

 Political
Intelligence

General Elections 20D

Analysis of the results
and investiture options

Executive Summary

The General Elections held on December 20th have been one of the most disputed in the history of the Spanish democracy. The -until now- two major political parties, PP and PSOE, barely reached 50% of the votes compared to the more than 73% obtained in 2011. However, due to the current Electoral Law, both parties still account for 60.51% of the seats in Congress. This may mean that bipartisanship has managed to overcome the enormous challenge it had to face.

PP has won the election with 28.72% of the votes, but it has been the winner with the least amount of seats in Congress since 1977, hindering their ability to govern.

Against them, two political parties, PODEMOS and Ciudadanos, who have strongly emerged in a fragmented Congress, where the chances of achieving stable Government Pacts or Legislature Pacts face serious challenges. It needs to be reminded that an absolute majority requires 176 seats. In this sense, neither PODEMOS nor Ciudadanos, have the sufficient number of seats to become leverage in order to form a leftwing or rightwing government. PSOE will also have a key position in a possible investiture of Mariano Rajoy in a second vote with simple majority. Lastly, natio-

nalist parties (ERC, DL and PNV) may also play a key role, but this latter scenario is tremendously complex given the independentist conflict in Catalonia.

These scenarios contrast tremendously with the results of the partial elections to the Senate. The majority system in the election of senators has given an absolute majority in seats to the Popular Party; a situation that adds more tension to a system used to similar majorities in Congress and Senate.

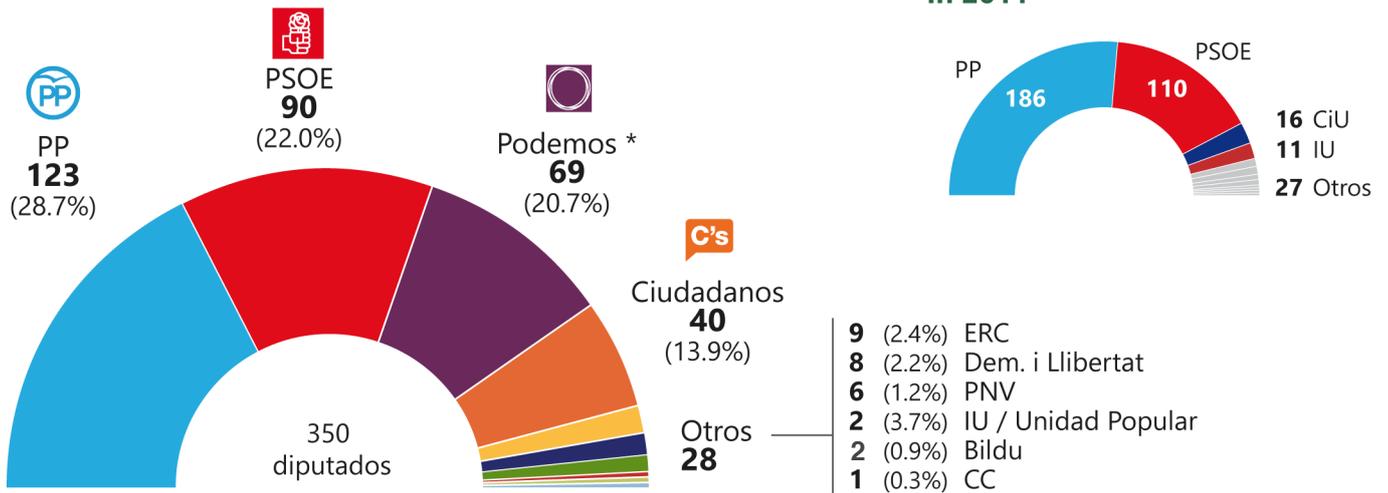
Thus, for the first time in the history of the Spanish democracy, Spaniards went to bed without knowing who will be their new President of the Government. Ahead: times of instability, political uncertainty, Pacts and Agreements.

Therefore, Political Intelligence has prepared this report in which we advance the keys in the negotiations that will be held in the upcoming weeks as well as the next steps and calendar for the investiture of the new President. An essential guide to understand the future in Spain.

