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The question of Gibraltar with regards to 'Brexit'



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Introduction

Situated on the Iberian Peninsula with a singular land border with Spain, Gibraltar is a territory under sovereignty of the United Kingdom. Spanning a mere area of 6.8 squared kilometres, Gibraltar is home to a mere 32,000 people. However, it is one of the world's most affluent nations in terms of GDP per capita due to its shockingly low income and corporate tax schemes. In addition to economic success, Gibraltar is also known for its advantageous location upon the Strait of Gibraltar; this location enables Gibraltar to contain a valuable trading port as well as an international military base.

Therefore, it is not surprising that Gibraltar has been hotly contested over the last three centuries by Spain and the U.K. Ever since the U.K. captured Gibraltar from Spain during the War of Spanish Succession, Spain has made several attempts at regaining what they believe is their rightful territory. This has included sieges, border closures, and most recently, subtle gestures of harassment. Even though the Treaty of Utrecht, signed in 1713 by both Spain and Britain, clearly cedes Gibraltar to the U.K., it is evident that Spain holds the hope of regaining the territory one day.

That day might be very near due to Brexit. In March 2017, British Prime Minister Theresa May invoked Article 50 of the Treaty on the European Union, officially initiating Brexit negotiations. The issue of Gibraltar has the potential to grow into an extremely troubling concern if not addressed properly; this is because Clause 22 of Article 50 states that Spain has the power to veto any Brexit negotiation that has an effect upon Gibraltar. This gives power to Spain, which it might use to gain co-sovereignty of Gibraltar.

In a 2002 referendum, over 98% of Gibraltarians voted that they did not want to be under power of Spain. The prospect of Brexit places Gibraltar in a predicament. On one hand, there is the possibility of leaving the EU alongside the U.K., should Spain allow so. This would restrict its access to the EU free market, significantly reducing its exports to EU



nations. On the other hand, Gibraltarians may not want to be under the rule of a nation that has abused them over centuries.

The issue of Gibraltar with regards to Brexit is riddled with complicated geopolitical factors such as claims of the U.K. violating the Treaty of Utrecht, hypocrisy of the Spanish government, and the possibility of economic disruption for both nations if the border closes again. To resolve the issue, delegates must navigate these factors delicately, and aim to find a solution peacefully and realistically.

Definition of Key Words

Brexit

A term denoted to the departure of the United Kingdom from the European Union.

British Overseas Territory (BOT)

A British Overseas Territory is a territory that is under the sovereignty of the U.K. but is not part of the U.K. Therefore; Gibraltar has its own parliament that makes its own legislation apart from the defence sector.

Co-sovereignty

Sovereignty is power over a state that is self-governing. Co-sovereignty is when that power is divided between multiple nations.

Siege

This term refers to an act of aggression in which a certain fortified area is surrounded by the opposing military with the aim of depleting its resources and supplies. After Britain's capture of Gibraltar in 1704, the Spanish have laid multiple sieges on the peninsula, all of which have eventually been lifted. Nevertheless, all sieges inflicted damage to the economies of both nations.

General Overview

History

The relevant history of Gibraltar with regards to 'Brexit' begins with the British capture of Gibraltar in 1704 during the War of Spanish Succession. After several failed attempts of recapture, Spain finally ceded Gibraltar to the U.K. under the treaty of Utrecht in 1713. Over the last 300 years since the treaty was signed, Spain has tried to gain back control of



Gibraltar through various means, ranging from sieges to subtle political gestures against the Gibraltar government.

Despite Spain's constant efforts to gain sovereignty of Gibraltar, the feeling is not mutual. In 1967, Spain proposed a referendum in Gibraltar with regards to whether they should be a part of Spain or the U.K. The results were overwhelming: over 99.5% of Gibraltarians voted to be part of the U.K. Following this referendum, the U.K. created an internal Gibraltarian government that had limited freedom from the government in London.

Angered by the 1967 referendum, the Spanish dictator, General Franco, physically closed the Spain-Gibraltar border in 1969. This closure led to negative economic effects for both sides of the border. The Spanish side suffered from high unemployment rates since workers could no longer traverse the border, while the Gibraltarian side suffered from a lack of resources. Some say the border blockade was similar to a siege.

