

## EVENT REPORT BÖLL LUNCH DEBATE<sup>1</sup>

### **The Spanish General Election: Will Another Austerity Government Bite the Dust?**

*After the Greek popular uprising against austerity which brought the Coalition of the Radical Left, Syriza, convincingly to power first in January 2015 followed by another striking victory in the snap election eight months later and the fall of Portugal's new centre-right government after only twelve days, all eyes in Europe are now on Spain whose citizens will go to the polls on 20 December. Will Rajoy's conservative government be the third southern 'austerity government' to be ousted from power within a year? Of course, Spain is different from Greece and Portugal. First of all, it is bigger, it used to be the eurozone's fourth-largest economy, a role model for economic boom and, secondly, there is the Catalan question seemingly looming over everything. But much of what has been going on sounds familiar: the depressing social effects of austerity with a staggering youth unemployment of 49.2% as a sad 'highlight' or the corruption scandals with as a result a general loss of faith in established political parties. Yet, with slightly more than a month to go to the election, the polls show an unexpected picture: first of all, Podemos, the new left-wing party seen as Syriza's sister party and for a long time regarded as a serious runner-up, is not doing well and has fallen in the polls to 10%. The other new party, Ciudadanos, centre-left or centre-right depending on the eyes of the beholder, also explicitly pro-European, is closing on the two traditional parties, the Popular Party (PP) and the Socialist Party (PSOE). As no party is close to an overall majority, a coalition will be necessary. In contrast to the Portuguese situation, a left-wing coalition with PSOE, Podemos and the United Left looks impossible – leaving an 'establishment coalition' between the two traditional parties PP and PSOE or a centre-right coalition (PP and Ciudadanos or PSOE and Ciudadanos) as the likely options. What will decide this election: the Catalan question, austerity, corruption scandals, the migration crisis, the terrorist threat? Will the end of this year bring about the end of Spain as we know it as some fear and many in Catalonia hope? What will the south of Europe look like after 20 December and what does this mean for the European Union?*

From the last election to be held this year in Europe, a big change in the political scenery of the country in question can once again be expected. At least, the upcoming Spanish election promises to be the most exciting one in Spain's democratic history. Contrary to all previous elections, a coalition is almost certain to be the only way to ensure a parliamentary majority and such a coalition will also very probably accommodate at least one of the newcomer parties Podemos ('We can') and Ciudadanos ('The Citizens'). That is bad news for the political establishment, namely the ruling conservative Partido Popular (PP) and the Social Democrats (PSOE) and is likely to have a lasting impact on the political landscape of the country. Despite all the talk of the huge shift which is about to come, it is still difficult to tell which party

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<sup>1</sup> The event took place on 21 October 2015. Guest speakers were: **Lucía Abellán**, Brussels correspondent of Spanish daily *El País*; **Beatriz Navarro**, Brussels correspondent of Spanish daily *La Vanguardia*; **Ilke Toygür**, Universidad Autónoma de Madrid, Department of Political Science and International Relations and Mercator-IPC Fellow Istanbul Policy Centre, Sabancı University and **Héctor Sánchez Margalef**, researcher at CIDOB, Barcelona Centre for International Affairs. The event was moderated by the director of the European Policy Programme at the Heinrich-Böll-Stiftung European Union **Marianne Ebertowski**. The opinions expressed do not necessarily represent the opinions of the Heinrich-Böll-Stiftung.

constellation will emerge as the new government: in recent polls 41% of the potential voters said that they had not yet made up their mind.