Results of the Elections

Results in Congress

Seats and percent of the votes



* This includes the candidate of **Podemos** (42 seats y 12.7% of the votes), **En Comú Podem** (12 - 3.7%), **Compromís - Podemos** (9 - 2.7%) and **En Marea** (6 - 1.6%)

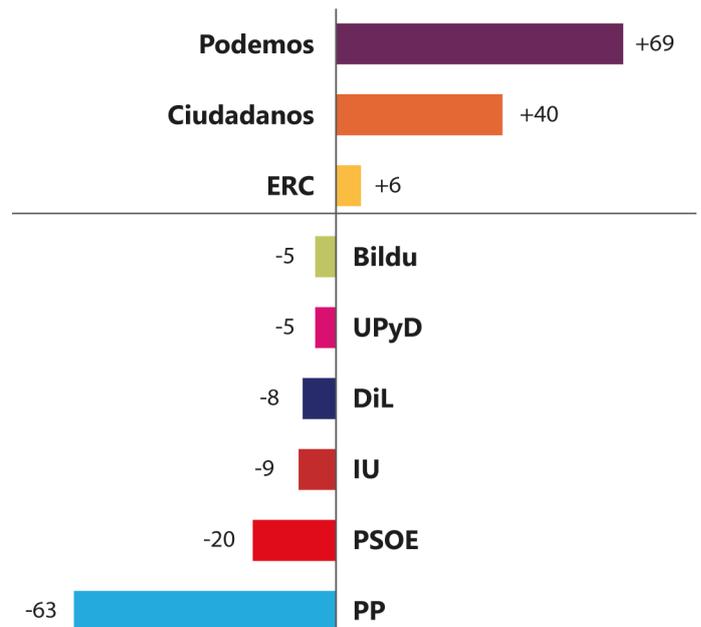
Source: Ministerio del Interior

- **PP won the elections but lost 3.6 million votes and 63 seats when compared to the results in 2011.** The 123 seats in Congress will not be sufficient to guarantee a stable Government. For this PP will need 53 seats more to reach the 176 seats necessary to obtain absolute majority. With these results, Mariano Rajoy would be the winner with the least amount of seats in Congress in the history of the Spanish democracy hindering PP's ability to achieve investiture or legislative pacts.

- **PSOE has endured the rise of PODEMOS and Ciudadanos and will remain the second force in Congress in votes**

Variation in seats

About the results of the Congress



Source: Ministerio del Interior

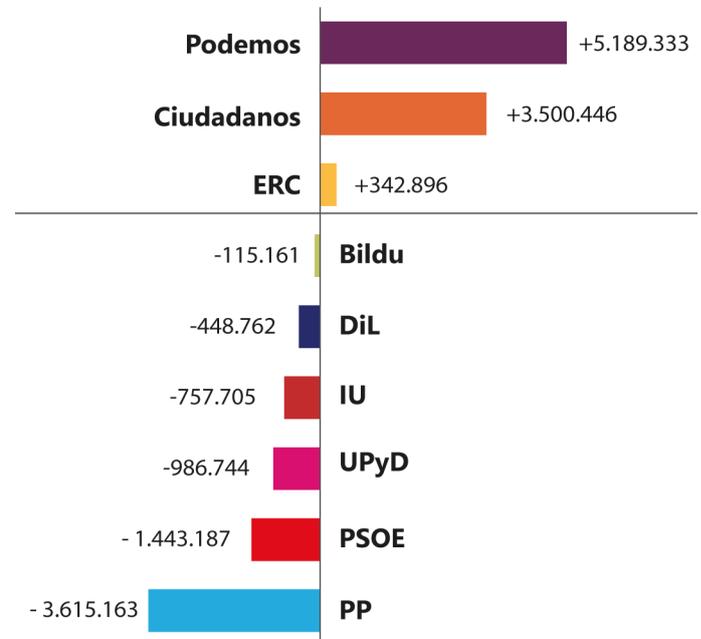
and seats. In absolute terms, PSOE has lost less votes (1.4 million less) and seats (20 less) than PP but it does so after obtaining its worse result in its history in 2011; hence consolidating the decline of the party since the departure of Zapatero. From a regional perspective, only the push of Susana Díaz in Andalusia seems to keep the party alive.

- **Bipartisanship has reached historical lows.** PP and PSOE combined achieved only 50.7% of the votes at national level when in the elections held in 2011 both parties obtained 73% of the votes. However, the distribution of seats, as determined by the Electoral Law, allows both parties to still account for 60.51% of the seats in Congress. This positions both parties as key players in the investiture of the future President of the Government and to undertake fundamental reforms such as a Constitutional Reform or the approval of Organic Laws, both of which require reinforced majorities.

