vote”). However, the data shows that a
considerable percentage of small and medium entrepreneurs have not yet defined their response (as of November 2013). This may cause a substantial change in the other options until the referendum is held or, otherwise, this never takes place.

Figure 1. Vote Preference in a Referendum. Scenario: Catalonia remains in the European Union

<table>
<thead>
<tr>
<th>Vote Preference</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28.2%</td>
</tr>
<tr>
<td>Prob Yes</td>
<td>17.2%</td>
</tr>
<tr>
<td>Prob No</td>
<td>13%</td>
</tr>
<tr>
<td>No</td>
<td>18.6%</td>
</tr>
<tr>
<td>No Vote</td>
<td>2.4%</td>
</tr>
<tr>
<td>DN/NO</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

Figure 2 shows a different picture. Employers appear to be sensitive to the perils of leaving the European Union. According to news reports and official statements by the European Commission and the Spanish government, this scenario seems plausible. For this reason, Figure 2 can show a better picture of the reality that the chart above. Notwithstanding this, the comparison between the two figures reveals that the European Union definitely has an impact on the formation of voting preferences of small and medium entrepreneurs. The impact is evident in three ways. First, the vote in favour of the independence of Catalonia diminishes. Figure 2 indicates that entrepreneurs willing to vote ‘Yes’ diminish by 4% compared to Figure 1. The same applies to employers who are likely to vote ‘Yes’. They move from 17.2% to 14.8%. Second, the vote against the independence of Catalonia grows. The option ‘Vote no’ becomes the majority option with 25.8% of overall responses, which is an increase of 8% over the previous figure. And third, the doubters (DN/NO) increase by 5% to represent 25.4% of total responses. Also, this scenario affects entrepreneurs skipping vote. There is a reduction in such group, which goes from 2.4% to a tiny 0.7% when staying in the European Union is at stake.

Variations between the two figures are evident. Opinions against the independence of Catalonia are reinforced in the second figure. However, we believe the reason for this change is not directly linked to a massive increase of pro-status quo stances. The truth is that pro-independence options fall by 6.6% as they decrease from 45.4% to 38.8%. The obvious change is observed in the preference ‘Yes’ with a decline of nearly 4%, while the ‘Probably yes’ option remains near to 15% after falling roughly 3%. Otherwise, a vote against independence increases 3.5% compared to the previous scenario, especially by strengthening the ‘No’ option. It is possible that changes in rates occurs somewhere between these two blocks; however, we must pay attention to the undecided. There is an increase of 4.8% (20.6% to 25.4%) of the DN/NO column. Thus, the strengthening of the
anti-independence options is not due to its own efforts, but because there happens to be a moderation, and certainly more doubts, among pro-independence options.

**Figure 2. Vote Preference in a Referendum. Scenario: Catalonia exists the European Union**

<table>
<thead>
<tr>
<th>Vote preference (Catalonia outside EU)</th>
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<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>Prob Yes</td>
</tr>
<tr>
<td>Prob No</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>NoVote</td>
</tr>
<tr>
<td>DN/NO</td>
</tr>
</tbody>
</table>

4.2. Voting preference in two scenarios by sector

The following figures show the voting preferences of small and medium entrepreneurs by sector. These two figures compare the impact of the European Union in shaping preferences in a referendum for independence in Catalonia. The voting options are grouped to form four options: ‘Yes’, ‘No’, ‘NoVote’, and ‘DN/NO’. This allows a better interpretation of the results. Four sectors are included, namely, industry, construction, trade, and services. Each sector shows a particular dependence on European legislation and different territorial implantation in Catalonia. The industry sector has always been the engine of the Catalan economy with a very important leadership in the whole of Spain. The construction sector has been very prominent in recent decades. However, the economic crisis has hardly hit both sectors. Many factories have closed, and many buildings have been paralysed. The commercial sector has also suffered a decline in consumption. There is a long tradition of entrepreneurs engaged in petit commerce in Catalonia; many of them have had to put an end to family businesses. The services sector has been one of the strongest in the Catalan economy as in most European economies.

This analysis provides a better approximation to small and medium businesses whose interests and preferences vary. The interest behind this analysis is to find cross-sectorial variations. Regarding the independence of Catalonia, variations may be more relevant depending on the origin of investors. Foreign investors may show a contrary attitude to constitutional change. However, small and medium businesses are usually native capital and, as happens with our data, very few cases have foreign investors. This reduces the possible impact of intervening variables other than sector.

Going into detail, Figure 3 shows the frequency distribution in a scenario in which Catalonia remains in the European Union. At first glance, the industry is more inclined to
support the independence of Catalonia. Almost half of the companies in this sector support pro-'Yes' positions. The rejection of independence in the industry is the lowest across sectors, although almost 20% of industrial employers are undecided. Employers involved in the services sector show very similar preferences to those expressed by industrialists. Support for independence is around 50%, but the ‘No’ represents a higher percentage. Over 30% of employers in the service sector reject independence, while anti-secession industrialists hardly reach that figure. The construction and commerce sectors show more competition between preferences. Traders show an obvious rivalry. The ‘Yes’ and ‘No’ represent very similar percentages, while many are undecided. The three approaches gather 30% each. In this sector there is the highest percentage of undecided as well. The same goes for entrepreneurs who claim not to vote in a referendum. It is fair to say that commerce is the most polarised of the four sectors analysed. There is some polarisation in the construction sector too, although support for independence is higher than ‘No’ preferences.

