Small and Medium Enterprises
and the Independence of Catalonia

Iván Medina (Universidad Autónoma de Madrid), ivan.medina@uam.es
Joaquim M. Molins (Universitat Autònoma de Barcelona), joaquim.molins@uab.es

Abstract:
The debate regarding the (possible) 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. Of course, there have been a number of events that have changed the status quo in the Catalan party system (with considerable electoral decline of the socialists), the polarisation of political competition (with an alliance between ERC and CiU), leading to a heightened sensibility and social mobilisation around questions of identity (language, culture, economic resources, and so forth). As a result, everyone involved in Catalan politics, from political parties to associations, from individuals to the media, has reacted to this important event. In this paper entrepreneurs are analysed. While other qualitative studies have focused on business organisations’ regional opinions, all of them highlighting a number of fears (market fragmentation) and enthusiasms (involvement in policy-making), this paper presents the results of a survey of some 290 employers held in November 2013. We examine business opinions regarding independence, and the effects this debate has on sales, economic recovery, business activity, and constitutional preferences.

Keywords:
SMEs, Employers, Catalonia, Independence, Nationalism

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1. Introduction

For over nearly forty years now, scholarly attention to regionalism has increased in quantitative and qualitative terms (Keating 2008), raising a number of political challenges, economic processes, and institutional re-scaling fostered by regional pressures and global forces. Despite the manifold warnings concerning the hollowing-out of the nation-state from diverse angles, the importance of the regions as a primary source of political change remains underrated (Jeffery and Schakel, 2013). And now reality sets a challenge in form of secessionism. It is on vogue, with a varying degree of intensity and of argumentation, in Spain, Canada, Belgium, Italy, and the United Kingdom. Instead of being a minor political topic, a potential independence of a constituent territory becomes one of the main covered debates both in academic forums and in public opinion. As of now, current dynamics are of massive interest for the social sciences in a European context since we are able to witness what it really entails to face a process of (potential) secession in the 21st Century.

Nowadays, a number of processes overlap: from the shaping of competing discourses, to the use of legal impediments, through the publication of specialised reports, and to the mobilisation of citizens, elites and everyone eager to have a say. In this vein, entrepreneurs have long skipped the opportunity to define a clear opinion regarding secession. They like to stay pragmatic and sceptical, if at all possible. If any, a handful of past studies considered that big businesses overtly manifest a firm opposition to aspirations of this kind, and even, in some occasions, to devolution (Lange 1998; Lynch 1998). On the other hand, SMEs happen to support devolution (Keating et al. 2009), although we lack studies dealing with in-depth analysis on SMEs stances concerning independence. To date, much of the literature on regional business associations has stressed on their associational functions within state-wide business associations (Coleman and Jacek 1989; Coleman and Montpetit 2000), their associational adaptation to devolution (Valler and Wood 2004, Raco 2003), their political linkages (Keating et al. 2003), their involvement in public policy and further institutional adaptations (Hassel 2010), their attitudes towards political regionalism (Dixon 2006; Medina 2014), and their engagement in the development of economic milieus (Maennig and Ölschläger 2011).

For these reasons, this article shows the results of a survey collecting the opinions of 291 Catalan-based SMEs’ managers on various aspects of a possible Catalan independence. The main research question is quite straightforward, namely, do small and medium enterprises support the independence of Catalonia? We understand support as ‘voting preference’ in a possible referendum, which was announced by President Artur Mas to be held on the 9th of November 2014. Considering the economic argument driving entrepreneurs’ political decisions, we test the impact of business-, political-, and economic-related factors on the dependent variable.

This paper proceeds as follows. The next section introduces the origins of the current secessionist momentum by highlighting the main political events occurred in the last decade. The second section addresses the major businesses’ reactions to the announcement of a referendum for independence. We argue that the current debate has a strong economic basis and, therefore, it is interesting to examine the reactions from the most relevant business associations. Later on, the empirical analysis is divided into two parts. The third section discusses the research design. The fourth section presents the results in terms of SMEs’ voting preferences in a referendum. Finally, we will discuss the significance of the empirical results for current studies on nationalism and regionalism.
2. The Great Catalan Nationalism’ Shift: From Autonomism to Secessionism

