Spain held elections on 20 December last year, but negotiations between the major parties have so far failed to produce a coalition. Oriol Costa and Laia Mestres identify three tough choices facing the country’s political actors, noting that while new elections may end up being the easiest path out of the deadlock, there is no guarantee the next result will be any more conclusive.

After eight years of harsh economic crisis, and amidst growing political disaffection, as well as Catalonia’s call for independence, Spain has developed a fundamentally new party system. The two-party system that had prevailed since the consolidation of democracy in the early eighties has been transformed into a more pluralistic one, in which old parties co-exist alongside newer ones.

Although it is far from clear how this is going to play out in the near future (and this applies to a full spectrum of questions, from the shape of the next government and the political future of key political figures to how or whether Spain will address the many challenges lying ahead), one thing seems clear: the key actors who have dominated Spanish politics over the last three decades now face a series of difficult choices.

The People’s Party: To keep Rajoy or lead the government

In the last four decades of democracy in Spain, no party has won a general election with a worse result than the one obtained last December by the People’s Party (PP) under the leadership of Prime Minister Mariano Rajoy. From an absolute majority of 186 seats (out of 350), the PP dropped to a plurality of 123, losing one third of its voters on the way.

On top of this, the proliferation of corruption scandals around the party, and four years without proper dialogue between the PP and the opposition, have made it impossible for Rajoy to strike a deal with any other party to get elected as Prime Minister again. Knowing that his chances of getting voted by the Parliament were null, he went as far as rejecting the call from the King to try to form a government. It seemed safer, at least at that time, to see his Socialist opponent fail in the attempt instead of him.

The new centrist-liberal party, Ciudadanos, as well as a number of relevant Socialists, have made it clear that no agreement is possible with the conservatives if Rajoy does not step down, but the proposal has been rebuffed by Rajoy and it seems not to have made inroads among the PP high brass. The PP likes to present itself as a strong, unified party in which leaderships are uncontested and internal conflict inexistent. So the People’s Party has to make a choice it has never before faced: it can lose a relatively damaged Rajoy and use its plurality to lead a coalition government, or it can keep Rajoy and its aura of being a monolithic, strong party.

The Socialist Party: An insider’s party or the alternative to the PP

The Socialist Party (PSOE) also faces a difficult choice between two options that had never been incompatible before. The Socialists have been in government for 21 years since 1982, including the first 14 years after what many consider to be the end of the transition to democracy. It is thus perceived as a “partido de estado”, a party that shares the insiders’ understandings about what is possible and what is not, and that can be seen as a responsible office holder by the powers that be. At the same time, since 1996 (the year in which the conservatives first won the general election), it has consistently built its identity as the alternative to the People’s Party – a strategy that has
enabled the Socialists to mobilise their own electoral base and encourage tactical voting among leftists in general.

Both principles used to be easy to blend, but not anymore. A deal with Podemos, the new anti-austerity party, would allow Pedro Sánchez to succeed Rajoy as Prime Minister, but it would alienate those that appreciate the Socialists as a reliably centrist party. Any coalition with the PP, on the other hand, would have the opposite effect. Moreover, because this dilemma has been enacted by internal fractions, Sánchez’s room for manoeuvre has been substantially reduced.

**The King: Resolute institutions or neutral arbiter**

Felipe VI, the new king enthroned in June 2014, is also sailing in uncharted waters. In Spain, as in other parliamentary monarchies, the King reigns but he does not rule. Since 1981, the King has played a representative role with little to no political impact. The strength of the two major parties always made it clear who was going to be in government and who had been sent to opposition. The interpretation of rules was self-evident and all the King had to do was to sanction the predictable unfolding of affairs triggered by election results. This is not the case anymore. With four major parties, none of them even close to absolute majority, and no two-party coalition short of a grand coalition big enough to reach that same threshold, the arbiter can tip the balance one way or another.

Furthermore, there seems to be a trade-off between the King keeping his role as a neutral institutional anchor that does not interfere with political decisions, which appears to be the patch he has chosen to take, and his capacity to take brisker action and hasten the process in a more proactive way. The decision to make it public that Rajoy had turned down the King’s offer to form a new government, followed by the decision to make that same offer to Pedro Sánchez, followed by the decision, after the latter’s failure, not to make any other offer before conditions have changed, has probably minimised the pressure upon parties to strike a deal, and at the same time has preserved his supra-partes status. At the same time, however, the fact that it is taking months to elect a prime minister might be taking a toll on Spain’s institutions. Again, an uncomfortable, unprecedented decision for a key actor.

New elections, which might not yield radically different results according to polls, are probably the lowest-resistance, lowest-risk way to deal with each of these dilemmas. But this might only prove to be a way to postpone critical decisions in the hope that the costs of taking them will be lower with a new Parliament. Meanwhile, the rest of the EU is observing the situation attentively, with demands for both political stability and a new round of budget cuts on the horizon, presenting further dilemmas for whichever set of actors eventually takes over power.

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