- **PODEMOS does not achieve the desired sorpasso over PSOE but obtains better results than foreseen by the polls.** The party is now the third political force in Congress. In absolute terms- and with the sum of all the regional confluences in Galicia (en Marea), Catalonia (En Comú) and Valencia (Compromís-Podemós-És el Moment), the party has garnered 5.1 million votes and 69 seats. Never-

Variation in number of the votes

About the results of the Congress



Source: Ministerio del Interior

theless, not even this number, together with the two seats obtained by Unidad Popular / Izquierda Unida, manage to add enough seats to foster a stable left-wing coalition with PSOE (161 versus the 176 needed). Moreover, not even a pact PSOE-PODEMOS is a safe bet, since the regional coalitions have expressed their desire to form their own parliamentary groups, which could jeopardize the needed voting discipline for an investiture or

legislative pact as the one proposed.

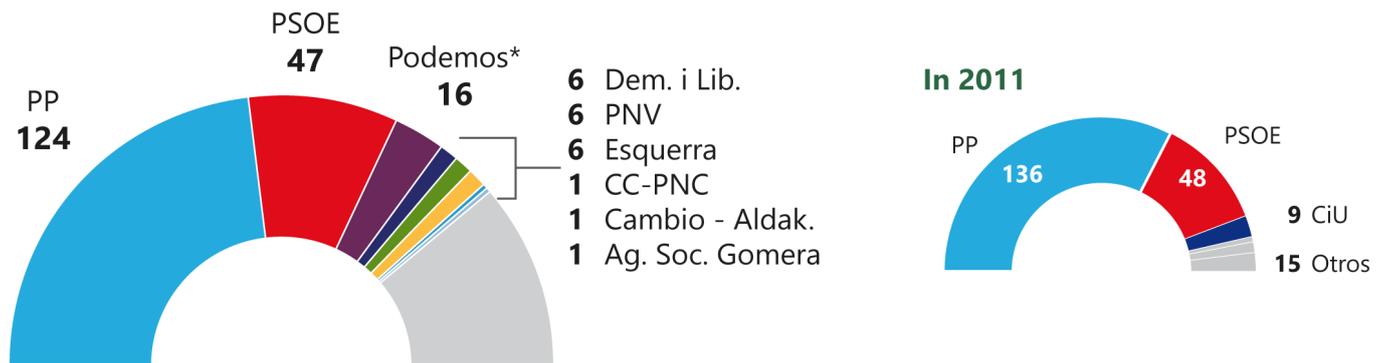
- **Ciudadanos has obtained a positive result; although with a bittersweet taste given the high expectations that surrounded the political party.** Ciudadanos will be the fourth party in Congress with 40 seats and 3.5 million votes (13.93% of the total). But their seats are not enough to promote the investiture of the most voted party, PP (163 seats against the 176 needed). This would oblige both parties to reach an agreement with other groups, but Rivera's veto to the nationalist parties and the rejection of Rajoy to reach agreements with PODEMOS only leaves them with the alternative of reaching a pact with PSOE, either as a Greater Coalition or by the abstention of PSOE in the investiture of the candidate of PP.
- **Spain faces a complex scenario.** For the first time in the history of our current democracy a General Election does not result in the clear appointment of a President of the Government. However, the results do not imply instability, but the system will require a dose of negotiations and political agreement unseen so far. The agenda and the red lines defined in the electoral manifestos will be key in the negotiations.
- **All cards in place, only an improbable Grand Coalition between PP-PSOE could reach a government or legislature**

pact with guarantees, something socialists might be reluctant seeing that they are still suffering the consequences for the reform of article 135 of the Spanish Constitution. In the best of the cases, however, the most likely option will be the one of a government in minority, either left or right, with specific agreements with other political groups for the investiture or for the rest of the legislature. The absence of clear majorities and the fragmentation of Congress seem to indicate that the upcoming legislature will be a short one. In the worst case, and if no candidate obtains the agreement to be invested, Parliament would be dissolved in late March or early April and new elections would be called.

- **Moreover, the results in the Senate add more complexity to the scenario.** So far, the majorities in Congress and the Senate used to be very similar. PP in this election has been favored by the majority system for allocating seats, which has granted the party an absolute majority of the senators. It needs to be reminded that 58 seats are still pending appointment by Regional Parliaments. But despite this, the power of PP in the Senate seems indisputable, which may turn the Senate into a veto Chamber if a left wing coalition takes Congress. We cannot underestimate the role of the Senate with regards to issues that have been in the agenda during the campaign such as the Constitutional Reform, the appointment of Judges of the

Results in Senate

208 elected of 260 senators



* This includes the candidate of **Podemos** (9 senators). **En Comú Podem** (4). **En Marea** (2) y **Compromís - Podemos** (1).

