



Dear José,

What about the situation in Spain, four months after general elections ?



Spain: No government in sight.

After more than a hundred days since the general parliamentary elections in December 2015, Spain still does not foresee to have a new government in the coming weeks.

As expected, no political party reached a number of parliamentary seats that was sufficient for building a new government in Spain. The previous ruling one, the Popular Party, fall short of the required support to be reconfirmed in that role, as they lost 61 seats and now only hold 123 seats in the parliament. The second biggest party, the PSOE (Socialists), lost also 20 seats down to 90. These seats went directly to the two new parties: the leftist Podemos and its coalitions (69 seats) and the liberal Ciudadanos (40 seats). Other small parties also lost support in favour of the two new contenders.

As a result of this fragmentation, there are very few chances of finding an agreement for a new government coalition for Spain, as all parties are would need to team up with at least one antagonist party in order to reach a majority. The first option was a 'grand coalition' of the Socialists and the PP. The second one was the unlikely triangular coalition of socialists, liberals and leftists. While the Popular Party was proposing the first option, the Socialists have chosen to pursue the tri-party coalition with Ciudadanos and Podemos.

King Felipe VI asked the Socialist Leader, Pedro Sánchez, to present himself in the parliament in order to get invested as leader of the future government But he fell short of support, with only 131 votes in favour and 219 against him. Since this event, there has been one month of crossed press releases and declarations, exchange of letters of intention and other documents, and not much more. On 7 April, the negotiating teams of the Socialists, Ciudadanos and Podemos finally sat around the same table for the very first time and had to admit the impossibility of forging a viable government. **The reasons for this failure are multiple.**

First of all, for the very first time in Spanish political history, the Catalan nationalist and independentist parties are excluded from any negotiation. Since they remain committed to reach the independence of Catalonia in the near future, Ciudadanos, the Socialists and the PP decided not to take them into consideration. This decision has reduced the chances of forming a stable government, as it was the nationalist Catalan party that played in the past the role of 'moderating force' of 'facilitator' for the two big parties.

Secondly, neither the left nor the right have a sufficient majority on their own to propose a new government. That means that any possibility needs a cross-ideological agreement between left and right, and this is something that, within Spain, only happened in the Basque Country in 2009, and lasted only for three years. Party leaders are understandably reluctant to convince their militants and voters to take this step.

And thirdly, the new parties have good reasons to believe that new elections would serve them well. Both Podemos and Ciudadanos have now higher expectations than the Popular Party (which is suffering badly due to the permanent discovery of ever new cases of political corruption), and the Socialist Party (whose leader is being questioned at internal level). But on the other hand, repeating elections may also affect the voter turnout, and this can give the old parties a small advantage, since their voters have a higher level of fidelity.

Time is ticking now, and the deadline of 2 May is coming near. This is the last day before new elections need to be called. It is foreseeable that a last-minute proposal could be addressed to Podemos (from the Socialists), or to the Socialist (from the Popular Party). But it is unlikely that these proposals could provide the country with a new and stable government.

Meanwhile, the European Commission is expecting Spain to enter into a new fiscal adjustment due to the huge public deficit deviation, and there are some other key questions, like the Catalan independentist challenge, that remain open and need to be solved. It seems that, unless there is a miracle, the Spanish people will have to wait until after summer to see a new government deal with the real challenges that country faces.

All the best,

José

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