It is widely known that Spain has not yet encountered a way to appease internal tensions on the grounds of territorial disputes. The 1978 Spanish Constitution proposed an intermediate solution between unionism and territorial fracture, namely, the *Estado de las Autonomías*. It was an intermediate solution for two reasons: on the one hand, the right-wing forces tied to the Francoist Regime could not accept singular political recognitions to peripheral nationalisms (Catalonia, Basque Country, and Galicia), so the constitutional agreement allowed for political decentralisation throughout Spain. On the other hand, there was no intention to give the territorial cleavage a definite solution. It was a topic plagued with so competing interests that the Constitutional fathers only reached an ambiguous formula (Aja 1999). Hence, there seems to be room for many interpretations. Some authors argue Spain is a fully-fledged federal state (Sala, 2014), while other scholars point Spanish autonomism is plenty of institutional flaws and identity anxieties (Romero 2006). Moreno (2008: 167) blames it to the regionalist and nationalist parties, on the one hand, for their permanent aim to establish bilateral intergovernmentalism, as well as, on the other hand, to the central government that often appeals to unionism in times of territorial crisis.

In the particular case of Catalonia, secessionism did never work as an electoral asset. Catalan politics revolved around the distribution of electoral spaces between the major nationalist party (CiU), which scored massive electoral success at every regional election, and the socialist party that garnered the status of the most voted party in national elections. Such trend brought stability for over thirty years after the transition to democracy, insofar as the central government could rely on CiU’ support in exchange of concrete political concessions (Barberà and Barrio 2006). Only *Esquerra Republicana de Catalunya* (ERC) set independence as an electoral strategy since 1989 onwards, which soon after was combined with a leftist discourse to overcome an internal crisis (Argelaguet 2006). It was not until the tripartit (PSC+ERC+ICV) brought *Puigolism era* to an end in 2003, with attempts to overhaul the Catalan statute of autonomy, that the well-established Catalan politics’ fundaments were shaken.

This new era of Catalan politics coincided with a series of major political events for the Spanish politics as a whole. The absolute majority of the second government of President Aznar (2000-04) provoked strong tensions with peripheral nationalisms (Guibernau 2006), which ceased to be decisive for the stability of the central government. In this context, some regional parliaments discussed the possibility of renewing the statutes of autonomy as a measure to prevent centralising impulses, as well as to reinforce territorial identities. The Basque Nationalist Party (PNV) proved to be the most ambitious party in this regard. Under the leadership of President Ibarretxe, the PNV offered a proposal based on the creation of a Basque state associated with Spain. The Spanish parliament widely rejected such a challenge, with a majority of MPs from the socialist party. Nevertheless, the Basque question marked a turning point in the territorial debate in Spain, as it was the first time that a confederation of a territory was at stake. President Zapatero was inexperienced in these days, and faced a strong opposition from the Partido Popular. These two very elements defined the renewal process of the statutes of autonomy in Spain. On the one hand, President Zapatero had to build his leadership on political commitments with regional leaders. One of these commitments was to support the reform of the Statute of Autonomy of Catalonia. This commitment could not be fully met, since Catalonia proposed a series of national recognitions that did not have the pleasure of relevant Spanish socialist leaders (Martinez-Herrera and Jeffrey Miley 2010). Besides this, the truth is that the new Catalan statute of autonomy challenged an overall *bottom-up* Constitutional
revision, which proved to be a misguided goal considering the harsh environment (Cruz Villalón, 2006). In this vein,

‘For many, this proposal clearly overstepped the constitutional limits of the model of federalism that had evolved in Spain so far, showing some traits that many considered confederal. Numerous provisions were still deemed unconstitutional by the central socialist government itself, by the main opposition party in the Spanish parliament and by most Spanish constitutional lawyers.’ (Colino, 2009: 270)