### **PP weakened, but not out of the race**

According to recent polls, the PP is roughly on par with PSOE and Ciudadanos. Even if that includes a serious loss for the current government, it is still possible that the PP might come first in the election. Considering that it had to implement painful austerity reforms which have led to dire consequences such as a youth unemployment of more than 50%, this is quite an accomplishment, especially if one takes into account that elections in Greece and Portugal have seen conservative governments be ousted after similar reforms. However, upon closer examination, it appears that those who still have the intention to vote for the PP are not directly affected by youth unemployment, since the established parties enjoy most of their support from the populous older age groups. Among youngsters, the share of people intent to vote for Ciudadanos or Podemos is higher than for either of the established parties. While older voters can identify themselves with the PP's election slogan 'No time for experiments' and are content with the return of economic growth over the last year, there are plenty of reasons for the younger generations to be fed up with the ruling party. First, the implemented austerity measures have eroded trust in both the EU and the national government. This mistrust has been noticeable since 2014 and was reflected in very high levels of support for Podemos, which then crumbled as a consequence of the crisis between the Greek Syriza government and the rest of the EU, since many feared that Podemos once in power would face similar problems. Instead, Ciudadanos, which had until then only played a role at the Catalan level, emerged as a credible right-wing alternative to the PP. Second, a big corruption scandal stained the PP and President Mariano Rajoy and made their credibility plummet even further. The fierce opposition to Rajoy's persona across the opposition can also be explained by what he represents. Whereas the three other major parties have young, charismatic and untainted leaders, Rajoy has done fairly little to help the PP rejuvenate itself and rid itself of the image of a party of corrupt old men representing the past. Finally, and maybe as a consequence, Mariano Rajoy has shirked both big TV debates in the past weeks, once leaving his chair empty and once sending PP's new rising star, Deputy Prime Minister Soraya Sáenz de Santamaría to debate with the other party leaders instead. With assessments of this behaviour ranging from Rajoy being afraid of his opponents' debating skills to Rajoy insulting Spanish democracy, it is sure that this is unlikely to have improved his personal standing.

### **A numbers game**

The main beneficiary from the PP's weakness is Ciudadanos. The party has managed to make it to the top of some national polls from virtual insignificance in less than a year. Thanks to its ideological standing, which is mainly congruent with that of the PP, but appears to be slightly more progressive on moral issues, it has established itself as a wanted candidate for prospective coalition negotiations. Whereas some argue that Ciudadanos might join forces with the PSOE, and if necessary even with Podemos, in order to keep Rajoy away from power, others maintain that in terms of political positions they best suit the PP and that they would form a coalition with the Christian Democrats if they get enough in return. Eventually, all this is highly speculative since so many voters are still undecided and 2015 has been a very bad year for pollsters anyway.

One factor that makes this election particularly interesting for forecasters is the emergence of a new 3-4 party system. In past elections, the Spanish electoral system used to produce a

Parliament composed of two mainstream parties and several smaller regional parties. Hence, the fragmentation predicted after this election is going to be a novelty in the Spanish political landscape. At the same time, the traditional European distinctions between different party ideologies are more difficult to make in the new political set-up than in most other countries. While the PP as member of the European People's Party (EPP) and the PSOE as member of the Socialists & Democrats (S&D) in the European Parliament are fairly easily identified, Podemos has joined the left-wing GUE/NGL after the European election in 2014 whereas Ciudadanos is part of the liberal ALDE. Straightforward as this may seem, differences persist. On the one hand, Ciudadanos is in so many ways similar to the PP that they could just as well be in the same faction. On the other hand, the absence of both Green and far-right movements from the Spanish political landscape is striking. On the right side, the PP has thus far covered a far range of views from centre-right to very conservative. Also, the reason for a broad political consensus in Spain opposing radical right-wing and xenophobic views lies in the people's vivid memory of life under a fascist dictatorship. Finally, the Greens, who had a bit of a revival during the European election, have faded back into insignificance.

### **Reshaping Spain**

The next four years will see a number of significant challenges for Spain that any government will have to take into account. For once, it is likely that a constitutional reform, the first one in 40 years, is going to be carried out. Even though this has not taken a prominent place during the election debates, it is clear that, whereas a broad consensus exists that something has to change, the election outcome will have a big impact on the extent of this overhaul. To begin with, the constitutional changes might lead to a reorganisation of the institutions and their functions, especially the role of the Senate. Naturally, the conservative PP is opposed to a full-scale change of the constitution, with Ciudadanos and PSOE demanding some changes and Podemos pushing for an almost completely new constitution. As these changes are likely to have an impact on the character of the Spanish state, it will almost be inevitable to hold a constitutional referendum at the end of the next legislative period.