Figure 3. Vote Preference by Sector. Scenario: Catalonia remains in the European Union

Figure 4 considers Catalonia exits the European Union. Again, this scenario modifies the views of employers. To begin with, industrialists slightly decrease their support for independence, but support for independence is still predominant. This means that industrialists are not extremely sensitive to threats wielded by opponents to the independence of Catalonia. Their position on the debate is very firm. Entrepreneurs grouped in the service sector are sensitive to the consequences of the independence of Catalonia. Given a possible scenario of leaving the EU, support for independence decreases as the rejection of independence grows. This scenario also increases the percentage of DN/NO in the service sector. Moreover, traders show a strong stance against the possibility of leaving the European Union. Compared to Figure 3, traders reinforce their opposition to the independence of Catalonia in a risk scenario. The ‘No’ option exceeds the ‘Yes’ by almost 10%. The undecided are even more numerous than those in favour of the independence of Catalonia. This risk affects differently the construction sector. The overall picture remains much the same: support for independence is the majority choice, although the percentage decreases. The ‘No’ remains at the same percentage as in Figure 3. The number of undecided increases, especially in case of
entrepreneurs who showed support for independence but are concerned by the exit of Catalonia from the European Union.

**Figure 4. Vote Preference by Sector. Scenario: Catalonia exists the European Union**

4.3. Accounting for the impact of political variables on vote preference

This section tries to find explanations for the formulation of preferences for small and medium businesses in the case of the independence of Catalonia. The analysis is based on the tabulation of six different political items (independent variables) with voting preferences, which is the dependent variable. The items discussed are: assessment of the Spanish government; assessment of the Catalan government; opinion about the statement ‘Catalonia is hostile to Spain’; opinion about the statement ‘Spain is hostile to Catalonia’; opinion about the right of secession of Catalonia; as well as the nationality that respondents would like to acquire after the independence of Catalonia. The answers to these questions have been kept as simple as possible in order to get a better interpretation of the results. In almost all variables there are only three possible answers. Further, the dependent variable in this section is the voting preference in a referendum for independence in Catalonia with no further consequences. This decision follows the evidence that in an alternative scenario (Catalonia leaves the European Union) there are no significant variations. See Figure 7 in the Appendix for the results under this assumption.

The hypothesis considers that the business profile of the respondents affects differently to usual patterns of political alignment. It is argued that the entrepreneurial mindset praises business efficiency goals ahead of any other political principle. Therefore, we expect to find uneven patterns of political alignment, meaning we do not expect to find the formation of a Catalan nationalist block, on the one hand, and an anti-nationalist block, on the other side. However, the results in Figure 5 contradict such expectation.

The main conclusion is that there exist two clearly marked voting patterns. There seems to be a strong connection between pro-Catalan independence stances and a series of political positions that link well with the discourse of the Catalan nationalist movement. Business
supporters of Catalan independence are defined by the disapproval of the Spanish government, the approval of the Catalan government, the belief that Spain is hostile to Catalonia, the belief that Catalonia is hostile to Spain, the support of the idea that Catalonia has the right to achieve independence, and a strong sense of Catalan identity. Almost 60% of employers who have a negative opinion of the Spanish government are in favour of Catalan independence. This is very different from the percentage of employers who are positive about the Catalan government and also opt for a ‘Yes’ when it comes to the independence of Catalonia. Almost 70% of businesspeople satisfied with the Catalan government fall within the supporters of the independence of Catalonia. The ‘Yes’ preference is fed by businesspeople who believe that Spain is hostile to Catalonia. Likely, there are 30% of businessmen who defend the status quo who believe that Spain is hostile to Catalonia. This may explain a certain collective sense of hostility. However, the results do not support a definitive conclusion about the idea of hostility between Spain and Catalonia, especially due to mixed feelings among entrepreneurs.

Figure 5. Impact of Political Variables. Scenario: Catalonia remains in the European Union

By the same token, anti-independence businesspeople show critical political positions with the independence movement. These entrepreneurs massively approve the Spanish government. Over 60% of employers who are positive about the Spanish Government are contrary to the independence of Catalonia. Over 40% of employers with a critical assessment of the Catalan government, they argue for a ‘No’. In relation to the perception of hostility, the results are inconclusive, although it is noted that support for the ‘No’ is the
majority among entrepreneurs who believe that Spain is not hostile to Catalonia. There is clear evidence on the relationship between employers who do not believe there is a right of secession and pro-status quo stances. Almost 80% of those who reject the existence of this right, they favour the ‘no’ option in a referendum. The same goes for the entrepreneurs who claim to keep the Spanish nationality alone after the independence of Catalonia.

