



## The Prospect of Parliamentary Elections in Spain in the Context of the Crisis in Catalonia

Maciej Pawłowski

*The opposition of Catalan MPs to the Spanish government's draft budget law for 2019 could prompt the prime minister to call early elections for the Spanish and Catalan parliaments. There is increasing support in the polls for the ruling Spanish Socialist Workers Party (PSOE) and in Catalonia, for the opponents of secession. The potential for a stronger government and the separatist neutralisation would promote Spain in the EU, especially in the context of the negotiation of the Multiannual Financial Framework 2021–2027 (MFF).*

The minority government of Prime Minister Pedro Sánchez has had a problem building an absolute majority to reject a Senate veto of his budget legislation by the People's Party, which has a majority in the chamber. Though it has the support of the ideologically similar Unidos Podemos (UP), the government needs votes from the Republican Left of Catalonia (ERC), the Basque Nationalist Party (PNV), and the unattached MPs. The last group includes, among others, several politicians of the Democratic Party of Catalonia (PDCat), which closely cooperate with the Together for Catalonia party (JuntsxCat), which is co-governing the region. Because of the protracted political crisis in the ERC, PDCat and the government can't reach an agreement.

**Catalonia.** The ongoing political crisis over Catalonia was triggered by the unilateral declaration of independence by the authorities of the Autonomous Community of Catalonia (the Generalitat) in October 2017. The previous government of Mariano Rajoy, using the Spanish constitution's Art. 155, [suspended the autonomy of the region](#) and ordered early elections in Catalonia for 21 December 2017. At the same time, members of the Generalitat were arrested for taking part in what the state charged was rebellion. As a result of the election in the regional parliament, composed of 135 deputies, the majority was won by those supporting independence, namely the Popular Unity Candidates (CUP), JuntsxCat, and the ERC. Quim Torra of JuntsxCat stood at the head of the Generalitat, which has been continuing to strive for independence and putting pressure on the government of Sánchez (inspiring protests by supporters of secession and urging the ERC and PDCat to reject the budget legislation).

In turn, the former president of the Generalitat, Carles Puigdemont, who is in exile in Belgium, is trying to undermine the credibility of the Spanish state. He initiated a lawsuit in a Belgian court alleging bias and harassment of Judge Pablo Llarena, who is conducting Puigdemont's case in Spain. He also has established the "Council of the Republic" and tasked it with the coordination of activities between him and the Generalitat. Sánchez's government won't accept that other countries' courts can evaluate the decisions of the Spanish judiciary. In the case of the Council of the Republic, it has not taken a stand yet.

Despite the separatist activities, public opinion in Catalonia is not clear as to the preference to remain or leave Spain altogether. In September and October, there were protests involving many thousands of supporters and opponents of secession. Since 2015, polls by the Opinion Research Centre (CEO), which is associated with the Generalitat, found that supporters of independence have a slight advantage. However, surveys carried out by other pollsters show that in case of early elections, parties that are opponents of

secession, such as the Socialist Party of Catalonia (PSC-PSOE regional), En Comu Podem (ECP—Catalan UP), Ciudadanos and PP, would have the advantage.

**Catalan and Spain's Political Situation.** Sánchez has declared Spain's willingness to a dialogue with the Generalitat, proposing to extend the autonomy of the region. At the same time, he emphasises that he is ready to suspend it and call for early elections to the national and Catalan parliaments in case of continuation of the struggle for independence. The determining factor of the position of both sides is the economic importance of the region. Catalonia generates about 19% of the Spanish GDP and puts about €10 billion a year more into the general budget of Spain than it receives.

The Catalan conflict has blocked the adoption of the state budget for 2019. The government unsuccessfully sought support from ERC on the issue by concluding an agreement with the Generalitat obliging the state to repay within three years €1.46 billion of the €7.6 billion of Catalonia's debt. If the new budget is not passed, the state will operate on the 2018 funding formula, which would prevent the implementation of government flagship projects, including an increase in spending on social benefits and changes to the tax system.

Early elections may prove beneficial for Sánchez. Since taking power in June, PSOE remains the leader in the polls at about 30%, which after the election would give the party the chance to create a majority coalition with UP. In announcing new elections, Sánchez may anticipate further moves by the opposition, which demands early elections and parliamentary implementation of Article 155. PP and Ciudadanos need only 10 more votes to push through a constructive vote of no-confidence for ordering the elections. Both opposition groups hope to take the action at just the right time to weaken the government and PSOE's favourable poll numbers.

**Catalonia and Spain's European Policy.** The government's instability and conflict over Catalonia have weakened the country's position in the EU. If early elections to the Spanish and Catalan parliaments are held at the latest to coincide with European elections on 26 May 2019, there is the chance Spain's position will be strengthened at the crucial moment of change in the Union. The results of the elections to the European Parliament and the national chamber will have implications on the balance of power between the EP factions, staffing in the EU, and Spain's position in the negotiations on the next EU budget, the MFF.

Holding the elections in spring 2019 would most likely result in the separatists' losing power in Catalonia and the creation of a stable government of PSOE and UP. That would increase Spain's ability to influence nominations of key EU actors. Sánchez already has declared his support for the candidacy of Frans Timmermans as president of the European Commission. PSOE probably would also obtain a favourable outcome in the elections to the EP. In the face of the expected poor performance of social-democratic parties in Germany, France, and Italy, Spain would have the largest delegation within the Party of European Socialists (PES). Assuming that decisions in the EP will be made by the leaders of the European People's Party (EPP), the Alliance of Liberals and Democrats for Europe (ALDE), and the PES, the Spanish influence on the positions of the cast would be expected to increase, despite the weakening of the socialist group.

Sánchez as the prime minister of a stable government and informal leader of the European socialists would have a strong position in the MFF negotiations, which most likely will enter the decisive phase after the elections to the EP. Spain is seeking as much financing as possible for common agricultural policy, cohesion policy, immigration policy and border protection. In its interests is maintaining the new formula for the distribution of funds [proposed by the European Commission](#), which increases the importance of certain criteria, such as the level of youth unemployment and the number of immigrants accepted. At the same time, if Puigdemont proves to the Belgian court that Spain has broken the law, the Sánchez government may be willing to oppose [linking the granting of EU funds](#) to an evaluation of the rule of law in a country.

**Conclusions.** The Spanish government will not yield to the separatists on the issue of Catalanian independence. The risk of a constructive vote of no confidence and non-passage of the budget, as well as the results of the surveys, likely point to Sánchez deciding to call early elections to the Spanish and Catalan parliaments. The ideal time for him and his supporters is spring 2019.

If PSOE fares well in the EP elections, it will bolster PES's position, allowing the faction to preserve its influence on the most important decisions taken at the EU forum. Timmermans, supported by Sánchez, could take one of the EU's other important posts, too, such as High Representative of the European Union for Foreign Affairs and Security Policy.

Having a strong position in the country and the EU, the Spanish government will be an ally of Poland in negotiating in the next MFF the highest possible funds under the common agricultural policy and cohesion policy. Both states may have a similar negative attitude to a mechanism binding the allocation of EU funds to the state of the rule of law in a given country. Spain and Poland, though, are unlikely to support the same criteria for the allocation of funds from the EU budget. A compromise on this issue would keep Spain in the Friends of Cohesion Policy group with Poland and other Member States.