Source: Ministerio del Interior

Constitutional Court, Vocals of the General Council of the Judiciary or article 155 of the Spanish Constitution.

- **Finally, the investiture of the Catalan Government may condition the formation of the national Government.**

The deadline to appoint the President of the Catalan Regional Government is set to January 9th. If a President is not elected by then, new Regional Elections will have to take place. The possible agreement between Junts Pel Sí and CUP, and its impact

in the Roadmap, will define the role that Democràcia i Llibertat and ERC may play at national level, which could eventually influence the position of the two major parties, PP and PSOE, on reaching agreements with nationalists.

Next steps in the Spanish Congress of Deputies and in the Senate

JANUARY 2016						
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 13th (10 am)
Constituent Sessions in Congress and the Senate

During these sessions, the members of the Bureau of Congress and of the Senate will be appointed. Moreover, de new deputies and senators will take the oath.

January 19th
Deadline for the constitution of the Parliamentary Groups

They must be created within five days after the Constituent Sessions of both Houses. In the Congress there are three options to set as a Parliamentary Group:

At least	At least	At least
15	5	5
deputies	deputies	deputies
	and	and
	5%	15%
	of the votes	of the votes
	casted in the	casted in
	whole country	the constituencies
		in which the
		political party
		presented
		candidates

January 18th – 31st
Expected dates for the Investiture Session of the new Prime Minister

In past Legislatures, the days between the Constituent Sessions of the Chambers and the investiture of the new Prime Minister are:

