

# MNI POLITICAL RISK ANALYSIS-Catalonia Election Preview

by Tom Lake

**The Spanish autonomous community of Catalonia goes to the polls on Sunday 14 February in a regional vote where the whole of Spain may feel the repercussions of the result.** The election, held in controversial circumstances, is being bitterly fought between parties advocating Catalonia become an independent nation state and those that support it remaining part of a federal Spain.

## Main Takeaways:

- Pro-independence parties seem likely to be in a situation where they win a majority of seats in the regional parliament, but do not win over 50% of the vote. This would complicate the pro-independence parties call for a legitimate referendum.
- Even in the scenario the pro-independence parties win both a majority of seats and a majority of the vote, the prospect of the Spanish government in Madrid granting a legal referendum is vanishingly small. Catalonia remains an engine of Spanish growth, something Madrid cannot afford to lose any time soon.
- Should the pro-independence parties win a majority there is no guarantee they go on to form a regional government. The leftist pro-independence ERC could end up in government with the pro-union PSC and the regionalist ECP in a broad coalition that crosses the independence divide but takes the region in a leftist policy direction.

## Background

The previous regional election held in December 2017 took place two months after the illegal independence referendum, which saw a majority vote in favour of independence but turnout coming in at less than 50%. The vote also saw violent crackdowns on those participating in the polls from the security services, sparking mass protest and rioting. In the aftermath, then-Spanish PM Mariano Rajoy enforced direct rule of Catalonia from Madrid and dissolve the regional parliament.

In the event, the election delivered a mixed outcome. The three pro-independence parties secured a narrow majority of seats, but not an overall majority of the vote. This provided arguments for both the pro and anti-independence parties that their side had the moral authority to seek independence/remain as part of Spain. In the aftermath of the vote the pro-independence parties were able to form a government under independent candidate Quim Torra, although this was a minority administration.

In the following four years the independence movement has struggled to gain traction amid internal divisions within the Catalan government and the removal from office of Torra by the High Court of Justice of Catalonia. This was due to his disobeying of the Central Election Commission during the April 2019 Spanish general election (Torra refused to removed pro-independence symbols from the Catalan presidential palace in breach of neutrality laws). The removal of Torra from office meant he was not able to call the election as he had initially

intended in September-October 2020. The process of calling the election was delayed further due to the COVID-19 pandemic.

### Political Parties

Below we list the main political parties contesting the election in order of seats won in the previous 2017 election:

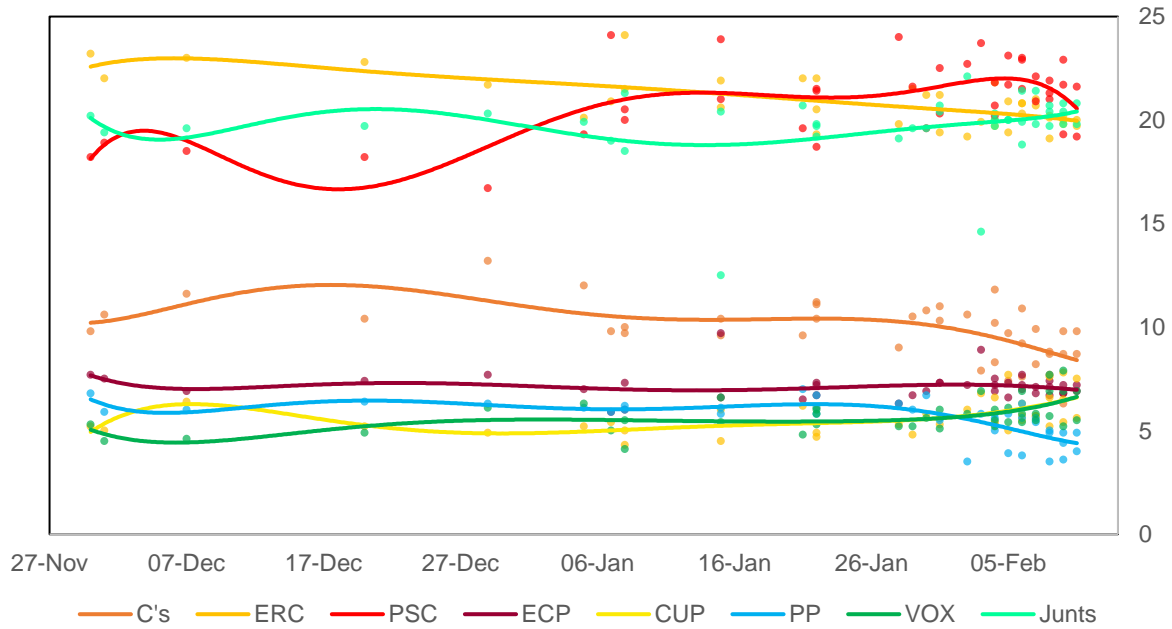
- *Ciudadanos* – **Citizens** – **Cs** – Pro-union – Centre-right liberal – 2017 Seats: 36 – Lead Candidate: Carlos Carrizosa
- *Junts per Catalunya* – **Together for Catalonia** – **Junts** – Pro-independence – Populist big tent – 2017 Seats: 34 – Lead Candidate: Laura Borràs
- *Esquerra Republicana de Catalunya* - **Republican Left of Catalonia** – **ERC** – Pro-independence – Centre-left social democratic – 2017 Seats: 32 – Lead Candidate: Pere Aragonès
- *Partit dels Socialistes de Catalunya* – **Socialists' Party of Catalonia** – **PSC** – Pro-union – Centre-left social democratic – 2017 Seats: 17 – Lead Candidate: Salvador Illa – National Affiliation: Spanish Socialist Workers' Party (PSOE)
- *En Comú Podem* – **In Common We Can** – **ECP** – Regionalist – Left-wing democratic socialism – 2017 Seats: 8 – Lead Candidate: Jéssica Albiach – National Affiliation: Unidas Podemos (UP)
- *Candidatura d'Unitat Popular-Guanyem Catalunya* – **Popular Unity Candidacy-Let's Win Catalonia** – **CUP-G** – Pro-independence – Far-left socialist, municipalism – 2017 Seats: 4 – Lead Candidate: Dolors Sabater
- *Partit Popular de Catalunya* – **People's Party of Catalonia** – **PP** – Pro-union – Centre-right conservative – 2017 Seats: 4 – Lead Candidate: Alejandro Fernández – National Affiliation: People's Party (PP)
- *Voice* – **VOX** – Pro-union – Right-wing nationalist – 2017 Seats: 0 – Lead Candidate: Ignacio Garriga