The Partido Popular nourished the critique towards the new Catalan statute of autonomy as a main focus of its campaign, intended to rebuild the right-wing electorate. Most of the Catalan electorate did not understand such an acute criticism, since some regions adopted new statutes very similar to that of Catalonia (Keating and Wilson 2009). Overall, according to Requejo (2010), the transformation of the State of Autonomies, with this new wave of reforms, has been very limited, at least in matters related to old striking debates such as, for example, plurinationalism and regional funding. Taking this into account, Crameri (2011) traced a series of key elements that may be the cause for the current secessionist enthusiasm in Catalonia. First, the end of a model based on trying to squeeze concessions (concrete investments and greater powers) from the Spanish government, which is somehow a reaction to, second, the collective frustrations around the negotiations of a new Catalan statute of autonomy of 2006. This provoked a negative reaction of the right-wing opposition around the Partido Popular (now the ruling party in Spain), and which both the Spanish Parliament and the Constitutional Tribunal watered down. Third, the belief of an intended fiscal mistreatment over Catalonia, which has become one of the linchpins of the secessionist discourse, as well as an intended favouritism of Madrid over Barcelona in terms of infrastructures. This set of elements has paved the way for the emergence of a secessionist movement, an increasing number of pro-independence protests, greater media coverage, and the reconfiguration of the Catalan party system allowing greater power to pro-independence parties (CiU, ERC, CUP, ICV) (Lluch, 2010), while reinforcing, by the same token, the perception of PPC, PSC, and Cs as bearers of Spanish nationalism (Dinas, 2012).

Opinion polls are gradually documenting a radicalisation of status quo preferences, leading to a maximisation of independentist preferences among citizens. Current trends, thus, confront arguments regarding Catalan nationalism as an “elite-led, top-down project” around Convergència i Unió (Jeffrey Miley 2007), in which CiU was perceived as the regional party (Liñeira, 2011), mostly due to the electoral growth of Esquerra Republicana de Catalunya (ERC). Political elites may still shape the agenda, but citizens’ support is evident according to various massive demonstrations, and the referendum simulation for independence (2009-2011) (Muñoz and Guinjoan 2013). Arguably, the electoral basis of Catalan secessionism is no longer underpinned by cultural/identity factors. Nor it is for political decentralisation across Spain (Guinjoan and Rodon, 2014). Citizens are much more sensitive to economic and political influences when it comes to shape territorial inclinations (Keating 1998; Llera, 2009; Serrano 2013).

As a result, Blas (2013: 400) points that Catalan nationalism has faced a qualitative shift in its discourse and political ambition. There is a strong move from a clear-cut, boundary-constrained claim (greater political autonomy) to a universal value in terms of the

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1 CiU = Convergència i Unió; ERC = Esquerra Republicana de Catalunya; CUP = Coordinadora d’Unitat Popular; ICV = Iniciativa per Catalunya – Verds.
2 PPC = Partit Popular de Catalunya; PSC = Partit dels Socialistes de Catalunya; Cs = Ciutadans.
democratic right of the Catalans to decide Catalonia’s constitutional status. It is no longer what the Catalans demand to stay within Spain (Catalonia vs. Spain), but what Spain does not let the Catalans be (Spain vs. Catalonia). A clear example of this phenomenon is the celebration of the tercentenary of the 1714 war (War of the Spanish Succession), which has become a mythical date for the Catalan independence movement, considering that the ultimate goal of the Spaniards was (and still is) to withdraw Catalonia’s own constitutions and cultural singularities. To build a favourable political message, the Generalitat organised a series of activities focused on denouncing the long-lasting political discrimination on Catalonia by a centralised, unifying Spain.

This new ideological and symbolic change evolves in line with current developments within the field of national pluralism, in that Kymlicka’s ethnocultural justice paradigm, apparently, better captures current nationalist demands against linguistic impositions, cultural downgrading, and nationhood homogeneity (Kymlicka 2001). This new approach somehow widens Buchanan’s classic justification of secessionism on the grounds of grave injustices (e.g. violations of human rights) (Buchanan 1991). It is hard to argue that in a West European context such injustices could qualify, as it is hard to believe that, despite the absence of structural violence, majoritary/minority nationalist tensions would diminish eventually.

Arguably, Costa (2003) discusses that liberal approaches to multinational states based on constitutional accommodation of minority nations within larger nationhoods need to be reassessed. To the extent that a State can fail in accommodating meaningful minority rights, considering rights other than self-government, the right to secede should be recognised for those stateless-nations that feel their national features jeopardised. However, it remains unclear that everyone in Catalonia is sympathetic with such feelings, and claims for an exit option. Since nationalism is in essence a matter of identity perception and cultural background, a right to unity should be equally respected. Building on this point, a recurrent solution is that of a legal regulation of secession, which, let’s admit it, seems unlikely to become a primary right in multinational states. Conversely, secessionists argue that a referendum may be a sound means to clarify the distribution of power between national positions. This is the main clause resulting from the government agreement between CiU and ERC after the 2012 Catalan Election (Martí, 2013).