In the mid 1980s, the Spanish government joined the EU and did not wish to hold negative relations with a fellow EU member such as Gibraltar. Therefore, under the Brussels Process, Spain and the U.K. agreed to provide equal rights to Spaniards and Gibraltarians alike. This resulted in the opening of the border in 1984, resulting in a boost in both economies. Nevertheless, Spain still regarded Gibraltar as their rightful territory that the U.K. took forcefully in 1704.

A second referendum was held in 2002 with the purpose of determining whether a joint Spanish-British co-sovereignty would be feasible for Gibraltar. As previously voted in 1967, the results were overwhelmingly supporting the British side: nearly 99% of voters did not support a co-sovereign rule. The Spanish government did not react as General Franco had done, and friendly relations continued until 2013. The following events will be explored in the "Recent Spain-Gibraltar relations" section.

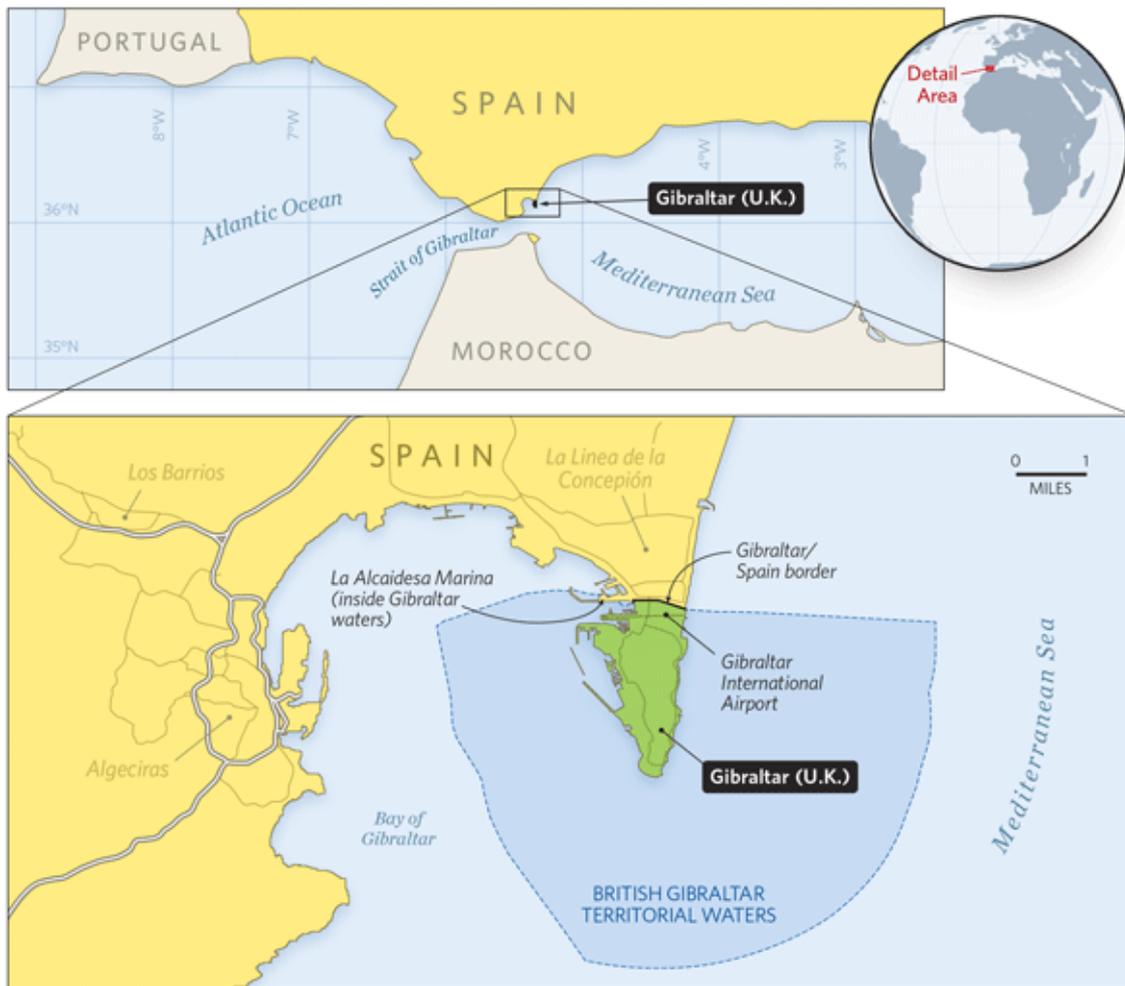


Attractions of Gibraltar

The primary attraction of Gibraltar is its location. Situated on the Strait of Gibraltar, it forms the perfect link between Europe and Africa. This gives Gibraltar both a military and economic vantage point; this could possibly be one of the reasons why it is being disputed by Spain and the U.K.

MAP1

Gibraltar and Spain



B2879 heritage.org

Image source: <http://www.heritage.org/global-politics/report/self-determination-and-national-security-why-the-us-should-back-british>

The U.K. has built a large military base in Gibraltar for the purpose of ensuring security in the Mediterranean. Other NATO nations such as the U.S.A. have also stationed many of their troops there. With regards to the economic vantage point, Gibraltar is located in the middle of

Atlantic and Mediterranean trade routes, thus it contains a bustling port. With roughly 60,000 vessels docking in Gibraltar each year, the port has become an excellent means to economic success. Such a boost in funds is desperately required for the neighbouring Spanish state of Andalusia, which suffers from high unemployment after the 2008 economic crisis.

Furthermore, Gibraltar does not have to adhere to EU economic laws because it has the right of self-governance. This allows it to forego the VAT requirements that every other EU nation has to impose. As a result, Gibraltar has set its corporate tax to a mere 10% compared to roughly 30% in neighbouring Spain. It is able to import and export goods into the EU's single market due to its links with Britain. This has resulted in Gibraltar becoming one of the richest nations in GDP per capita due to low tax rates.