The previous government before dissolution was formed by a coalition between Junts and the ERC in a minority administration. The far-left CUP, while being a pro-independence party, could not reconcile ideological differences with the two more ideologically moderate parties to form the government.

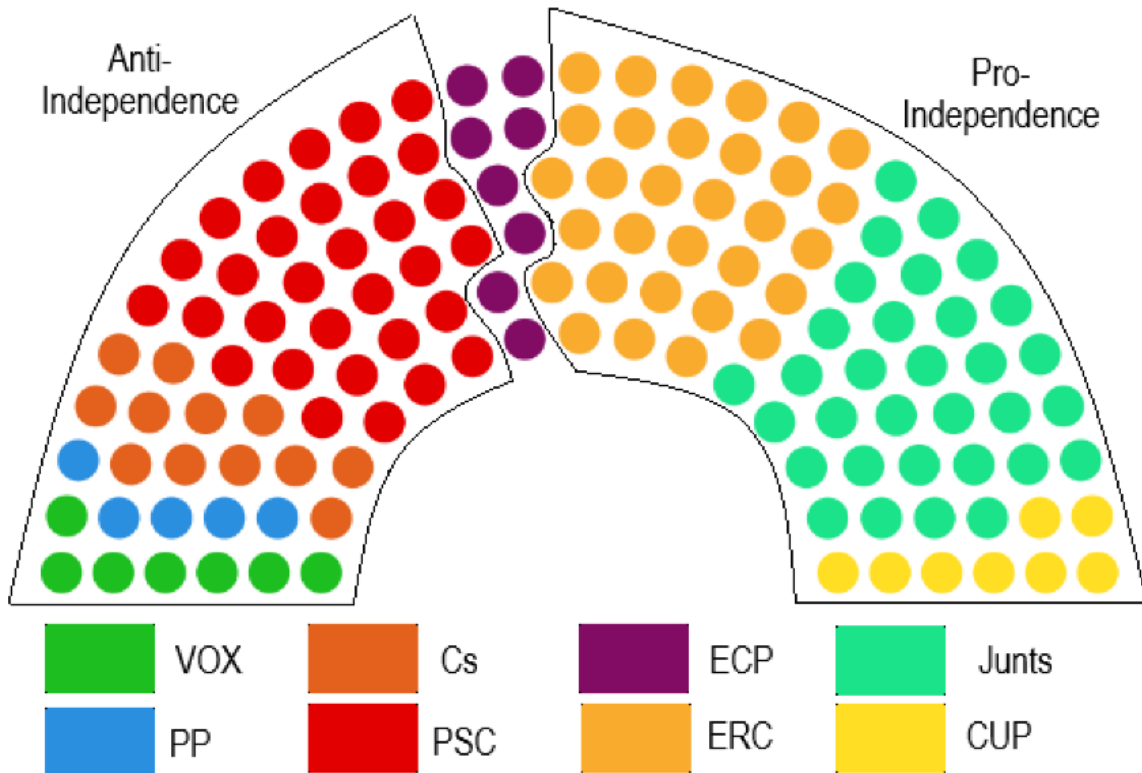
A major factor in the stagnation of the independence movement in recent years has been the division between Junts and the ERC, with the former advocating for a further referendum, even if it is again deemed illegal, while the latter has sought a negotiated solution with Madrid. This schism has limited the ability of the independence movement to gain popular momentum with the Catalan population. This stands in contrast to another major separatist movement in western Europe, the Scottish independence movement. In Scotland the only major pro-independence party is the Scottish National Party, limiting the ability for inter-party bickering that can distract from the drive for independence.