3. Major Business Reactions to the Catalan Secessionist Challenge

The Catalan secessionist movement’s rationale behind the attempt to dismember Spain hinges on two pillars: on the one hand, that Spain, full of corruption and clientelist elites, troubles the political landscape of an exemplary Catalonia, as well as, on the other hand, that Spain’s fiscal and economic policy purposively impedes the Catalan economy recovery. For both non-identity reasons, nationalists campaign in favour of independence (with many non-natinalists supports), and spread the message beyond the political realm. Various economic-related issues have gained saliency in the last years in parallel with the de facto economic bailout of Catalonia, namely, the so-called ‘Déficit fiscal’ (Fiscal Shortfall), the lack of investments on infrastructures, the Generalitat’s liquidity problems and follow-up privatisations, and, recently, the debate around remaining in the European Union in case of independence (Vidal Folech 2013).

But economic shortcomings began to emerge roughly a decade ago. The relative loss of industrial power in Catalonia, and the economic booming of Madrid, whose local economy benefited from the privatisation of public monopolies, raised a number of doubts about
the ability of the Catalan employers to maintain the traditional regional leadership. According Cabana (2011), the Catalan businesspeople embarked on initiatives to restructure the Catalan business network, especially in sectors such as textile (Mango), media (Mediapro), and airlines (Spanair). In addition, Catalan business associations mobilised to demand greater attention from the central government in areas such as regional funding, and infrastructures (airport, Mediterranean corridor). Such an organised mobilisation led to an escalation of tension between Catalan businessmen and entrepreneurs from the rest of Spain. One of the most dramatic moments came with the resignation of Fomento del Trabajo Nacional, the most representative Catalan business association, to continue to occupy one of the Confederación Española de Organizaciones Empresariales’ (CEOE) vice-presidencies. Notwithstanding this array of efforts, the Catalan economy continues to suffer the effects of the economic crisis, the failures of some of these business regeneration initiatives, as well as the many delays in construction of public projects.

In fairness, the usage of economic issues is not exclusive for the Catalan case. Too, the Scottish National Party (SNP) highlights the economic solvency of Scotland to call for independence. Bone et al. (2006) point that traditional nationalist discourses and traits find a place in strategies of economic development, since citizens are more sensitive to political projects based on welfare-related needs. Therefore, economic issues turn into symbolic nationalist flagships. Secessionists attempt to intertwine identity aspirations with economic strategies, while regionalist cast serious doubts about the benefits of such connection. To some extent, the economic and fiscal crisis has opened a window of opportunity to discuss about regional resilience all over the world (Christopherson et al, 2010). What makes the difference between state-less nations and other regions is, seemingly, the exit option. Secessionist stances funnel regional resilience through the set up of a new state, while regionalist views credit the traditional regional competitiveness recipe. In short, the regionalist approach considers:

‘The most effective strategies for regional resilience rely on acquired levels of civic capital and the existing endowment of regional institutions to chart new paths forward. Among the factors that determine their effectiveness are the ability to build on specialized regional assets, including public and private research infrastructure, as well as unique concentrations of occupational and labour market skills; the presence or absence of ‘civic capital’ at the regional and local level; and the ability of local firms and entrepreneurs to adjust their business strategies in response to changing economic circumstances.’ (Wolfe, 2010: 150-51)

The current business scenario in Catalonia perfectly relates to these two approaches. Large companies are largely opposed to the independence of Catalonia. They fear a decline in sales and the political instability of a new state outside of the European Union. In this sense, many entrepreneurs have expressed criticism about the secessionist process. In early 2014, newspapers published a bunch of Catalan businessmen’ statements claiming dialogue to prevent constitutional breakage. One of these entrepreneurs was the chairman of La Caixa, the Catalan main bank. On February 13 2014, a group of German businessmen signed the ‘Barcelona Declaration’, which expressed emphatically the dangers of an

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3 This event can be interpreted as a step forward in the logic of FTN Chairman for attaining the leadership of the Spanish employers’ association. This seems a mistake to believe that this event was designed following a nationalist logic. FTN soon took its organisational responsibility within the CEOE, while Joan Rosell could achieve its aspiration to become the president of the CEOE in 2010.
independent Catalonia. A week earlier, on February 7 2014, the press reported that prominent leaders of the Generalitat sought the cooperation of employers settled in Madrid to lower political pressure. Conversely, small and medium enterprises happen to be inclined to support secessionist tenets. Further analysis is shown later on. Briefly, they argue that their market share and sales volume would remain stable despite a possible independence. They also argue that independence would generate better tax policy and better public resources management.