Recent Spain-Gibraltar relations

Tensions between Spain and Gibraltar have been rising over the past 4 years. While both economies have been benefitting from each other through trade and employment, Gibraltar claims that the Spanish government is intentionally harassing them through subtle gestures. For instance, approximately 450 Spanish vessels had to be escorted out of Gibraltar's territorial waters in 2013, compared to only 200 in 2012. Another example of harassment is long lines at the immigration point between Spain and Gibraltar. This affects the thousands of Spanish workers going to Gibraltar each day, thus harms Gibraltar's economy. Both sides are not without blame, as Gibraltar answered by dropping concrete pillars into its waters to deter Spanish fishermen from "stealing" their fish.

Spain denies any intentional wrongdoing, but it is evident that they want to reclaim Gibraltar as their own (or at least co-sovereignty). They believe that the U.K. violated the treaty of Utrecht when they decided to give Gibraltar control of their own parliament in 1967; the treaty states that Spain should gain control of Gibraltar should the U.K. give up their assertion. While the U.K. did not completely give up its rule over Gibraltar, Spain believes that the U.K. should have ceded Gibraltar back to Spain without holding a referendum according to the Utrecht treaty.

Caught in the crossfire between Spain and Gibraltar, the locals on the Spanish side seem to suffer the most. Roughly 10,000 people traverse the border daily from Spain into Gibraltar for work, thus the local economy is dependent upon Gibraltar's economy. Furthermore, Gibraltar's unemployment rate is much lower than Andalusia's (the Spanish region bordering Gibraltar); therefore many Andalusians wish that Gibraltar remains British so that they can retain their income source. They claim that the Spanish government in



Madrid is so vested in gaining control of Gibraltar, that they are not focusing on their own population.

Problems for Gibraltar after Brexit

According to the 2002 referendum, it is apparent that the Gibraltarian population wants to stay part of the U.K. However, Clause 22 in Article 50 of the Treaty on the European Union states that “After the United Kingdom leaves the Union, no agreement between the EU and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom.” This effectively gives Spain a veto in any trade deal that applies to Gibraltar after Brexit. Spain may use this leverage to their advantage to push for a co-sovereign territory.