Rajoy 2011		7
Zapatero 2008		10*
Zapatero 2004		14
Aznar 2000		21
Aznar 1996		38

Average since 1979  **14,2**

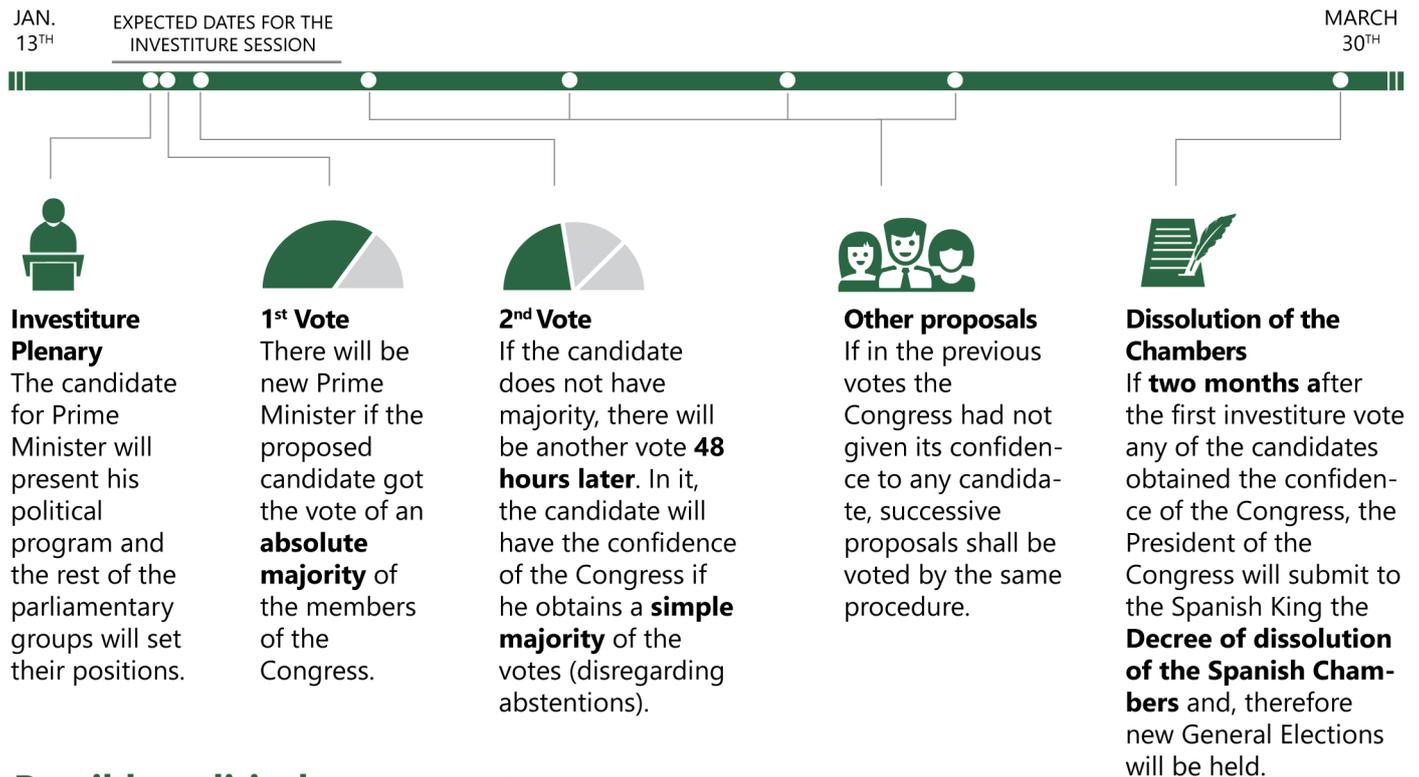
* In the second vote

January 30th
Deadline for the celebration of the Solemn Opening Session of the XI Legislature

It must be carried out within the fifteen days following the constitution of the Chambers. By then, the President should have been invested by the Congress. However, this date can be delayed if the investiture of the new Prime Minister is delayed too (as happened in 1996).

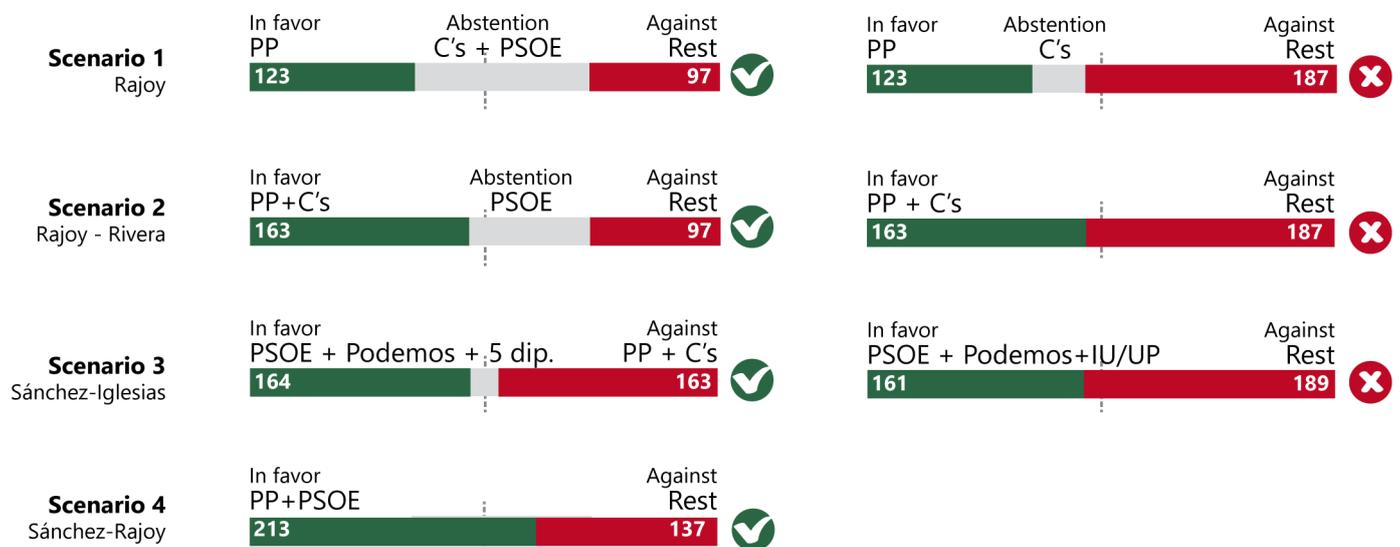
Procedure to invest the new Prime Minister

After the Constituent Session of the Parliament, the Spanish King will call for consultations the representatives of the political parties to reach an investiture agreement. In this sense, once the Congress receives the proposed candidate (or candidates) for Prime Minister, the President of the Congress will convene the Plenary for the Investiture Session.



Possible political agreements

❌ Investiture not possible ✅ Possible investiture





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