

The future of Spain: government formation or elections?

Uncertainty surrounds Spanish politics. Before September 23rd, political leaders must decide: elections or government formation? These decisions will draw the political landscape of the country for the coming months. If a government is not formed, Spain will continue with a functioning government under an uncertain national and political environment in which Brexit and the political development of Catalonia will influence day-to-day politics.

As time goes by, political pressure increases, as the menace of new elections is higher. This adds more difficulties for parties when it comes to configuring a message that can justify the reasons for holding new elections. The pressure is even greater for the opposition parties as they will be portrayed as responsible for not having a solid and stable government, in which Pedro Sánchez, the actual President, will maintain its moderate and institutional message. For it, if no agreement is reached, parties will have the face the following dilemma: how will leaders explain to the electorate that Spain will face a series of economic and political challenges without a stable government?

As of today, Spain remains under a **political deadlock since the last general elections** that took place in April 28th and under a “functioning government”. The **failure of the investiture** of Pedro Sánchez (PSOE) on July 25th has generated an environment of political and economic **uncertainty** in the country. It is expected that if no agreement is reached before September 23rd to make the only candidate with possibilities President, the socialist Pedro Sánchez, the Parliament would be automatically dissolved and **new elections** would be called, predictably, on November 10th.

The current parliamentary fragmentation makes it difficult to form a government

Briefly, the **contemporary development** of the Spanish political arena has resulted in a more **fragmented Parliament**, with **five parties** competing at state level – PSOE, PP, Cs, UP and Vox – in which **regional parties** – mainly ERC and PNV – have had an **increasing influence** in the formation of a new cabinet. This

fragmentation makes it more difficult to reach agreements in a Parliament with 350 seats, where a candidate needs 176 for absolute majority in the first parliamentary voting, or by simple majority after 48 hours in a second vote.

The political landscape derived from the last general elections does not seem to facilitate at first, any kind of pact, agreement or understanding between the leaders of the different parliamentary forces. However, the current political developments place Pedro Sánchez in a **closer position** to being able to set up a new government.

The socialist leader holds 123 seats. Nonetheless, they are **not enough**. **His aim is to guarantee a single and stable four-year government** with the support of Unidas Podemos, the left wing populist’s party, and regional nationalist parties. This will resemble a similar pact that made Sánchez President after the **successful impeachment** of former president Mariano Rajoy (PP) in June 2018.

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New elections: a probable scenario

As of today, there are **three possible scenarios** before September 23rd for unlocking the political situation. Though the scenario of new elections gains more possibilities as days pass by, Pedro Sánchez still has three possibilities for becoming President: (1) by forming a **coalition government** with Unidas Podemos with the support of the nationalist's parties, (2) by reaching a **programmatic agreement** for a PSOE government or (3) by an **abstention** from the center right political parties PP or Cs under a responsibility assumption for a stable government.

A coalition government between POSE-UP seems the **least likely option**. Although an understanding regarding policy issues is not difficult, the main problem is the **lack of confident** between both parties after the negotiations failures that took place last July where UP was offered positions in a coalition government which were refused by UP. This has given PSOE a **solid argument** against this option as the socialist fear the lack of loyalty of UP for a stable and loyal government.

On the other hand, although there are possible conditions for a political abstention of the right wing parties, Cs or PP, by exercising a **responsible** "common sense" act for the well-being of the country, the latest regional government pacts in the Community of Madrid, Murcia and Castilla y León, point out to the contrary. Both parties are **pushing for new elections** and expect to gain more seats after achieving institutional power in several regions and a possible failure of the left in forming a government.

The distrust between PSOE and UP is the main obstacle for an agreement

For it, the possibilities of a single party government of the PSOE after a programmatic agreement is the most likely scenario to occur in order to avoid elections. Negotiations between PSOE-UP are now resumed, following the presentation of the **"Open Proposal for a Progressive Common Program"** of the socialist party. It includes "370 measures" arising from meetings with different social and activists groups. The main objective of this measure is to make it very hard for UP to not support them and to push the party to support a PSOE government.

With this proposal - which includes several UP demands - , the PSOE seeks to **transfer the responsibility of a fail investiture to its leader Pablo Iglesias**. If UP refuses to accept, there will be elections and it is likely that UP will suffer a loose of seats. Iglesias will be blamed for the repetition of elections not only by PSOE, but by the nationalist regionalist parties. Notice that the regional parties, mainly the independent Catalan ones will have it easier to support Sánchez now than in a few months, when the Spanish Supreme Court will have a **firm sentence** for the turbulent events of October 2017, regarding the illegal referendum and independence declaration of Catalonia.

Overall the negotiations between PSOE and up will determine if there will be government or not. Recent polls confirm that if **elections were to occur**, PSOE will gain more seats, UP and Cs will lose a great proportion of them and PP will not take advantage of the situation, signaling that the voter will punish PP, UP and Cs for not having a stable government.