Furthermore, throughout the years, Gibraltar has been able to raise Spain’s aggressive actions in front of the 27 EU member states, most of which have caused Spain to be reprimanded. After Brexit, the U.K. will not be able to sway the votes of the 27 states and Spain will most likely be able to carry out aggressive actions without many consequences. EU members will prefer to side with a fellow EU member such as Spain rather than a non-EU member such as the U.K.

The economy of Gibraltar may suffer too, as a lot of its workforce and supplies come over the land border from Spain. They have already begun to become more self-sustainable by formulating plans of local energy production (rather than importing energy from Spain). Gibraltar may also lose access to the EU common market. While the majority of its exports are to the U.K., Gibraltar’s products will be taxed in all EU member states should ‘Brexit’ proceed, unless a trade deal with Spain is worked out.

Major Parties Involved

Spain

Ever since Spain lost Gibraltar to the U.K. in 1704, Gibraltar has become a symbol of their defeat. More than anything else, the question of honour has always tempted Spain to regain access to Gibraltar. In previous years, this was not possible since the U.K. was a fellow EU member and aggravating the issue of Gibraltar would not have any perceivable benefits.

With the prospect of Brexit, however, Spain has the perfect opportunity to get access to what it believes is rightfully theirs. The delegation of Spain could use Clause 22 of Article

50 of the Treaty on the European Union to exert its influence over Gibraltar's future. The delegation could also raise the issue of the U.K. violating the Treaty of Utrecht in 1967 into negotiating for sovereignty or co-sovereignty of Gibraltar. They may also raise the fact that 96% of Gibraltarians voted to remain a part of the EU.

United Kingdom (U.K.)

The United Kingdom definitely wants Gibraltar to stay as its own territory. The economic and military aspects of the region make Gibraltar a prime overseas territory. Furthermore, over 98% of Gibraltarians have expressed their wish to remain a part of the U.K. and not Spain.

The delegation of the U.K. could introduce the hypocrisy of the Spanish government by asking for Gibraltar while they themselves are not willing to give back the cities of Ceuta and Melilla to Morocco. Major British politicians have stated that they are not willing to use Gibraltar as a bargaining chip in the Brexit negotiations. Some radical claims have also been made to the possibility of a war with Spain over the issue of Gibraltar. While Downing Street denied any possibility of a war, they did not condemn the politician who made those claims.

Morocco

The Kingdom of Morocco is not directly affected by the issue of Gibraltar, but may use the debate to raise the issue of Ceuta and Melilla. Both towns are Spanish sovereign territories on the coast of Morocco, and Morocco has been campaigning to regain their sovereignty. If Spain gets joint sovereignty of Gibraltar, Morocco could advocate the same case for its own needs.

United States of America (USA)

The U.S.A. is a longstanding ally of the U.K. and supports the British side of the debate. The American Foreign Ministry argues that Spain should respect the democratic agreement made by the Gibraltarian population, which means that it should be solely a British sovereign territory. The U.S.A. also places a large amount of its troops in the British military base in Gibraltar, and is unsure if Spain will allow that if they gain sovereignty.

However, the U.S.A. has close ties with the U.K. as well as the EU. Therefore, the delegation of The U.S.A. must tread carefully when taking sides.

Timeline of Key Events

1501	Spain gains control of Gibraltar.
1704	The British military seizes Gibraltar during the War of Spanish Succession.
1713	The Treaty of Utrecht is signed and Spain cedes Gibraltar to the U.K.
1967 September	A referendum is organized in Gibraltar with the question of who should Gibraltar belong to. The U.K. wins with an overwhelming 99%.
1969	The U.K. introduces a separate House of Assembly in Gibraltar that is independent of London.
1969	Spain shuts its borders to Gibraltar under the rule of General Franco. A period of slow economic growth follows for both sides.
1973	Gibraltar joins the European Economic Community, the predecessor of the EU.
1984	Spain opens the border to Gibraltar under the terms of the Brussels Process. A period of good relations ensues.
2002 November	A second referendum is held with the possibility of co-sovereignty of the U.K. and Spain. The U.K. wins again with nearly 99%.
2006 December	Commercial flights between Gibraltar and Spain resume after a ban of many years.
2013	There is a sudden spike in tensions between Gibraltar and Spain due to over 400 Spanish ships being escorted out of Gibraltar's territorial waters. Gibraltar angers Spanish fishermen by dropping concrete blocks to prevent fishing in their waters.
2013 July-November	Spain commences stricter immigration checks. This increases the lines at the border and inconveniences workers crossing the border each day.
2016 June	The Brexit referendum shows that 96% of Gibraltarians want to remain part of the EU. The U.K. eventually decides to leave.