This polarisation is observed in the business associations’ realm (see Table 1). To begin with, Fomento del Trabajo Nacional (FTN) is opposed to the independence of Catalonia. Instead, FTN demands the adoption of a fiscal pact (understood as greater financial resources to the Generalitat), as a means to solve current political and economic conflicts. So, the main Catalan employers’ association insists on the existence of both a tax grievance and a deficit of infrastructures that the central government must address. However, FTN disagrees with the idea that Spain is the one to blame for the Catalan situation. FTN has also organised two business events (Anem per feina 2013, and Anem per feina 2014), which have been strongly criticised by nationalist voices, as these business summits purported to call the businesspeople to mainly focus on the economy, in a time when the Generalitat requested the adherence to the Pacte Nacional pel Dret a Decidir (National Pact for the Right to Decide).4 So, FTN, despite participating in the first meeting of the Pact, has always rejected its ultimate goal. Other associations share such critiques towards the secessionist project. The think-tank Cercle d’Economia believes there is a need for structural reforms in the Spanish economy, including the reform of the State of Autonomies. Among these reforms, the Cercle highlights the definition of a new regional funding system, but refuses the concierto económico formula (the system applied to the Basque Country and Navarra).5 Furthermore, the think tank Puente Aéreo, which includes twenty very prominent businessmen of Barcelona and Madrid, completely rejects the independence of Catalonia.6

Conversely, PIMEC joined the aforementioned Pacte Nacional, as did CECOT. The Barcelona Chamber of Commerce made it through the General Council of Chambers of Catalonia (Consell Català de Cambres de Comerç). In more detail, PIMEC, the main SMEs business association, has been historically marked by nationalist positions on political and economic aspects. For instance, PIMEC is openly contrary to laws seeking market unity, while promotes the Catalan language in businesses. Just over a year ago (2013), PIMEC released a survey reporting that about 67 percent of its members was favourable to independence.7 On the other hand, CECOT supports Catalan independence, as the association argues that the main obstacle of the Spanish economy is the country’s overall

4 The full list of associations involved in the Pacte Nacional pel Dret a Decidir is as follows: Associació de Municipis per la Independència, Assemblea Nacional Catalana, Associació de Publicacions Periòdiques en Català, ASAJA, Coordinadora d’Associacions per la Llengua Catalana, CCOO, CECOT, Centre Internacional Escarré per a les Minories Étniques i Nationals, Consell Nacional de la Joventut de Catalunya, CoNCA, Confederació d’Associacions Veïnals de Catalunya, Confederació de Cooperatives de Catalunya, Consell de Governis Locals, Consell Escolar de Catalunya, Consell General de Cambres de Catalunya, Consell Interuniversitari de Catalunya, Consell de Treball Econòmic i Social de Catalunya, Ens de Comunicació Associativa, Federació d’Associacions de Gent Gran de Catalunya, Federació de Cases Regionals, Federació de Petites i Mitjanes Empreses, Foment del Treball, Institut d’Estudis Catalans, Institut Ramon Muntaner, l’IntercoLegal, Joves Agricultors i Ramaders de Catalunya, Òmnium Cultural, PIMEC, Plataforma per la Llengua, Taula d’entitats del Tercer Sector Social de Catalunya, Unió de Federacions Esportives de Catalunya, UGT, Unió de Pagesos y USOC.
6 http://www.expansion.com/2011/03/10/catalunya/1299752870.html
lack of democracy. A brand-new Catalan state would be a tool to improve economic figures, CECOT states. Finally, the Barcelona Chamber of Commerce is favourable to the independence of Catalonia, at least indicating that an independent Catalonia would be entirely feasible in economic terms.

