



President Mas presents an “imposed adjustment plan” which “might cause inconveniences, but which does not represent a loss of essential rights or basic services”

- **The Head of Government has announced a new series of measures aimed at saving € 1.5 billion, while preserving the welfare state**
- **The President calls upon the country to “join forces” as “no one will help us to get out of the current situation”**
- **President Mas announces that within fifteen days he will call a summit of all political parties in order to discuss the proposed fiscal pact, considering that “with a pact like this, many of the present problems of Catalonia could be resolved”.**
- **He criticizes the “systematic transfer of deficit to the regions” by the Spanish State, whom he urges to stop criticizing others and do its homework”**
- **He claims that if the Spanish government were to pay its € 759 million infrastructure debts with Catalonia, “half of these adjustment measures would not be necessary”**
- **Artur Mas asks the EU to be more flexible so that “austerity does not become an unhealthy obsession that does not correspond to the economic cycle”**

The President of Catalonia, Artur Mas, announced this afternoon a new adjustment plan which, as he stated, **“we are presenting as we are obliged to do so”**. The plan, however, **“does not affect the essence nor the basic structure of the welfare state”**. The head of the Catalan government recognized that the adjustment policies **“may create certain inconveniences for some sectors of the population, but under no circumstances do they represent a loss of essential rights or basic services”**.



President Mas held a press conference today at noon accompanied by the Minister of Economic Affairs and Science, Andreu Mas-Colell, to set forth the new series of measures aimed at reducing the expenditures of the Generalitat by € 1.5 billion.

Artur Mas pointed out that the new adjustment plan, which is the third adopted by the Government and **“the result of the mistakes of others”**, has been **“imposed on the Generalitat, among other reasons, due to the systematic transfer of deficit”** by the present Spanish government to the autonomous communities. The President also criticized the fact that the Spanish State is keeping the additional revenues generated by raising major taxes to itself, without sharing them with the autonomous communities, which are responsible of the most social and welfare services.

The President stressed the efforts the Government has been making to contain the deficit and reduce spending **“under extremely tough conditions”**, as **“these efforts are made in the middle of an economic recession, paying 1 billion euros extra for accrued debt and without being paid the debts Madrid still owes us”**. In this respect, Mas affirmed that if the central government were to pay the € 759 million infrastructure debt over 2011 with Catalonia, the new adjustment package could be half the size, i.e. € 750 million instead of € 1.5 billion.

The Head of Government explained that, in spite of these circumstances, **“a significant reduction of the deficit is being carried out”**, which he attributed, among others factors, to the Government’s commitment to austerity policies. He also underscored the **“important and significant sacrifices being made by public servants”**, whom he thanked for the **“high degree of responsibility they have shown”**, allowing many people in Catalonia to **“continue enjoying benefits which would have been even more affected if it had not been for these sacrifices”**.

The adjustment plan

The plan announced by the President today, aiming to reduce spending by € 1.5 billion, consists of the following measures:

1. Consolidation of the reduction of public sector wage supplements during 2012, totalling 5%, viz. 3% in June and 2% in December.
2. Reduction of transfers to public enterprises
3. Non-linear reduction of the subsidies granted by the Ministries in the case of calls which have not yet been published in the Official Journal of the Generalitat.
4. Slowing down and rescheduling certain investments already in progress



5. Selling off public properties. The President also announced that the management of certain motorways may be privatized, as well as some public water management companies.
6. Execution of the measures adopted by the central government in the area of healthcare, education and universities. In this respect, Artur Mas stated that with regard to non-compulsory Advanced Vocational Training a “modest fee” will be introduced.

The President, who also indicated that minister Mas-Colell will appear in Parliament to explain the adjustment plan, moreover announced that he has requested the Ministry of Economic Affairs to draw up a proposal for 2013 on **“how to improve the returns produced by the limited fiscal autonomy enjoyed by Catalonia at the present stage under the prevailing exceptional circumstances”**.

In response to questions by journalists regarding the relief offered for inheritance taxes, Artur Mas indicated that **“this is a major commitment in the Government programme, one of the few of this importance”** and that **“there are other parts of Spain which are still offering this kind of relief, while the financial situation of some of them is even worse than that of Catalonia”**. **“I have no intention of increasing the tax burden on the Catalan population as a whole”**, he stated.