2017 March

British Prime Minister Theresa May invokes Article 50 of the Treaty on the European Union. Clause 22 states that Spain will have a say in any policies that affect Gibraltar during the negotiations.

UN involvement, Relevant Resolutions, Treaties and Events

Since the question of Gibraltar with regards to Brexit is a relatively new issue, no United Nations treaties have been passed upon the topic yet. The following points list all the other relevant treaties and events over the last three centuries:

- Treaty of Utrecht, 11 April 1713
- Gibraltar sovereignty referendum, 10 September 1967
- Gibraltar sovereignty referendum, 7 November 2002
- 'Brexit' referendum, 23 June 2016
- Article 50 of the Lisbon Treaty, invoked by the U.K. in March 2017

Previous Attempts to Resolve the Issue

While Gibraltar has always been a difficult matter of discussion between two allies, Spain and the U.K., the consequences of the Brexit referendum are unprecedented in history. Previously, any dispute between Spanish and Gibraltarian interests was settled quickly within the EU, therefore there were no treaties or resolutions made upon the issue in recent times.

Spain has recently been using actions of force, such as making immigration difficult, to display its displeasure with Britain's sovereignty of Gibraltar. Gibraltar has always been able to raise these issues in front of the 27 EU member states, who have promptly reprimanded Spain's actions most of the time. However, this will method of resolving the situation will not be possible if Gibraltar leaves the EU along with the U.K.

Currently, Spain has the ability to veto any Brexit trade deal that is applicable to Gibraltar according to Clause 22 of Article 50 of the Treaty on the European Union. This could be used to tilt the issue of sovereignty of Gibraltar in Spain's favour. No events of the sort have transpired yet since the issue of Gibraltar with regards to Brexit has arisen merely a few weeks ago.



Possible Solutions

Delegates must be aware that they must focus their solutions solely upon the effects of Brexit upon Gibraltar, rather than the effects of Brexit as a whole.

With that in mind, one possible route that the delegates could work towards could be a proposition of co-sovereignty of Gibraltar between Spain and the U.K. While the Gibraltarian population clearly voted that it does not want to be part of Spain in 2002, the situation has changed since Brexit. This way Gibraltar will have access to the EU free market while also having relationships with London. They may not, however, be exempt from the corporate and income taxes that make Gibraltar such an attractive place for firms.

Another course of action may be to encourage the U.K. to hold another referendum with regards to sovereignty. This may seem like a pointless move after the clear result of 2002, but the vote might swing due to Brexit. There may also be an option where Gibraltar decides to become a separate nation instead of a British Overseas Territory.

Although the mandate of the United Nations cannot change the Treaty on the European Union, it is possible to put pressure upon EU nations to amend Clause 22 of Article 50. This may give Gibraltar access to all the deals made by the U.K. following Brexit.

A controversial move might be to incentivize the U.K. to cede Gibraltar entirely to Spain. This will be heavily opposed by the U.K., since they believe that they are obligated to respect the 2002 referendum's results, but it is a tentative route to forming a solution.

To address the economic issues that may arise after a border closure, delegates may consider making special easy-to-obtain "work passes" for Spanish citizens who travel to Gibraltar daily. This may reduce unemployment in Andalusia, and keep a steady workforce in Gibraltar. The ongoing presence of Spanish employees in Gibraltar may also benefit both nations by reducing the social divide between Gibraltar and Spain due to Brexit.



Appendices

Appendix I

An informative article upon the issue from the United Kingdom's perspective:

<http://www.heritage.org/global-politics/report/self-determination-and-national-security-why-the-us-should-back-british>

Appendix II

An informative article upon the issue from Spain's perspective:

<https://www.thelocal.es/20130808/four-reasons-why-gibraltar-should-be-spanish>

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