| Table 1. Business Associations’ Stances on the Independence of Catalonia |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Name                       | Typology                    | Membership                  | Opinion on Secession        | Main Demand                  |
| FTN (Fomento del Trabajo Nacional) | Peak regional business association | No membership restriction* | Rejection                    | Fiscal Agreement (concierto económico) |
| Cercle d’Economia           | Think tank                  | Mostly large companies      | Rejection                    | Structural reforms, including the regional system |
| Foro Puente Aéreo           | Think tank                  | Large companies             | Rejection                    | Structural reforms           |
| PIMEC (Petita i Mitjana Empresa de Catalunya) | SMEs business association | SMEs                        | Favourable, but keeping a low-profile | Fiscal Agreement (concierto económico), otherwise independence |
| CECOT                       | Sectorial employers’ association | No membership restriction, but mostly SMEs | Favourable                   | Independence                 |
| Barcelona Chamber of Commerce | Chamber of Commerce         | No membership restriction, but mostly SMEs | Favourable, but keeping a low-profile | Fiscal Agreement (concierto económico), otherwise independence |

Note: * FTN counts with a SMEs business association called FEPIME. Thus, FTN is regarded as representing large companies despite the association does not apply statutory restrictions to membership on the grounds of company size.

4. SMEs and the Independence of Catalonia

Data and Methods

In the absence of clear statements from previous empirical research, we are obliged to stipulate a couple of theory-driven hypotheses. Voting preference, when voters are company managers, seems to be tailored by company-level, economic and political determinations. In overall terms, territorial anchorage has been argued to regard SMEs as companies likely to support devolution as a means for enhancing local markets competitiveness. This view is widely shared by three of the most relevant business associations in Catalonia, whose membership base is comprised mostly by SMEs. In emphasising the linkage between independence and SMEs’ economic wellbeing, one can expect a certain consistency in the views of respondents when it comes to voting on a referendum for the independence of Catalonia. To the extent that factors other than identity appear to be critical, coupled with the fact that the nationalist discourse has focused on highlighting a huge grievance against Catalonia (fiscal deficit and institutional constraints), hypotheses must assume, on the one hand, that most SMEs happen to be inclined to vote in favour of independence (Hypothesis 1), and, on the other hand, that

8 http://www.cecot.org/Home/Comunicacio/Cecot-opina/Editorial/Editorial/_KEj2UaxxWE_Uz4o9sIOT-ag5EiBNV40iizia69eDBRr7Ys1419xJqIse_tmpNqU7ek-aSX_pig#.UwFEimBdRe8
9 http://premsa.cambrabcn.org/sites/default/files/20130626_NPPacteDretadecidir.pdf
there should be no traditional patterns within each voting preference (Hypothesis 2). This means we should not expect, for instance, a very homogeneous trend marked by entrepreneurs with Catalan identity, supporting the Catalan government and believing that independence would bring economic benefits. Nor we expect to find some other opposite voting preference involving entrepreneurs with Spanish identity that disapprove of the Catalan government as they consider independence could adversely strike the Catalan economy.

The data we use in the empirical analysis comes from a survey to 291 SMEs managers designed to explore opinions regarding the possible independence of Catalonia. Data was collected during November 21-29, 2013. To obtain as accurate and sector-sensitive opinions as possible, respondents were randomly chosen from four different market sectors (industry -32.65 percent; construction -10.65 percent; commerce -16.84 percent; services -39.86 percent). To accommodate other business and individual features of the respondents, the sampler reflects differences on the grounds of age (18/34 years -11.68 percent; 35/54 years -63.92 percent; >55 years -24.40 percent), gender (men -65.64 percent; women -34.36 percent), headquarters location (Catalonia -98.28 percent; Madrid -1.03 percent; Basque Country -0.34 percent; Valencian Community -0.34 percent), corporate capital structure (Spanish capital -90.72 percent; foreign capital -9.28 percent), and export capacity of the company (exporting company -35.74 percent; non-exporting company -64.26 percent).

We run a descriptive bivariate analysis to test our hypotheses. First, we compare the responses to questions about likelihood to vote in a referendum for the independence of Catalonia. The comparison is between a question that does not impose any conditions on the independence of Catalonia, and another question under the scenario of a possible expulsion of Catalonia of the European Union. This second question works as a control variable. Respondents were able to choose from a wide range of responses. We consider the of-cited pragmatic spirit of entrepreneurs to take into account the qualitative importance of providing a strong response in favour of an option or, otherwise, that the respondent did not provide a clear positioning. Similarly, we kept responses focused on ‘no vote’, ‘don’t know’ and ‘no opinion’, to provide a better picture of the weight of the undecided voters in the independence debate. Second, we examine the impact of several variables on the voting preference in a referendum. Since it is now clear that Catalonia would leave the European Union, the dependent variable is the control variable used previously. Independent variables are analysed in thematic sets. We observe the impact of firm characteristics, political factors, and economic factors separately. The objective is to analyse the distribution of voting preferences for each of the categories of the variables. To make the analysis simpler, we have recoded the dependent variable in four possible voting options, namely, independence, no independence, no vote, and ‘don’t know/no opinion’ (DN/NO).

