

# The Spanish general election

## A blue tide engulfs Spain as Rajoy wins power

23 November 2011

The results of the Spanish general election, held on Sunday 20 November, confirmed what had long been known: the conservative People's Party (PP) – led by Mariano Rajoy – had won a landslide victory over the Socialists (PSOE), who had been in government since 2004. The PP won 186 seats - an absolute majority – allowing Mr Rajoy to form a strong, united government to deal with the economic crisis.

Mr Rajoy's first speeches as prime minister-elect recognized the "difficult task" ahead for his government, which "must be confronted" from Day 1. Public spending must be addressed to reduce the deficit, he said, adding that the government needs to keep the "risk premium under control," with the ultimate objective being to reduce unemployment. He has called for the whole country to work together on this mission.

The day after the elections, the PP was already organising the transfer of powers and urging PSOE to make the process as smooth as possible. The parliament will not convene until 13 December – the first step for the investiture of the new prime minister.

### The campaign

#### Economics take centre stage

Political commentators, both progressives and conservatives, agree that the electoral campaign was monotonous, tedious, and inadequate. Issues surrounding the economic situation - financing the debt, market pressure on the risk premium, and unemployment analysis - monopolised the debate. Other issues, such as terrorism, pensions, unemployment benefits, education, and autonomous government were eclipsed.

In addition, the policies of the candidates for prime minister - Mariano Rajoy for the PP (*photo, right*) and Alfredo Pérez Rubalcaba for PSOE – did not seem to want to, or know how to, communicate the solutions offered by their political programmes for the next four years.

The Socialist candidate, hindered by four years of Socialist administration during the crisis and seeing no chance of winning, limited himself to constant interrogation of Mr Rajoy about how he would solve Spain's problems. It was as if he had already lost the election and was in opposition.

Mr Rajoy avoided specifying the measures included in his programme, possibly to ensure that mention of the cuts everyone knows he will make would not scare the electorate. This could be regarded as a mistake given the political and electoral rewards given at a local level to parties, including his own, which have been open about the cuts they plan to make. Fear and caution seemed to be the watchwords for the Mr Rajoy and Mr Pérez Rubalcaba.

More positively, both leaders agreed not to make a campaign issue of the announcement by ETA, a Basque terrorist group, that it would cease its activities. Both committed to strive to make ETA hand over its weapons, regardless of the results of the election.

All in all, the 2011 election campaign was much less intense than the two previous campaigns.

### Results analysis

#### A crushing defeat for the Socialists

PSOE suffered the largest defeat in its history, losing 5 million voters. The last time the Socialists were so poorly represented in Congress (the lower house of parliament) was in 1979, during the first

constituent assemblies after the return of democracy, when they held 103 seats. Furthermore, for the first time in democratic history, PSOE lost in Andalucía.

This meltdown has been attributed by many commentators to the way in which the party handled the economic crisis: PSOE was criticised as being slow to recognise the situation the country was in and being in denial of the full extent of the problem and its impact on the Spanish people (4.3m people out of work, GDP growth below one per cent, a runaway deficit, and unsustainable risk premiums).

Meanwhile the Conservative PP enjoyed the best result in its history, winning 186 seats in the 350-seat Congress, surpassing the 183 seats it won in 2000.

However, in those areas where nationalism is deeply-rooted - the Basque Country and Catalonia – the PP was relegated to fourth and third places respectively. Nationalist movements continue to be an issue the PP needs to address, although it did improve on previous results.

In Andalucía, a major socialist stronghold and traditionally the party's main source of votes, there was a sea-change. PSOE has been the leading party since 1977 but in 2011 it lost its position as the primary party, with its share falling to 25% against the PP's 33%. Andalucía is the region which has been worst affected by the economic crisis, and corruption scandals surrounding the regional socialist government also had an effect.

There was a strong showing for the communist party, represented by Izquierda Unida (the United Left - IU). They gained a portion of the five million-plus votes lost by PSOE, winning 11 seats compared to the two the party held during the previous parliament. As a result, they will form their own political group, independent of the 'Mixed Group', where their influence was diluted. Also on the left of the political spectrum, the UPyD, a party created by former PSOE member Rosa



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Díez, won five seats (having previously held just two). The Communists and the UPyD won a large part of the votes by those disillusioned with the PSOE.

Turnout was 5.3% lower than in 2008.