Opinion Polling

**Chart 1. Opinion Polling for Catalan Regional Election, % and Trendline**



**Chart 2. Projection of Election Result Based on 3-10 Feb Polling, Seats**



Source: ElectoPanel, SocioMetrica, Feedback, Demoscopia y Servicios, KeyData, GESOP, Opiniometre, Hamalgama Metrica, Celeste-Tel, CIS, DYM, Sigma Dos, GAD3. N.b. Seats in Chart 2 do not add up to 135 due to rounding.

## Scenario Analysis

- **Pro-independence parties win majority of seats, but not a majority of the vote – 55% probability:** The most likely scenario is a repeat of the result from 2017, albeit with some shift in the vote shares for the parties. This would prolong the current situation where both camps make claims of legitimacy with regards to either declaring independence or remaining part of Spain. With regards to the prospect of Catalan independence, this scenario leaves the situation largely in the same state of limbo at present. The prospect of a wildcat referendum would be slim, given the division between the ERC and Junts on the prospect.

There is also the possibility that the ERC – likely to be the second or third-largest party – could seek to form a leftist regional government with the PSC and ECP in this scenario. The ERC and Junts have little in common beyond their nationalist leanings, with the left-wing economic policies of the PSC and ECP more closely aligned to those of the ERC. The PSC is also running with Salvador Illa as its lead candidate. Up until several weeks ago, Illa was Spain's health minister and was routinely placed as one of the most popular and trusted politicians nationwide. The ERC may well ride his coattails into a regional government that pursues a more left-wing policy agenda at the expense of a push for independence.

- **Pro-union parties win majority of seats and majority of the vote – 25% probability:** Winning both a majority in the Catalan parliament and a majority of the overall vote would provide a notable shot in the arm to the independence movement and **could be the outcome that creates the greatest political risks**. The last time this occurred was following the 1995 regional election. However, in that election the centre-right Convergence and Union – which has since gone through numerous transitions with Junts being the closest thing to a successor – was not an overtly pro-independence party, instead advocating greater devolution of powers to Barcelona.

Madrid has been adamant that there is no mechanism for a legal independence referendum under the Spanish constitution. While this stance is unlikely to change, a strong result for pro-independence parties could put pressure on the government of Spanish Prime Minister Pedro Sanchez to agree to some terms, especially from the more moderate wings of the Catalan nationalist movement. The Sanchez government contains the left-wing *Podemos* ('We Can') as a junior coalition partner. *Podemos* is not as staunchly anti-Catalan independence as Sanchez's Socialists and as such could try to broker some concessions.

A resounding win for the pro-independence movement could also give rise to the prospect of another illegal independence referendum. While the PSOE-*Podemos* government in Madrid does not take as hardline a tone against Catalan nationalists as the conservative administration of former-PM Mariano Rajoy did in 2017, a wildcat referendum would almost certainly see a crackdown from federal forces and widespread protest and unrest in the region.



- **Pro-independence parties win a majority of seats and majority of the vote:15% probability:** This outcome would be a disaster for the pro-independence movement and likely place the issue on the political backburner for some time to come although of course it would not heal the evident divide in Catalan society between the two sides. A pro-union regional government could see Catalonia receive more government support or other forms of favourable programmes or legislation in an effort by Madrid to demonstrate the benefits of remaining as party of a federal Spain to the Catalan population.
- **Pro-union parties win a majority of seats, but not a majority of the vote – 5%:** Given the proportional electoral system used for Catalan regional elections and the varying number of parties on each side of the pro/anti-independence debate, the prospect of the pro-union parties winning a majority of seats but not a majority of the vote is very slim. Nevertheless, in this scenario we would expect to see a similar outcome to that of our core view (pro-independence majority, but not in vote share), with a stalemate between the two sides with little tangible movement towards a legal referendum.