**Results**

Does the debate around leaving the European Union (EU) have any impact in voting preferences? Interestingly, Figure 1 shows the EU issue is of mighty concern for the Catalan businesspeople. In introducing the EU affair as a control variable, Graph 1 illustrates that support for independence decreases (from 28.2 to 24.1 percent), while opposition to it increases (from 18.6 to 25.8 percent), as do the “don’t know” responses. Intermediate responses vary as well, especially that of ‘probable voting no-independence’. If the consequence of such referendum is leaving the EU, then polarisation widens, leading to greater participation in that ‘no vote’ options diminish from a 2.41 to a tiny 0.687
percent. These results are of massive helpful to understand the discursive evolution of Catalan secessionism. Probably because the pro-independence movement soon figure out about the relevance of this point, the concern was that independence case remained too much in the national arena, and the dangers it posed for the ‘internationalisation of the conflict.’ We have already contended that the nationalist insight shifted from pursuing greater devolution to imploring the universal right of the Catalans to choose their own statehood.

Accordingly, President Mas sent a letter to the main European leaders asking for support to the ‘democratic process happening in Catalonia,’ as he wrote op-eds titled ‘Let us vote!’ for six European newspapers including De Standaard (Belgium), Capital (Bulgaria), Jutarnji List (Croatia), Politis (Cyprus), Postimees (Estonia), as well as The Malta Independent (Malta). Secessionists argued that Catalonia could not be expelled from the European Union because Catalonia is a fundamental piece of Europe. Catalan secessionists pursued a clear commitment of the European community in support of the right of secession of Catalonia. This support should dispel doubts about the expulsion of Catalonia of the European Union. Despite all these strategies, the European Commission stated clearly that leaving the EU would be inevitable. In any case, these results confirm that the voting preferences to the challenge of secession are marked by political factors. However, these factors are not contextualised by political tensions within Spain. Instead, opinions change when membership to the European Union is at stake. Therefore, hypothesis 1 should be refined as follows: SMEs do support secessionist options, unless the direct consequence of the independence implies a redefinition of the institutional structure to which Catalonia belongs.

Regarding the second part of the analysis, Figure 2 presents voting preferences based on the characteristics of the companies to which entrepreneurs belong. We attempt to assess the composition of preferences for each independent variables’ categories. Thus, the results are shown as stacked bars with percentage counts. Each of the categories accumulates the percentages of votes in a referendum, assuming Catalonia would remain outside the
European Union. To begin with, we focus on voting preferences by economic sectors. In none of the sectors there is a majority preference. Industrial companies appear to be slightly in favour of independence, but the sum of the supporters of the status quo and those who are undecided turns out to be the majority choice. Percentages are almost identical in construction and services, namely, 40 percent of respondents support independence, and 40 percent of them reject independence, while the rest of employers are undecided. It is in the commerce sector where support for independence is lower. This leads to the conclusion that the business sector has a limited impact when it comes to examining variations in voting preferences. This also applies to other firm characteristics. Neither the capital structure nor the export capacity of the company seems to shape different behaviours. A slightly higher percentage of opposition to independence is observed when companies are run under foreign capital. However, support for independence among such enterprises reaches a significant 40 percent.

The second set of independent variables focuses on political issues (see Figure 3). The analysis includes answers regarding the approval of the Spanish and Catalan governments, the existence of a hostile climate between Spain and Catalonia and, finally, the nationality that respondents would like to have in a possible independent Catalonia. Unlike the previous set of variables, these political variables explain different voting preferences. Three of the five graphs shown in Figure 1 are indicative of clear political tendencies. In short, we observe a strong relationship between employers who approve President Rajoy's
government and the option of rejecting independence. This trend is also seen in entrepreneurs who support President Mas’ government and supporters of the independence of Catalonia. Finally, identity emerges as a highly explanatory factor for voting preferences. Entrepreneurs who wish to maintain the Spanish nationality in a brand-new Catalan state are inclined to reject independence, while entrepreneurs who want only the Catalan nationality are the lion’s shares when it comes to supporting the independence of Catalonia. Mixed feelings emerge when respondents want to maintain dual citizenship. It is worth noting that, in numerical terms, this latter option is the most numerous.