Another, more prominent question that such a constitutional reform could address is the secessionist movement in Catalonia. There, this year's regional elections have laid bare the deep divide between pro-secessionists and opponents, when the pro-independence coalition around Artur Mas obtained most votes without securing a parliamentary majority, leaving the two camps in a stalemate. Either way, a resolution of the Catalan question will be one of the most delicate questions for the new government, since it will lead inevitably to the disappointment of half the population in Catalonia.

With Ciudadanos' leader Albert Rivera being a Catalan himself, it might look like the party's participation in a future government could help to settle the question. But Rivera is a much contested figure in Catalonia and his success, Ciudadanos came second in the Catalan election, can rather be explained through other parties' weaknesses. During the national electoral campaign, he has thus far avoided proposing any changes and only insisted on clarifying questions of responsibility. The current PP government has been very reluctant to open this Pandora's Box and grant Catalonia concessions on independence, as other secessionist regions might interpret this as an invitation to claim more autonomy for themselves. Podemos and the PSOE can be expected to yield a bit more, but eventually, it is almost certain that this will not resolve the problem.

A final issue that could be affected by constitutional changes is the role of the monarchy. Since former king Juan Carlos stepped down after the European election in 2014 and his son took over the crown, the image of the king has improved and, generally, the monarchy is not questioned. The only party that wants to change the statute of the monarch is Podemos, but even they do not advocate a republic and say instead that, if Felipe is approved by public vote, he could hold on to the throne. One change that can be expected regarding the succession, however, is that probably it will be made possible that the crown can also be inherited by a female successor.

### **An exemplary democracy**

One thing that can be said about the election at this point in time is that it has shown how well the Spanish democracy functions. Of course, the emergence of two new parties shows the dissatisfaction of large groups of society with the political establishment and the PP's broken promises, but there is more to it. First, the latest election debate was watched by 9.2 million people on TV out of a population of roughly 45 million, excluding those that watched online, which marks the politicisation of the Spanish society. Second, all parties have refrained from blaming foreigners for the difficult economic situation of the country. Even though Spain accommodates more than a million Romanians, EU-migration has played no role whatsoever in the debates (compare that to the fuss in Britain with its paltry 120 000). Likewise the EU, despite its low level of support, is not contested at all, even Podemos, who have been likened to Greece's Syriza more than once, are in principle in favour of the EU and only oppose the remedy of austerity in order to handle the economic crisis.

### **What does this mean for Europe?**

If there is one thing that one could criticise about the current election campaign, it is the fact that it is very much focused on national problems and neglects Spain's responsibilities outside its borders. Whereas the rest of Europe is discussing an intervention in Syria, climate change and the refugee crisis, those issues have all been absent from the election debates up until now, even though they will be on the new government's desk as soon as it takes office. When asked at the end of the big TV debate, what they think about a Spanish involvement in Syria, Ciudadanos declared it would send troops to Syria and Podemos voiced its objections, but PP and PSOE gave no clear position. It is suspected that PP, PSOE and Ciudadanos would uphold the military commitments in both the EU and NATO and that Podemos is opposed to both.

As for its own role in international affairs, Spain is still struggling to find its place and become aware of its international clout. If a government without the participation of the PP is formed, Spain, after all still the eurozone's fourth-largest economy, might join a coalition with Italy, France and other southern members to soften the rules of the eurozone and push for less harsh austerity reforms.

The Spanish election will, indeed, change the political landscape of the country. Two new big parties will enter the political arena and make a coalition government necessary. That government will have to deal with a country in a dismal economic situation and may well find itself caught between economic and social interests, while reforming the constitution to deal with several political crises within the country. The Spanish population has been highly mobilised in the run-up to this election, but almost half of the voters do not yet know whom they will vote for. It seems that this last election of the year will have at least as big an impact on European politics as those in the UK and Poland before it.