Minister Mas-Colell, in turn, reiterated once more that **“the Government will not renounce the funds due under the 3rd additional clause of the Catalan Autonomic Statute”** and that, as a result, **“these funds will be included in the economic and financial plan”** to be presented on Thursday at the meeting of the Council on Fiscal and Financial Policy” (CPFF). With regard to the fees to be paid for Advanced Vocational Training programmes, he added that **“these will be combined with a scholarship programme which will guarantee access to anyone willing to enter these training programmes, even if they lack sufficient resources”**. As for the amount to be saved by freezing the granting of subsidies, the minister indicated that the exact amounts are not yet established, as these will have to be calculated together with each of the departments involved and that **“there are still loose ends regarding some schemes that have to be resolved”**.

Message to Europe, Madrid and Catalonia

At another point of his speech, the President made some reflections addressed to the European Union, the Spanish Government and to Catalonia on the adjustment plans. With respect to Europe, Mas launched the following message: **“Austerity, alright, but not as an unhealthy obsession”**. **“Austerity has to adapt itself to the movements experienced by the economy”**, the President claimed; for this reason, he stressed



that **“at this point in time, where half of Europe, including Spain and Catalonia, is in recession, austerity cannot be pursued at any price”**.

Regarding this issue, minister Mas-Colell explained that the Catalan Government has sent various messages to Europe stating that **“Catalonia supports a strategy that seeks a better balance between austerity and growth policies”**, but he also reminded the audience that Catalonia cannot carry out growth policies by itself.

The Head of Government also wished to express the annoyance of the Government with the criticisms from Madrid. **“We are tired of being lectured by representatives of the central government”**, he stated. **“They should criticize others less and dedicate more time to doing their own homework”**, Artur Mas demanded, while pointing out that Catalonia has been taking the lead in applying fiscal consolidation measures as compared to other governments.

In this respect, he gave some examples of the measures still due to be taken by the Spanish government. He stressed the fact that the central government has not reduced public sector wages, unlike Catalonia, **where “public sector employees and high government officials have made significant sacrifices to prevent public services from being affected”**; or the fact that at times where public investment has to be reduced and rescheduled, the Spanish government intends to **“put out to tender during the coming months considerable sections of Spanish high speed rail (AVE) for millions of euros, while reducing spending on Aids programmes or immigration, or spending on child care, public transport or school transport”**.

Summit on the fiscal pact

The President called upon the country to **“join forces”** as **“no one will help us to get out of the current situation”**: **“If we wait for others to help us, we may not overcome the present situation, but if we do it ourselves, we certainly will”**, he concluded.

In this sense, President Mas put forward that **“our goal is already set: the Fiscal Pact. If we can achieve this, one way or another, many of the public resource problems with which Catalonia is currently faced, would be resolved”**, as **“our country produces sufficient wealth and growth so as not to depend on what others say we can or cannot do”**.

Artur Mas reminded that in the coming days he will conclude a round of conversations with the representatives of the Catalan parties. He announced that



within the next fifteen days he will call a summit with all political groups represented in Parliament in order to discuss the subject as well as **“how to go about the vote on this issue in June or July”**. **“We have come to a point where we should move into a higher gear on this issue and the way to do that is by joining forces and present a collective claim to obtain the fiscal pact”**, he stressed.

Healthcare for undocumented immigrants

At another point during the press conference, while answering questions from the press, the President clarified his position on the decision of the central government to stop providing healthcare to undocumented immigrants. The Head of Government made it absolutely clear **that “in Catalonia no one with serious health problems will be left unattended”**. **“Regardless of other considerations, first and foremost we are talking about persons who have rights, basic needs and human dignity”**, the President added. Nevertheless, he showed himself in favour of better controlling so-called **“health tourism”** in Catalonia.

In this context, he reminded that healthcare will enter a “new phase” due to the introduction of the moderating ticket to be paid on medicines. **“If we want to maintain the quality of our basic services, we need to strive for shared responsibility, because we can either make the system sustainable in a joint effort, or it will end up being unsustainable”**, he stated.