

## Political uncertainty set to continue in Spain

Pro-independence parties managed to get a majority of the seats in the Catalan parliament, as in the 2015 elections. Ciutadans, a party against independence, is the largest party. Forming a government will not be easy



1.8 million people demand to vote in a referendum for the independence of Catalonia on September 11, 2014 in Barcelona, Spain, during the National Day of Catalonia

Source: Shutterstock

The three pro-independence parties managed to get a majority of the seats in the regional election, namely 70 out of 135 available. Compared to the 2015 election, however, they lost two seats. Moreover, the vote share of the pro-independence parties dipped slightly from 47.8% in 2015 to 47.5%.

The party of Carles Puigdemont, JxCat, received 21.7% of the votes implying 34 seats, Junqueras' party, ERC, received 21.4% implying 32 seats and the CUP received 4.5% of the votes implying four seats. In 2015, the two main pro-independence parties JxCat and the ERC formed the party JxSi and received 62 seats. Today these two parties together got 66 seats, an increase of 4 seats. The loser among the pro-independence parties is the radical left CUP which lost 6 seats compared with 2015. The power of the CUP, however, does not change much compared to the 2015 elections. They are still needed for pro-independence parties to get a majority. In 2015, CUP gave support to

the minority government of JxSi, without belonging to the coalition.

The largest party is Ciutadans, which is not in favour of independence, with 37 seats and 25.4% of the votes. The socialist party, PSC, won 17 seats and 13.9% of the votes, which implies a gain of one seat compared to 2015. The Partido Popular, Prime Minister Rajoy's party, only got three seats, losing eight compared with the 2015 elections.

It is not clear yet who will be in charge of forming a government. And it will certainly not be an easy process. They only have until early February to hold an investiture vote. If that fails, new elections are a possibility.

All this increases the uncertainty again. However, the fact that the ERC declared in the run-up to the elections that it is no longer in favour of a unilateral declaration of independence, but seeks a negotiated solution, risks of a new standoff with Madrid have diminished.

The crisis already appears to have had some impact on the economy. Retail sales in October, for example, dropped sharply in Catalonia and more than 3,000 companies moved their corporate address outside the region.