### 4.3. Accounting for the impact of economic variables on vote preference

This section analyses the relationship between a series of economic variables with the formation of voting preferences on the independence of Catalonia. The aim is to analyse the economic arguments for employers to support or reject the independence of Catalonia. The independent variables focus on the end of the economic crisis both globally and in Spain; the impact of independence on the Catalan and Spanish economies; the probability of carrying out a relocation of the company after the independence of Catalonia; and the impact of independence on sales of the company. As in the previous section, the voting preference does not imply the scenario of Catalonia leaving the European Union. (For these results, please see Figure 8 in the appendix.) Figure 6 shows the results.

![Figure 6. Impact of Economic Variables. Scenario: Catalonia remains in the European Union](image)
Overall, data shows two rationales: on the one hand, an economic argument in favour of independence and, on the other hand, an economic argument that is contrary to independence. Of course, these arguments are based on beliefs about the potential effects of independence on the economy and, therefore, these arguments come as much from the analysis of the businesspeople on the financial situation of their own business as their very political beliefs.

The economic discourse of entrepreneurs who defend the ‘Yes’ is characterised by a central argument: independence is neither a risk for the Catalan economy nor jeopardises sales. These entrepreneurs show a pessimistic view of the end of the crisis. Almost 50% of employers who believe that the crisis is not finished, both globally and in Spain, they are supporters of independence. Independence is seen as a means to overcome the crisis. Catalonia has to get rid of Spain, meaning that Catalonia would be better off Spain economically. 80% of the pro-independence businessmen believe that the Catalan economy would benefit from this constitutional change. It is also true that more than half of entrepreneurs who believe independence has no effect on the Catalan economy are supporters of ‘Yes’. In any event, pro-independence economic arguments are not based on a catastrophic scenario. Not even for the Spanish economy. Over 60% of supporters of independence believe that secession of Catalonia can be positive for the Spanish economy. In addition, these entrepreneurs minimize risks on the companies themselves. Support for independence is higher among firms that are not likely to relocate their businesses; and also the support for independence is predominant among companies that believe that secession does not cause a reduction in sales.

In contrast to this, the anti-independence businesspeople predict a tough economic climate after the independence of Catalonia. 80% of employers voting ‘No’ argue that independence would prompt bad news for the Catalan economy. One reason for these entrepreneurs is that the end of the Spanish crisis is near. Among the businesspeople who believe that the Spanish crisis is near, 50% rejects the independence for Catalonia. Catalan independence becomes an added obstacle insofar as these entrepreneurs believe independence leads to a reduction in sales, and it is probable that company relocations occur.

5. Final Remarks

Business opinions on independence-related matters are largely unknown. The literature indicates that large employers tend to oppose independence and any form of constitutional change, while there are varying stances among small and medium entrepreneurs. Large companies fear the overall uncertainty caused by the independence of a region. For them, uncertainty means doubts about future investments and market stability. National business associations use these arguments to stand against independence in Catalonia and Scotland. Obviously, these are general statements. There are always cases of large employers that remain neutral or even support independence aspirations.

Regarding SMEs, this article has examined four items that could somehow define their voting preferences. The analysis has focused on the impact of the European Union in the definition of voting preferences; the definition of voting preferences by sectors; the impact of a number of political variables; and the impact of a number of economic variables. The interpretation of the results is sensitive to the development of the many political events, so the reader should be aware that the data was collected in November 2013.
However, there is strong evidence of the existence of two major conclusions. On the one hand, leaving the European Union is a serious risk that some small and medium businesses do take into account carefully. Data does not prove that the rejection of independence increases significantly when this scenario is at stake. Otherwise, the number of undecided respondents grows as the number of pro-independence businesspeople decreases. This requires further analysis to examine the temporal evolution of businesspeople showing doubts, which are around 30% of the responses. On the other hand, the analysis of the political and economic variables indicates the formation of two blocks. A block clearly shares the nationalist discourse. Pro-independence businesspeople understand that a change of status quo is necessary to overcome the crisis. They express strong Catalan feelings as well. Opponents are concerned about the bad impact this whole process could have on the Catalan economy. In addition, these entrepreneurs show clear political positions contrary to the nationalist movement.

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Appendix

Figure 7. Impact of Political Variables. Scenario: Catalonia exists the European Union

Political variables

- Assessment of Rajoy's government
- Assessment of Mas' government
- Spain is hostile to Catalonia
- Catalonia is hostile to Spain
- Is there a right to secede?
- Nationality after independence

percent

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<th>Disapproval</th>
<th>DN/NO</th>
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percent

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<th>DN/NO</th>
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<tbody>
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percent

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<th>No</th>
<th>DN/NO</th>
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percent

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<th>Spanish</th>
<th>Both</th>
<th>DN/NO</th>
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Figure 8. Impact of Economic Variables. Scenario: Catalonia exists the European Union