Similarly, the analysis of economic variables documents the formation of two opposing views. Figure 4 suggests that the rejection of independence for economic reasons occurs when respondents believe that the end of the Spanish crisis is near, and that the independence of Catalonia will have a negative impact on the economy. In addition, these entrepreneurs argue that independence will have a negative impact on sales, thus facilitating the offshoring of company headquarters. Otherwise, pro-independence entrepreneurs positively value the economic effects of a possible secession. They point that independence will not affect sales. Nor they consider independence will force the relocation of factories. These entrepreneurs thereby judge that the independence of Catalonia will be good even for the Spanish economy, and try to achieve independence because they see the end of the economic crisis in Spain is not near. Besides these two opposing views, Figure 4 indicates
the existence of a group of entrepreneurs whose doubts about the independence process are mirrored in their poor prediction of the economic impact of this process.

Figure 4. Impact of economic factors on vote preference in a referendum (Condition: Catalonia outside of the EU)

Empirical results of this section can be summarized as follows. First, the characteristics of the companies seem not to function as explanatory variables of voting preference in a referendum for the independence of Catalonia. Some variations can be observed between sectors, but these are very limited. Second, pro-independence entrepreneurs share a number of political and economic features. They believe that President Rajoy can do better, while they widely support President Mas. They believe that the independence of Catalonia would positively affect the Catalan economy in all manners. In addition, these entrepreneurs clearly opt for Catalan identity. And, finally, employers who reject independence believe that the economic crisis will end soon. As such, they endorse President Rajoy, while they show no sympathy for President Mas. They argue that the independence of Catalonia could generate major economic imbalances and, in the event that Catalonia became a state, they opt for Spanish nationality.

For these reasons it seems appropriate to reject hypothesis 2. Theoretically, the literature emphasises that economic issues are gradually gaining weight within the nationalist discourse and, therefore, identity is no longer the only factor explaining secessionist aspirations. However, this article provides evidence of a strong relationship between economic, political and identity factors. Obviously, identity is reinforced by political and
economic arguments, but the overall picture suggests a polarisation of the arguments in favour of Catalonia against judgments in favour of Spain. Analysing SMEs should have reduced this bias to show certain homogeneity across managers. However, the results do not support such statement.

5. Discussion

This article examines the views of some 290 SMEs’ managers regarding the independence of Catalonia. This is an issue rarely discussed in the literature so far, especially since the Catalan nationalism prioritised other strategies to achieve greater self-government for Catalonia. Once the secessionist movement has taken hold, employers little by little begin to define their assertions. This study highlights that business associations have taken sides in the secessionist debate. To date, business associations representing large companies reject independence. Otherwise, business associations representing SMEs believe that independence is an option to consider. These positions are in line with studies on regionalism, in that large firms are less attached to the territory compared to small businesses.

However, this article focuses on entrepreneurs. This research strategy allows a better understanding of the formation of business opinions on the independence of Catalonia. In the light of the evidence presented in this article, the two most important findings are, on the one hand, that SMEs’ managers’ stances on the independence of Catalonia are sensitive to the institutional consequences of such political event, as well as, on the other hand, that voting preferences seem to be determined by identity, political and economic factors. We observe, nevertheless, a certain polarisation when these factors are intertwined. Interestingly, the secessionist positions revolve around a certain vision of Catalonia as a powerful political subject, while entrepreneurs who favour status-quo positions share a radically different approach. Importantly, company-related variables do not produce clear trends, since corporate characteristics lead to similar percentages of voting preferences.

Overall, our findings indicate that business opinions on political issues are based on political arguments. This statement may seem naive for an academic audience, but entrepreneurs often hide behind economic rationality when it comes to judging the political reality. This should be useful for future research on business and politics, to thereby achieve better research designs. In this line, this article provides a discussion of the impact of certain variables on voting preferences in a referendum. First, the challenge of independence fails to mobilise the entire electorate. Data shows that nearly 25 percent of employers do not have a clear decision. Second, this article suggests that opinion surveys should raise the risks of independence. The European Union has proven to be a good predictor of such risk. Despite this, future research should address the need to incorporate other methodological challenges such as time series. In the best possible scenario, data for all types of businesses should be analysed as well.

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