#### Results analysis Rise of the nationalists

The Catalan nationalists (CiU) won 16 seats and have for the first time become the party with the most votes in Catalonia. PSOE was relegated to second place, with 14 seats (down 11), and the PP's share increased from 8 to 11.

More surprising was the growth of Amaiur, the radical nationalist coalition recently created by politicians who sympathise with the ETA terrorist movement. With six seats, it is now the main party in the Basque Country – in part a result of ETA's declaration that it will abandon its terrorist activity after 58 years. Amaiur's score also pushed the PNV, a conservative Basque nationalist party that had traditionally been the primary force in the region, into second place.

Both the PP and CiU won a large number of votes and are now the majority party in all the autonomous Spanish regions. Each party is putting forward policies that involve a drastic reduction in public spending and a significant reduction in social welfare coverage for many citizens. This would seem to indicate that the Spanish people believe that a reduction in public spending is necessary and are rewarding those who support this policy with their vote.

#### Results analysis More parties in parliament

The political map of Spain is more varied than ever, with an increase in representation of minority parties. In the 2008-2011 legislature ten parties were represented, while the new parliament will feature 13.

The new parties include COMPROMÍS-Q (Greens, one seat), FAC (Asturian Citizens Forum, an Asturian splinter group from the PP, one seat) and GBAI (Geroa Bai, a Navarran nationalist party, one seat). COMPROMÍS-Q seems to have received part of its vote from the *indignado* street movement, which vanished from the scene during this campaign.

Members of the upper house – the Senate – were also elected. The PP's victory in the poll for this less powerful upper house was even more overwhelming. However, the Spanish people generally ignore the Senate and during the election campaign the high cost and lack of purpose of the Senate was debated. Originally the assembly was designed to provide regional representation but, under the current autonomous Spanish system of 17 communities which are increasingly being granted more devolved powers, the need for its existence is being called into question.

#### Next steps Dealing with the economic crisis

The economy was the focal point of the campaign and will be the major challenge for the new government. It is the main preoccupation of the Spanish people, with more than four million people out of work and no end to the crisis in sight. Overcoming the economic crisis and reducing unemployment are the two main objectives of the PP.

The economy has not grown consistently. Although in the first six months of the year, GDP growth was measured at 0.7%, government calculations expect that the second semester will see neutral growth. Growth of private consumption is running at 2.3% while public consumption has fallen by 9.3%, due in part to cuts in public spending.

As a consequence of the global economic slowdown, exports have fallen by 19.1% but tourism, the only bright point, has grown by 21.8%.

#### The results in detail

Party	EU party	Seats	+/-	Share (%)
People's Party (PP)	EPP	186	+32	44.6
Socialists (PSOE)	PES	110	-59	28.7
United Left (IU)	Utd Left	11	+9	6.9
Union, Progress & Democracy (UPyD)	None	5	+4	5.4
Convergence and Union (CiU)	EPP/ELDR	16	+6	4.2
Amaiur	None	7	+7	1.4
Basque Nationalist Party (EAJ/PNV)	EDP	5	-1	1.3
Republican Left of Catalonia (ERC)	EVP/PEV	3	-	1.1
Others		7	+3	2.4
Turnout: 71.7%				

The overall fall in national demand has seen imports drop by 16.4%. The positive trade balance has resulted in income from abroad making a positive contribution to the GDP of 2.2 percentage points.

Forecasts for 2012 will not make the new government's task any easier. Given that exports and tourism have been the two key pillars of the Spanish economy, this picture of international decline will undoubtedly affect its weak growth. If the inevitable cuts in public spending and investment are also considered, the outlook becomes even more pessimistic.

Even if the economy ends this year in negative growth, the first semester of 2012 might see growth in GDP rebound, reaching 1.1% by the end of the year, according to the International Monetary Fund. One of the prerequisites for this scenario is an improvement in the debt crisis. Meanwhile, unemployment has not peaked and the specter of 5m people out of work might well become a reality.

#### EU impact More woe for the European left

The result in Spain has been long anticipated, but will still come as a blow to the Party of European Socialists. As a result of the PP's win, the centre-right European People's Party (EPP) now leads governments in 17 out of the 27 member state of the European Council – with the Socialists having only three members. Once again, voters have looked to the right in hard times to deliver the economic medicine.

The victory for the PP should help restore some confidence, in the short term at least, in the Spanish economy. PSOE's demise had been long-known, leading to the sense of a 'lame duck' government that did not inspire confidence in the financial markets – especially dangerous at a time when Spain seems to be near to the front of the firing line, behind Greece and Ireland.

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